Stock Symbol:	3265

Winstek Semiconductor Co., Ltd.

2023
Annual Report

Printed on: March 24, 2024

Annual report website: http://mops.tse.com.tw

1. Name, job tile, contact telephone and email address of spokesperson and acting spokesperson:

Name of spokesperson	:	Liu Kui-Chu
Job title of spokesperson	:	Finance Director
Contact Telephone Number	:	03-5936565 extn. 133
Email address	:	kevin.liu@winstek.com.tw
Name of Acting Spokesperson	:	Huang Hou-Chi
Job Title of Acting Spokesperson	:	Vice General Manager of Test Operation Department
Contact Telephone Number	:	03-5936565 extn. 201
Email address	:	Steven.huang@winstek.com.tw

2. Address and Telephone Number of Headquarters, Subsidiary, and Factory:

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Telephone Number	:	03-5936565
Address of Factory	:	No. 176-5, Luliaokeng, Qionglin Township, Hsinchu County 307410, Taiwan, R.O.C.
Telephone Number	:	03-5936565

3. Name, Address, Website, and Telephone Number of Stock Transfer Brokage:

Name	:	Yuana Securities Co., Ltd.
Address	:	B1 #210, Section 3, Chengde Rd., Datong District,
Website:	:	www.yuanta.com.tw
Telephon	:	02-25865859

4. Name of, Office, Website, and Telephone Number: Certified Public Accountant Who Prepares Recent Annual Report:

Name of the CPAs	: CPA Chih-Cheng Hsieh and CPA Tsai-Yen Chiang
Name of CPA Firm	: PwC Taiwan
Address	: 27F, No. 333, Section 1, Keelung Road, Taipei City
Website	: http://www.pwcglobal.com.tw
Tel.	: 02-27296666

5. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities:

NA

6. Website of the Company: http：// www.winstek.com.tw

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I. Letter to Shareholders

The central banks of various countries had raised interest rates to suppress inflation in 2023 due to the political and economic turmoil worldwide, causing the overall consumer demand to go down continuously. The prices and volumes of many products had dropped due to the inventory adjustments and weak market demand for electronic products. The weak demand by consumers has eventually affected the demand of enterprises. According to Gartner data, the global semiconductor market had declined by 10.9% from the scale of US$534 billion in 2023.

As the global economic growth rate slows down, market demand is weaking, and industry inventory consumption is slow in 2023, and even with the boost of AI, Taiwan's semiconductor industry is unable to offset the weak demand in other fields. According to the data of the Taiwan Semiconductor Industry Association, the output value of domestic semiconductor was around NT$4.22 trillion in 2023, representing an annual decrease rate of 12.7%. The output value of Taiwan's IC packaging and testing industry was around NT$570 billion in 2023, representing an annual decrease rate of 16.7%.

The company's overall operating results with the efforts of all colleagues, shareholders, and customers are as follows:

I. The consolidated operating income amounted to NT$3.67 billion in 2023, representing a decrease of 7.1% from the consolidated operating income of NT$3.95 billion in the previous year. The net income in 2023 was NT$840 million, an annual decrease of NT$80 million from the net income of NT$920 million in the previous year. The earnings per share was NT$6.16 in 2023, an annual decrease of NT$0.57 from the NT$6.73 in the previous year.

II. Budget execution: The company did not disclose financial forecasts in 2023.

Financial structure, solvency, and profitability analysis

The company's financial status and profitability are in good condition. The financial structure, solvency, and profitability are as follows:

Item		Standalone Financial Statements		Consolidated Financial Statements	
		2023	2022	2023	2022
Financial structure	Ratio of liabilities to assets (%)	8.4%	8.0%	21.4%	21.5%
	Ratio of long-term funds to fixed assets (%)	385.8%	331.3%	222.9%	212.3%
Solvency	Current ratio (%)	473.1%	426.7%	414.3%	531.5%
	Quick ratio (%)	470.5%	423.8%	405.1%	515.0%
Profitability	Return on assets (%)	13.0%	16.0%	11.3%	13.4%

	Return on shareholder's equity (%)	14.2%	17.1%	14.2%	17.1%
	Net profit ratio (%)	52.3%	49.9%	22.9%	23.2%
	Earnings per share (NTD)	6.16	6.73	6.16	6.73

Research and development status

In prospect of the development of global and Taiwanese semiconductor industry, while the recovery and growth of the semiconductor and electronics market uncertain, the future growth momentum of the semiconductor market will rely on the stimulation of emerging applications such as emerging information services, energy and environmental protection, and technology integration, especially AI, new energy, and the artificial intelligence of things (AIoT) will become the main growth momentum. Emerging technologies present business opportunities for various smart applications, especially in the era of intelligence, which has led to the emergence of structural demands in the semiconductor industry. Apparently, the content and value of semiconductor in terminal products will be increased in the future, added with the vigorous development of applications in emerging technology fields, the overall semiconductor industry will be stimulated to move towards a higher value system integration continuously, highlighting the importance of heterogeneous chip packaging in system integration innovation. We will continue to develop flip-chip packaging, wafer-level packaging, and advanced packaging and modules further. We will continue to maintain close cooperation with customers and actively invest in relevant technologies and production capacity in order to meet customers' future needs even when we are facing drastic changes in the external environment.

Business strategies and policies for the year

As the inventory adjustment is coming to an end, the recovery of consumer market, and the growing demand for applications such as AI and high-performance computing in 2024, the industry will gradually return to a positive growth trend. According to the estimation of ITRI, the output value of Taiwan's IC industry in 2024 will reach NT$4.9 trillion, an increase of 14.1% compared with 2023; also, the output value of Taiwan's IC packaging and testing will reach NT$636.8 billion in 2024, an increase of 9.2% compared with 2023. While facing rapid changes in the industry and being affected by many external environmental uncertainties, we will remain focusing on the high-end semiconductor packaging and testing and will invest resources in research and development continuously to maintain the continued close integration of high-end technology with customer's product needs. At the same time, we are committed to integrating group resources, reducing production costs, and improving production efficiency, providing existing customers with a complete packaging and testing one-stop service model, and completing the breadth and depth of

our services for the benefits of customers. The company's sales volume and revenue in 2024 are expected to be cautiously optimistic.

The impact of the external environment, regulatory environment, and overall operating environment

The rise of generative AI has brought new opportunities to the packaging and testing industry. The high-speed computing requirements required by ChatGPT have led to a challenging supply of advanced packaging production capacity. Therefore, it drives major outsourced packaging and testing OEMs to develop heterogeneous integrated high-performance packaging technology; also, allows expands the advanced process manufacturers to have the advanced packaging technology deployed accordingly. Different logic chips can be more closely integrated through the application of h 2.5D/3DIC stacking integration.

The global semiconductor industry is facing a prolonged inventory adjustment period, weak terminal demand, the escalation of the US-China technology war, various countries' striving to establish independent supply chains, etc. Especially, the US-China technology war is worsening, and the United States is attacking China's semiconductor industry with an alliance formed. China has begun to fight back; therefore, the overspill of negative effect against the global semiconductor supply chain is inevitable.

We while facing the ever-changing external environment will strive to grasp economic and industrial changes, respond to our production and marketing strategies the best we can, uphold our core values, continue to improve operating efficiency, and fully cooperate with new product development to develop packaging and testing technologies and products that meet market demand. Winstek Semiconductor Co., Ltd. intends to play an important strategic supply partner role for customers continuously.

We would like to thank all our shareholders for their continued support and encouragement to the company. We also hope for guidance and encouragement from all shareholders continuously. I wish all shareholders, ladies and gentlemen,

Good health and all the best

Winstek Semiconductor Co., Ltd.

Chairman: Hsing-Yang Huang

II. Company Profile

I. Date of establishment: April 26, 2000

II. Company profile

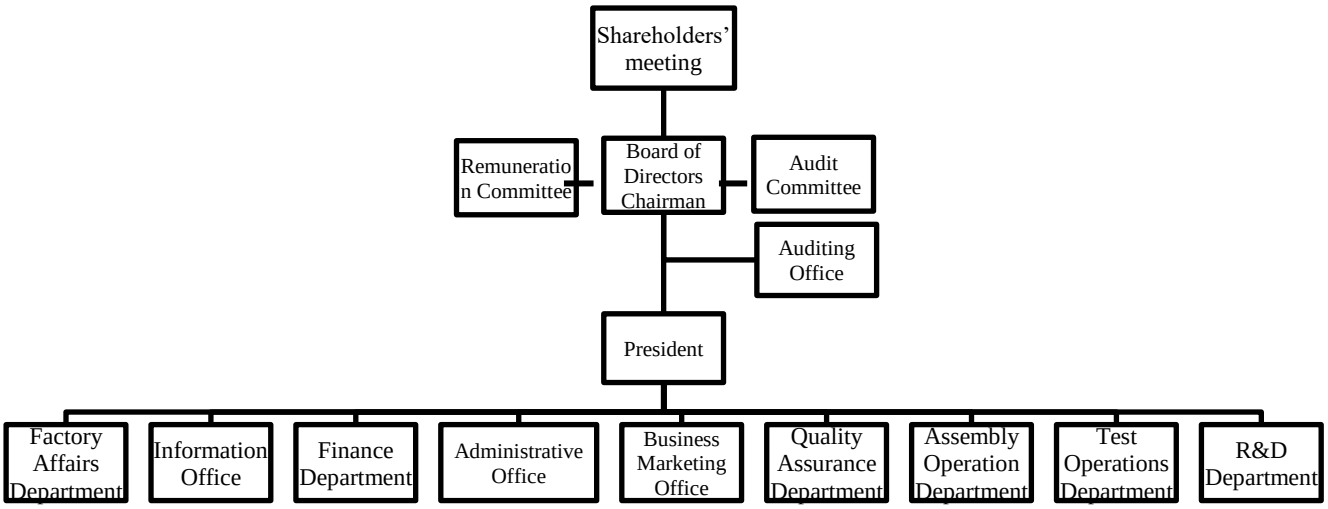
Date	Note
April 2000	Established on April 26 with a paid-in capital amounted to NT$ 20,000 thousand
May 2000	Preparation for Zhubei factory completed
May 2000	Installation of machinery and equipment at Zhubei factory completed
June 2000	Official mass production
July 2000	Groundbreaking ceremony for the factory building in Qionglin
April 2001	Completion and opening ceremony of new factory in Qionglin
August 2001	Singaporean company STATS invested in Winstek Electronics with 51% equity acquired
October 2001	Grand opening ceremony of Qionglin factory
November 2001	Passed the Taipei Customs Bonded Factory audited by the Ministry of Finance
December 2001	The grand opening ceremony of the bonded factory of Winstek Electronics (officially taken over by Taipei Customs Bureau of the Ministry of Finance) on December 14
April 2003	Handled public offering supplementarily
January 2004	Registered the company's stock to be traded in emerging stock market
February 2005	Approved by the Securities and Futures Bureau of the Financial Supervisory Commission to be traded on Taipei Exchange
August 2005	Officially traded on Taipei Exchange (TPEx)
June 2006	Developed a new product "wafer dust collector" and obtained a patent from the Intellectual Property Office of the Ministry of Economic Affairs
October 2007	Renamed as "STATS ChipPAC Taiwan Semiconductor Corporation"
May 2011	Handled a cash capital reduction and return of the share capital, reducing the capital ratio by 50%.
July 2015	The company acquired 100% equity of the subsidiary "Winstek Semiconductor Co., Ltd." for US$15,000 thousandThe former parent company "STATS ChipPAC Ltd." transferred all its shares in the company to Bloomeria Limited, and the company and its subsidiary "Winstek Semiconductor Co., Ltd." separated from STATS ChipPAC Ltd. Group.
July 2015	The company and its subsidiary "Winstek Semiconductor Co., Ltd." signed a credit contract for a total amount of US$127,000 thousand with DBS Bank (Singapore).

Date	Note
August 2015	The company and its subsidiary “Winstek Semiconductor Co., Ltd.,” signed a five-year technical service contract with STATS ChipPAC Ltd. to provide wafer packaging and testing services.
September 2015	Renamed as “Winstek Semiconductor Co., Ltd.”
October 2017	Sigurd Microelectronics Corp. indirectly acquired 51.88% of the company’s equity and became the ultimate parent company of the Group.
May 2022	The subsidiary “TST Co., Ltd.” was established.

III. Corporate Governance Report

I. Organizational system

1. Organizational structure



2. Businesses operation of each department

Department	Job responsibility
President's Office	1. Collect various business intelligence and assist the President in developing various plans. 2. Assist the company to establish a complete operating system and evaluate plans proposed by various departments in order to assist in the formation of company decisions. 3. Convene various meetings chaired by the President, and be responsible for the tracking of meeting minutes and resolutions. 4. Planning and promotion of various matters related to the rationalization of the company's operations. 5. Assist superiors in promoting quality activities and technical consultation events. 6. Provide company-wide solutions for production problems and technical issues. 7. Undertake project handling of various matters assigned by superiors.
R&D Department	1. Establish a cross-function team to coordinate the preparatory operations of quantitative production. 2. Product development and testing, confirm product production specifications, and assist in mass production. 3. Assist with production line technology upgrades and testing capability improvements.

Department	Job responsibility
	4. R&D software interface and IC design automatic conversion engineering 5. R&D software interface and test machine production program automation engineering 6. Database integration for production lines and testing machines 7. Production software automation and system connection operations 8. R&D and test equipment and test peripheral equipment 9. Integrated automation hardware systems
Quality Assurance Department	1. Perform incoming, in-process, and final inspections. 2. Verification of new products, new equipment, and new processes. 3. Maintenance of work environment 4. Warning of quality changes and requesting corrective actions 5. Document Control Center 6. Supervise and maintain internal quality systems, and stipulated quality manuals. 7. Coordinate the formulation and implementation of quality objectives. 8. Inspection, measurement, and test equipment calibration and management 9. Customer quality complaint management 10. Verification of nonconformities, corrective actions, and preventive actions
Administration Office	1. Personnel administration and human resources development management related matters 2. Education and training plan formulation, implementation, and effectiveness tracking. 3. General affairs management 4. Plant purchasing matters management 5. Import and export affairs handling and progress tracking 6. Product export declaration and information management 7. Bonded business management 8. Promotion and management of corporate social responsibility and RBA affairs
Finance Department	1. General accounting process 2. Cost accounting 3. Tax planning 4. Financial planning and working capital management 5. Budget management execution and monitoring 6. Various investment matters 7. Management of investors, shareholders, and stock affairs
Test Operations Department	1. Provide IC wafer and chip testing services. 2. Production and manufacturing personnel training and certification, and achievement of production capacity goals 3. Production planning, scheduling and output follow-up, and warehousing material incoming/delivery and management 4. Engineering support demanded by customers and engineering yield improvement 5. Development and introduction of new customers and new products 6. Process optimization, improving machinery equipment efficiency, and reducing

Department	Job responsibility
	production costs 7. Mandated by customers to perform reliability experimental testing and failure analysis of semiconductor components, etc. 8. Provides surface mount (SMT) process, accelerates environmental stress testing, accelerates aging and simulation testing, electrical verification testing, mechanical stress testing, and other services. 9. Assist customers to perform failure analysis on failed products upon request, including electrical characteristics testing, sample pre-processing, non-destructive analysis, and other services.
Assembly Operation Department	1. Provides wafer bumping and wafer-level packaging services. 2. Production and manufacturing personnel training and certification, and achievement of production capacity goals 3. Production planning, scheduling and output follow-up, and warehousing material incoming/delivery and management 4. Engineering support demanded by customers and engineering yield improvement 5. Development and introduction of new customers and new products 6. Process optimization, improving machinery equipment efficiency, and reducing production costs
Business Marketing Office	1. The company’s domestic and foreign markets and business planning, expansion, sales, and undertaking 2. Execute and follow up on customer order status, reflect customer demands, and manage customer relationships.
Auditing Office	Responsible for assisting in the establishment and implementation of the company’s internal control system and internal audit system with suggestions for improvement proposed
Information Office	1. Network infrastructure maintenance 2. Server management (including WEB, DB, Mail, FTP, File...). 3. Maintenance of user software and hardware 4. Database management and backup 5. Website management (including company homepage, web design, production and maintenance...). 6. E.R.P. system planning, development, and maintenance 7. Production software automation and system connection operations
Factory Affairs Department	1. Factory building design, planning, and engineering construction 2. Management and maintenance of water, electricity, and material pipelines needed for production 3. Factory maintenance, inspection, and management

II. Information on directors, supervisors, President, Vice President, Senior VP, and heads of departments and branches

1. Director information

(1) Board director information form

March 24, 2024

Job title	Nationality or place of registration	Name	gender Age	Elected (takes office) Date	Term of office	Date of first-time elected or appointed	Shareholdings when elected or appointed		Number of shares owned - current Number of shares owned		Shareholdings of spouse and minor children -current		Shareholdings in the name of others		Major Experience (Education)	Concurrent positions in the company and other companies now	Spouse or relatives within the second degree of kinship who are officers, directors, or supervisors of the company			Note (Note 1)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	ROC	SIGWIN Corporation Representative: Hsing-Yang Huang	Male 71~80 years old	6/2023	3 years	11/2017	32,000	0.02	70,726,438	51.90	-	-	-	-	MA in Business Administration, National Taiwan University. President, Xilunboge Corporation	Chairman & Executive of Sigurd Microelectronics Co., Ltd.; Chairman of Sigurd International, Sigurd Microelectronics (Cayman), Sigurd Microelectronics (Wuxi) Co., Ltd., BogeCo., Ltd., Sigurd UTC Corporation, Winstek Semiconductor Technology Co., Ltd., TST Co., Ltd., SIGWIN Corporation.	None	None	None	None

Job title	Nationality or place of registration	Name	gender Age	Elected (takes office) Date	Term of office	Date of first-time elected or appointed	Shareholdings when elected or appointed		Number of shares owned - current Number of shares owned		Shareholdings of spouse and minor children -current		Shareholdings in the name of others		Major Experience (Education)	Concurrent positions in the company and other companies now	Spouse or relatives within the second degree of kinship who are officers, directors, or supervisors of the company			Note (Note 1)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Director	ROC	Chih-Li Weng	Male 61~70 years old	6/2023	3 years	5/2000	571,507	0.42	571,507	0.42	-	-	-	-	MA in Business Administration, National Taiwan University; President, Xilunboge Corporation	Chairman & Executive of Sigurd Microelectronics Co., Ltd.; Chairman of Sigurd International, Sigurd Microelectronics (Cayman), Sigurd Microelectronics (Wuxi) Co., Ltd., BogeCo., Ltd., Sigurd UTC Corporation, Winstek Semiconductor Technology Co., Ltd., TST Co., Ltd., SIGWIN Corporation.	None	None	None	None
Director	ROC	SIGWIN Corporation Representative: Tsan-Lien Yeh	Male 71~80 years old	6/2023	3 years	11/2017	32,000	0.02	70,726,438	51.90	-	-	-	-	BA of Department of Electrophysics, National Chiao Tung University, MBA of National Chiao Tung University, General Manager of Ouxiang Technology Co., Ltd., General Manager of Semiconductor Business of CHROMA ATE INC.e	General Manager and COO of Sigurd Microelectronics Co., Ltd.; Chairman of Flatek, Inc.; Director of Sigurd Microelectronics (Cayman) Co., Ltd., Bloomeria, Sigurd UTC Corporation, and, and SIGWIN Corporation.	None	None	None	None
Director	ROC	SIGWIN Corporation Representative: , Min-Hung Wu	Male 61~70 years old	6/2023	2 years	11/2017	70,726,438	51.90	70,726,438	51.90	-	-	-	-	Department of Electronic Engineering, National Taiwan University of Science and Technology; President, Xilunboge Corporation	CEO and CFO of Sigurd Microelectronics Co., Ltd; Chairman of TEST-SERV INC. and Flatek, Inc.; Director of Chen Jun Co., Ltd., Flusol Co., Ltd., Xi Xing Co., Ltd., Bloomeria, Sigurd UTC Corporation, Winstek Semiconductor Technology Co., Ltd., TST Co., Ltd. and SIGWIN Corporation.	None	None	None	None

Job title	Nationality or place of registration	Name	gender Age	Elected (takes office) Date	Term of office	Date of first-time elected or appointed	Shareholdings when elected or appointed		Number of shares owned - current Number of shares owned		Shareholdings of spouse and minor children -current		Shareholdings in the name of others		Major Experience (Education)	Concurrent positions in the company and other companies now	Spouse or relatives within the second degree of kinship who are officers, directors, or supervisors of the company			Note (Note 1)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Director	ROC	SIGWIN Corporation Representative: Hsu-Tung Kuo	Male 61~70 years old	6/2023	3 years	11/2017	32,000	0.02	70,726,438	51.90	-	-	-	-	Department of Electrical & Mechanical Engineering, National Cheng Kung University; Chairman of Panther Technology Co., Ltd.; Executive Vice President & CTO of WALSIN; Chairman and President of Advantech Semiconductor Inc.	General Manager and Vice CFO of Sigurd Microelectronics Co., Ltd; Director of Xi Xing Co., Ltd., Microelectronics (Cayman) Co., Ltd., Sigurd Micro Electronics (Wuxi) Co., Ltd., Sigurd UTC Corporation, and Flatek, Inc.	None	None	None	None
Director	ROC	SIGWIN Corporation Representative: Chao-Hung Hsieh	Male 51~60 years old	6/2023	3 years	11/2017	32,000	0.02	70,726,438	51.90	-	-	-	-	Department of Chemical Engineering, Yuan Ze University	Senior Vice General Manager of Sigurd Microelectronics Co., Ltd.; Director of Xi Xing Co., Ltd., Sigurd UTC Corporation, and Flatek, Inc.	None	None	None	None
Independent Director	ROC	Min-Kai Lin	Male 61~70 years old	6/2023	3 years	11/2017	-	-	-	-	-	-	-	-	Graduate Institute of Accounting, National Taiwan University, worked as Investment /Finance Senior Specialist/Special Assistant to Chairman/Director of Audit Office/Chief Secretary of Chia Hsin Cement Corporation, and Supervisor of Hua Tung Cement International/Chia Hsin Construction/Chia Chi International.	Member of the Company's Compensation and Remuneration Committee; Independent Director and Member of the Compensation and Remuneration Committee, Sigurd Microelectronics Co.., Ltd.	None	None	None	None
Independent Director	ROC	Den Wang	Male 61~70 years old	6/2023	3 years	6/2023	317	0	317	0	-	-	-	-	Master of Science, Rochester Institute of Technology, Rochester, New York, USA	once served as the director of TSMC's advanced packaging business operations department and the company's compensation committee member.	None	None	None	None

Job title	Nationality or place of registration	Name	gender Age	Elected (takes office) Date	Term of office	Date of first-time elected or appointed	Shareholdings when elected or appointed		Number of shares owned - current Number of shares owned		Shareholdings of spouse and minor children -current		Shareholdings in the name of others		Major Experience (Education)	Concurrent positions in the company and other companies now	Spouse or relatives within the second degree of kinship who are officers, directors, or supervisors of the company			Note (Note 1)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	USA	Wen-chou Vincent Wang	Male 71~80 years old	6/2023	3 years	9/2015	-	-	-	-	-	-	-	-	Ph.D. Materials Science & Engineering from Cornell University, Ithaca, New York, was Senior Vice President for STATSChipPAC Ltd, Head of Flip Chip Engineering for Altera Corporation, San Jose	None	None	None	None	None

Note 1: If the Chairman of the company, President, and the individual holds equivalent position (top manager) are one person, or a spouse or relative within the first-degree of kinship, the reasons, rationality, necessity, countermeasures (such as appointing additional independent directors and more than half of the directors do not concurrently serve as employees or managers, etc.), and relevant information should be illustrated.

(2) Major shareholders of corporate shareholders

March 24, 2024

Names of corporate shareholders	Major shareholders of corporate shareholders
SIGWIN Corporation	Sigurd Microelectronics Corp. (100%)

If the major shareholder of a corporate shareholder is a corporate shareholder, please illustrate its major shareholder

March 24, 2024

Name of Institutional Investor	Main Shareholder of Institutional Investor
Sigurd Microelectronics Co., Ltd.	Yanyuan Investment Co., Lt (3.14%)
	Zhongli Investment Co., Ltd. (2.17%)
	South China Commercial Bank is entrusted with the custody of Yuanta Taiwan Value High Interest ETF Securities Investment Trust Fund Special Account (1.73%)
	The Bank of Taiwan is entrusted with the custody of the Yuanta Taiwan High Dividend Low Volatility ETF Securities Investment Trust Fund Special Account (1.70%)
	Hsing-Yang Huang(1.55%)
	Fubon Life Insurance Co., Ltd (1.43%)
	JPMorgan Chase Bank Taipei Branch is entrusted with the custody of the special investment account of Japan Securities Finance Co., Ltd (1.42%)
	Cooperative Bank (1.32%)
	American JPMorgan Chase Bank Taipei Branch is entrusted with the custody of the series funds, Advanced Starlight General International Stock Index Fund investment account of PGIA ((1.26%)
	Chiu Ming-Chun (1.25%)

(3) Disclosure of information on directors' professional qualifications and independence of independent directors:

March 24, 2024

Conditions / Name	Professional qualifications and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Chairman Hsing-Yang Huang	1. With more than five-year work experience related to business, legal affairs, finance, or fields needed by the Company. 2. Main work experience: Chairman and CEO of Sigurd Microelectronics Co., Ltd.; Director of Sigurd International; Director of Singapore Bloomeria Limited; Chairman of Winstek Semiconductor Co., Ltd.; Chairman of TST Co., Ltd.	1. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Without kinship relationship such as spouse or within the second degree relative with other directors. 3. No violation to Article 30 of the Company Act. 4. Without a government agency or a juristic person acts as a shareholder of a company elected as a director or supervisor of the company.	0
Director Chih-Li Weng	1. With more than five-year work experience related to business, legal affairs, finance, or fields needed by the Company. 2. Main work experience: MS of Illinois Institute of Technology, the USA, General Manager of World-Wide Test Technology Inc. for three years, Assistant Vice General Manage of IC Testing Department of Formosa Advanced Technologies Co., Ltd., Sales Manager of ASE, the USA.	1. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Without kinship relationship such as spouse or within the second degree relative with other directors. 3. No violation to Article 30 of the Company Act. 4. Without a government agency or a juristic person acts as a shareholder of a company elected as a director or supervisor of the company.	0
Director Tsan-Lien Yeh	1. With more than five-year work experience related to business, legal affairs, finance, or fields needed by the Company. 2. Main work experience: Director, General Manager and COO of Sigurd Microelectronics Co., Ltd.; Director of reinvestment company of Sigurd Microelectronics Corporation; Director of Singapore Bloomeria Limited.	1. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Without kinship relationship such as spouse or within the second degree relative with other directors. 3. No violation to Article 30 of the Company Act. 4. Without a government agency or a juristic person acts as a shareholder of a company elected as a director or supervisor of the company.	0

Conditions / Name	Professional qualifications and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Director Min-Hung Wu	1. With more than five-year work experience related to business, legal affairs, finance, or fields needed by the Company. 2. Main experience: CEO and CFO of Sigurd Microelectronics Co., Ltd; Director of reinvestment company of Sigurd Microelectronics Corporation; Director of Winstek Semiconductor Technology Co., Ltd; Director of TST Co., Ltd.	1. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Without kinship relationship such as spouse or within the second degree relative with other directors. 3. No violation to Article 30 of the Company Act. 4. Without a government agency or a juristic person acts as a shareholder of a company elected as a director or supervisor of the company.	0
Director Hsu-Tung Kuo	1. With more than five-year work experience related to business, legal affairs, finance, or fields needed by the Company. 2. Main work experience: General Manager and Vice CFO of Sigurd Microelectronics Co., Ltd; Director of reinvestment company of Sigurd Microelectronics Corporation.	1. Not a natural-person shareholder who holds shares, together with those held by the person’s spouse, minor children, or held by the person under others’ names, in an aggregate of 1% or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Not having a spouse or relative relationship within the second degree of kinship with other directors 3. There is no occurrence of any of the circumstances as stated in Article 30 of the Company Act. 4. Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act	0
Director Chao-Hung Hsieh	1. With more than five-year work experience related to business, legal affairs, finance, or fields needed by the Company. 2. Main work experience: Senior Vice President in Sale, Sigurd Microelectronics Corporation, President of Sigurd UTC Corporation.	1. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Without kinship relationship such as spouse or within the second degree relative with other directors. 3. No violation to Article 30 of the Company Act. 4. Without a government agency or a juristic person acts as a shareholder of a company elected as a director or supervisor of the company.	0
Independent Director Min-Kai Lin	1. With more than five-year work experience related to business, legal affairs, finance, or fields needed by the Company. 2. Main work experience: Investment /Finance Senior Specialist/Special Assistant to Chairman/Director of Audit Office/Chief Secretary of Chia Hsin Cement Corporation, and Supervisor of Hua Tung Cement International/Chia Hsin Construction/Chia Chi International.	1. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Without kinship relationship such as spouse or within the second degree relative with other directors. 3. No violation to Article 30 of the Company Act. 4. Without a government agency or a juristic person acts as a shareholder of a company elected as a director or supervisor of the company.	1

Conditions / Name	Professional qualifications and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Independent Director Den Wang	1. Have work experience in the area of commerce, law, finance, or otherwise necessary for the business of the company. 2. Main experience: Served as Director of Advanced Packaging Business Operations Division of TSMC	1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Not having a spouse or relative relationship within the second degree of kinship with other directors 3. There is no occurrence of any of the circumstances as stated in Article 30 of the Company Act. 4. Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act	0
Independent Director Wen-chou Vincent Wang	1. With more than five-year work experience related to business, legal affairs, finance, or fields needed by the Company. 2. Main work experience: Ph.D. Materials Science & Engineering from Cornell University, Ithaca, New York, was Senior Vice President for STATSChipPAC Ltd, Head of Flip Chip Engineering for Altera Corporation, San Jose.	11. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Without kinship relationship such as spouse or within the second degree relative with other directors. 3. No violation to Article 30 of the Company Act. 4. Without a government agency or a juristic person acts as a shareholder of a company elected as a director or supervisor of the company.	0

(4) Board Diversity Policy:

The composition of the Board of Directors is with the factor of diversity considered, and an appropriate diversity policy is formulated based on the operations, operating types, and development needs of the Board of Directors, including the following two major standards:

1. Basic requirements and values: Gender, age, nationality, culture, etc.

2. Professional knowledge and skills: Professional background, professional skills, industry experience, etc.

Board director should generally have the necessary knowledge, skills, and experience to perform their duties. In order to achieve the desired objectives of corporate governance, it is desirable that the Board of Directors taking as a whole has the ability to make judgments about operation, business management ability, industry knowledge, leadership and decision-making ability, international market perspective, and accounting and financial analysis ability.

(5) Independence of the Board of Directors:

The is not any of the circumstances as stated in Paragraph 3 and Paragraph 4 of Article 26-3 of the Securities and Exchange Act occurred to the directors and independent directors of the company.

2. Information on President, Vice President, Senior VP, and heads of departments and branches

March 24, 2024

Job title	Nationality	Name	gender	Date of elected or appointed	Shareholdings		Shareholdings of spouse and minor children		Shareholdings in the name of others		Major Experience (Education)	Concurrent positions in the company and other companies now	Spouse or relatives within the second degree of kinship who are managerial officers of the company			Note (Note 1)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	ROC	Chih-Li Weng	Male	02/2007	571,507	0.42	-	-	-	-	MS of Illinois Institute of Technology, the USA., Sales Manager of ASE, the USA. General Manager of World-Wide Test Technology Inc. Assistant Vice General Manage of IC Testing Department of Formosa Advanced Technologies Co., Ltd. Sales Manager of ASE, the USA.	Director and President of Winstek Semiconductor Technology Co., Ltd.; Director and President of TST Co., Ltd.	None	None	None	None
Test Operations Office Vice President	ROC	Hou-Chi Huang	Male	01/2012	-	-	-	-	-	-	Department of Electronics, Tamkang University Director of Sales, Winstek Semiconductor Co., Ltd. Engineering Manager of World-wide Test Technology Inc. Engineer of VC3 Networks Inc.	None	None	None	None	None
Packaging Operations Office Vice President	ROC	Chien-Hsun Chen	Male	11/2017	-	-	-	-	-	-	ational Ching Hua University Former Deputy Manager of UMC Technology Manager of	None	None	None	None	None

Job title	Nationality	Name	gender	Date of elected or appointed	Shareholdings		Shareholdings of spouse and minor children		Shareholdings in the name of others		Major Experience (Education)	Concurrent positions in the company and other companies now	Spouse or relatives within the second degree of kinship who are managerial officers of the company			Note (Note 1)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
											Universe Optical Technology Co., Ltd. and Chipbond Technology Co., Ltd. Deputy Director of Engineering, Winstek Semiconductor Technology Co., Ltd. Assistant Vice General Manager of Tron Energy Technology Corporation					
Finance Department Chief Financial Officer (CFO)	ROC	Kui-Chu Liu	Male	06/2000	9,106	0.01	-	-	-	-	Department of Accounting, Tunghai University Former Manager of ShineWing Accounting Firm	CFO of Winstek Semiconductor Co., Ltd.	None	None	None	None
Corporate Governance Officer and Deputy Director of Finance Department	ROC	Xiucen Zhong	Female	04/2023	-	-	-	-	-	-	Department of Accounting, National Chengchi University Former auditor of PwC Taiwan, underwriting specialist of Jianhong Securities, and Deputy Director of the Department of Finance of the company.	Deputy Director of the Department of Finance of Winstek Semiconductor Co., Ltd.	None	None	None	None

Note 1:If the Chairman of the company, President, and the individual holds equivalent position (top manager) are one person, or a spouse or relative within the first-degree of kinship, the reasons, rationality, necessity, countermeasures (such as appointing additional independent directors and more than half of the directors do not concurrently serve as employees or managers, etc.), and relevant information should be disclosed.

III. Remuneration paid to directors, supervisors, President, and Vice President in the most recent year:

1. Remuneration of directors and independent directors

Unit: NT$ thousand

Title	Name	Remuneration of Board Directors								A, B, C, and D and as a % of the net income		Remuneration for a concurrent position as an employee								A, B, C, D, E, F and G and as a % of the net income		Remuneration from invested enterprises other than subsidiaries or from the parent company
		Remuneration (A)		Severance and pension (B)		Remuneration for directors (C)		Business execution expenses (D)				Salary, bonus, & allowance (E)		Severance and pension (F)		Employee remuneration (G)						
																The Company		All companies in the financial statements				
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in the financial statements	
General Directors	SIGWIN Corporation Representative: Hsing-Yang Huang SIGWIN Corporation Representative: Tsan-Lien Yeh SIGWIN Corporation Representative: Min-Hung Wu SIGWIN Corporation Representative: Hsu-Tung Kuo SIGWIN Corporation Representative: Chao-Hung Hsieh Chih-Li Weng	9,400	9,400	0	0	0	0	768	768	1.21%	1.21%	19,082	21,995	108	108	0	0	0	0	3.50%	3.84%	None
Independent Director	Min-Kai Lin Den Wang Wen-chou Vincent Wang Jen-Yu Wei (Note)	3,305	3,305	0	0	0	0	65	65	0.40%	0.40%	0	0	0	0	0	0	0	0	0.40%	0.40%	None

Title	Name	Remuneration of Board Directors								A, B, C, and D and as a % of the net income		Remuneration for a concurrent position as an employee								A, B, C, D, E, F and G and as a % of the net income		Remuneration from invested enterprises other than subsidiaries or from the parent company
		Remuneration (A)		Severance and pension (B)		Remuneration for directors (C)		Business execution expenses (D)				Salary, bonus, & allowance (E)		Severance and pension (F)		Employee remuneration (G)						
																The Company		All companies in the financial statements				
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in the financial statements	

1. Please describe the policy, system, standards, and structure of remuneration payment to independent directors, and describe the correlation with the amount of remuneration based on factors such as responsibilities, risks, time invested, etc
The company's remuneration to independent directors is paid in accordance with Article 23 of the company's Articles of Incorporation. The Remuneration Committee shall review each director's contribution to the company and each director's engagement in the company's operation, link the reasonableness and fairness of performance risks with the remuneration received, and take into account the company's operating performance and the general practice of the industry, and then propose suggestions to the Board of Directors for deliberation and resolution.

2. In addition to what is disclosed in the preceding paragraph, the remuneration received by the company's directors for providing services to all companies in the financial statements (such as serving as non-employee consultants, etc.) of the
recent year: None

3. Note: Independent Director Renyu Wei was dismissed when his office term expired on June 6, 2023.

Remuneration ranges

Remuneration ranges paid to each director of the company	Name of Director			
	Total amount of the first four remunerations (A+B+C+D)		Total amount of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements H	The Company	All companies in the financial statements I
Less than NT$1,000,000	Jen-Yu Wei (Note 1) and Den Wang	Jen-Yu Wei (Note 1) and Den Wang	Jen-Yu Wei (Note 1) and Den Wang	Jen-Yu Wei (Note 1) and Den Wang
NT$1,000,000 (inclusive)- NT$2,000,000 (exclusive)	Chih-Li Weng, Min-Hung Wu (Note 2), Tsan-Lien Yeh (Note 2), Hsu-Tung Kuo (Note 2), Chao-Hung Hsieh (Note 2), Wen-chou Vincent Wang, and Min-Kai Lin	Chih-Li Weng, Min-Hung Wu (Note 2), Tsan-Lien Yeh (Note 2), Hsu-Tung Kuo (Note 2), Chao-Hung Hsieh (Note 2), Wen-chou Vincent Wang, and Min-Kai Lin	Min-Hung Wu (Note 2), Tsan-Lien Yeh (Note 2), Hsu-Tung Kuo (Note 2), Chao-Hung Hsieh (Note 2), Wen-chou Vincent Wang, and Min-Kai Lin	Min-Hung Wu (Note 2), Tsan-Lien Yeh (Note 2), Hsu-Tung Kuo (Note 2), Chao-Hung Hsieh (Note 2), Wen-chou Vincent Wang, and Min-Kai Lin
NT$2,000,000 (inclusive)- NT$3,500,000 (exclusive)				
NT$3,500,000 (inclusive)- NT$5,000,000 (exclusive)	Hsing-Yang Huang (Note 2)	Hsing-Yang Huang (Note 2)	Hsing-Yang Huang (Note 2)	Hsing-Yang Huang (Note 2)
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)				
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)			Chih-Li Weng	
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)				Chih-Li Weng
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)				
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)				
More than NT$100,000,000				
Total	10 seats	10 seats	10 seats	10 seats

Note 1: Independent Director Renyu Wei was dismissed when his office term expired on June 6, 2023.
Note 2: The legal representative of SIGWIN Corporation

2. Remuneration of supervisors: None; the company had an Audit Committee setup in 2009 to replace the supervisors.

3. Remuneration of the President and Vice President

Unit: NT$ thousand

Title	Name	Salary (A)		Severance and pension (B)		Bonus and allowance (C)		Remuneration of employees (D)				A, B, C, and D and as a % of the net income (%)		Remuneration from invested enterprises other than subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Chih-Li Weng	5,932	12,029	216	324	16,479	18,521	2,500	-	5,200	-	2.99%	4.30%	None
Vice President	Chien-Hsun Chen													
Vice President	Hou-Chi Huang													

Note: The distribution of employee remuneration amount was resolved by the Company's Board of Directors on February 26, 2024. However, the list of employees who are entitled to the remuneration distribution has not yet been determined; also, the amounts are estimates.

Remuneration ranges

Remuneration ranges paid to each President and Vice President of the company	Name of President and Vice President	
	The Company	All companies in the financial statements E
Less than NT$1,000,000		
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)		
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)		
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)		
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	Hou-Chi Huang	Hou-Chi Huang and Chien-Hsun Chen
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)		
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	Chih-Li Weng	Chih-Li Weng
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)		
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)		
More than NT$100,000,000		
Total	2 persons	3 persons

4. The name of the managerial officer who receives employee remuneration and the status of the distribution

Unit: NT$ thousand

	Title	Name	Stock amount	Cash amount (Note)	Total	Total amount as a % of the net income (%)
Managerial officers	President	Chih-Li Weng	-	9,700	9,700	1.15%
	Vice President	Chien-Hsun Chen				
	Vice President	Hou-Chi Huang				
	Chief Financial Officer of Finance Department	Kui-Chu Liu				
	Corporate Governance Officer	Xiucen Zhong				

Note: The distribution of employee remuneration amount was resolved by the Company's Board of Directors on February 26, 2024. However, the list of employees who are entitled to the remuneration distribution has not yet been determined; also, the aforementioned amounts are estimates.

5. Compare and describe the total remuneration paid to directors, supervisors, President, and Vice President in the most recent 2 years by the company and all companies in the consolidated financial statements as a % of the net income in the standalone financial statements or independent report, and explain the policies, criteria, combination, the procedures for determining remuneration and the correlation to operating performances and future risks:

(1) Analysis of the total remuneration paid to the company's directors, President, and Vice President as a percentage of net income for the last two years

Unit: NT$ thousand

Title	2023				2022			
	The Company		All companies in the financial statements		The Company		All companies in the financial statements	
	Total amount of the remunerations	Total amount as a % of the net income	Total amount of the remunerations	Total amount as a % of the net income	Total amount of the remunerations	Total amount as a % of the net income	Total amount of the remunerations	Total amount as a % of the net income
General Directors	10,168	1.21%	10,168	1.21%	9,599	1.05%	9,599	1.05%
Independent Director	3,370	0.40%	3,370	0.40%	3,194	0.35%	3,194	0.35%
President and Vice President	25,127	2.99%	36,074	4.30%	18,713	2.04%	29,467	3.21%

(2) The company's policy, criteria, and composition for the payment of remuneration, the procedures for setting remuneration, and the correlation with operating performance and future risks:

According to the provisions of the company's Articles of Incorporation, the Board of Directors is authorized to determine the remuneration of the Chairman and directors based on their participation in the company's operations and the value of their contributions, as well as and by referring to the standards of the industry.

The company shall appropriate an amount equivalent to 0.1%~15% of the earnings, if

any, as remuneration to employees. When employee remuneration is distributed in the form of stocks or cash, the employees of controlled companies or affiliated companies who meet certain conditions are also entitled to receive the said remuneration. However, an amount equivalent to the accumulated losses, if any, should be reserved to make up for it. In addition, remuneration to directors may be appropriated for an amount not more 3% of the earnings, depending on the business conditions. However, an amount equivalent to the accumulated losses, if any, should be reserved to make up for it.

Remuneration to President and Vice President should be paid based on the scope of authority and responsibilities of the position within the company and their contribution to the company's operating goals, which should be handled in accordance with the company's Articles of Incorporation and Article 29 of the Company Act.

In terms of the procedure for determining remuneration, the company's Remuneration Committee holds a professional and objective viewpoint to evaluate the salary and remuneration policies and systems for the directors and managerial officers, and make recommendations to the Board of Directors in accordance with the "Remuneration Committee Charter," "Rules Governing the Distribution of Salary and Remuneration to Directors," and "Rules Governing the Distribution of Salary and Remuneration to Managerial Officers."

The company's remuneration policy is planned comprehensively with the considerations of the company's financial status, operating results, and future capital needs taken into account; also, future risk evaluation is considered in order to minimize the possibility of risk occurrence. As of the publication date of the annual report, there is not any existing event that may result in responsibilities, obligations, or liabilities to the company in the future.

IV. Implementation of corporate governance:

1. The operation of the Board of Directors:

The Board of Directors held 6 meetings in 2023 with the attendance of directors as follows:

Title	Name	Actual number of attendances (presents with a none voting capacity)	Number of attendances by proxy	Attendance (present with a none voting capacity) in person (%)	Note
Chairman	SIGWIN Corporation Representative: Hsing-Yang Huang	5	1	83%	Re-elected on June 6, 2023
Director	SIGWIN Corporation Representative: Tsan-Lien Yeh	6	0	100%	Re-elected on June 6, 2023
Director	SIGWIN Corporation Representative: Min-Hung Wu	6	0	100%	Re-elected on June 6, 2023
Director	SIGWIN Corporation Representative: Hsu-Tung Kuo	6	0	80%	Re-elected on June 6, 2023
Director	SIGWIN Corporation Representative: Chao-Hung Hsieh	6	0	100%	Re-elected on June 6, 2023
Director	Chih-Li Weng	6	0	100%	Re-elected on June 6, 2023
Independent Director	Min-Kai Lin	6	0	100%	Re-elected on June 6, 2023
Independent Director	Den Wang	4	0	100%	Took office on June 6, 2023
Independent Director	Wen-chou Vincent Wang	5	0	83%	Re-elected on June 6, 2023
Independent Director	Jen-Yu Wei	2	0	100%	Dismissed on June 6, 2023

Other matters required to be recorded:

I. If the operation of the Board of Directors is under any of the following circumstances, the date, term, proposal content, all independent directors' opinions, and the company's handling their opinions should be described:

(I) Matters addressed in Article 14-3 of the Securities and Exchange Act:

Board meeting time	Proposal content and results	Matters addressed in Article 14-3 of the Securities and Exchange Act:	Opinions of independent directors
The 1st board meeting in 2023 (3.6.2023)	The replacement of the company's independent auditors in 2023 and the evaluation of their independence and competency Resolution: The proposal was passed as proposed unanimously by the directors present after the consultation of the Chairman.	Yes	Passed by the independent directors unanimously.
The 2rd board meeting in 2023 (4.25.2023)	Amendments to some provisions of the "Procedures for Loaning of Funds" Resolution: The proposal was passed as proposed unanimously by the directors present after the consultation of the Chairman.	Yes	Passed by the independent directors unanimously.
The 4th board meeting in 2023 (7.31.2023)	(1) Amendment to the "Corporate Governance Best Practice Principles" Resolution: The proposal was passed as proposed unanimously by the directors present after the consultation of the Chairman.	Yes	Passed by the independent directors unanimously.

	(2) Appointment of two independent directors as members of the 7th Remuneration Committee of the company Resolution: Independent director Min-Kai Lin and independent director Den Wang may have a conflict of interest in this proposal; therefore, they shall have themselves recused from participating in the discussion and voting. The proposal was passed as proposed unanimously by the other directors present after the consultation of the Chairman.	Yes	Passed by the independent directors present unanimously.

(II) Except for the aforementioned matters, other matters resolved by the Board of Directors that have been opposed or reserved by independent directors with records or written statements on file: None.

II. When a director is recused due to the concern of conflict of interest in a proposal, the director's name, content of the proposal, reason for recusal, and participation in voting should be stated in details:

Board meeting time	Proposal content and results	Name of recused director	Reasons for recusal	Participation in voting
The 1st board meeting in 2023 (3.6.2023)	The 2022 managerial officers' salary and remuneration proposed by the Remuneration Committee	Chih-Li Weng	This proposal involves the payment of personal salary and remuneration. The directors who are managerial officers may have a conflict of interest in this proposal; therefore, they should have themselves recused from participating in discussion lawfully.	Mr. Zi-Li Weng should have himself recused from participating in discussion due to a conflict of interest in this proposal. Therefore, the proposal was resolved and passed as proposed by other directors present unanimously after the consultation of the Chairman.
The 2rd board meeting in 2023 (4.27.2023)	(1) Lift of the non-compete clause against the director candidates on the list	Hsing-Yang Huang, Tsan-Lien Yeh, Min-Hung Wu, Hsu-Tung Kuo, Chao-Hung Hsieh, and Min-Kai Lin	The directors who have a conflict of interest in this proposal have themselves recused from participating in discussion lawfully.	The Chairman also designated Director Zi-Li Weng to preside over the discussion and voting duties on his behalf. The proposal was passed as proposed unanimously by Independent Director Renyu Wei and Vincent Want after the consultation of the acting Chairman.
	(2) The President's performance bonus payment proposed by the Remuneration Committee	Chih-Li Weng	This proposal involves the payment of personal performance bonus payment. The directors who are managerial officers may have a conflict of interest in this proposal; therefore, they should have themselves recused from participating in discussion lawfully.	Mr. Zi-Li Weng should have himself recused from participating in discussion due to a conflict of interest in this proposal. Therefore, the proposal was resolved and passed as proposed by other directors present unanimously after the consultation of the Chairman.
The 4th board meeting in 2023 (7.31.2023)	Appointment of members of the 7th Remuneration Committee of the company	Min-Kai Lin and Den Wang	The directors who have a conflict of interest in this proposal have themselves recused from participating in discussion lawfully.	Except for Mr. Min-Kai Lin and Mr. Den Wang not participate in the discussion and voting, the proposal was passed as proposed unanimously by the other directors present after the consultation of the Chairman.

III. Implementation of the Board of Directors' self-evaluation:

Evaluation frequency	Evaluation duration	Evaluation scope	Evaluation method	Evaluation content
Implemented once a year	01/01/2023 ~ 12/31/2023	1. The Board of Directors 2. Board directors 3. Functional committee	Self-evaluation of board directors	Board performance evaluation: Participation in company operations, quality of board decision-making, board composition and structure, director selection and advanced study, and internal control. Director's performance evaluation: Grasp of the company's goals and missions, awareness of directors' responsibilities, participation in company operations, internal relationship management and communication, directors' professional and advanced study, and internal control. Functional committee members' performance evaluation: Participation in company operations, awareness of the responsibilities of functional committees, quality of functional committees' decision-making, composition and member selection of functional committees, and internal control.

The company regularly evaluates the implementation status with a questionnaire self-evaluation method adopted regularly on an annual basis (the Board of Directors taking as a whole, board directors, and functional committees). Th self-evaluation results of the year are all good in terms of the "Board of Directors taking as a whole," "board directors," and "functional committees." An external professional independent institute is mandated to conduct performance evaluation of the Board of Directors at least once in every three-year.

IV. Evaluate the goal of enhancing the functions of the Board of Directors in the current and recent years (such as establishing an Audit Committee, improving information transparency, etc.) and evaluate the implementation status:

(I) The company has an Audit Committee and a Remuneration Committee established to assist the Board of Directors in duty performance. The Audit Committee is composed of three independent directors of the company, and the Remuneration Committee is composed of two independent directors of the company and one external person to enhance the functions of the directors and corporate governance; also, it may be necessary to mandate external experts to propose opinions.

(II) The responsibilities of the company's Board of Directors include appointing and supervising the company's management, supervising operating performance, preventing conflicts of interest, and ensuring the company's exercising powers in compliance with the governing laws, the company's Articles of Incorporation, or the resolutions of shareholders' meetings. The company's Board of Directors meeting is convened at least once in every quarter. The company's management reports the operating performance to the Board of Directors; also, the Board of Directors shall decide the future operating principles and major policies.

2. The operation of the Audit Committee

The company established an Audit Committee after the shareholders' regular meeting on June 26, 2009. The company's Audit Committee is composed of three independent directors. The Audit Committee meeting is convened at least once in every quarter. The Audit Committee is to assist the Board of Directors in supervising the quality and integrity of the company's accounting, auditing, financial reporting processes, and financial controls. The auditing matters mainly include:

(1) Financial statement audit and accounting policies and procedures
(2) Internal control system and related policies and procedures
(3) Material asset or derivatives transactions
(4) Material loaning of funds and endorsements or guarantees
(5) Placement or issuance of securities
(6) Derivative financial products and cash investments
(7) Compliance
(8) Whether managers and directors have related party transactions and possible conflicts of interest
(9) Grievance report
(10) Fraud prevention plan and fraud investigation report
(11) Information security
(12) Corporate risk management
(13) Appointment, dismissal, or remuneration of the independent auditors
(14) Appointment and dismissal of finance, accounting, or internal audit officer

The Audit Committee convened 4 meetings (A) in 2023 with the attendance of the Audit Committee members as follows:

Title	Name	Number of times present on a none voting capacity (B)	Number of attendances by proxy	Frequency of present on a none voting capacity (%) (B/A)	Note
Independent Director	Min-Kai Lin	4	0	100%	Re-elected on June 6, 2023
Independent Director	Den Wang	2	0	100%	Took office on June 6, 2023
Independent Director	Wen-chou Vincent Wang	4	0	100%	Re-elected on June 6, 2023
Independent Director	Jen-Yu Wei	2	0	100%	Dismissed on June 6, 2023

Other matters required to be recorded:

I. If the operation of the Audit Committee is under any of the following circumstances, the date, term, proposal content, the resolution of the Audit Committee, and the company's handling their opinions should be described:

(I) Matters addressed in Article 14-5 of the Securities and Exchange Act:

Audit Committee meeting time	Proposal content	Resolutions of the Audit Committee	The company's handling of the Audit Committee members' opinions	Board resolutions
The 1st Audit Committee meeting in 2023 (3.6.2023)	(1) Review of the company's 2022 business report and financial report.	Passed by the Audit Committee members present unanimously	Not applicable	The proposal was passed as proposed by all the directors present unanimously after the consultation of the Chairman.
	(2) Evaluation of the effectiveness of the 2022 internal control system	Passed by the Audit Committee members present unanimously	Not applicable	The proposal was passed as proposed by all the directors present unanimously after the consultation of the Chairman.
	(3) The appointment and remuneration of the company's independent auditors in 2023 and the evaluation of their independence and competency.	Passed by the Audit Committee members present unanimously	Not applicable	The proposal was passed as proposed by all the directors present unanimously after the consultation of the Chairman.
The 2nd Audit Committee meeting in 2023 (4.25.2023)	(1) Review of the company's 2023Q1 consolidated financial report	Passed by the Audit Committee members present unanimously	Not applicable	The proposal was passed as proposed by all the directors present unanimously after the consultation of the Chairman.
	(2) Amendments to some provisions of the "Procedures for Loaning of Funds"	Passed by the Audit Committee members present unanimously	Not applicable	The proposal was passed as proposed by all the directors present unanimously after the consultation of the Chairman.
	(3) The company's appointing a corporate governance officer	Passed by the Audit Committee members present unanimously	Not applicable	The proposal was passed as proposed by all the directors present unanimously after the consultation of the Chairman.
	(4) Lift of the non-compete	Passed by the Audit	Not applicable	The Chairman also

	clause against the director candidates on the list	Committee members present unanimously		designated Director Zi-Li Weng to preside over the discussion and voting duties on his behalf. The proposal was passed as proposed unanimously by Independent Director Renyu Wei and Vincent Want after the consultation of the acting Chairman.
The 3rd Audit Committee meeting in 2023 (7.31.2023)	Review of the company's 2023Q2 consolidated financial report	Passed by the Audit Committee members present unanimously	Not applicable	The proposal was passed as proposed by all the directors present unanimously after the consultation of the Chairman.
The 4th Audit Committee meeting in 2023 (10.31.2023)	Review of the company's 2023Q3 consolidated financial report	Passed by the Audit Committee members present unanimously	Not applicable	The proposal was passed as proposed by all the directors present unanimously after the consultation of the Chairman.

(II) Except for the aforementioned matters, other proposals that have not been approved by the Audit Committee but have been resolved and approved by more than two-thirds of all directors: None

II. When an independent director is recused due to the concern of conflict of interest in a proposal, the independent director's name, content of the proposal, reason for recusal, and participation in voting should be stated in details:
None of such situation occurred.

III. Communications conducted between independent directors, internal auditor, and independent auditors:

(I) The company's audit officer attends the Audit Committee and the Board of Directors meeting every quarter to report the audit implementation. The independent directors have no objections to the reported matters, and the communication between the audit officer and the independent directors is good.Independent directors provide their professional opinions on the reported matters, and the company also takes the opinions of independent directors into consideration.The company's audit officer submits the audit reports to the independent directors on a monthly basis and communicates to the independent auditors by email or phone.Communication content includes: Discussion on environmental control or suggestions on internal audit process and enhancement matters, which have been recorded, tracked, and improved properly.

(II) The independent auditors communicate with the independent directors in person or in writing on important matters regarding the company's financial status and financial statement review results at least once a year. The Board of Directors will invite the independent auditors to provide professional opinions on important relevant issues to enhance communication between the two parties. The company's Audit Committee has good communication with the independent auditors.

3. The company's implementation of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
I. Has the Company formulated and disclosed its corporate governance practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?"	Yes		The company has formulated the "Corporate Governance Best Practice Principles" to substantiate the responsibilities of business operators, protect the legitimate rights and interests of shareholders, and secure the interests of other stakeholders.	Complied with the Corporate Governance Best Practice Principles
II. The company's equity structure and shareholders' equity (I) Has the company established internal operating procedures to handle shareholders' recommendations, doubts, disputes, and litigations, and implemented them according to the procedures? (II) Does the company have a list of the major shareholders who actually control the company and those who ultimately have control over the major shareholders? (III) Has the company established and implemented risk control and firewall mechanisms between affiliated enterprises? (IV) Has the company established internal regulations to prohibit company insiders from using undisclosed information in the market to buy and sell securities?	Yes Yes Yes Yes		1. In order to ensure the rights and interests of shareholders, the company has spokespersons and acting spokespersons designated to properly handle shareholders' suggestions, doubts and disputes, etc., and professional stock affairs agencies mandated to handle stock affairs. 2. Provide shareholder register information through a stock affair agency, and control the reporting system for changes in insiders' equity. 3. It shall be handled in accordance with the "Procedures for Financial and Business Matters Between the Group, Specific Companies, and Related Parties," "Regulations Governing Supervision of Subsidiaries" and internal control-related operating procedures stipulated in the company's Articles of Incorporation.	(I) Complied with the Corporate Governance Best Practice Principles (II) Same as the aforementioned statement. (III) Same as the aforementioned statement. (IV) Same as the aforementioned

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			4. The company has formulated the "Procedures for Handling Internal Material Information," "Procedures for Managing Insider Trade Prevention," and other relevant regulations, and has stipulated in the employee work management and code of professional ethics to prohibit insider trading.	statement.
III. Composition and responsibilities of the Board of Directors (I) Does the Board of Directors formulate diversified policies, and specific management objectives and implementation? (II) Does the company voluntarily establish functional committees other than the Remuneration Committee and the Audit Committee? (III) Does the company have the "Board of Directors' Performance Evaluation Measures" formulated, performance evaluations conducted annually and regularly, and performance evaluation	Yes Yes Yes	No	(I) The composition of the company's Board of Directors is with the factor of diversity focused, and an appropriate diversity policy is formulated based on the operations, operating types, and development needs of the Board of Directors.It is stipulated in the company's Articles of Incorporation that the Board of Directors shall consist of nine to eleven directors, and at least 3 independent directors among them.The company's directors are elected through a candidate nomination system, and all directors have the necessary expertise, skills, and experience to perform their duties.In summary, the company has already substantiated the board diversity policy. Please refer to Note 1 hereinafter, the company's website, and the Market Observation Post System for the implementation status in details. (II) In addition to establishing a Remuneration Committee and	(I) Complied with the Corporate Governance Best Practice Principles (II) No difference. (III) Complied with the Corporate Governance Best Practice Principles

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
results reported to the Board of Directors, and apply it as a reference for the consideration of remuneration and nomination of each director? (IV) Does the company regularly evaluate the independence of the attesting CPAs?			an Audit Committee lawfully, the company will have other functional committees established in accordance with the law and regulations and operational needs in the future. (III) The company has the "Board of Directors' Performance Evaluation Measures" formulated in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx List Companies." The company has the board performance evaluation conducted regularly every year within a scope that includes the performance evaluation of the Board of Directors taking as a whole, each board director, and functional committees.Evaluation methods may include the internal self-evaluation of the Board of Directors and each board director, and other appropriate methods.In addition, it is clearly stipulated in the "Board of Directors' Performance Evaluation Measures" that an external evaluation should be carried out at least once in every three-year, and Taiwan Institute of Ethical Business, an external organization, had been mandated to conduct the performance evaluation of the Board of Directors for the year of 2022, and the relevant implementation status had been reported to the Board of	(IV) Complied with the Corporate Governance Best Practice Principles

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			Directors on March 6, 2023.At the same time, the implementation status and evaluation results had been disclosed on the company's website. (IV) PcW Taiwan responsible for the certification of the company's financial reports is a large accounting firm in Taiwan. The independence policy of PcW Taiwan regulates all its employees to complete the annual independence and risk management policy compliance statement on a regular basis every year, and must also complete the annual independence and risk management policy compliance statement before performing the auditing service. They uphold an independent and detached stance to audit the company's financial status in compliance with law and regulations. The company's Board of Directors also regularly evaluates the independence and competency of the independent auditors with reference to the Audit Quality Indicators (AQIs) every year, and has the result disclosed on the company's website. The company's Board of Directors resolved to pass the proposal of the independent auditors' independence and competency evaluation on March 6, 2023. The evaluation items include examining whether the independent auditors have direct or material indirect	

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			financial interests in the company, and whether the independent auditors have financing or guarantee relationships with the directors of the company, whether the independent auditors and auditing team members have served as directors, managerial officers, or positions that have a material impact on the audit work of the company currently or in the last two years, and whether the independent auditors are relatives of the company's directors, managerial officers, or persons with material influence on the audit work. The evaluation results show that CPA Zhi-Zheng Hsieh and CPA Tsai-Yan Jiang of PcW Taiwan both meet the company's independence evaluation standards and are competent to serve as the company's independent auditors.	
IV. Do the TWSE/TPEx listed companies have a suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors in complying with laws and regulations, conducting board meeting and shareholders' meeting related matters in accordance with law, preparing minutes of board meetings and shareholders' meetings, etc.)?	Yes		The company has appointed a corporate governance officer and a working group with the Finance and Accounting Department acting as the convener, and working together with the Administration Office, Department of Human Resources, Department of Legal Affairs, and other departments to be responsible for corporate governance-related matters.The main responsibilities are to study and plan appropriate company systems and organizational structures in order to promote the independence of the Board of Directors, the transparency of the company, and the implementation of legal compliance. If there	Complied with the Corporate Governance Best Practice Principles

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			are proposals in the board meeting requiring recusal, the counterparties involved will be reminded accordingly. The shareholders' meeting date will be registered every year in accordance with the legal deadlines; the meeting notices, agenda handbook, meeting minutes, etc. will be prepared accordingly.	
V. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and a special section for stakeholders on the company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	Yes		The company has set up a stakeholder section on the company's website and provides information on issues of concern to stakeholders, communication channels, and frequency and response methods; also, shares the performance of communication with stakeholders. The company's spokesperson or acting spokesperson is the contact window for handling shareholders' suggestions, doubts, and other matters.	Complied with the Corporate Governance Best Practice Principles
VI. Has the company mandated a professional stock affairs agency to handle shareholders' meetings related matters?	Yes		The company mandated Yuanta Securities Co., Ltd. to handle the shareholders' meeting related matters.	Complied with the Corporate Governance Best Practice Principles
VII. Information Disclosure (I) Has the company set up a website to disclose financial and business matters and corporate governance information?	Yes Yes		(I) The company regularly discloses financial and business matters, and corporate governance information through the public information network reporting system in accordance with the governing regulations. At the same time, the company has a Chinese and English website set	(I) Complied with the Corporate Governance Best Practice Principles

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
(II) Has the company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of company information, implementing a spokesperson system, posting the company's investors conference on the website, etc.)? (III) Does the company publicly announce and file annual financial statements within two months after the end of the fiscal year, and the financial statements for the first, second, and third quarters and the monthly operating status before the prescribed deadline?	Yes		up to publish and disclose more important information on financial and business matters and corporate governance successively. (II) The company has a Chinese and English website setup with responsible personnel designated to collect and disclose corporate information. The company has also established a spokesperson system with designated personnel to collect and disclose corporate information. (III) The company has the mandatory announcement completed before deadline, and has the financial statements for the first, second, and third quarters and the monthly operating status reported before the prescribed deadline.	(II) Complied with the Corporate Governance Best Practice Principles (III) No difference.
VIII. Does the company have any other important information that helps understand the corporate governance operation (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, advanced study of directors and supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the acquisition of the liability insurance by the company for directors and supervisors, etc.)?	Yes		(I) The company has established an employee welfare committee, implemented a pension system, provided equal employment opportunities, arranged various employee training courses and employee group insurance, organized regular employee health examinations, etc., and valued the importance of harmonious labor relations. (II) The company maintains smooth communication channels with manufacturers and customers, and maintains a good cooperative relationship. The company has company information disclosed honestly in accordance with law and regulations so to protect the rights and interests of investors and to fulfill the company's responsibilities to shareholders.The company has set up a stakeholder section on the company's website and a smooth communication channel with stakeholders.	

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	

(III) Advanced study of the company's directors:

Title	Name	Advanced study date	Organizer	Course Title	Advanced study hours
Independent Director	Min-Kai Lin	11.1.2023	Taiwan Corporate Governance Association	Promote sustainable development of enterprises through risk management	3
				Carbon emissions and carbon rights trading business opportunities sharing	3
Independent Director	Den Wang	10.04.2023		How the Board of Directors develops ESG sustainable governance strategies	3
		10.20.2023		The impact of climate change on us	3
		10. 27.2023		Family Charters and Family Offices	3
		11.03.2023		Litigation and Beyond Litigation _ How to prepare a contract with dispute resolution conditions specified	3
Independent Director	Wen-chou Vincent Wang	11.14.2023		Emerging money laundering manners and regulatory trends	3
		11.17.2023		Corporate Governance Officer Compliance Practice	3
Director	Chih-Li Weng	10.20.2023		The impact of climate change on us	3
		10. 27.2023		Family Charters and Family Offices	3

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	

Director	Hsing-Yang Huang, Tsan-Lien Yeh, Min-Hung Wu, Hsu-Tung Kuo, Chao-Hung Hsieh, and Min-Kai Lin	11.1.2023		Promote sustainable development of enterprises through risk management	3
				Carbon emissions and carbon rights trading business opportunities sharing	3

(IV) Implementation of risk management policies and risk measurement standards:

1. Risk management policies and mechanisms:

(1) The company has strategies and policies formulated to respond and control risk evaluation at any time. The company observes the supply of raw materials, changes in market technology, competitors' developments, and expectations of the economic and political environment at any time; also, the company will conduct market dynamics analysis and risk evaluation occasionally, and have department plans adjusted accordingly. The company formulates corresponding policies to reduce the overall risk of the enterprise through discussions at regular and special meetings.

(2) The company considers the key factors that affect the achievement of the overall goal, such as changes in economy, product life cycle, new product launch, etc., and has them reviewed and prepared item-by-item. It is advisable to have budget prepared so to finalize the company's overall goals in order to avoid risks in the execution of the overall plan.

(3) The company's key managers are assigned with clear powers and responsibilities, and their deputies are all in place ready to serve; the financial activities for funds

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			raising are stable, and backup plans are mandatory for important information systems, such as customer information, research and development secrets, accounting systems, etc., in order to reduce business risks. 2. Analysis and evaluation of risk matters: Please refer to "Seven. Review and analysis of the financial status and financial performance and risk management, VI. Risk Management and Evaluation" of the company's 2023 Annual Report for relevant information. (V) Implementation of customer policies: The company has the "Ethical Corporate Management Best Practice Principles" formulated in order to have business activities conducted ethically. Please refer to "Five. Operation Overview, I. Business Activities" of the company's 2023 Annual Report. (VI) The company's board directors have themselves recused from any proposals with the concern of a breach of contract in accordance with the relevant provisions of the "Rules of Procedure for Board of Directors Meetings" as of the publication date of the prospectus. (VII) The company reported in the board meeting regarding the liability insurance policy acquired for the board directors for the year of 2023 with insurance coverage of US$10 million.	
IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved: None of such situations occurred				

Explanation 1: The company's board diversity policy and its implementation:

(I) Board Diversity Policy

Board director should generally have the necessary knowledge, skills, and experience to perform their duties. The Board of Directors taking as a whole shall have the following competencies in order achieve the desired objectives of corporate governance:

I. The ability to make judgments about operation;

II. Accounting and financial analysis ability;

III. Business management ability;

IV. Crisis management ability;

V. Industry knowledge;

VI. An international market perspective.

VII. Leadership

VIII. Decision-making ability.

(II) Substantiation

Core items of diversity / Name of Director		Nationality or Place of registration	Judgments about operations	Accounting and financial analysis	Business management	Crisis management	Industry knowledge	An international market perspective	Leadership and decision-making
Chairman	Hsing-Yang Huang (Note)	ROC	✓	✓	✓	✓	✓	✓	✓
Director	Chih-Li Weng	ROC	✓	✓	✓	✓	✓	✓	✓
Director	Tsan-Lien Yeh (Note)	ROC	✓	✓	✓	✓	✓	✓	✓
Director	Min-Hung Wu (Note)	ROC	✓	✓	✓	✓	✓	✓	✓
Director	Tung-Hsu Kuo (Note)	ROC	✓	✓	✓	✓	✓	✓	✓
Director	Chao-Hung Hsieh (Note)	ROC	✓	✓	✓	✓	✓	✓	✓
Independent Director	Min-Kai Lin	ROC	✓	✓	✓	✓	✓	✓	✓
Independent Director	Den Wang	ROC	✓	✓	✓	✓	✓	✓	✓
Independent Director	Wen-chou Vincent Wang	USA	✓		✓	✓	✓	✓	✓

Note: The legal representative of SIGWIN Corporation

4. If the company has established a Remuneration Committee or Nomination Committee, it is necessary to disclose its composition and operations:

The company's Board of Directors has resolved to have the Remuneration Committee established with the members appointed by the resolution of the Board of Directors. The Remuneration Committee members are responsible for regularly reviewing the performance evaluation and salary and remuneration policies of directors and managerial officers, and then propose suggestions to the Board of Directors for deliberation.

(1) Information on the members of the Remuneration Committee:

Identity / Conditions / Name	Professional qualifications and experience	Independence	Number of other public companies in which the individual is concurrently servinge member as a Remuneration Committe
Independent Director Min-Kai Lin	Note 1	Note 1	1
Independent Director Den Wang	Note 1	Note 1	0
Others Chin-Yi Liao	1. Have work experience in commerce, law, finance, or otherwise necessary for the business of the company. 2. Main experience: Graduated from the Machinery Manufacturing Department of National United University, former global component strategic purchasing manager of Logitech International, and automation test engineer of SILITEK Semiconductor.	1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Not having a spouse or relative relationship within the second degree of kinship with other directors 3. There is no occurrence of any of the circumstances as stated in Article 30 of the Company Act. 4. Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act	0

Note 1: Please refer to pages 14-16 (3) for information disclosure on the professional qualifications of directors and supervisors, and the independence of independent directors.

(2) Information on the operation of the Remuneration Committee

A. The company's Remuneration Committee is with 3 members on board.

B. The term of office for the current Committee members on board: July 31, 2023 to June 5, 2026. The Remuneration Committee convened 2 meetings in the most recent

year (A). Member qualifications and attendance are as follows:

Title	Name	Number of attendances in person (B)	Number of attendances by proxy	Attendance in person (%) (B/A)	Note
Convener	Min-Kai Lin	2	0	100%	A new member elected on 7.31.2023
	Den Wang	0	0	NA	A new member elected on 7.31.2023
	Chin-Yi Liao	2	0	100%	A new member elected on 7.31.2023
	Jen-Yu Wei	2	0	100%	Dismissal upon expiration of office term on June 6, 2023

Other matters required to be recorded:

The contents of the Remuneration Committee meetings in the most recent year, resolution results, and the company's handling the opinions proposed by the Remuneration Committee members:

Remuneration Committee	Proposal content and subsequent processing	Resolution result	The company's handling the opinions of the Remuneration Committee
The 1st Remuneration Committee meeting in 2023 (3.6.2023)	Propose the 2022 salary and remuneration package for the company's managerial officers	The proposal was passed as proposed by all the directors present unanimously after the consultation of the Chairman.	Proposed to the Board of Directors and approved by all the directors present
The 2nd Remuneration Committee meeting in 2023 (4.25.2023)	(1) Propose the 2022 employee remuneration distribution plan for the company's managerial officers	The proposal was passed as proposed by all the directors present unanimously after the consultation of the Chairman.	Proposed to the Board of Directors and approved by all the directors present
	(2) Propose the performance bonus payment plan for the company's President	The proposal was passed as proposed by all the directors present unanimously after the consultation of the Chairman.	Proposed to the Board of Directors and approved by all the directors present

1. If the Board of Directors does not accept or adjust the suggestions of the Remuneration Committee, the date, term, proposal content, the resolution of the Board of Directors, and the company's handling of the opinions of the Remuneration Committee members (such as, the remuneration resolved by the Board of Directors is superior to the suggestion made by the Remuneration Committee, which should be described, as well as the root cause): None of such situation occurred
2. If any member of the Remuneration Committee has his/her objections or reservations raised with records or written statements prepared against the proposals resolved by the Remuneration Committee, the date, term, proposal content, and opinions of all members, and the handling of the members' opinions should be stated: None of such situation occurred

5. The implementation of the sustainable development and its deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons:

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
I. Has the Company established a governance structure to promote sustainable development, and designated a full-time (part-time) unit to promote sustainable development, which is to be handled by the senior management with the authorization of the Board of Directors, and the actual supervision of the Board of Directors?	Yes		I. The company has formulated the "Sustainable Development Best Practice Principles" to substantiate sustainable development related measures. The company assigns personnel to participate in the sustainable development promotion meetings arranged by the competent authorities every year, and encourages colleagues to participate in ESG-related external training courses, such as net-zero emissions and waste disposal, and other sustainable development courses. II. The company has the former CSR working group optimized into the ESG Sustainable Development Committee in 2023Q3, which is the company's main decision-making and promotion unit for sustainable development. The ESG Committee is composed of members designated by each department to be responsible for: 1. Formulate an ESG policy. 2. Review the operation of the ESG management system. 3. Review the goals, strategies, and action plans of the ESG policy, and track the progress of each plan. 4. Supervise various stakeholder communication plans. Job responsibilities of the ESG Committee members': 1. Convene and chair ESG committee meetings. 2. Convene semi-annual or irregular committee meetings as needed. 3. Decide on the proposals discussed in the meeting.	Complied with Sustainable Development Best Practice Principles.

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			4. Issue relevant policies and implementation goals to company employees on behalf of the ESG Committee. 5. Report to the Board of Directors at least once a year, and the most recent report on the implementation status to the Board of Directors was on October 31, 2023. III. The company's Board of Directors shall review the direction and work progress of the sustainable development issues, and supervise and provide feedback to help substantiate the sustainable development of the enterprise. IV. The company had hired a professional ESG advisory team at the end of 2023 to assist in the preparation of the sustainability report. The company will continue to coordinate with the relevant regulations of the competent authorities and gradually substantiate sustainability-related issues and developments in the future.	
II. Does the company conduct risk evaluation on environmental, social, and corporate governance issues related to the company's operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies? (Note 2)	Yes		The company has proposed an optimization plan for risk evaluation based on the principle of materiality, and gradually reviewed the company's material ESG risks (the scope of risk evaluation includes the company's important subsidiaries). I. Environmental protection The company strives to make improvements and prevent pollution for the sake of protecting the natural and healthy living environment and reducing the impact of production activities on the environment and personnel safety. Also, the company is committed to actively promoting waste reduction and appreciating the importance of safety, reducing waste of resources, complying with government laws and regulations, meeting various environmental safety standards, formulating	Complied with Sustainable Development Best Practice Principles.

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			environmental safety goals so to demonstrate improvement performance and establish an environmental management system. The company aims to achieve sustainable environmental protection through internal and external communication, promotion, and operational review. In order to have the impact of work on the environment minimized, the company adopts the best technology in health and hazard control, and promises to comply with relevant laws and high standards of safe operations so to meet various environmental safety standards and other requirements.At the same time, the company also formulates environmental goals, achieves and implements comprehensive management plans through internal and external communication and operational reviews to prevent any workplace hazards and to reduce environmental impact. II. Supplier management The company values the importance of customer satisfaction and corporate social responsibility, and works closely with suppliers to promote the concept of supply chain management in order to achieve the goals of sustainable operations and to fulfill corporate social responsibility jointly. The company regularly evaluates main raw material suppliers. The suppliers who have failed to meet the standards will be required to propose improvement plans and to confirm their effectiveness. The company also audit the main raw material suppliers. The raw materials suppliers who are with nonconformities identified in an audit will be required to propose	

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			improvement plans and confirm their effectiveness. Those who failed to make improvements will be disqualified as suppliers. The company continues to promote "green procurement." Suppliers of raw materials must provide testing certificates from third-party impartial units, such as EU RoHS, REACH, etc., to guarantee that their products do not contain banned substances that are harmful to the environment (complying with the company's document G-ES-018 Appendix 9.1 Environmental management substance control regulations) so to ensure that products meet the requirements of customers and relevant international laws.The company fully demonstrates the management capabilities for hazardous substances; also, collects relevant information every year, such as material test reports, so to ensure that the materials provided by suppliers meet the requirements of customers and relevant international laws. III. Labor-employer relationship The company maintains a harmonious labor-management relationship; also, the company always values the importance of employees' opinions that can be communicated through labor-management meetings and suggestion boxes in order to maintain a good labor-management relation.The company has formulated the "education and training rules" to help improve the quality and development advantages of human resources, and has	

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			formulated annual training plans every year to help enhance the company's operational advantages and ability to meet customer needs.Provide professional education and training to new employees during the orientations, and arrange general training and professional training (including internal training and external training) for employees in each department occasionally in order to have professional talents trained, to improve management performance, and to effectively develop and utilize talents. IV. Anti-corruption The company has set up an administrative office as a full-time (part-time) unit to promote ethical corporate management and to be responsible for related policy formulation, publicity, implementation, and reporting matters.And, report the implementation of ethical corporate management related matters to the Board of Directors at least once a year.The company propagandizes all employees once a year on the "Procedures for Managing Insider Trade Prevention," "Work Management and Code of Professional Ethics," "Ethical Corporate Management Policy," and "Whistleblower Reporting System and Reporting Procedures."	
III. Environmental issues (I) Has the company set up an appropriate environmental management system based on the characteristics of its industry?	Yes		The company has established and passed the ISO14001 environmental management system based on the industrial characteristics with the entire factory area included. The certificate is valid for a period from 4.19.2021 ~ 4.18. 2024.	(I) Complied with Sustainable Development Best Practice Principles.

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			There is a dedicated unit responsible for maintaining the environment. Pollution emissions and the impact on the environment are effectively reduced through the implementation of the PDCA management cycle for the manufacturing process. Also, implementation plans and programs are formulated every year, and the progress of each goal is tracked and reviewed regularly in order to ensure that the goals are achieved. The company's environmental management system is in compliance with the relevant environmental regulations of the Ministry of Environment.	
(II) Is the company committed to improving energy efficiency and using recycled materials with low impact on the environment?	Yes		The company is engaged in the IC testing service industry. The finished product packaging materials tested by the company are indeed complying with the provisions of the EU environmental directive RoHS. The company continues to promote "green procurement." Suppliers of raw materials must provide testing certificates from third-party impartial units, such as EU RoHS, REACH, etc., to guarantee that their products do not contain banned substances that are harmful to the environment (complying with the document G-ES-018 Appendix 9.1 Environmental management substance control regulations of Winstek Semiconductor Co., Ltd.) so to ensure that products meet the requirements of customers and relevant international laws.The company is committed to the development of green products, was awarded by SONY with the "Green Partner" certificate in 2010 and officially became a partner of SONY's green supply chain. The company uses the "system optimization and energy	(II) Same as the aforementioned statement.

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			efficiency" as a measure to reduce power consumption, and set a goal to reduce energy consumption by at least 1% year by year, and will start buying renewable energy (green electricity) in 2024.The electricity consumption in 2023 is 58,068,800 kilowatt-hours, a decrease of 3.4% compared with the base year (2022) (superior to the threshold set by the regulations).	
(III) Does the company evaluate the potential risks and opportunities of climate change to the company now and in the future, and take countermeasures to respond to climate related issues?	Yes		The company has incorporated climate change issues into the risk management plan, including "climate change risk identification," such as: rising temperatures and continuing global warming in the future, increasingly distinct rainfall in dry and wet seasons, extreme weather, etc.; the countermeasures, relevant action plans, and risk considerations/response plans/specific actions, etc. are disclosed on the company's website. In addition, there are guidelines for enhancing the adaptation of extreme climate design, which sharing the specific response measures proposed in response to climate risks such as power shortages, water shortages, and wind storm.	(III) Same as the aforementioned statement.
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption, and the total weight of waste for the last two years and formulate policies for greenhouse gas reduction, water consumption reduction, or other waste management?	Yes		I. Greenhouse gas inventory: All factories of Winstek Semiconductor Co., Ltd. have conducted greenhouse gas inventories and adopted energy-saving measures to achieve the goal of greenhouse gas reduction in order to reduce the impact on the environment. The company had been certified by SGS, a third-party certification agency, on August 8, 2023, and had completed the ISO14064-1:2018 Greenhouse Gas Verification in 2022.The results of the emission inventory are as follows:	(IV) Same as the aforementioned statement.

<table>
<tr><th>Promotion items</th><th colspan="3">Status of implementation</th><th>Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons</th></tr>
<tr><th></th><th>Yes</th><th>No</th><th>Summary Description</th><th></th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Year</th><th>Category 1 (tCO2e)</th><th>Category 2 (tCO2e)</th><th>Category 3 (tCO2e)</th><th>Unit revenue Emissions (tCO2e/Revenue NT$100 million)</th></tr>
<tr><td>2022</td><td>3,154.1819 (Accounted for 7.84% of total emissions)</td><td>29,763.657 (Accounted for 73.94% of total emissions)</td><td>7337.6318 (Accounted for 18.23% of total emissions)</td><td>1,019.86</td></tr>
</table>
The company did not obtain a complete greenhouse gas assurance opinion on the 2023 inspection results before the publication date of the annual report. The said assurance opinion on the inspection results of the previous year is expected to be obtained before the end of October each year. The complete information on the assurance opinion will be disclosed on the company’s official website.
The emission source of the industry mainly comes from the use of electricity due to the industrial characteristics. In addition to improving energy efficiency continuously, the company expects to pass ISO50001 certification in 2024.In addition, the company has started using renewable energy from February 2024 (accounted for 3% of the entire plant’s electricity consumption) in order to achieve reduction target by 2030 and move towards net-zero emissions gradually.
The current carbon reduction target of Winstek Semiconductor Co., Ltd. is >1%/year, and then reaches 2% reduction every year all the way to the year of 2030, and then >3% in 2030.
The three cores of carbon reduction include low-</td><td></td></tr>
</table>

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			carbon energy, process and factory energy saving, and building facilities. The base year for reduction is set in 2021 (total emissions are 39,899.252 tCO2e). The relevant power-saving measures in 2022 aimed for a carbon reduction effect of 288.15 tCO2e. In terms of innovation and energy saving, the company plans to introduce an energy management system and platform in 2024 in order to improve energy efficiency. Also, the company plans to encourage each unit to engage in energy saving improvements through technology sharing and competitions. In addition, the company integrates the promotion of low-carbon green buildings in new factories in order to manage and reduce operational carbon emissions comprehensively. 2. Water consumption: 1. All factories of Winstek Semiconductor Co., Ltd. have gradually increased the amount of recycled water for the use of processing and equipment operation in order to reduce water consumption and respond to climate change and water shortage; also, to achieve the purpose of water conservation and water resource protection, and to reduce the impact on the natural environment. The company's water consumption in the last two years is as follows:	

<table>
<tr><th>Promotion items</th><th colspan="3">Status of implementation</th><th>Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons</th></tr>
<tr><th></th><th>Yes</th><th>No</th><th>Summary Description</th><th></th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Year</th><th>Total water consumption (m3)</th><th>Unit revenue Water consumption (m3/revenue NT$100 million)</th></tr>
<tr><td>2022</td><td>375,096</td><td>9,502.95</td></tr>
<tr><td>2023</td><td>394,456</td><td>10,754.51</td></tr>
</table>
The base year for the company’s reducing water consumption by 50% is the year of 2023. The company driven by the water-saving measures continues to improve processes and equipment, and to implement a process recycling system. The company aims to save water consumption by 5% every year. The current DI water recycling rate was 22% in 2022 and 2023, respectively, which is improving steadily currently, and the company is committed to improving equipment water continuously in the future.
2. All factories of Winstek Semiconductor Co., Ltd. adhere to the four major water-saving policies, including “reducing process water consumption,” “reducing effluents,” “increasing system recovery rate,” and “saving household water consumption.” The mission is to reduce process water consumption and increase equipment recycling water year by year; also, reduce factory water consumption systematically.
3. The effluents from factories have been processed through various procedures before discharged. In order to ensure that the quantity and quality of the effluents meet regulatory standards, the main protection measure</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Status of implementation</th><th rowspan="2">Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>of the system includes automatic control protection measures, real-time monitoring systems, monitoring systems and personnel audits, as well as regular maintenance of effluents treatment equipment functions, effluents analysis and monitoring; also, the company monitors and audits the process chemicals strictly.
III. Waste:
1. All factories of Winstek Semiconductor Co., Ltd. have the waste recycling and processing tasks outsourced to qualified removal and treatment vendors; also, the waste sorting and collection processes are handled properly at the source so to increase the recyclability rate of waste. The company has process waste collected, sorted, reduced, and recycled to reduce environmental impact, and to manage it effectively in order to increase the value of recycled items. The company’s waste output in the last two years is as follows:
<table><tr><th>Year</th><th>Harmful Waste (Ton)</th><th>Not harmful Waste (Ton)</th><th>Waste Gross weight (Ton)</th><th>Unit revenue Output (Tons/revenue NT$100 million)</th></tr><tr><td>2022</td><td>2,093.02</td><td>277.07</td><td>2,370.09</td><td>60.05</td></tr><tr><td>2023</td><td>1,909.69</td><td>407.13</td><td>2,316.82</td><td>63.17</td></tr></table>The base year for the company’s waste reduction is the year of 2020. The waste output is 2,896.76 metric tons, and the waste output per unit product revenue is 110.84 tons/revenue NT$100 million. The company’s waste output in 2023 was 20% less compared with 2020 (base</td><td></td></tr>
</table>

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			year), and the waste output per unit product revenue is reduced by 43%.In addition, the waste recycling rate was approximately 87.4% and approximately 95.33% in 2022 and 2023, respectively, representing an increase of 7.93% compared with the previous year. 2. The company strives to make improvements and prevent pollution for the sake of protecting the natural and healthy living environment and reducing the impact of production activities on the environment and personnel safety. Also, the company is committed to actively promoting waste reduction and appreciating the importance of safety, reducing waste of resources, complying with government laws and regulations, meeting various environmental safety standards, formulating environmental safety goals so to demonstrate improvement performance and establish an environmental management system. At the same time, the factory has obtained ISO14001 certification, and the certificate is valid for a period from 4.19.2021 - 4.18.2024.Winstek Semiconductor Co., Ltd. has formed a strategy based on waste recycling to actively cooperate with recycling and removal agencies for waste collection and sorting in order to increase the value of waste.Winstek Semiconductor Co., Ltd. has promoted environmental protection movements in recent years, such as advocating not to use disposable tableware, etc. in order to achieve the effect of waste reduction.Achieve sustainable environmental protection through internal and external communication and promotion, and	

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			operational review. 3. Formulate a five-year waste recycling rate ≧85% target in the period of 2024~2029. Waste recycling substances include resource waste (paper, plastic, pallets, and iron and aluminum cans), hazardous waste (chemical waste liquid, sludge, and empty barrels), electronic scraps, lamp tubes, domestic waste, etc. The company has conducted greenhouse gas inventories and adopted energy-saving measures to achieve the goal of greenhouse gas reduction in order to reduce the impact on the environment. The company had been certified by SGS, a third-party certification agency, and had completed the ISO14064-1 Greenhouse Gas Verification.At the same time, the company has specific measures formulated every year to save electricity consumption, reduce carbon dioxide emissions, and ease the impact on the environment; therefore, a five-year waste recycling rate ≧85% target is set.	
IV. Social issues (I) Has the company formulated relevant management policies and procedures according to relevant laws and regulations and the International Bill of Human Rights?	Yes		The company formulates regulations governing labor and ethical corporate management and other relevant regulations in accordance with the Labor Standards Act and relevant labor laws; also, provides management rules for the compliance of employees in order to truly protect the legitimate rights and interests of employees. The company has provided employees with human rights protection-related training to mitigate human rights risks and create a high-quality working environment, such as providing relevant legal compliance propaganda during new employee	(I) Complied with Sustainable Development Best Practice Principles.

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			administrative orientations and training, providing online courses on sexual harassment prevention, implementing friendly workplace promotion, promoting workplace stress management courses, and arranging a complete series of occupational safety training. According to the provisions of the United Nations International Labor Organization, in order to substantiate and promote human rights management, new recruits are given friendly workplace training (sexual harassment prevention) during the administrative orientation on the day they reporting to duty. Also, arrange the "RBA Responsible Business Alliance" and "Code of Ethical Business Conducts" in the orientation days so to provide employees with guidelines to safeguard their human rights and treat them with respect and dignity. The company has clearly declared its intention to protect employees' human rights in the internal documents such as the "Regulations for Establishing Measures on Prevention of Sexual Harassment," "Work Rules," and "Regulations Governing the Recruitment and Employment of Employees." In addition to relevant regulations, a sexual harassment prevention and complaint hotline and E-Mail account are also available for employees to file a complaint.	
(II) Whether the company has formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration?	Yes		The company has formulated and implemented reasonable employee welfare measures, and appropriately reflected operating performance or results in employee remuneration. 一、 The company has acquired group medical insurance for each colleague. The employees are entitled to annual leave (better than the benefit package required by law) after	(二) Same as the aforementioned statement.

Promotion items	Status of implementation			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons
	Yes	No	Summary Description	
			three months of employment. The company also has an employee welfare committee organized to implement various employee welfare measures: Condolences for bereavements, birthday and New Year gifts, Club activities and travel, etc. 二、 Substantiate employment diversity and fairness of remuneration and opportunity for promotion. In addition to recruiting a certain number of employees with disabilities, the company also respects the culture and customs of the incumbent foreign employees, and has never violated their work rights and human rights. The number of female employees accounted for 50.33% of the total number of employees in 2023, and the number of female supervisors accounted for 36.79% of all supervisors. The company will continue to build a female-friendly and fellowship workplace. 三、 The company complies with government labor laws and regulations, regularly participates in salary surveys, evaluates industry salary levels and other related indicators and company operating performance, and reviews employee salary standards to maintain the company’s competitiveness.The company evaluates the performance of employees by considering their contributions, performance, and responsibilities in the previous year, and then adjust salaries (including base pay, meal allowances, special allowances, etc.) and employee remuneration based on performance and contribution to the company’s achievements.Gender, age, race, religion,	

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			politics, and marital status are not factors to be considered in determining salary and benefits. The company's salary policy adheres to the principle of fairness and justice in order to ensure that the company remains competitive in the talent market. The company has an amount equivalent to 0.1%~15% of the current year's earnings as employee remuneration in accordance with the company's Articles of Incorporation to show appreciation for all employees' efforts and endeavors.	
(III) Whether the company has provided employees with a safe and healthy working environment, and arranged safety and health education regularly for the employees?	Yes		The company has an environmental safety and health policy in place, conducts employee health examinations regularly, and provide a complete series of environmental safety and health training. A total of 87 relevant training courses were held for a total of 2,766 hours with a total of 1,976 people attended in 2023. The entire plant of the company obtained OHSAS18001 occupational health and safety management system certification on September 26, 2006, and obtained ISO45001 occupational safety and health management system certification on March 8, 2021 for version update, and the certificate is valid for a period from 4.26.2021 to 4.2.2024 The company's industrial safety unit and supervisors at all levels inspect the working environment on-site regularly and occasionally with suggestions for improvement provided in order to reduce risks in the working environment. According to statistics, the frequency of disability injuries in 2023: 0, the severity of disability injuries: 0, the comprehensive disaster index: 0, and the number of fire accidents: 0, showing good industrial safety performance.	(三) Same as the aforementioned statement.

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
(IV) Does the company have an effective career development training program planned for employees?	Yes		The company has established a complete and effective professional training program for employees to enhance their career development capabilities. The company also provides a comprehensive education and training structure and diverse learning and development channels to help employees refine their professional functions through education and training, develop career plans, and become leading talents in the semiconductor industry. The training plan covers: New recruits training, professional functional training, growth incentive courses, management functional training, etc. The training scope includes: supervisors at all levels and all colleagues, etc. The overall implementation results are good.	(四) Same as the aforementioned statement.
(V) Does the company comply with relevant laws and regulations and international standards, and formulate relevant right and interest protection policies and grievance procedures to deal with consumers or customers for products and services, such as, customer health and safety, customer privacy, marketing and labelling, etc.?	Yes		The company has a Customer Service Department setup to proactively check and confirm the implementation of various customer policies occasionally, accept and handle customer complaints, and assist front-line sales colleagues in handling customer complaint cases and to safeguard customers' rights and interests. The company has established the "Regulations Governing Intellectual Property Right" to manage and protect customer privacy. The customers' technologies and other intellectual property rights will be used legally with the authorization of the customers. The company promises not to pirate or infringe customers' technologies and other intellectual property rights, and will help the relevant personnel of the company understand intellectual property rights and learn specific methods to protect intellectual property rights.	(五) Same as the aforementioned statement.

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
			The company always values the importance of marketing and labeling the products and services, and hopes to be in line with international standards.	
(VI) Has the company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?	Yes		The company will evaluate new suppliers, and will also check whether suppliers have records of impact on the environment and society forcefully.The company has contracts signed with major suppliers forcefully based on operational practices, including clauses that allow the company to have the contract terminated or cancelled when the suppliers violate corporate social responsibility policies that have a significant impact on the environment and society.At the same time, the company has the major raw material suppliers audited. The audit items include quality systems, environmental safety and health systems, banned substance requirements, and the Code of Conduct - Responsible Business Alliance. The suppliers with nonconformities identified in an audit will be required to propose improvement plans and confirm their effectiveness. Those who failed to make improvements will be disqualified as suppliers.	(六) Same as the aforementioned statement.
V. Does the company refer to the internationally accepted reporting standards or guidelines to prepare the sustainability reports for disclosing the company's non-financial information? Has the assurance or opinion from third-party certifying institutions been obtained for the aforementioned reports?		No	The company had hired a professional ESG advisory team at the end of 2023 to assist in the preparation of the sustainability report. The company will continue to coordinate with the relevant regulations of the competent authorities and gradually substantiate sustainability-related issues and developments in the future. The company will prepare sustainability reports and other reports that disclose the company's non-financial information in accordance with the law and regulations and operational needs in the future.	No difference.

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary Description	
VI. If the company has the sustainable development best practice principles formulated in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe the differences between its operation and the principles. The company's "Sustainable Development Best Practice Principles" is formulated in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" to enhance the practice of corporate social responsibility and achieve the goal of sustainable development. There is no significant difference in its operation from the principals.				
VII. Other important information that helps understand the promotion of sustainable development: (1) The finished product packaging materials tested by the company are indeed complying with the provisions of the EU environmental directive RoHS.The environmentally friendly tableware is used in the employee cafeteria, and garbage sorting is practiced comprehensively to reduce environmental impact. (2) The company has donated cash and charity materials to social welfare groups regularly and annually in recent years, such as holding charity sales, making donations to the Roman Catholic Diocese of Hsinchu Shiguang Correctional Institution, donating items to Huashan Social Welfare Foundation, Hsinchu County, making donation to Taiwan Fund for Children and Families, donating supplies to charity activities such as donating items to Hsinchu Aiheng for Persons with Intellectual Disability Center, and other charity activities.The company also specially invited Taiwan Fund for Children and Families and Roman Catholic Diocese of Hsinchu Shiguang Correctional Institution to participate in the charity sale, and encouraged colleagues to donate charity invoices to spread warmth and give back to the society. (3) The company has a dedicated unit in place to handle issues related to customer rights and interests. (4) The company's employment policy is free of any discrimination on gender, race, age, marital and family status, etc., and implements equality in remuneration, employment conditions, and training and promotion opportunities. (5) The company implements labor safety propaganda, and firefighting training and drills for employees every year in order to protect employee safety. The company arranges health checkup for employees regularly every year to provide employees with a safe and healthy working environment. (6) The company has passed relevant certifications such as ISO9001, IATF 16949, ISO/IEC 17025, ISO14001, ISO45001, OHSAS18001, ANSI ESD S20.20, ISO 14064-1, ISO 14067, RBA VAP and Sony Green Partner.				

6. Climate-related information for TWSE/TPEx Listed Companies

Implementation of climate-related information:

<table>
<tr><th>Item</th><th>Status of implementation</th></tr>
<tr><td>1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and the management.</td><td>The ESG Sustainable Development Committee reports to the Board of Directors at least once a year, and reported its implementation to the Board of Directors on October 31, 2023.The Board of Directors shall review the direction and work progress of the development of sustainable issues and climate-related risks and opportunities, and shall supervise and provide feedback to help substantiate the sustainable development of the enterprise.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the company’s business, strategy, and finances (short-term, mid-term, and long-term).</td><td>The company’s 2023 short-term, mid-term, and long-term climate risks and opportunities related issues, and the countermeasures formulated based on the impact time and impact severity are analyzed and explained as follows:
<table>
<tr><th></th><th>Period</th><th>Issue</th><th>Influence</th><th>Countermeasures</th></tr>
<tr><td>Risk</td><td>Short term</td><td>● Carbon fee
● Environmental pollution</td><td>● Increase in operating cost due to the charge of carbon fee
● Increase in operating cost due to worsening pollution</td><td>● The main source of greenhouse gas emissions in the factory currently is the outsourced electricity, accounted for approximately 90.44% of total emissions. The company will actively engage in carbon reduction actions continuously, promote various energy-saving projects in the factory, increase the use of renewable energy, and reduce greenhouse gas emissions.
● Identify the emission hot spots through greenhouse gas inventory, which is for reference in evaluating carbon reduction.
● The company has formed a strategy based on waste recycling to actively cooperate with recycling and removal agencies for waste collection and sorting in order to increase the value of waste.
● The company has relevant system protection measures adopted to ensure that exhaust gas emissions comply with emission standards, which including continuous monitoring systems, monitoring systems and personnel audits, and regular maintenance of exhaust gas treatment equipment functions. The</td></tr>
</table></td></tr>
</table>

Item	Status of implementation					
						company also monitors and audits process chemicals strictly, and continuously prepares exhaust gas treatment budgets in order to prevent air pollution and maintain environmental quality.
		Mid-term	Energy and resource regulations are becoming stricter.	● Increase in operating cost due to the purchase of renewable energy ● Reduced water resources	● Define renewable energy outsourcing goals and regularly follow up on the achievement rates. ● Trade in the renewable energy market every year continuously to increase the use of renewable energy. ● Observe the development trends of laws and regulations related to renewable energy continuously. ● Adhere to the four major water-saving policies, including “reducing process water consumption,” “reducing effluents,” “increasing system recovery rate,” and “saving household water consumption.” The mission is to reduce process and equipment water consumption and increase process and equipment recycling water year by year; also, reduce factory water consumption systematically.
		Long-term	Changes in customer behavior	Customers have different ideal about how to choose products or services now due to the awakening of the awareness of sustainability. The operating income may be decreased if their expectations are not met.	● Continue to observe new technologies and new construction methods in order to improve energy and resource efficiency in a run, and reduce the impact on climate and environment. ● Observe the dynamic changes and analysis of global climate change with the use of AI big data, and keep up with the global development with feasible solutions proposed. ● Focus on customer needs continuously.

<table>
<tr><td>Item</td><td colspan="5">Status of implementation</td></tr>
<tr><td></td><td colspan="5"><table>
<tr><td rowspan="3">Opportunities</td><td>Short-term and mid-term</td><td>Improve corporate image</td><td>Meet the expectations of stakeholders and enhance employee engagement and corporate reputation.</td><td>● Related measures are managed and improved by the ESG Sustainability Committee.
● Promote green productions in energy-saving and water-saving manufacturing facilities.</td></tr>
<tr><td>Mid-term</td><td>Improved energy efficiency</td><td>Operating cost is reduced due to the improvement of energy efficiency.</td><td>● Introduce the ISO50001 energy management system, establish a standardized management system, and plan an energy efficiency management mechanism.
● Promote various energy-saving measures in the factory, purchase or repair energy-saving facilities, and optimize systems and processes to maximize resource utilization efficiency.
● Cultivate employees' energy-saving and carbon-reduction thinking through propaganda.</td></tr>
<tr><td>Long-term</td><td>Develop or expand low-carbon products and services</td><td>Meet the needs of investors or customers and increase operating income.</td><td>● Enhance corporate image and product competitiveness through green marketing.
● Gradually establish sustainable procurement and green supply chains to receive more attention and opportunities for cooperation.
● Observe the market demand for low-carbon transformation continuously.</td></tr>
</table></td></tr>
<tr><td>3. Describe the impact of extreme climate events and transformation actions on finance.</td><td colspan="5">The company has evaluated the impact of extreme climate events and transformation actions on finance with the countermeasures formulated, which are analyzed and explained as follows:</td></tr>
</table>

<table>
<tr><td>Item</td><td>Status of implementation</td></tr>
<tr><td></td><td>
<table>
<tr><td></td><td>Item</td><td>Financial impact</td><td>Countermeasures</td></tr>
<tr><td>Extreme climate events</td><td>Floods, droughts, typhoons, and earthquakes</td><td>Cause the water supply/power supply in the factory area interrupted, production affected, and losses resulted from the operation interruption.</td><td>● Establish comprehensive water resources control.
● Increase the recycle of process water consumed and equipment water consumed, extend and stabilize the supply of process water, and regularly review the effectiveness of water management.
● Inspect the process equipment in the factory.
● Install generators voluntarily to supply emergency power needs for firefighting.
● Disaster prevention design of the factory buildings that is intended for the protection of production.</td></tr>
<tr><td>Transformational action</td><td>Improve energy efficiency</td><td>● Increase in operating costs due to the purchase or repair of the energy-saving facilities.
● Reduce greenhouse gas emissions to help reduce operating cost that is caused by carbon fees.</td><td>● New machines and facilities can help increase production capacity, and the cost saving can be reinvested in production so to increase production output.
● Promote various energy-saving measures to maximize resource efficiency and to effectively reduce greenhouse gas emissions.</td></tr>
</table>
</td></tr>
<tr><td>4. Describe how climate risk identification, evaluation, and management processes are integrated into the overall risk management system.</td><td>According to the structure of TCFD, climate risk issues are identified through international institutional reports, industry analysis, and relevant laws and regulations. The company estimates the risk value and prioritize the importance of risk issues with the financial or strategic impact intensity and likelihood of occurrence.</td></tr>
<tr><td>5. If scenario analysis is adopted to evaluate resilience to climate</td><td>None</td></tr>
</table>

Item	Status of implementation
change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used for analysis should be described.	
6. If there is a transformation plan in response to the management of climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	None
7. If internal carbon pricing is used as a planning tool, the basis for pricing should be stated.	None
8. If there are climate-related goals established, describe the activities included, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress, and other information. If carbon offsets or renewable energy certificates (RECs) are used for achieving the set goals, describe the source and quantity of offset carbon reduction credits or the quantity of renewable energy certificates (RECs).	The current carbon reduction target for all factories of Winstek Semiconductor Co., Ltd. is >1%/year, and then reaches 2% reduction every year all the way to the year of 2030, and then >3% in 2030. In addition, the company has started using renewable energy (accounted for 3% of the entire plant's electricity consumption, and expected to obtain 1,800 certificates) since February 2024 in order to achieve the 2030 carbon-reduction target and gradually move towards net-zero emissions.

Item	Status of implementation
9. Greenhouse gas inventory and assurance, reduction targets, strategies, and specific action plans (fill in 1-1 and 1-2 separately).	Please refer to the detailed explanation provided in Table 1-1 and Table 1-2 below.

Table 1-1 The company's greenhouse gas inventory and assurance in the last two years

1-1-1 Greenhouse gas inventory information

Describe the emission volume (metric tons CO2e), density (metric tons CO2e/NT$1 million), and data coverage of greenhouse gases in the last two years.
Winstek Semiconductor Co., Ltd. conducts greenhouse gas inventory for all factories. The company did not obtain the 2023 inspection results before the publication date of the annual report. The complete information on the assurance opinion will be disclosed on the company's official website. The 2022 inspection results are as follows:

Year	Category 1 (tCO2e)	Category 2 (tCO2e)	Category 3 (tCO2e)	Unit revenue Emissions (tCO2e/NT$1 million)
111	3,154.1819	29,763.657	7337.6318	10.199

Note 1: Direct emissions (Category 1, that is, directly from emission sources owned or controlled by the company), indirect energy emissions (Category 2, that is, indirect greenhouse gas emissions from the input of electricity, heat, or steam) and other indirect emissions (Category 3, that is, emissions generated by company activities, which are not indirect emissions from energy, but from emission sources owned or controlled by other companies).

Note 2: The coverage of direct emissions and energy indirect emissions data shall be handled in accordance with the timetable specified in accordance with Article 10, Paragraph 2 of the "Guidelines." Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The density of greenhouse gas emissions can be calculated as per unit of product/service or turnover, but at least the data calculated in terms of turnover (NT$1 million) should be stated.

1-1-2 Greenhouse Gas Assurance Information

Describe the assurance situation in the last two years as of the publication date of the annual report, including assurance range, assurance institution, assurance standard, and assurance opinion.
The company did not obtain a complete greenhouse gas assurance opinion on the 2023 inspection results before the publication date of the annual report. The said assurance opinion on the inspection results of the previous year is expected to be obtained before the end of October each year. The complete information on the assurance opinion will be disclosed on the company's official website. The 2022 assurance situation is as follows:

Assurance range	Assurance institution	Assurance standard	Assurance opinion
All factories	SGS Taiwan Limited (SGS)	ISO14064-1:2018	According to the verification evidence of Category 1 and Category 2, the substantial difference threshold has not been violated and it meets the reasonable assurance level

			recognized by the competent authority. Categories 3~6 are limited assurance levels.

Table 1-2 Greenhouse gas reduction targets, strategies, and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.
The company's greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans, and reduction target achievement are as follows:

Base year	2021 (Total emissions of 39,899.252 tCO2e)
Reduction target	The current carbon reduction target is >1%/year, then reaches 2% reduction every year all the way to the year of 2030, and then >3% in 2030.
Strategies and specific action plans	● The three cores of carbon reduction include low-carbon energy, process and factory energy saving, and building facilities. ● The emission source of the industry mainly comes from the use of electricity due to the industrial characteristics. In addition to improving energy efficiency continuously, the company expects to pass ISO50001 certification in 2024. In addition, the company has started using renewable energy from February 2024 (accounted for 3% of the entire plant's electricity consumption) in order to achieve reduction target by 2030 and move towards net-zero emissions gradually. ● In terms of innovation and energy saving, the company plans to introduce an energy management system and platform in 2024 in order to improve energy efficiency. Also, the company plans to encourage each unit to engage in energy saving improvements through technology sharing and competitions. In addition, the company integrates the promotion of low-carbon green buildings in new factories in order to manage and reduce operational carbon emissions comprehensively.
Achievement of reduction targets	Relevant power-saving measures adopted in 2022 and carbon reduction benefits was 288.15 tCO2e.

7. The Practice of Ethical Corporate Management and Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx-listed Companies and the reasons

Evaluation items	The State of Operations			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company" and the Reasons
	Yes	No	Summary Description	
I. Establishment of ethical corporate management policy and proposal	Yes		(I) The company has formulated the "Ethical Corporate Management Best Practice Principles" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies." In addition, the company has formulated regulations governing labor and ethical corporate management and other relevant regulations in accordance with relevant labor laws, which includes medical corporate management policies, prevention plans, and other rules.The company has the ethical corporate management polices clearly states in the Articles of Incorporation and external documents, which are to be actively implemented by the Board of Directors and management actively in internal management and external business activities. (II) The company has formulated regulations governing labor and ethical corporate management and other relevant regulations, and has adopted measures to prevent bribery, accepting bribe, and illegal political donations for business activities with high risks of unethical conduct within the business scope. (III) The company has formulated the "Ethical Corporate Management Best Practice Principles" in accordance with	(I) Complied with the company's "Ethical Corporate Management Best Practice Principles." (II) Same as the aforementioned statement. (III) Same as the aforementioned statement.
(I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the company's Articles of Incorporation and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy?	Yes			
(II) Whether the company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?"	Yes			
(III) Whether the company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent				

Evaluation items	The State of Operations			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company" and the Reasons
	Yes	No	Summary Description	
unethical conduct and implemented the plan as well as regularly reviews and amends it?			relevant laws and regulations, established a corporate culture and sound development of the company's ethical corporate management, and clearly defined and implemented operating procedures, conduct guidelines, and disciplinary and complaint systems.	
II. Implementation of Ethical Corporate Management				
(I) Does the company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?	Yes Yes		(I) Our company has stipulated ethical conduct clauses in its business contracts to prevent unethical conduct from occurring.	(I) Complied with the company's "Ethical Corporate Management Best Practice Principles."
(II) Does the company have a dedicated unit under the Board of Directors to promote ethical corporate management and regularly report (at least once a year) to the Board of Directors on its ethical corporate management policy and plan to prevent unethical conduct and monitor their implementation?	Yes		(II) The company has set up an administrative office as a full-time (part-time) unit to promote ethical corporate management and to report to the Board of Directors at least once a year on the implementation of ethical corporate management.	(II) Same as the aforementioned statement.
(III) Does the company have the policy to prevent conflict of interest, provide appropriate channels for an explanation, and implement it?	Yes		(III) The company has formulated regulations governing labor and ethical corporate management and other relevant regulations in accordance with relevant labor laws, which includes employee grievance mechanisms and reporting procedures. The company has established channels for representation on a daily basis to prevent conflicts of interest, which have all been handled appropriately.	(III) Same as the aforementioned statement.
(IV) Whether the company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent	Yes		(IV) The company has established an effective accounting system and internal control system, which are regularly reviewed by internal auditors. Also, the company has mandated a large accounting firm in Taiwan to perform auditing procedures regularly.	(IV) Same as the aforementioned statement.

Evaluation items	The State of Operations			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company" and the Reasons
	Yes	No	Summary Description	
unethical conduct or entrusts a CPA to perform the audit? (V) Does the company regularly organize internal and external education and training on ethical corporate management?			(V) The company propagandizes all employees once a year on the "Procedures for Managing Insider Trade Prevention," "Work Management and Code of Professional Ethics," "Ethical Corporate Management Policy," and "Whistleblower Reporting System and Reporting Procedures."	(V) Same as the aforementioned statement.
III. The operation of the company's whistleblower reporting system (I) Has the company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters? (II) Has the company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms? (III) Whether the Company takes measures to protect whistleblowers from being improperly handled due to reporting?	Yes Yes Yes		(I) The company has formulated labor and ethics management measures, measures for reporting illegal and unethical conduct, and other relevant regulations in accordance with relevant labor laws and regulations, including various employee grievance mechanisms and reporting procedures. Employees may report relevant violations of ethical corporate management regulations by telephone calls or letters. (II) The company has operating standards formulated such as regulations governing whistleblower reporting illegal and unethical conduct with a confidentiality mechanism established. Retaliation against those who report any unethical conduct in good faith is strictly prohibited. (III) The company has operating standards formulated such as regulations governing whistleblower reporting illegal and unethical conduct with a confidentiality mechanism established. Properly protect whistleblowers from inappropriate treatment due to whistleblowing. Retaliation against those who report any unethical conduct in good	(I) Complied with the company's "Ethical Corporate Management Best Practice Principles." (II) Same as the aforementioned statement. (III) Same as the aforementioned statement.

Evaluation items	The State of Operations			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company" and the Reasons
	Yes	No	Summary Description	
			faith is strictly prohibited.	
IV. Intensification of Disclosure Does the company disclose the content and effectiveness of its Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System?	Yes		The company discloses the "Ethical Corporate Management Best Practice Principles" on the Market Observation Post System, and has set up a website http://www.winstek.com.tw to disclose information related to ethical corporate management. The person who is designated to collect company information is to have such information disclosed on the company website.	Complied with the company's "Ethical Corporate Management Best Practice Principles."
V. If the company has the "Ethical Corporate Management Best Practice Principles" formulated in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please state the differences between the two and the state of implementation: The Company works with various vendors and organizations based on the principle of ethical corporate management. The Company has established and approved by the Board of Directors the "Operating Procedures for Ethical Corporate Management and Guidelines for Conduct" and has implemented them in internal management and external business activities. The company has the "Ethical Corporate Management Best Practice Principles" formulated in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," and its operations are generally in compliance with the standards.				
VI. Other important information that helps understand the promotion of ethical corporate management (such as the review and revision of the ethical corporate management best practice principles): The company has formulated operating standards, such as the "Ethical Corporate Management Best Practice Principles," "Regulations Governing Labor and Ethical Corporate Management," and "Regulations Governing Reporting Illegal and Unethical Conducts," for compliance.				

8. If the company has the "Ethical Corporate Management Best Practice Principles" formulated, it is necessary to disclose its inquiry methods:

   The company has formulated the "Corporate Governance Best Practice Principles," Ethical Corporate Management Best Practice Principles," "Sustainable Development Best Practice Principles," which can be found at the Market Observation Post System and the company's website.

9. Other important information for understanding the operations of corporate governance may be disclosed too: Please visit the Market Observation Post System and the company's website for details.

10.Implementation of the internal control system:

(1) Statement of Internal Control:

Winstek Semiconductor Co., Ltd
The Statement of Internal Control

February 26, 2024

With regards to the results of 2023 self-evaluation of the internal control system, we hereby declare the following:

1. We acknowledge and understand that it is the responsibility of our Board of Directors and management team to establish, implement, and maintain an internal control system, and we have established such a system with the purpose to fairly ensure the effectiveness and efficiency of the Company's operations, including profitability, performance, and security of assets in order to provide reliable, timely, and transparent financial reporting that meets legal compliance.
2. Despite limitation inherent to each internal control system, an effective internal control system can only fairly ensure the achievement of aforementioned goals. Furthermore, the effectiveness of an internal control system may vary in response to changes in environment and market condition. By equipping our internal control system with a self-monitoring mechanism, immediate corrective actions can be taken against defects once identified.
3. The Company follows procedures specified in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (the "Criteria") to determine the effectiveness of design and implementation of our internal control system. With regard to management control process, the Criteria divides an internal control system into five elements: a) control environment, b) risk assessment, c) control operation, d) information and communication, and e) monitoring. Each element also contains several audits items, and shall be referred to the Criteria for details.
4. We have evaluated the effectiveness of the design and implementation of our internal control system based on aforementioned criteria.
5. Based on the assessment results following aforementioned evaluation criteria, we believe that the design and implementation of our internal control system on December 31, 2023, including supervision and management of subsidiaries, were effective in understanding the effectiveness. of operation, progress in achieving above set goals. Our internal control system delivers reliable, timely, and transparent information, and meets compliance governed by relevant regulations.
6. The statement of internal control shall form an integral part of the Company's annual report and prospectus, the statement will also be disclosed to public. If there is any fraud, concealment, or unlawful practice found in the above contents, we shall be liable for legal consequences set forth in Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
7. This statement of declaration was approved unanimously by the Board of Directors meeting held on Feburary 26, 2024 with none of the nine attending directors expressing dissenting opinions.

Winstek Semiconductor Co., Ltd.

Chairman: Hsing-Yang Huang

General Manager:： Weng Chih-Li

(2) The review report of the CPAs should be disclosed if the internal control system is reviewed by the CPAs: None

11. Where the company and its insiders receive penalties for violations or the company's punishment on its internal personnel for violating internal control system, and where the punishment may have a material impact on shareholders' equity or securities price, the penalty, main nonconformity, and improvement shall be expressly listed in the most recent year and as of the publication date of the Annual Report: None.

12. Important resolutions of the shareholders' meeting and board meetings in the most recent year and as of the publication date of the Annual Report:

(1) Important resolutions and implementation of the 2023 shareholders' meeting:

Meeting name	Meeting date	Important resolutions	Status of implementation
The 2023 Regular Shareholders' Meeting	06.06.2023	1. Recognition of the 2022 business report and financial statements	It shall be handled in accordance with the matters recognized by the regular shareholders' meeting.
		2. Recognition of the 2022 earnings distribution proposal	It shall be handled in accordance with the matters recognized by the regular shareholders' meeting. The 2022 earnings distribution was completed with the base date for dividend payment scheduled on July 18, 2023, and the cash dividend was paid on August 11, 2023.
		3. The company's reelection of board directors	The election of the 9 elected directors (including 3 independent directors) was resolved in the shareholders' meeting, and the new board director registration was approved by the Administration of Commerce of the Ministry of Economic Affairs on June 27, 2023.
		4. Lift of the non-compete clause against the new directors and their representatives	The lift of the non-compete restrictions against the new directors and their representatives resolved by the shareholders' meeting has been disclosed on the Market Observation Post System.
		5. Passed the amendments to some provisions of the "Procedures for Loaning of Funds."	The amendments to some provisions of the "Procedures for Loaning of Funds" had been disclosed on the Market Observation Post System on June 12, 2023 according to the resolution of the shareholders' meeting, and the relevant operations has been handled in accordance with the amended procedures thereafter.

(2) Important resolutions of the Board of Directors in 2023 and as of March 24, 2024:

Date	Important resolutions
03.06.2023	1. Passed the company's 2022 employee remuneration and director remuneration distribution plan. 2. Passed the company's 2022 business report and financial report. 3. Passed the company's 2022 earnings distribution plan. 4. Passed the date, place, agenda, and acceptance of shareholder proposals for the company's 2023 regular shareholders' meeting. 5. Pass the election of the company's directors. 6. Passed the evaluation of the effectiveness of the company's 2022 internal control system and the Statement of Internal Control System. 7. Passed the appointment and remuneration of the company's independent auditors in 2023 and the evaluation of their independence and competency.
04.25.2023	1. Passed the company's 2023Q1 consolidated financial report. 2. Pass the list and qualification review of nominated candidates for directors and independent director by the company's Board of Directors. 3. Pass the lift of the non-compete clause against the nominated candidates for directors. 4. Passed the amendments to some provisions of the "Procedures for Loaning of Funds." 5. Passed the company's designating a corporate governance officer.
06.06.2023	Passed the company's electing the Chairman of the Board of Directors.
07.31.2023	1. Passed the company's 2023Q2 consolidated financial report. 2. Passed the amendment to the "Corporate Governance Best Practice Principles." 3. Passed the company's appointing the members of the 7th Remuneration Committee.
10.31.2023	1. Passed the company's 2023Q3 consolidated financial report. 2. Passed the 2024 audit plan.
12.18.2023	Passed the 2024 business plan.
02.26.2023	1. Passed the company's 2023 employee remuneration and director remuneration distribution plan. 2. Passed the company's 2023 business report and financial report. 3. Passed the company's 2023 earnings distribution plan. 4. Passed the date, place, agenda, and acceptance of shareholder proposals for the company's 2024 regular shareholders' meeting. 5. Passed the evaluation of the effectiveness of the company's 2023 internal control system and the Statement of Internal Control System. 6. Passed the appointment and remuneration of the company's independent auditors in 2024 and the evaluation of their independence and competency.

13. If any director or supervisor has his/her objections or reservations raised with records or written statements prepared against the important proposals resolved by the Board of Directors in the most recent year and as of the publication date of the annual report, the main content of such objections or reservations is: None.
14. Summary of the resignations and dismissals of the company's Chairman, President, Accounting Officer, Financial Officer, Internal Audit Director, Corporate Governance Officer, and R&D Director in the most recent year and as of the publication date of the annual report: None.

V. Independent auditor's auditing fees

Amount unit: NT$ thousand

Name of Accounting Firm	Name of the CPAs	CPA's review period	Auditing fees	Non-auditing fees	Sum	Note
PwC Taiwan	Chi-Cheng Hsieh	1.1.2023～12.31.2023	2190	751 (Note)	2941	
	Tsai-Yen Chiang	1.1.2023～12.31.2023				

Note: Non-audit services include tax compliance audit, direct deduction method for business tax for dual-status business entities, and tax reduction and exemption review under the Statute for Industrial Innovation, etc.

1. If the accounting firm for audit service is changed and the audit fee paid in the year of change is lower than the audit fee of the year before the change, please disclose the audit fee paid before and after the change and the reasons: None of such situation occurred
2. If the audit service fee is reduced by more than 10% from the year before, please disclose the amount, proportion, and reason for the reduction of the audit service: None of such situation occurred

VI. Information on the replacement of CPAs: None of such situation occurred

VII. Any of the company's Chairman, President, and managers involved in financial or accounting affairs being employed by the independent auditor's firm or any of its affiliated enterprises within the recent year: None

VIII. Changes in the transfer of shares by directors, supervisors, managerial officers, and shareholders with more than 10% shareholding, and changes in the shares pledged in the most recent years and as of the publication date of the annual report

1. Changes in the transfer of shares

Unit: Shares

Title	Name	2023		As of March 24, 2024	
		Increase/decrease in the number of shares	Increase/decrease in the number of shares	Increase/decrease in the number of shares	Increase/decrease in the number of shares
Major shareholder and corporate director	SIGWIN Corporation	0	0	0	0
Representative of corporate director and Chairman	Hsing-Yang Huang	0	0	0	0
Representative of corporate director	Tsan-Lien Yeh	0	0	0	0
Representative of corporate director	Hsu-Tung Kuo	0	0	0	0
Representative of corporate director	Chao-Hung Hsieh	0	0	0	0
Representative of corporate director	Min-Hung Wu	0	0	0	0
Director and President	Chih-Li Weng	0	0	0	0
Independent Director	Min-Kai Lin	0	0	0	0
Independent Director	Den Wang (Note 1)	0	0	0	0
Independent Director	Jen-Yu Wei (Note 2)	0	0	0	0
Independent Director	Wen-chou Vincent Wang	0	0	0	0
Vice President	Hou-Chi Huang	0	0	0	0
Vice President	Chien-Hsun Chen	0	0	0	0
Chief Financial Officer (CFO)	Kui-Chu Liu	0	0	0	0
Corporate Governance Officer	Xiucen Zhong (Note 3)	0	0	0	0

Note 1: Elected on June 6, 2023

Note 2: Resigned on June 6, 2023

Note 3: Took office on April 25, 2023

2. Transfer of equity to related parties: None.

3. information on equity pledge: None.

IX. Information on the top ten shareholders in shareholding ratio and their relationship to each other

March 24, 2024

Name	Shareholdings of the Principal		Shareholdings of spouse and minor children		Shareholdings in the name of others		The title or names and relationships of the top-ten shareholders who are related parties, spouse, or relatives within the second degree of kinship as defined in the Financial Accounting Standards No. 6 should be disclosed.		Note
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
SIGWIN Corporation Representative: Hsing-Yang Huang	70,726,438	51.90%	0	0	0	0	None	None	
	0	0.00%	0	0	0	0	None	None	
Dehshen Lu	2,960,000	2.17%	0	0	0	0	None	None	
Citi Bank is entrusted with the custody of Barclays Capital SBL/PB investment account	1,395,000	1.02%	0	0	0	0	None	None	
Citibank (Taiwan) is entrusted with the custody of DBS Bank Ltd. - External Account Manager JPMorgan Chase Investment Account	1,360,000	1.00%	0	0	0	0	None	None	
Jingwen Tsai	1,325,000	0.97%	0	0	0	0	None	None	
Houguang Chen	886,000	0.65%	0	0	0	0	None	None	
Yujin Pan	791,643	0.58%	0	0	0	0	None	None	
HSBC Bank (Taiwan) Limited is entrusted with the custody of Cambria ETF-EYLD-ETF Investment Account	785,000	0.58%	0	0	0	0	None	None	
HSBC Bank (Taiwan) Limited is entrusted with the custody of Morgan Stanley investment account	777,000	0.57%	0	0	0	0	None	None	
Zi-Li Weng	571,507	0.42%	0	0	0	0	None	None	

X. Comprehensive shareholding ratio:

Unit: thousand shares

Transfer investment business (Note)	The company's investment		Directors, supervisors, managerial officers, and investment of the directly or indirectly controlled entity		Comprehensive investment	
	Number of shares	Percentage of ownership	Number of shares	Percentage of ownership	Number of shares	Percentage of ownership
Winstek Semiconductor Technology Co., Ltd.	210,000	100%	0	0	210,000	100%
TST Co., Ltd.	20,000	100%	0	0	20,000	100%

Note: The company's long-term investment under the equity method

IV. Capital raising

I. Capital and shares

1. Source of capital

Unit: NT$ thousand; thousands of shares

Year/Month	Per share Face value (NTD)	Authorized capital stock		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Pay for stock shares with considerations other than cash	Others
89.04	10	2,000	20,000	2,000	20,000	Placement and establishment	None	Note 1
89.06	10	120,000	1,200,000	80,000	800,000	Cash capital increase for NT$780,000 thousand	None	Note 2
90.04	10	120,000	1,200,000	90,000	900,000	Cash capital increase for NT$100,000 thousand	None	Note 3
90.09	10	250,000	2,500,000	184,000	1,840,000	Cash capital increase for NT$940,000 thousand	None	Note 4
92.11	10	250,000	2,500,000	224,000	2,240,000	Cash capital increase for NT$400,000 thousand	None	Note 5
93.08	10	274,900	2,749,000	243,736	2,437,357	Capital increase from earnings for $197,357 thousand	None	Note 6
94.08	10	274,900	2,749,000	254,291	2,542,913	IPO cash capital increase for NT$105,556 thousand	None	Note 7
94.10	10	274,900	2,749,000	254,432	2,544,318	Conversion of employee stock options to new shares for $1,405 thousand	None	Note 8
95.01	10	274,000	2,749,000	255,108	2,551,078	Conversion of employee stock options to new shares for $6,760 thousand	None	Note 9
95.04	10	274,000	2,749,000	255,147	2,551,468	Conversion of employee stock options to new shares for $390 thousand	None	Note 10
95.08	10	274,000	2,749,000	255,150	2,551,498	Conversion of employee stock options to new shares for $30 thousand	None	Note 11
95.08	10	400,000	4,000,000	263,605	2,636,046	Capital increase from earnings for $84,548 thousand	None	Note 12
95.11	10	400,000	4,000,000	263,976	2,639,761	Conversion of employee stock options to new shares for $3,715 thousand	None	Note 13
96.02	10	400,000	4,000,000	264,152	2,641,516	Conversion of employee stock options to new shares for $1,755 thousand	None	Note 14
96.05	10	400,000	4,000,000	264,208	2,642,078	Conversion of employee stock options to new shares for $563 thousand	None	Note 15
96.08	10	400,000	4,000,000	262,428	2,624,283	(1) Conversion of employee stock options to new shares for $75 thousand (2) Canceled treasury shares for NT$17,870 thousand	None	Note 16
96.08	10	400,000	4,000,000	271,902	2,719,016	Capital increase from earnings for $94,732 thousand	None	Note 17

96.11	10	400,000	4,000,000	272,019	2,720,188	Conversion of employee stock options to new shares for $1,173 thousand	None	Note 18
97.02	10	400,000	4,000,000	272,388	2,723,878	Conversion of employee stock options to new shares for $3,690 thousand	None	Note 19
97.05	10	400,000	4,000,000	272,411	2,724,108	Conversion of employee stock options to new shares for $230 thousand	None	Note 20
97.08	10	400,000	4,000,000	272,429	2,724,288	Conversion of employee stock options to new shares for $180 thousand	None	Note 21
97.11	10	400,000	4,000,000	272,523	2,725,233	Conversion of employee stock options to new shares for $945 thousand	None	Note 22
100.05	10	400,000	4,000,000	136,262	1,362,617	Cash capital reduction and return of capital for NT$1,362,617 thousand	None	Note 23

Note 1 April 26, 2000, No. 89284149.
Note 2 June 14, 2000, Jing-(89)-Shang-Zi No. 118968.
Note 3 April 20, 2001, Jing-(90)-Shang-Zi No. 09001129230.
Note 4 September 3, 2001, Jing-(90)-Shang-Zi No. 09001350740.
Note 5 November 11, 2003, Jing-So-Shang-Zi No. 09201311200.
Note 6 August 19, 2004, Jing-So-Shang-Zi No. 09301152930.
Note 7 August 19, 2005, Jing-So-Shang-Zi No. 09401158140.
Note 8 November 8, 2005, Jing-So-Shang-Zi No. 09401222330.
Note 9 March 2, 2006, Jing-So-Shang-Zi No. 09501036070.
Note 10 May 15, 2006, Jing-So-Shang-Zi No. 09501084860.
Note 11 August 8, 2006, Jing-So-Shang-Zi No. 09501171060.
Note 12 August 31, 2006, Jing-So-Shang-Zi No. 09501194040.
Note 13 November 9, 2006, Jing-So-Shang-Zi No. 09501249320.
Note 14 February 12, 2007, Jing-So-Shang-Zi No. 09601032890.
Note 15 May 9, 2007, Jing-So-Shang-Zi No. 09601100470.
Note 16 August 9, 2007, Jing-So-Shang-Zi No. 09601193040.
Note 17 August 31, 2007, Jing-So-Shang-Zi No. 09601212680.
Note 18 November 5, 2007, Jing-So-Shang-Zi No. 09601270960.
Note 19 February 5, 2008, Jing-So-Shang-Zi No. 09701029790.
Note 20 May 16, 2008, Jing-So-Shang-Zi No. 09701111670.
Note 21 August 13, 2008, Jing-So-Shang-Zi No. 09701200880.
Note 22 November 10, 2008, Jing-So-Shang-Zi No. 09701287880.
Note 23 May 18, 2011, Jing-So-Shang-Zi No. 10001100240.

Type of shares

March 24, 2024

Type of shares	Authorized capital (stock)			Note
	Outstanding shares	Unissued shares	Total	
Ordered common stock	136,261,659	263,738,341	400,000,000	Traded at TPEx

2. Shareholder structure

March 24, 2024

Quantity (QTY) / Shareholder	Government agency	Financial institutions	Other juristic persons	Individuals	Foreign institutions	Sum
Number of people	0	1	51	15,231	53	15,336
Number of shares owned	0	10,000	73,359,969	56,387,930	6,503,760	136,261,659
Percentage of ownership	0.0%	0.0%	53.8%	41.4%	4.8%	100.0%

3. Equity dispersion profile

March 24, 2024

Classification of shareholdings			Number of shareholders	Number of shares owned	Percentage of ownership
1	~	999	3,305	555,077	0.41%
1,000	~	5,000	10,457	18,239,216	13.39%
5,001	~	10,000	875	7,171,181	5.26%
10,001	~	15,000	216	2,811,173	2.06%
15,001	~	20,000	139	2,565,483	1.88%
20,001	~	30,000	118	3,096,768	2.27%
30,001	~	40,000	56	1,996,211	1.46%
40,001	~	50,000	37	1,705,000	1.25%
50,001	~	100,000	73	5,209,437	3.82%
100,001	~	200,000	30	4,421,525	3.24%
200,001	~	400,000	12	3,195,000	2.34%
400,001	~	600,000	9	4,289,507	3.15%
600,001	~	800,000	3	2,353,643	1.73%
800,001	~	1,000,000	1	886,000	0.65%
1,000,001	Over		5	77,766,438	57.07%
Sum			15,336	136,261,659	100.00%

4. Name of major shareholders:

Name, shareholding, and shareholding ratio of the top ten shareholders or shareholders holding 5% or more shares.

March 24, 2024

Name of major shareholders	Number of shares owned	Percentage of ownership
SIGWIN Corporation	70,726,438	51.90%
Dehshen Lu	2,960,000	2.17%
Citi Bank is entrusted with the custody of Barclays Capital SBL/PB investment account	1,395,000	1.02%
Citibank (Taiwan) is entrusted with the custody of DBS Bank Ltd. - External Account Manager JPMorgan Chase Investment Account	1,360,000	1.00%
Jingwen Tsai	1,325,000	0.97%
Houguang Chen	886,000	0.65%
Yujin Pan	791,643	0.58%
HSBC Bank (Taiwan) Limited is entrusted with the custody of Cambria ETF-EYLD-ETF Investment Account	785,000	0.58%
HSBC Bank (Taiwan) Limited is entrusted with the custody of Morgan Stanley investment account	777,000	0.57%
Chih-Li Weng	571,507	0.42%

5. Information on market price, net worth, earnings, dividend per share in the last 2 years:

Item \ Year			2022	2023
Market Price Per Share	Highest		57.40	107.50
	Lowest		28.75	45.0
	Average		47.69	77.45
Net worth per share	Before distribution		42.96	43.99
	After distribution		43.99	(Note)
Earnings per share	Weighted average shares (Unit: Thousand shares)		136,262	136,261
	Before retrospective adjustment		6.73	6.16
	After retrospective adjustment		6.73	(Note)
Dividends Per Share	Cash dividend		5.0	4.8
	Stock dividends	Stock dividends from earnings	-	(Note)
		Stock dividends from additional paid-in capital	-	(Note)
	Cumulative undistributed dividends		-	(Note)
Analysis of return on investment	Price to earnings ratio		7.09	12.57
	Price to dividends ratio		9.54	16.14
	Cash dividends yield		10.48%	6.20%

Note: The current earnings distribution has not been resolved by the regular shareholders' meeting.

6. The company's dividend policy and implementation:

(1) The company's dividend policy:

The company's earnings of the year, if any, should be first applied to make up for the losses of previous years and then 10% legal reserve. However, this does not apply when the legal reserve reaches the amount of paid-in capital.Also, special reserve should be appropriated or reversed as necessary. The remaining amount of the earnings, if any, together with the undistributed earnings at the beginning of the period, with a part of it retained depending on the business conditions, should be applied for the distribution of dividends to shareholders in accordance with the distribution proposal drafted up by the Board of Directors and resolved by the shareholders' meeting. The company authorizes the Board of Directors to distribute all or part of the dividends and bonuses, additional paid-in capital, or legal reserves in cash with the consent of the majority directors present in the meeting that is attended by more than two-thirds of the directors; also, it must be reported to the shareholders' meeting.

The company's dividend distribution policy is to have dividends distributed depending on the company's earnings of the year and future investment environment, capital needs, capital budget planning, operating plans, and other relevant factors; also, takes into account the financial structure and earnings dilution. The dividend amount distributed shall not be less than 10% of the net income; however, if the earnings per share is less than NT$0.5 or if the dividend distribution will lead to a breach of contract, the company may have the earnings retained not distributed. The company's earnings distribution may be made in the form of stock dividends or cash dividends, of which, cash dividends shall not be less than 10% of the total dividends paid.

(2) Dividend distribution proposed at this shareholders' meeting:

The proposed dividend distribution at this regular shareholders' meeting is based on the resolution proposed by the Board of Directors, which is to appropriate dividends to shareholders for an amount of NT$654,056 thousand. Complied with the dividend policy stipulated in the company's Articles of Incorporation.

7. The impact of the stock dividend proposed at this shareholders' meeting on the company's operating performance and earnings per share:

There is no stock dividend proposed at this shareholders' meeting, which will not have any impact on the company's operating performance and earnings per share.

8. Remuneration to employees, directors, and supervisors:

(1) Relevant information on employee remuneration and director and supervisor remuneration contained in the company's Articles of Incorporation:

The company shall appropriate an amount equivalent to 0.1%~15% of the earnings, if any, as remuneration to employees; also, may appropriate not more than 3% of the earnings as director remuneration depending on the business conditions. However, an amount equivalent to the losses, if any, should be reserved in advance to make up for it. The distribution of remuneration to employees should be arranged in the form of stocks or cash; also, the remuneration to directors can only be arranged in cash, which must be resolved by the Board of Directors with the consent of the majority director present in the meeting that is attended by more than two-thirds of the directors. Employee remuneration is also paid to employees of controlled companies or subsidiaries who meet certain conditions.

(2) The basis for estimating the employee remuneration and the director and supervisor remuneration for the current period, the basis for calculating the number of shares as stock dividend, and the accounting treatment for the difference between the actual distribution amount and the estimated amount:

The estimated employee remuneration for the current period is NT$63,164 thousand, and the estimated director remuneration is NT$0, which is based on the remuneration percentage stipulated in the company's Articles of Incorporation, that is, 6.0% and 0% of the net income before tax net of the earnings before deducting the remuneration to employees and directors.

Employee remuneration is paid in cash. If the actual distribution amount of employee remuneration and director remuneration is different from the estimated amount, it is a change in accounting estimate, and the profit and loss of the fiscal year will be adjusted and distributed accordingly.

(3) The distribution of remuneration approved by the Board of Directors:

A. If the amount of employee remuneration and director remuneration paid in the form of cash or stocks is different from the estimated amount in the year recognizing expenses, the amount of difference, reasons, and handling should be disclosed:

The company's Board of Directors resolved in the board meeting on February 26, 2024 to distribute employee remuneration for an amount of NT$63,164 thousand and director remuneration for an amount of NT$0. The employee

remuneration will be paid in cash, and there was no difference between the amount distributed and the amount booked.

B. The amount of employee remuneration distributed in the form of stocks and the ratio of such amount to the total amount of net income and employee remuneration stated in the standalone financial report for the current period:

There is no employee remuneration distributed in the form of stocks this year; therefore, it is not applicable.

(4) The actual distribution of remuneration to employees in the previous year (including the number of shares distributed, the amount, and the price of the shares), if it differs from the amount of remuneration to employees and directors booked, the amount of difference, reasons, and handling should be disclosed:

The 2022 employee remuneration was estimated for an amount of NT$66,002 thousand and director remuneration for an amount of NT$0. There was no difference between the amount distributed and the amount estimated.

9. Repurchase of the company's shares: None

II. Disclosure of corporate bonds (including overseas corporate bonds): None

III. Disclosure of preferred stocks: None

IV. Disclosure of overseas depository receipts: None

V. Disclosure of employee warrants and restricted stock: None

VI. Issuance of shares in connection with acquisition of shares of any other company: None.

VII. Implementation of fund utilization plan

As of the quarter before the publication date of the annual report, the company has no previous issuances or private placements of securities that have not yet been completed or that have been completed within the last three years but without the benefits of the plan achieved.

V. Operational overview

I. Business content

1. Business Scope

(1) Main contents of business:

A. Design, testing, accessories, processing, packaging, and trading of various integrated circuits.

B. Wafer bumping, flip-chip technology packaging services and related product design and other services

C. Product reliability verification services and failure analysis services

D. Information software services business

E. Electronic component manufacturing business

(2) Business proportion:

Unit: NT$ thousand

Products	2023	Percentage
Test service	2,060,449	56.18%
Wafer-level packaging services	1,593,949	43.46%
Others	13,420	0.37%
Sum	3,667,818	100.00%

(3) Current products (services):

The company provides professional IC packaging and testing services, and the main business operation includes wafer and integrated circuit testing services, product reliability verification services and failure analysis services, wafer-level chip scale packaging (WLCSP) services, and wafer bumping packaging services, Cu Pillar Bump Flip Chip packaging services, and wafer grinding and dicing services.

(4) New products (services) planned to be developed:

- Advanced process wafer packaging and testing technology development, such as 3 nanometer advanced process wafer packaging and testing.
- Development of wafer testing for new wafer-level packaging types and testing technology for more precise ball pitch.
- 5G wireless radio frequency component testing technology, integrated IC testing technology.
- Research and development of testing technology for MEMS products
- Integrated handler technology development

- Pin Scale/J750 test software and hardware development
- Develop new types of advanced packaging technologies to provide high-performance system on chip and system in package services.
- Multi-chip flip-chip system-in-package
- Plasma wafer dicing technology
- Multi-layer circuit redistribution wafer-level packaging technology
- SiC/GaN special wafer dicing services
- Backside metallization process
- Wafer-level packaging of silicon photonic components
- Ultra-fine wafer dicing services
- Development of 2afer hybrid bonding production technology
- Development of substrate embedded packaging technology
- Artificial intelligence inspection system

2. Industry overview

(1) Current status and development of the industry

The high inflation, low demand of consumer market, continuing supply chains inventory adjustment, market subject to supply surplus and weak prices, as well as the interference of the escalating U.S.-China technology war, geopolitical turmoil, and the overall global uncertainties occurred in the second of 2022 were extended into the year of 2023.

According to the statistics of the World Semiconductor Trade Statistics (WSTS), the total annual sales value of the global semiconductor market in 2023 was US$526.8 billion, a decrease of 8.2% from the previous year. In terms of regional growth, the total sales value of the US semiconductor market sales amounted to US$133.7 billion, a decrease of 5.3%. The Japanese semiconductor market sales amounted to US$46.7 billion, a decrease of 3.1%. The European semiconductor market sales amounted to US$56 billion, an increase of 4.0%. China’s market sales amounted to US$155.1 billion, a decrease of 14%. Asia-Pacific semiconductor market sales amounted to US$135.3 billion, a of 10.1%.

The supply chain inventories gradually returned to normal levels in 2023Q4. Benefited from the surge of AI-related products and the recovery of consumer market demand (PCs, smartphones, etc.), added with the demand for high-performance computing and high-end smartphones, the performance in the fourth quarter showed a positive growth.The global semiconductor market sales in 2023Q4 amounted to US$146 billion, an increase of 8.4% from the previous quarter and an increase of

11.6% from the same period in 2022.The US semiconductor market sales amounted to US$38.5 billion in 2023Q4, an increase of 8.9% from the previous quarter and a 12.5% increase from the same period in 2022. The Japanese semiconductor market sales amounted to US$11.4 billion, a decrease of 2.4% from the previous quarter and a decrease of 4.6% from the same period in 2022. The European semiconductor market sales amounted to US$13.6 billion, a decrease of 5.6% from the previous quarter, and an increase of 2.1% from the same period in 2022. The Chinese semiconductor market sales amounted to US$45.4 billion, an increase of 16.0% from the previous quarter, and an increase 19.4% from the same period in 2022. The sales of semiconductor in the Asia-Pacific region amounted to US$37 billion, an increase of 8.9% from the previous quarter and an increase of 11.3% from the same period in 2022.

The explosive increase in global demand for artificial intelligence (AI) and high-performance computing (HPC), the recovery of market demand for smartphones, personal computers (Notebook & PC), servers, automotive, etc., and the demand for integrating AI into all applications allow the semiconductor industry to expect a new round of growth to come.

In terms of the domestic market, according to the latest statistics released by ITRI IEK Consulting, the output value of Taiwan's IC industry amounted to NT$4.3428 trillion in 2023, a 10.2% decline from 2022, which was higher than the 8.2% decline of the global semiconductor market. Of which, the output value of the IC design industry amounted to NT$1.965 trillion, a decrease of 11%. The output value of the IC manufacturing industry amounted to NT$2.6626 trillion, a decrease of 8.8%, of which, the wafer foundry output value amounted to NT$2.4925 trillion, a decrease of 7.2%, and the memory and other productions amounted to NT$170.1 billion, a decrease of 27.8%. The output value of the IC packaging industry amounted to NT$393.1 trillion, a decrease of 15.6%. The output value of the IC testing industry amounted to NT$190.6 billion, a decrease of 12.8%.

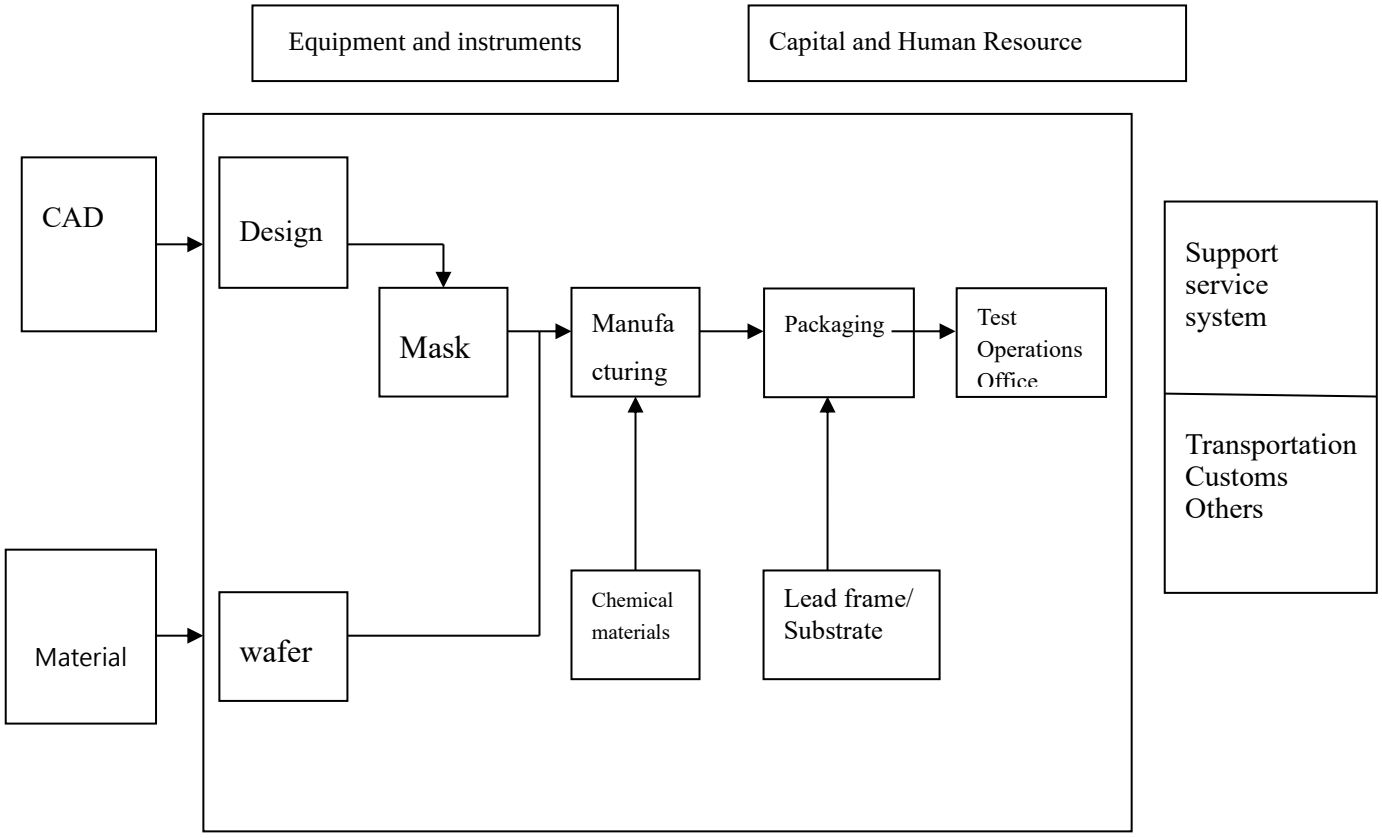
In prospect of 2024, after the inventory adjustment in 2023, and the emerging of artificial intelligence (AI) and high-performance computing (HPC), semiconductor industry is expected to resume its strong growth momentum in 2024. TSIA commissioned ITRI IEK Consulting to conduct a survey with a conclusion drawn as follows: The output value of Taiwan's IC industry will reach approximately NT$5.116 trillion in 2024, an increase of 15.4%, which is expected to be a record high, surpassing the 13.1% growth of the global semiconductor industry. Of which, the output value of Taiwan's IC design industry is estimated to reach NT$1.257 trillion in 2024, an

increase of 14.6%. The output value of the IC manufacturing industry is estimated to reach NT$3.1038 trillion, an increase of 16.6%. Of which, the output value of wafer foundry is estimated to be NT$2.906 trillion, an increase of 16.6%. The output value of memory and other products will reach NT$197.8 billion, an increase of 16.3%. The output value of IC packaging industry will reach NT$436.2 billion, an increase of 11%. The output value of IC testing industry will reach NT$214.6 billion, an increase of 12.6%.

(2) Correlation of upstream, midstream, and downstream industries

The semiconductor industry in Taiwan is with an industrial structure with vertical division of labor between upstream and downstream developed, which includes IC design, IC manufacturing, IC packaging, and IC testing top down. The practice of vertical division of labor and industrial clustering gives Taiwan's IC industry the competitive advantages of flexibility, speed, and low cost.

The correlation of the upstream, mid-stream, and downstream of the IC industry in Taiwan is illustrated as follows:



Source: ITRI IT IS Program

(3) Various product development trends

Take the future application trends of the semiconductor market into consideration, the company will develop towards the applications of artificial intelligence, Internet of Things, smart cars, high-speed computing, etc. Chip requirements for the IC manufacturing industry will be on multi-tasking, high-speed execution and access, low power consumption, etc.

For existing consumer electronics products, the change in chip specifications is to improve processor performance. The increase of computing power is entailed by the problem of increasing chips and power consumption. The performance requirements for efficient computing have cause the demand for advanced process production capacity to go up significantly. Improve chip computing power and overcome the problem of power consumption through miniaturization and the introduction of new materials.The speed of data transmission and the reliability of access of memory is improved through technological development.The continuing introduction of advanced manufacturing processes will remain the trend.Leading packaging and testing companies will continue to develop and provide various chip system-level heterogeneous integrated packaging technologies in order to meet the needs of finished products for higher performance, more functions, intelligence, customization, and thinness and compactness; also, to achieve different performance and functional chips that are highly interconnected within a package, thereby to improve overall system performance, power consumption, and cost-effectiveness.

In terms of automotive chips, new AI-related applications such as vehicle intelligence, autonomous driving, and IoT are emerging that causes significant increase in the use of semiconductors.Car design is moving towards the direction of electronics and electrification in the future; also, the demand for advanced manufacturing processes of automotive processor chips will also be intensified.In addition, the electric energy conversion and circuit control of electric vehicles are with an emphasis on the features of high power, speed, small size, good cooling, and high endurance, which will help promote the development of compound semiconductors.

The subject of sustainability is another subject to be dealt with. The features of energy saving, product efficiency, green energy saving, and net-zero carbon emissions are the focuses of future terminal applications. The semiconductor industry appreciates the importance of sustainability and will continue to move towards green production.

(4) Competition

The concerns about unpredictable changes in geopolitics and the US-China rivalry have led to the emerging of protectionism and the development of regional supply chains. Major countries in the world are competing to develop their own semiconductor industries, causing the intensity of international competition to rise. China has encountered resistance in the development of advanced processes under the confrontation situation between the United States and China; however, the mature processes have been developed rapidly due to domestic market demand and national policies of China.

The company while facing future competition will continue to focus on the field of high-end semiconductor packaging and testing, and invest in resources in R&D to maintain a close integration of high-end technology with customer product needs.At the same time, the company is committed to resource integration, production cost reduction, and production efficiency improvement in order to provide existing customers with complete packaging and testing one-stop integrated services.The company continues to enhance a strategic cooperation with IC design industry, to jointly develop new products at low-cost with high-performance packaging and testing technologies, and to deploy differentiated competitive strategies.The company has based on the advanced packaging and testing engineering capabilities, automated IT/MES production management system, good quality, and prompt and accurate delivery schedule to help establish a long-term strategic partnership with customers.

3. Technology and R&D Overview

(1) Technical level of business operations:

In response to the trend of increasingly complex IC designs, in terms of testing technology services, the company is focusing on logic testing, analog testing, mixed-signal semiconductor testing, RF semiconductor testing, SoC testing, and other testing such as image sensor testing, focusing on the high-tech field with a total solution provided to customers through continuous R&D innovation and process technology improvement.

The company tries to meet customers' demands for high-performance, multi-functional, lightweight, and compact products; therefore, is committed to developing and providing customers with wafer bumping technology services including lead-free (tin-silver and tin-copper) integrated circuit wafer bumping technology (Lead free bump), integrated circuit wafer Cu pillar bump technology, 8"/12" BGA wafer-level chip scale packaging (8"/12" WLCSP).

(2) Research Development:

The company has a R&D department setup since the incorporation to be

responsible for the R&D and introduction of new processes, new equipment, software and hardware integration, and automatic conversion engineering. In response to the rapid market changes and the needs of the mainstream IC market in the future, the company strives to develop technology in-depth. In addition to developing new products, the company also introduces novel technologies through technical cooperation. The R&D team has the design capabilities to develop and test software and hardware programs, including the advanced packaging technology capabilities. Provide customers with failure analysis and reliability verification services for new product process development.

(3) Research and development expenses invested in the most recent year and as of the publication date of the annual report

Unit: NT$ thousand

Project	2023
R&D expenses	17,393

(4) Technologies or products successfully developed in the most recent year and as of the publication date of the annual report

- 116/12/10/7/5nm advanced process wafer testing
- 40um micro matrix integrated circuit wafer copper pillar bump wafer testing
- Edge & Cloud AI chip finished product testing
- Bitcoin chip finished product testing
- DTV chip finished product testing
- Game Console chip test
- USB3.x hard disk control chip finished product testing
- 4G-LTE related chip finished product testing
- Digital products 12/16 sites finished products parallel testing
- 80um~150um pitch matrix integrated circuit wafer copper pillar bumping technology (80um~150um pitch Cu pillar bump)
- 12” BGA wafer-level chip scale packaging (12” WLCSP)
- 40um~80um pitch matrix integrated circuit wafer copper pillar bumping technology (80um~150um pitch Cu pillar bump)
- Low Cure Temp PI process
- 12/7/5 Cu Pillar Bump Flip Chip wafer-level chip scale packaging (WLCSP) services
- 8" wafer-level packaging services
- Silicon photonic wafer-level packaging services

- FCCSP/FCBGA flip chip packaging services
- Multi-chip system-in-package

4. Long-term and short-term business development plans

(1) Short-term development plan:

A. For the purpose of having a variety of services provided, customer base diversified, and the scope of product supply broadened, the company mainly invests in subsidiaries whose business is wafer bumping and wafer-level packaging and testing services, and extended the service scope to flip-chip packaging and customers. product reliability verification services, failure analysis services, and other services; also, bases on the company's mature technical capabilities, international customer cooperation experience, and cooperation strategies with well-known wafer foundries to continue and enhance the company's competitiveness. At the same time, continues to introduce other international wafer foundries and international design companies so to increase the customer base in Europe, North America, and Asia, which will not only help expand customer and product areas, but also help reduce the risk of customer concentration.

B. Rapidly develop packaging and testing technologies in line with market trends, continue to improve output efficiency to meet customer requirements, and reduce investment costs.

C. Utilize the Group's resources and improve production efficiency by taking advantage of testing machine platform conversion technology. Provide customers with the best solutions, reduce production costs and improve quality, and maintain a cooperative relationship with customers.

D. The company will accelerate the development and introduction of automotive products and expand our product lines in response to the trend of vehicle electrification.

(2) Long-term development plan:

A. Utilize the company's mature testing technology and continuously cooperate with international wafer fab on advanced process wafer testing technology (such as 3-nanometer process chips) strategically to enhance the company's competitiveness.At the same time, the company will cooperate with the customers' investment strategies in back-end advanced processes in order expand wafer testing capacity, to help diversify customer groups, to ease the problem of excessive concentration of product applications, and to reduce operational risks.

B. The company will continue to implement various process improvement projects in

order to increase output, reduce costs, improve yields, and increase customer satisfaction effectively. The company will also work with customers and equipment suppliers to develop high-end parallel testing capabilities, to reduce costs, and to improve industrial competitiveness.

C. The company will strive to enhance employees' on-job training continuously, develop talent retention plans, improve personnel quality, and improve output efficiency and quality effectively in response to the manpower shortage of the industry today.
D. Cooperate with customers' demand for total turnkey solution, and continue to develop new packaging and testing technologies.
E. The company intends to develop low-cost and high-yield test platforms and probe card maintenance technologies to maintain high output yields in response to customers' demand for high-end product testing.
F. Enhance the research and development of information technology (IT) applications in order to improve operational efficiency and streamline manpower to increase profitability; also, stay in line with the global trend of energy saving and carbon reduction.

II. Market and production and sales overview

1. Market analysis

(1) Main product (service) sales (supply) areas:

Unit: NT$ thousand

Year / Area	2022		2023	
	Amount	%	Amount	%
Domestic sales	1,592,921	40.36%	823,436	22.45%
Export sales	2,354,231	59.64%	2,844,382	77.55%
Sum	3,947,152	100.00%	3,667,818	100.00%

(2) Market share

According to the statistics of ITRI IEK Consulting, the output value of Taiwan's packaging and testing industry amounted to NT$583.7 billion in 2023. The company's turnover in 2023 amounted to NT$3.67 billion, with a market share of 0.63%. The output value of the domestic packaging and testing industry amounted to NT$684.7 billion in 2022, while the company's revenue was NT$3.95 billion in 2022, with a market share of 0.58%.

(3) The future supply and demand and market growth

According to the latest forecast of WSTS, the annual sales growth rate of the global semiconductor industry in 2024 will change from -8.2% in 2023 to 13.1% in 2024. Also, according to TSIA's estimates, the output value of Taiwan's semiconductor industry will reach NT$5.01 trillion in 2024, a record high in history, and the annual growth rate will grow from -10.2% in 2023 to 15.4% in 2024, which mainly reflects that the market demand will resume positive growth in 2024; also, the effort of inventory adjustment was ended in 2023.

The growth momentum of the semiconductor market will rely on the emerging applications such as emerging information services, energy environmental protection, and technology integration, especially, AI, new energy, and smart networking will become the main growth momentum.Of which, AI servers and electric vehicles have the opportunity to achieve growth by multiple times in 2027 and become the main growth momentum.In addition, wireless terminal devices are driven by the trend of digitization and intelligence, and is expanding from traditional product fields to vertical market applications.Leading IC design companies have released a variety of 5G SoC mobile phone chips, accelerated penetration of 5G mobile phones, and the growth of products such as AIoT/high-performance computing and (electric) vehicle image processing chips.

Winstek Semiconductor Co., Ltd. strives to adjust product portfolio and production capacity configuration actively, increase the proportion of wafer bumping and wafer

testing orders for 5-nanometer and 4-nanometer artificial intelligence/high-performance computing (AI/HPC) processors, and increase test orders for 5-nanometer WiFi 7, gallium nitride (GaN), HPC, etc. and accelerate automotive chip production certification that help bring growth momentum in 2024.

(4) Competition niche

A. The company's management team members all have professional backgrounds in the packaging and testing industry, profound qualifications, and excellent management capabilities for rapid response. The company has established a complete and rigorous operating system that can help respond to any process problems immediately and solve problems quickly, and report test results to customers promptly for customers' reference in modifying their wafer and IC designs.

B. Shorten customer product verification time and reduce product development time and costs effectively.

C. The company has introduced automation, high-precision machinery equipment, and circuit design simulation software from world-renowned equipment manufacturers in response to the trend of increasingly complex customer product designs, and in line with customer needs and future trends in order meet customer needs and improve service quality.

D. Cooperate with international fabless design companies (Fabless) and vertically integrated component (IDM) manufacturers in a long run; therefore, the company's professional services and technical capabilities are well recognized and appreciated.

E. The company also provides a Turnkey Service of wafer-level packaging, FlipChip Assembly, and CP/FT testing to effectively reduces product production cycle, manufacturing costs and transportation risks, which helps the company meet customer needs and help enhance the company's overall service competitiveness.

F. The company has production information and resumes transmitted by the Internet system, which allows customers to grasp the current status and schedule of product production at any time, and effectively eliminates all human factors that negatively affect production efficiency, and improves the value and quality of services provided to customers.

(5) Advantages and disadvantages of development prospects, and countermeasures

A. Advantages:

a. The company's R&D and manufacturing colleagues all have years of industry

experience and expertise; therefore, they can quickly respond to solve customers' problems, adhere to the customer-oriented concept and the highest work ethics to provide customers with the best solutions, and to become a strategic partner that customers can always rely on.

b. The company provides Turnkey Service including packaging and testing, continues to optimize each step of the process, and shortens process time and reduces round-trip transportation time, costs, and risks effectively. In addition, the company in response to market demand and customer needs has the production capacity expanded in advance, invested in the most advanced equipment, met customer needs, and provided the most competitive solutions to our strategic partners.

c. The company's development in the high-performance computing related to AIoT and 5G includes the mass production of 5-nanometer flip-chip bumps for the strategic customers, and the high-end process packaging and testing for the newly solicited customers.For the regional economic development derived from G2 and the various uncertainties filled in the semiconductor business cycle, the management strategies of product differentiation shall be implemented because it will enable the company to grow continuously during the recession.

B. Disadvantages and countermeasures:

a. Capital demand is intense. The testing industry's need for operating capital and investment funds in buying machinery equipment is more urgent than before along with the expansion of production capacity and the purchase of expensive advanced testing equipment.

Countermeasures: The company's financial structure is sound and proprietary capital is high; therefore, the net cash inflow from operating activities and the funds raised from capital market are sufficient to meet the needs.

b. The semiconductor industry in China is accelerating the policy of being independent, controllable, and import substitution, which has put competition pressure on some areas of the industry in Taiwan.

Countermeasures: The company while facing the rapid changes in the industry and the impact of many external environmental uncertainties will continue to focus on the field of high-end semiconductor packaging and testing with R&D resources invested in order to stay close to customers' product research and development needs for high-end technology. At the same time, the company is

committed to resource integration, reducing production costs, and improving production efficiency. In addition to providing the existing customers with a Turnkey Solution of packaging and testing service, the company is also actively developing new customers in order to secure the company's continuing growth in revenue and profits. According to the semiconductor industry business indicators and 2024~2027 market forecasts made by various professional institutions, procurement demand in emerging technology fields including 5G/WiFi6/WiFi7/HPC/Data Center/AI will remain high. The company remains cautiously optimistic about the 2024 sales in volume and revenue.

2. Important intended uses and production processes of major products

(1) Product Intended Use

Main products or services	Important intended use or function
Testing Services – Wafer Testing (Wafer Sort)	Inspect and test wafer defects before IC packaging.
Testing Services – Integrated Circuit Testing (Final Test)	Test and sort various attributes of finished IC products according to customer-specified test conditions with sophisticated high-tech machinery equipment in order to ensure that they meet the quality and stability required by customers.
Wafer-level chip scale packaging (Wafer Level CSP) Flip chip scale packaging (Flip Chip CSP)	It is mainly used in computers, communications, Internet, consumer electronics, and other products, including notebook computers, tablets, smartphones, feature phones, wearable devices, smart home appliances, set-top boxes, LCD TVs, digital cameras, game consoles, Internet of Things, fingerprint readers, etc.

(2) Production process

Test service:

Incoming and warehousing → IQC → Incoming and warehousing → Machine setting → wafer on prober / IC on handler → QVM→ baking →FQC → finished product warehouse → shipping

Packaging services:

Incoming and warehousing → IQC → wafer bumping → wafer dicing → flip-chip die bonding → underfill → printing →BGA → cosmetic inspection → packaging

→ finished product warehouse → shipping

3. Supply of main raw materials

The company mainly provides IC processing for customers. The supply of the main raw materials required for packaging operations is as follows:

Main raw materials	Main suppliers	Supply
Taping adhesive material	Lintec Advanced Technologies (Taiwan) Inc.	Good
Photo Graphy Material Photolithography materials	RESONAC ELECTRONICS MATERIALS (HONG KONG) LIMITED	Good
	Asahi Kasei EMD Taiwan, Hsinchu Branch	Good
	AKROS TRADING TAIWAN CO. LTD.	Good
Plating Material Plating materials	AMPOC Far-East Co., Ltd.	Good
	DDP Specialty Products Taiwan Co., Ltd.	Good
	MACDERMID PERFORMANCE SOLUTIONS TAIWAN LTD.	Good
Etching Material	Chemleader Corporation	Good
General Chemical	KANTO-PPC Inc.	Good

4. Names of customers who accounted for more than 10% of the total purchase (sales) of goods in the last two years and the respective purchase (sales) amounts and ratio

(1) Main sales customers

Item	2022				2023			
	Name	Amount (NT$ thousand)	Proportion of annual net sales (%)	Relationship with the issuer	Name	Amount (NT$ thousand)	Proportion of annual net sales (%)	Relationship with the issuer
1	Company B	922,392	23.37	None	Company B	1,018,474	27.77%	None
2	Company H	552,999	14.01	None	Company H	725,970	19.79%	None
3	Company E	681,505	17.27	None	Company E	510,717	13.92%	None
4	Company G	458,738	11.62	None	Company G	483,008	13.17%	None
5	Others	1,331,518	33.73	None	Others	929,649	25.35%	None
	Sum	3,947,152	100.00		Sum	3,667,818	100.00	

Explanation of increases and decreases: Changes in sales amount and ratio are mainly due to the changes in customer product demand.

(2) Main purchasing customers

Item	2022				2023			
	Name	Amount (NT$ thousand)	Proportion of annual net purchase (%)	Relationship with the issuer	Name	Amount (NT$ thousand)	Proportion of annual net purchase (%)	Relationship with the issuer
1	Company B	89,523	14.10	None	Company B	81,912	14.45%	None
2	Others	545,453	85.90	None	Others	485,077	85.55%	None
	Sum	634,976	100.00		Sum	566,989	100.00	

Explanation of increases and decreases: Changes in purchase amounts and ratios are mainly due to the changes in the specifications of product purchased.

5. Production volume and value for the last two years

Unit: piece; thousand pieces; NT$ thousand

Production Year QTY/value	2022			2023		
Major Products	Production capacity	Yield	Output value	Production capacity	Yield	Output value
Wafer testing	Notes	366,191	847744	Notes	312,746	891407
Integrated circuit testing		108,428			87,448	
Wafer-level packaging	660,000	330,546	1,794,044	660,000	333,718	1,672,877
Sum			2,641,788			2,564,284

Note: The production capacity of the testing industry is based on time rather than quantity; therefore, it is disclosed based on the number of main production machines. The number of testing machines in service were 156 units and 152 units as of the endo of 2022 and 2023, respectively.

6. Sales volume and value for the last two years

Unit: piece; thousand pieces; NT$ thousand

Sales Year	2022				2023			
QTY/Value	Domestic sales		Export sales		Domestic sales		Export sales	
Major Products	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Wafer testing	76,039	194,232	290,152	934,523	27,185	91,440	285,561	1,097,147
Integrated circuit testing	93,388	520,931	15,040	157,267	77,986	269,525	9,462	135,837
Wafer-level packaging	112,375	877,758	218,171	1,218,907	37,097	457,086	296,621	1,603,363
Others (note)		-		43,534		5,385		8,035
Sum		1,592,921		2,354,231		823,436		2,844,382

Note: It mainly refers to the product verification services and failure analysis services.

III. The number of employees, average years of service, average age, and educational background distribution ratio of employees in the last two years and as of the publication date of the annual report

Year		2022	2023	As of March 24, 2024
Number of employees	Direct	316	332	344
	Indirect	524	527	534
	Management	70	64	64
	Sum	910	923	942
Average age		36.7	36.8	36.7
Average years of service		6.4	6.7	6.7
Educational qualification distribution ratio	PhD	0.0%	0.0%	0.0%
	Master	6.6%	8.0%	7.9%
	College	67.5%	66.5%	67.1%
	High school	24.0%	23.7%	23.4%
	High school or below	2.0%	1.7%	1.7%

IV. Environmental expense information

1. The losses and penalties suffered due to environmental pollution (including compensation and violation of environmental regulations identified in an environmental protection audit, the date of disciplinary act, the disciplinary letter No., violation of legal provisions, content of the violation, and content of the disciplinary act) in the most recent year and as of the publication date of the annual report, and disclosing the estimated amount and countermeasures that may occur now and in the future: None
2. Future countermeasures:

   Continue to promote relevant energy-saving and carbon-reduction policies, and implement various energy-saving measures. The company has dedicated units responsible for sustainable environmental protection and occupational safety and health to manage and supervise related operations.

   (1) Effluents management: Regularly maintain the functions of wastewater treatment equipment, set up a timely monitoring system for effluents, and outsource the quality inspections of effluents regularly in order to comply with environmental regulations and standards.

   (2) Exhaust gas management: Continuously evaluate and improve exhaust gas treatment

facilities, set up a continuous exhaust gas monitoring system, and outsource the quality inspection of exhaust gas emission regularly in order to comply with environmental protection regulations and standards.

(3) Waste cleanup: Substantiate waste collection and sorting in order to increase the waste recycling rate, contract qualified removal and disposal agencies to properly handle waste, and conduct regular audits.

(4) Contractor management: Evaluate qualified manufacturers with audits performed regularly, propagandize quality/environmental safety and health policies, restriction of the use of hazardous substance and responsible business alliance code of conduct, and jointly fulfill the responsibility of complying with industrial safety and environmental protection.

(5) Energy management: Continuously improve the process and retire old high-power-consuming equipment, reduce the consumption of water, electricity, and have them recycled in order to substantiate energy saving and carbon reduction.

3. Estimated environmental protection expenditures in the future:

The company in response to climate change and the scarcity of water resources has gradually compiled measures to improve water consumption, exhaust gas control equipment, industrial waste removal and reduction, and various energy-saving and waste reduction. The company estimates the environmental protection expenditures to be NT$109,719 thousand and NT$83,994 thousand in 2024 and 2025, respectively.

V. Labor Relations

1. Illustrate the company's employee welfare programs and pension systems, and their implementation, as well as the agreement between labor and management.

(1) Employee welfare programs:

The Employee Welfare Committee coordinates employee welfare programs and organizes employee travel and various social activities regularly to help employees relieve work pressure and stress.In addition to labor insurance, the company also acquires group life insurance, accident insurance, medical insurance, cancer prevention insurance, and national health insurance for colleagues, allowing employees to enjoy multiple protections.The company appropriate a budget every year for arranging employee education and training in order to help employees reinforce their professional skills and help develop their career plans.

(2) Retirement system and its implementation:

The company has a Pension Plan formulated for full-time employees. The company has the "Labor Pension Reserve Committee" organized with the approval letter (91) Fu-Sir-Tzi-Zi No. 9100045465 received on May 20, 2001 in accordance with the relevant provisions of the Labor Standards Act. A monthly contribution is appropriated and deposited in a special account at the Bank of Taiwan.The new labor retirement system has been implemented lawfully since July 2005. Employees who are eligible for the new labor retirement system adopt a defined contribution system based on their years of service. The company has an amount not less than 6% of the monthly salary appropriated on a monthly basis and then has it deposited in the personal pension account.

(3) Agreement between labor and management:

The company maintains a harmonious labor-management relationship; also, the company always values the importance of employees' opinions that can be communicated through labor-management meetings and suggestion boxes in order to maintain a good labor-management relation.

(4) Training, development, and implementation:

The company has formulated the "Regulations Governing Education and Training" and annual training plans for improving the quality of human resources and development advantages in order to enhance the company's operational advantages and the ability to meet customer needs. Provide professional education and training to new employees during the orientations, and arrange general training and professional training (including internal training and external training) for employees in each department occasionally in order to have professional talents trained, to improve management performance, and to

effectively develop and utilize talents. The employee training this year is as follows:

Item	Number of training courses	Total number of persons	Total number of hours	Total fees (NT$ thousand)
1. Training for new recruits	273	1,899	1,861	3
2. Professional occupational training	190	1,406	7,848	120
3. Managing talent training	2	2	13	7
4. General occupational training	14	9,068	4,272	-
5.Self-inspiring training	16	337	519	101
6. Environmental, safety and health related	87	1,976	2,766	294
Total	582	14,688	17,279	524

2. State the losses suffered by the company due to labor disputes in the most recent year and as of the publication date of the annual report (including violations of the Labor Standards Act as a result of labor inspections, the date of disciplinary act, the disciplinary letter No., violation of legal provisions, content of the violation, and content of the disciplinary act), and disclose the estimated amount and countermeasures that may occur now and in the future. If it cannot be reasonably estimated, the root cause should be detailed: None

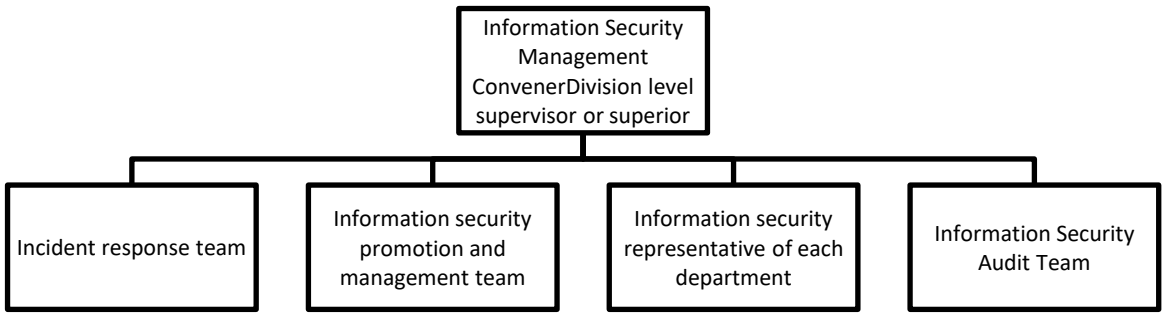
VI. Information security management

1. Information security risk management structure

(1) Enterprise Information Security Governance Organization

The company established the “Information Security Team” in 2021, which was composed of the representative of each department; also, the convener is a division level supervisor or superior. The “Information Security Team” is responsible for formulating the company’s information security policy, approving information security plans, coordinating resource allocation, and promoting information security-related work and other matters. The information security meetings will be convened regularly every year or occasionally when it is necessary; also, the meeting may be extended when necessary.

(2) Corporate information security organizational structure



2. Information Security Policy

Ensure and enhance the confidentiality, integrity, and usability of the company's information assets, enhance the employees' awareness of information security, and comply with the requirements of relevant laws and regulations in order to protect the company from internal and external deliberate or accidental threats.

In order to promote and substantiate various information security control measures, the information security team is responsible for holding meetings regularly every year or as needed, planning and promoting various information security tasks, performing security inspections, adjusting resources in a timely manner, and determining the directions and measures to improve information security management.The information security audit team is responsible for the task of information security audit operations, and submits information security audit reports and related recommendations to the information security committee.In addition, all employees must receive information security-related education and training and comply with the company's information security-related regulations.

3. Information security specific management plan

(1) Classify the company's assets in accordance with the attributes, and their use and management are subject to appropriate control measures based on confidentiality classification.The "Information Asset List" is prepared and placed under the custody of the designated person, and regularly review the accuracy of the List and substantiate various control measures.In addition to the annual information security education and training program, all new recruits must receive information security training and pass a test.

(2) Establish physical and environmental safety protection measures for information computer rooms with relevant maintenance and upkeep performed on a regular basis.
(3) Formulate communication and operational security management measures, including network security management, information equipment management, general equipment management, and security management of data and software exchange.
(4) Clearly regulate the access control permissions for portable devices, software usage, account number and passwords, and backups in order to prevent unauthorized access.
(5) The acquisition, development, and maintenance of information systems must be processed in accordance with the company's relevant regulations in order to prevent situations that endanger information security from occurring.
(6) Contingency procedures for the management of information security incident have been formulated comprehensively.
(7) Perform internal audits regularly every year to conduct information security audits and corrective and preventive management.

4. Invest resources in information security management
(1) system aspect
C. Monitor, analyze, and repair major system weaknesses as quickly as possible to improve system security, such as 7-Zip, DCSync Attack, iControl REST, SAMBA, Zoom...
D. Increase password complexity to reduce the possibility of account being cracked by brute force.
E. Deploy endpoint protection systems to increase the visibility of endpoint malware.
F. Establish a domain-based Email Message Authentication, Reporting, and Conformance (DMARC) to prevent the company's domain names from being used for phishing emails.
G. Continuously upgrade the anti-virus system to maintain endpoint protection in a highly secure and efficient environment.
(2) Architectural aspect
H. Enhance FAB local area network isolation mechanism to reduce the impact density of information security incidents.
I. Upgrade the email transmission encryption mechanism to reduce the risk of being decrypted during the transmission process.
J. Inventory and organize printer devices to reduce exposure to printing vulnerabilities.
K. Replace Internet edge switch to patch security vulnerability and reduce the

possibility of external intrusions.

(3) Management aspect

L. Amend the application process for visitors' bringing equipment into the company's premise in order to strictly control the security of the equipment.

M. Propagandize the concept of information security continuously, enhance employees' awareness of dangers, and reduce the risk of phishing.

N. Share information security trends with cooperating suppliers, explain malware intrusion methods, and provide recommended protective measures in order to enhance supply chain information security awareness and protection.

O. Deploy a round-the-clock monitoring system in the operation areas where the important information facilities located so to enhance physical security.

P. Introduce a third-party vulnerability evaluation mechanism to monitor and repair possible external intrusion routes continuously.

5. State the losses suffered by the company due to material information security incidents in the most recent year and as of the publication date of the annual report, possible impacts, and countermeasures. If it cannot be reasonably estimated, the root cause should be detailed: None

VII. Important contracts: List the supply and sale contracts, technical cooperation contracts, engineering contracts, long-term loan contracts, and other important contracts that may affect shareholders' equity that are still valid as of the publication date of the annual report and that expired in the most recent year.

Contractual nature	Party	Contract start and end date	Main content	Restrictions
Mid-term credit loan contract	Mega Bank	12.02.2020～11.15.2025	Accelerate investment loans for Taiwanese companies	None
Mid-term credit loan contract	Hwa Nan Bank	02.09.2021～01.15.2026	Accelerate investment loans for Taiwanese companies	None
Mid-term credit loan contract	Taipei Fubon Bank	04.08.2021～03.15.2026	Accelerate investment loans for Taiwanese companies	None
Mid-term credit loan contract	Bank SinoPac	04.22.2021～04.15.2026	Accelerate investment loans for Taiwanese companies	None
Mid-term credit loan contract	Yuanta Bank	04.01.2022～04.01.2025	Credit loans	None
Mid-term credit loan contract	Bank SinoPac	07.19.2022～07.19.2027	Credit loans	None

VI. Financial overview

I. Condensed Balance Sheet and Comprehensive Income Statement for the last five years

1. Condensed Balance Sheet and Comprehensive Income Statement

(1) Condensed Consolidated Balance Sheet—IFRS

Unit: NT$ thousand

Year / Item		Financial information for the last five years (note)				
		2019	2020	2021	2022	2023
Current assets		4,206,648	3,813,896	3,378,430	4,052,276	4,500,225
Property, Plant and Equipment		2,101,684	1,768,742	2,667,119	3,144,227	2,925,682
Intangible assets		32,132	52,115	121,992	157,910	129,416
Other assets		75,581	58,207	170,710	99,462	68,204
Total assets		6,416,045	5,692,960	6,338,251	7,453,875	7,623,527
Current liabilities	Before Distribution	889,134	639,675	683,581	762,486	1086154
	After Distribution	1,093,526	807,193	996,983	1,443,794	1740210
Noncurrent liabilities		637,915	323,892	778,759	837,473	543,245
Total liabilities	Before Distribution	1,527,049	963,567	1,462,340	1,599,959	1,629,399
	After Distribution	1,731,441	1,131,085	1,775,742	2,281,267	2,283,455
Equity attributable to the shareholders of the parent company		4,888,996	4,729,393	4,875,911	5,853,916	5,994,128
Capital stock		1,362,617	1,362,617	1,362,617	1,362,617	1,362,617
Additional paid-in capital		366,243	366,243	366,243	366,243	366,243
Retained earnings	Before Distribution	3,205,990	3,204,006	3,429,121	4,040,780	4,200,797
	After Distribution	3,001,598	3,036,488	3,115,719	3,359,472	3,546,741
Other equities		(45,854)	(203,473)	(282,070)	84,276	64,471
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before Distribution	4,888,996	4,729,393	4,875,911	5,853,916	5,994,128
	After Distribution	4,684,604	4,561,875	4,562,509	5,172,608	5,340,072

Note: All financial information has been verified and certified by CPAs.

(2) Condensed Consolidated Income Statement - IFRS

Unit: NT$ thousand

Item \ Year	Financial information for the last five years (note)				
	2019	2020	2021	2022	2023
Operating income	2,942,669	2,613,534	3,086,392	3,947,152	3,667,818
Gross profit	883,193	433,328	711,565	1,305,364	1,103,534
Other income and expenses - net	-	-	-	-	-
Operating profit and loss	655,616	227,031	480,391	1,056,866	849,173
Non-operating income and expenses	85,017	715	(9,251)	55,066	160,472
Net income before tax	740,633	227,746	471,140	1,111,932	1,009,645
Net income from continuing operations	567,643	209,398	393,931	917,467	839,843
Losses from discontinued units	-	-	-	-	-
Net income (loss)	567,643	209,398	393,931	917,467	839,843
Other comprehensive profit or loss (net amount after tax) - current	(89,544)	(164,609)	(79,895)	373,940	(18,323)
Total comprehensive profit or loss – current	478,099	44,789	314,036	1,291,407	821,520
Net income attributable to the shareholders of the parent company	567,643	209,398	393,931	917,467	839,843
Net income attributable to the non-controlling interests	-	-	-	-	-
Total comprehensive profit and loss attributable to the shareholders of the parent company	478,099	44,789	314,036	1,291,407	821,520
Total comprehensive profit and loss attributable to non-controlling interests	-	-	-	-	-
Earnings per share (NTD)	4.17	1.54	2.89	6.73	6.16

Note: All financial information has been verified and certified by CPAs.

(3) Standalone Condensed Balance Sheet - IFRS

Unit: NT$ thousands

Item \ Year		Financial information for the last five years (note)				
		2019	2020	2021	2022	2023
Current assets		1,479,572	1,085,549	798,092	1,669,554	2,055,320
Property, Plant and Equipment		708,503	687,374	1,183,958	1,800,876	1,582,097
Intangible assets		18,450	39,747	111,722	144,857	112,892
Other assets		3,299,605	3,144,592	3,104,489	2,748,661	2,795,256
Total assets		5,506,130	4,957,262	5,198,261	6,363,948	6,545,565
Current liabilities	Before distribution	410,114	195,862	294,138	391,289	434,412
	After distribution	614,506	363,380	607,540	1,072,597	1,088,468
Noncurrent liabilities		207,020	32,007	28,212	118,743	117,025
Total liabilities	Before distribution	617,134	227,869	322,350	510,032	551,437
	After distribution	821,526	395,387	635,752	1,191,340	1,205,493
Equity attributable to the shareholders of the parent company		4,888,996	4,729,393	4,875,911	5,853,916	5,994,128
Capital stock		1,362,617	1,362,617	1,362,617	1,362,617	1,362,617
Additional paid-in capital		366,243	366,243	366,243	366,243	366,243
Retained earnings	Before distribution	3,205,990	3,204,006	3,429,121	4,040,780	4,200,797
	After distribution	3,001,598	3,036,488	3,115,719	3,359,472	3,546,741
Other equities		(45,854)	(203,473)	(282,070)	84,276	64,471
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	4,888,996	4,729,393	4,875,911	5,853,916	5,994,128
	After distribution	4,684,604	4,561,875	4,562,509	5,172,608	5,340,072

Note: All financial information has been verified and certified by CPAs.

(4) Standalone Condensed Income Statement - IFRS

Unit: NT$ thousands

Year / Item	Financial information for the last five years (note)				
	2019	2020	2021	2022	2023
Operating income	1,268,512	749,533	1,162,807	1,840,072	1,606,098
Gross profit	598,923	139,605	494,301	990,309	712,345
Other income and expenses - net	-	-	-	-	-
Operating profit and loss	479,404	28,490	379,098	856,682	584,190
Non-operating income and expenses	215,072	168,144	79,974	204,795	365,168
Net income before tax	694,476	196,634	459,072	1,061,477	949,358
Net income from continuing operations	567,643	209,398	393,931	917,467	839,843
Losses from discontinued units	-	-	-	-	-
Net income (loss)	567,643	209,398	393,931	917,467	839,843
Other comprehensive profit or loss (net amount after tax) - current	(89,544)	(164,609)	(79,895)	373,940	(18,323)
Total comprehensive profit or loss – current	478,099	44,789	314,036	1,291,407	821.520
Net income attributable to the shareholders of the parent company	567,643	209,398	393,931	917,467	839.843
Net income attributable to the non-controlling interests	-	-	-	-	-
Total comprehensive profit and loss attributable to the shareholders of the parent company	478,099	44,789	314,036	1,291,407	821.520
Total comprehensive profit and loss attributable to non-controlling interests	-	-	-	-	-
Earnings per share (NTD)	4.17	1.54	2.89	6.73	6.16

Note: All financial information has been verified and certified by CPAs.

2. Names of the independent auditors and independent auditor's opinions for the last five years

Year	Independent auditor	Name of affiliated unit	Independent Auditor's opinion
2019	Dianyi Li and Tsai-Yen Chiang	PwC Taiwan	Unqualified opinion
2020	Chi-Cheng Hsieh and Tsai-Yen Chiang	PwC Taiwan	Unqualified opinion
2021	Chi-Cheng Hsieh and Tsai-Yen Chiang	PwC Taiwan	Unqualified opinion
2022	Chi-Cheng Hsieh and Tsai-Yen Chiang	PwC Taiwan	Unqualified opinion
2023	Chi-Cheng Hsieh and Tsai-Yen Chiang	PwC Taiwan	Unqualified opinion

II. Financial analysis for the last five years

1. Financial Analysis of Consolidated Reports—IFRS

Analysis items \ Year		Financial analysis of the last five years				
		2019	2020	2021	2022	2023
Financial structure (%)	Ratio of liabilities to asset	23.80	16.93	23.07	21.46	21.37
	Ratio of long-term funds to property, plant and equipment	259.10	284.37	211.39	212.27	222.87
Solvency (%)	Current ratio	473.12	596.22	494.23	531.46	414.33
	Quick ratio	461.26	581.53	472.95	515.04	405.06
	Times interest earned ratio	50.30	30.69	100.23	98.71	70.26
Operating ability	Account receivable turnover (times)	3.08	2.93	4.44	4.69	3.98
	Average days in collection	118.68	124.62	82.22	77.87	91.73
	Inventory turnover (times)	26.12	28.21	26.00	24.39	26.98
	Accounts payable turnover (times)	34.99	28.21	26.06	27.68	30.71
	Average days in sales	13.97	12.94	14.04	14.96	13.53
	Property, plant and equipment turnover (times)	1.40	1.34	1.39	1.35	1.21
	Total assets turnover rate (times)	0.48	0.43	0.51	0.57	0.49
Profitability	Return on assets (%)	9.50	3.58	6.61	13.44	11.30
	Return on equity (%)	12.00	4.35	8.20	17.10	14.18
	Ratio of net income before tax to paid-in capital (%)	54.35	16.71	34.58	81.60	74.10
	Net profit ratio (%)	19.29	8.01	12.76	23.24	22.90
	Earnings per share (NTD)	4.17	1.54	2.89	6.73	6.16
Cash flow	Cash flow ratio (%)	114.01	187.19	140.96	210.32	141.47
	Cash flow adequacy ratio (%)	274.55	258.05	160.89	120.22	116.36
	Cash re-investment ratio (%)	4.79	5.93	4.62	6.67	4.37
Leverage	Operation leverage	2.16	3.96	2.31	1.60	1.76
	Financial leverage	1.02	1.03	1.01	1.01	1.02

Reasons for changes in various financial ratios in the last two years.(If the increase or decrease does not reach 20%, analysis is exempted)

1. Current ratio: The increase in current liabilities of this period causes the current ratio of this period decreased from the previous period.
2. Quick ratio: The increase in current liabilities in this period causes the quick ratio of this period decreased from the previous period.
3. Times interest earned ratio: The decrease in net income of this period causes the time interest earned ratio of this period decreased from the previous period.

4. Cash flow ratio: The decrease in net cash flow from operating activities and the increase in current liabilities cause the cash flow ratio of this period decreased from the previous period.
5. Cash reinvestment ratio: The increase in working capital of this period causes the cash reinvestment ratio decreased.

Note: The aforementioned financial information is calculated according to the financial statements audited by the independent auditors.

The calculation formulas for the aforementioned ratios are as follows:

A. Financial structure
   (A) Ratio of Liabilities to assets = Total liabilities/total assets.
   (B) Ratio of long-term funds to property, plant and equipment = (Total equity + noncurrent liabilities) / (net property, plant and equipment + net right-of-use assets).
B. Solvency
   (A) Current ratio = Current assets/current liabilities.
   (B) Quick ratio = (Current assets - inventory - prepaid expenses) / current liabilities.
   (C) Times interest earned ratio = Net income before income tax and interest expenses/interest expense for the current period.
C. Operating ability
   (A) Accounts receivable (including accounts receivable and notes receivable arising from business) turnover rate = Net sales / average accounts receivable for each period (including accounts receivable and notes receivable arising from business) balance.
   (B) Average days in collection = 365/ Account receivable turnover (times)
   (C) Inventory turnover rate = Cost of goods sold / average inventory amount
   (D) Accounts payable (including accounts payable and notes payable arising from business) turnover rate = Cost of goods sold / average balance of accounts payable for each period (including accounts payable and notes payable arising from business) balance.
   (E) Average days in sales＝365／Inventory turnover rate
   (F) Property, plant and equipment turnover rate = Net sales / (average net property, plant and equipment + average net right-of-use assets)
   (G) Total asset turnover rate = Net sales/average total assets
D. Profitability
   (A) Return on assets = [Net income (loss) + interest expense × (1 - tax rate)] / average total assets.
   (B) Return on equity = Net income (loss) / total average equity
   (C) Net profit ratio = Net income (loss) / net sales.
   (D) Earnings per share = (Profit and loss attributable to shareholders of the parent company - preferred stock dividends) / weighted average number of shares issued (Note 4)
E. Cash flow
   (A) Cash flow ratio = Net cash flow from operating activities/current liabilities.
   (B) Net cash flow adequacy ratio = Net cash flow from operating activities in the last five years / (capital expenditure + inventory increase + cash dividends) in the last five years
   (C) Cash reinvestment ratio = (Net cash flow from operating activities – cash dividends) / (gross property, plant and equipment + gross right-of-use assets + long-term investments + other noncurrent assets + working capital).
F. Leverage:
   (A) Operation leverage = (Net operating income - variable operating costs and expenses) / operating profit
   (B) Financial leverage = Operating profit / (operating profit - interest expense).

2. Standalone financial report analysis—IFRS

Analysis items \ Year		Financial analysis of the last five years				
		2019	2020	2021	2022	2023
Financial structure (%)	Ratio of liabilities to asset	11.21	4.60	6.20	8.01	8.42
	Ratio of long-term funds to property, plant and equipment	689.44	690.06	413.12	331.28	385.80
Solvency (%)	Current ratio	360.77	554.24	271.33	426.68	473.13
	Quick ratio	355.77	547.63	267.41	423.81	470.54
	Times interest earned ratio	143.98	70.04	10931.29	165.85	525.51
Operating ability	Account receivable turnover (times)	4.89	4.05	8.85	5.05	3.59
	Average days in collection	74.6	90.14	41.25	72.31	101.61
	Inventory turnover (times)	NA	NA	NA	NA	NA
	Accounts payable turnover (times)	593.61	459.11	305.39	302.30	289.29
	Average days in sales	NA	NA	NA	NA	NA
	Property, plant and equipment turnover (times)	1.77	1.05	1.24	1.23	0.95
	Total assets turnover rate (times)	0.24	0.14	0.23	0.32	0.25
Profitability	Return on assets (%)	10.78	4.06	7.76	15.97	13.04
	Return on equity (%)	12	4.35	8.20	17.10	14.18
	Ratio of net income before tax to paid-in capital (%)	50.97	14.43	33.69	77.90	69.67
	Net profit ratio (%)	44.75	27.94	33.88	49.86	52.29
	Earnings per share (NTD)	4.17	1.54	2.89	6.73	6.16
Cash flow	Cash flow ratio (%)	188.4	178.34	220.70	227.94	301.84
	Cash flow adequacy ratio (%)	228.45	235.26	150.30	106.28	113.58
	Cash re-investment ratio (%)	6.07	1.55	5.17	5.48	5.76
Leverage	Operation leverage	1.6	7.96	1.54	1.36	1.58
	Financial leverage	1.01	1.11	1.00	1.01	1.00

Reasons for changes in various financial ratios in the last two years. (If the increase or decrease does not reach 20%, analysis is exempted)

1. Times interest earned ratio The decrease in interest expenses of this period from the previous period causes the time interest earned ratio increased from the previous period.
2. Accounts receivable turnover rate and average days in collection: The decrease in net sales of this period from the previous period and the increase in average accounts receivable from the previous period cause the accounts receivable turnover rate of this period decreased from the previous period, and the average days in collection increased from the previous period.

3. Turnover rate of property, plant and equipment (times): The increase in the net amount of property, plant and equipment of this period from the previous period causes the turnover rate of property, plant and equipment (times) of this period decreased from the previous period.
4. Total asset turnover rate: The decrease in net sales of this period from the previous period and the increase in average total assets from the previous period cause the total asset turnover rate decreased from the previous period.
5. Cash flow ratio: The increase in net cash flow from operating activities of this period from the previous period causes the cash flow ratio increased.

The aforementioned financial information is calculated according to the financial statements audited by the independent auditors.

The calculation formulas for the aforementioned ratios are as follows:

A. Financial structure
   (A) Ratio of Liabilities to assets = Total liabilities/total assets.
   (B) Ratio of long-term funds to property, plant and equipment = (Total equity + noncurrent liabilities) / net property, plant and equipment
B. Solvency
   (A) Current ratio = Current assets/current liabilities.
   (B) Quick ratio = (Current assets - inventory - prepaid expenses) / current liabilities.
   (C) Times interest earned ratio = Net income before income tax and interest expenses/interest expense for the current period.
C. Operating ability
   (A) Accounts receivable (including accounts receivable and notes receivable arising from business) turnover rate = Net sales / average accounts receivable for each period (including accounts receivable and notes receivable arising from business) balance.
   (B) Average days in collection = 365/ Account receivable turnover (times)
   (C) Inventory turnover rate = Cost of goods sold / average inventory amount
   (D) Accounts payable (including accounts payable and notes payable arising from business) turnover rate = Cost of goods sold / average balance of accounts payable for each period (including accounts payable and notes payable arising from business) balance.
   (E) Average days in sales＝365／Inventory turnover rate
   (F) Property, plant and equipment turnover rate = Net sales / average net property, plant and equipment
   (G) Total asset turnover rate = Net sales/average total assets
D. Profitability
   (A) Return on assets = [Net income (loss) + interest expense × (1 - tax rate)] / average total assets.
   (B) Return on equity = Net income (loss) / total average equity
   (C) Net profit ratio = Net income (loss) / net sales.
   (D) Earnings per share = (Profit and loss attributable to shareholders of the parent company - preferred stock dividends) / weighted average number of shares issued (Note 4)
E. Cash flow
   (A) Cash flow ratio = Net cash flow from operating activities/current liabilities.
   (B) Net cash flow adequacy ratio = Net cash flow from operating activities in the last five years / (capital expenditure + inventory increase + cash dividends) in the last five years
   (C) Cash reinvestment ratio = (Net cash flow from operating activities – cash dividends) / (gross property, plant and equipment + long-term investments + other noncurrent assets + working capital)
F. Leverage:
   (A) Operation leverage = (Net operating income - variable operating costs and expenses) / operating profit
   (B) Financial leverage = Operating profit / (operating profit - interest expense).

III. Audit Committee's Review Report on the most recent annual financial report

Winstek Semiconductor Co., Ltd.

Audit Committee's Review Report

The company's 2023 business report, financial statements, and earnings distribution proposal are reviewed. The financial statements have been audited by CPA Zhi-Zheng Hsieh and CPA Tsai-Yan Jiang of PricewaterhouseCoopers Taiwan, and the Auditors' Report was issued accordingly. The aforementioned business report, financial statements, and earnings distribution proposals have been reviewed and determined to be correct and accurate by the Audit Committee members. We hereby submit this report for your review in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely yours,

The Company's 2023 General Shareholders' Meeting

Convener of the Audit Committee: Lin, Min-Kai

February 26, 2024

IV. The financial report of the most recent year

Winstek Semiconductor Co., Ltd.

Declaration on Consolidated Financial Statements of Affiliated Enterprises

The companies to be included in the Company's 2023 (from January 1, 2023 to December 31, 2023) related party consolidated financial statements in accordance with the "Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Reports, and Relation Reports" and the companies to be included in the parent-subsidiary consolidated financial statements in accordance with IFRS 10 are the same; also, the information that should be disclosed in the related party consolidated financial statements has already been disclosed in the aforementioned parent-subsidiary consolidated financial statements; therefore, the related party consolidated financial statements will not be prepared separately.

Sincerely yours,

Company: Winstek Semiconductor Co., Ltd.

Responsible Person: Hsing-Yang Huang

February 26, 2024

Independent Auditor's Report

(113) PWCR 23002979

To: Winstek Semiconductor Co., Ltd.

Independent Auditor's opinion

We have audited the accompanying consolidated balance sheet of Winstek Semiconductor Co., Ltd. as of December 31, 2023 and 2022 and the consolidated statements of income, retained earnings, cash flows and notes (including the summary of material accounting policies) to the consolidated financial statements for the years then ended.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Winstek Semiconductor Co., Ltd. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Firms" and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Announcement approved and announced by the Financial Supervisory Commission.

Basis of an audit opinion

We conducted our audit on the consolidated financial statements in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and generally accepted auditing standards. The responsibilities of the independent auditors under these standards will be further explained in the audit performed on the consolidated financial statements. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of Winstek Semiconductor Co., Ltd. in accordance with the Code of Ethics and have performed other responsibilities of the Code of Ethics. We believe that our audit provides a reasonable basis for our opinion.

Key Audit Matters

The key audit matters refer to the most important matters in auditing the 2023 consolidated financial statements of Winstek Semiconductor Co., Ltd. in accordance with the professional judgment of the independent auditors. These matters have been handled

during the process of reviewing the consolidated financial statements as a whole with audit opinions formed. The CPA does not express an independent opinion on these matters.

The key audit matters on the 2023 consolidated financial reports of Winstek Semiconductor Co., Ltd. to be communicated are as follow

Property, plant and equipment capitalization review

Description of key audit matters:

Increase of capital expenditures derived from the operation of Winstek Semiconductor Co., Ltd. and its subsidiaries. Please refer to Note IV (XIII) of the consolidated financial statements for the accounting policies of property, plant and equipment in details. Please refer to Note VI (V) of the consolidated financial statement for property, plant and equipment in details. The capital expenditures for property, plant and equipment are excessive this year; therefore, the independent auditor has the property, plant and equipment capitalization review included as key review matters.

Corresponding auditing procedures:

The main auditing procedures implemented by the CPAs for the aforementioned key audit matters are as follows:
Evaluate and test the effectiveness of the internal control system for the transactions of property, plant and equipment. Randomly check the relevant purchase orders, invoices, etc. so to confirm the proper approval of the transactions and the correctness of the amount booked. Randomly check the relevant inspection and acceptance documents so to confirm that the assets met the standards for use, and check the adequateness of the capitalization time point (the time when depreciation is appropriated).

Other Matters - Standalone Financial Reports

Winstek Semiconductor Co., Ltd. has prepared the 2023 and 2022 standalone financial statements with an unqualified opinion obtained from the CPA and an independent auditor’s report filed for future reference.

The responsibility of the management and governance unit for the consolidated financial statements

The responsibility of the management is to have the consolidated financial statements presented fairly, in all material respects, in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Firms” and the International Financial

Reporting Standards, International Accounting Standards, Interpretations and Announcement approved and announced by the Financial Supervisory Commission. Also, maintain the necessary internal controls related to the consolidated financial statements to ensure that the consolidated financial statements are free of any material misstatement arising from frauds or errors.

The responsibility of the management in preparing the consolidated financial statements also includes evaluating the continuing operation of Winstek Semiconductor Co., Ltd., the disclosure of the relevant matters, and the adoption of the continuing operation accounting base, unless the management intends to liquidate Winstek Semiconductor Co., Ltd. or cease the business operation, or there is lack of any option except for liquidation or suspension.

The governance unit (Audit Committee) of Winstek Semiconductor Co., Ltd. is responsible for supervising the financial reporting process.

CPA's responsibility for auditing the consolidated financial statements

The CPAs' auditing the consolidated financial statements is for the purpose of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement arising from frauds or errors and with an audit report issued. Reasonable assurance means high assurance. However, the audit conducted in accordance with generally accepted auditing standards does not guarantee having any material misstatement in the consolidated financial statements detected. Material misstatement could arise from frauds or errors. If the misstated amount or aggregated amount is reasonably expected to affect the economic decisions made by the readers of the consolidated financial statements, it is considered material.

The CPAs when conducting the audit in accordance with generally accepted auditing standards shall exercise professional judgment and maintain professional suspicion. The CPAs also perform the following tasks:

1. Identify and evaluate the risk of material misstatement of the consolidated financial statements arising from frauds or errors; design and implement proper responsive measures for the assessed risks; also, obtain sufficient and adequate audit evidences for forming an audit opinion. Frauds may involve conspiracy, forgery, deliberate omission, false declaration, or violation of internal control; therefore, the risk of not detecting a material misrepresentation resulting from fraud is higher than one

resulting from error.

2. Obtain necessary understanding on the internal control related to the audit in order to design appropriate audit procedures under the circumstance, but the purpose is not to express an opinion on the effectiveness of the internal control of Winstek Semiconductor Co., Ltd.
3. Evaluate the appropriateness of the accounting policies adopted by the management; also, the reasonableness of the accounting estimates and related disclosures made.
4. Base on the audit evidence obtained to make conclusions on the suitability of the continuing operation accounting base adopted by the management and whether or not the events or circumstances causing material doubts to the continuing operation ability of Winstek Semiconductor Co., Ltd. are with material uncertainties. If the CPAs believe that such events or circumstances are with material uncertainties, it is necessary to remind the readers of the consolidated financial statements in the audit report to pay attention to the relevant disclosure or to revise the audit opinion when such disclosures are inappropriate. The conclusion of the CPAs is based on the audit evidence obtained as of the audit report date. However, future events or circumstances may result in the inability of Winstek Semiconductor Co., Ltd. to continue business operation.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including the relevant notes) and whether or not the relevant transactions and events in the consolidated financial statements are presented fairly.
6. Obtain sufficient and appropriate audit evidence on the consolidated financial information of the business entities within the Group in order to express an opinion on the consolidated financial statements. The CPA is responsible for guiding, supervising, and implementing the auditing process; also, is responsible for forming an audit opinion on the Group.

The matters communicated by the CPAs to the governing unit include the scope and timing of the planned audit, and the material findings (including the major nonconformities of internal controls identified in the auditing process).

The CPAs have provided to the governing unit the declaration of independence of the CPA Firm personnel subject to the Code of Ethics; also, has communicated with the governing unit regarding the relationship and other matters (including the relevant protection measures) that may affect the independence of the CPAs.

The CPA has based on the communications with the governing unit to determine the key audit matters to be performed on the 2023 consolidated financial statements of Winstek Semiconductor Co., Ltd. The CPA shall state the key audit matters in the audit report except for the specific matters prohibited from being disclosed, or, in rare cases, the CPA decides not to have specific matters communicated in the audit report since the negative effect of such disclosure can be reasonably expected to be greater than the increase of public gains.

PwC Taiwan
Chih-Cheng Hsieh
CPAs
Tsai-Yen Chiang
Former Financial Supervisory Commission, Executive Yuan
Certificate No.: Jiang-Kwong-Zheng-Shen-Zi No. 0990042599
Financial Supervisory Commission
Certificate No.: Jiang-Kowng-Zheng-Shen-Zi No. 1060025097
February 26, 2024

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT$ thousand

	Assets	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets					
1100	Cash and cash equivalents	VI (I)	$ 1,298,093	17	$ 1,719,592	23
1136	Financial assets measured at amortized cost – current	VI (II)	2,133,520	28	1,233,850	17
1140	Contract Assets – Current	VI (XV)	34,216	1	35,202	1
1170	Accounts receivable – net	VI (III)	916,181	12	915,405	12
1180	Accounts receivable – related party – net	VI (III) and VII	721	-	2,088	-
1200	Other Receivables		10,030	-	11,952	-
130X	Inventories	VI (IV)	78,661	1	97,808	1
1410	Prepayments		21,987	-	27,336	-
1470	Other current assets		6,816	-	9,043	-
11XX	**Total current assets**		4,500,225	59	4,052,276	54
	Noncurrent assets					
1535	Financial assets measured at amortized cost – noncurrent	VI (II) and VIII	21,700	-	21,700	-
1600	Property, Plant and Equipment	VI (V)	2,925,682	38	3,144,227	42
1755	Right-of-use assets	VI (VI)	7,527	-	8,085	-
1780	Intangible assets	VI (VIII)	129,416	2	157,910	2
1840	Deferred income tax assets	VI (XXII)	29,661	1	24,679	1
1900	Other noncurrent assets	VI (XXIV)	9,316	-	44,998	1
15XX	**Total noncurrent assets**		3,123,302	41	3,401,599	46
1XXX	**Total assets**		$ 7,623,527	100	$ 7,453,875	100

(Continuing to next page)

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT$ thousand

	Liabilities and Equity	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2130	Contract liabilities - current	VI (XV)	$ -	-	$ 4,861	-
2170	Accounts payable		94,878	1	72,120	1
2200	Other payables	VI (IX)	477,679	6	448,485	6
2220	Other payable – related party	VII	454	-	239	-
2230	Income tax liability - current		212,892	3	165,023	2
2250	Liability reserves – current		964	-	11,066	-
2280	Lease liability - current		1,989	-	1,844	-
2320	Long-term liabilities due within one year or one operating cycle	VI (X)	287,558	4	53,180	1
2399	Other current liabilities – others		9,740	-	5,668	-
21XX	**Total current liabilities**		1,086,154	14	762,486	10
	Noncurrent liabilities					
2540	Long-term loans	VI (X)	505,262	7	792,820	11
2570	Deferred income tax liability	VI (XXII)	17,474	-	14,577	-
2580	Lease liability - noncurrent		5,348	-	6,001	-
2640	Net defined benefit liability - noncurrent	VI (XI)	14,822	-	17,628	-
2670	Other noncurrent liability – others		339	-	6,447	-
25XX	**Total noncurrent liabilities**		543,245	7	837,473	11
2XXX	**Total liabilities**		1,629,399	21	1,599,959	21
	Equity					
	Capital stock	VI (XII)				
3110	Common capital stock		1,362,617	18	1,362,617	18
	Additional paid-in capital	VI (XIII)				
3200	Additional paid-in capital		366,243	5	366,243	5
	Retained earnings	VI (XIV)				
3310	Legal reserve		845,288	11	752,782	10
3320	Special reserve		-	-	282,069	4
3350	Unappropriated earnings		3,355,509	44	3,005,929	41
	Other equities					
3400	Other equities		64,471	1	84,276	1
3XXX	**Total equity**		5,994,128	79	5,853,916	79
	Material commitments and contingencies	IX				
	Material post events	XI				
3X2X	**Total liabilities and equity**		$ 7,623,527	100	$ 7,453,875	100

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Income Statement
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand
(Except earnings per share in NT$)

	Item	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating income	VI (XV) and VII	$ 3,667,818	100	$ 3,947,152	100
5000	Operating cost	VI (IV)	(2,564,284)	(70)	(2,641,788)	(67)
5950	Gross profit – net		1,103,534	30	1,305,364	33
	Operating expenses	VI (XX) (XXI)				
6100	Marketing expenses		(27,316)	(1)	(25,544)	(1)
6200	Management expenses		(199,961)	(5)	(211,420)	(5)
6300	R&D expenses		(17,393)	(1)	(11,534)	-
6450	Expected credit impairment losses		(9,691)	-	-	-
6000	Total operating expenses		(254,361)	(7)	(248,498)	(6)
6900	Operating profits		849,173	23	1,056,866	27
	Non-operating income and expenses					
7100	Interest income	VI (XVI)	126,250	4	32,025	1
7010	Other income	VI (XVII)	5,960	-	4,182	-
7020	Other gains and losses	VI (XVIII) and VII	42,840	1	30,239	1
7050	Financial costs	VI (XIX)	(14,578)	-	(11,380)	(1)
7000	Total non-operating income and expenses		160,472	5	55,066	1
7900	**Net income before tax**		1,009,645	28	1,111,932	28
7950	Income tax expenses	VI (XXII)	(169,802)	(5)	(194,465)	(5)
8200	**Net income**		$ 839,843	23	$ 917,467	23
	Other comprehensive profits and losses					
	Items not reclassified to profit or loss					
8311	Remeasurement amount of defined benefit plans	VI (XI)	$ 1,482	-	$ 7,594	-
8310	Total amount of the items not reclassified to profit or loss		1,482	-	7,594	-
	Items that may be subsequently reclassified to profit or loss					
8361	Exchange difference from conversion of financial statements of foreign operation		(19,805)	(1)	366,346	10
8360	Total amount of the items that may be subsequently reclassified to profit or loss		(19,805)	(1)	366,346	10
8300	**Other comprehensive profit or loss (net)**		($ 18,323)	(1)	$ 373,940	10
8500	**Total comprehensive profit or loss – current**		$ 821,520	22	$ 1,291,407	33
	Net income attributed to:					

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Income Statement
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand
(Except earnings per share in NT$)

8610	Parent company's shareholders		$ 839,843	23	$ 917,467	23
	Total comprehensive profit or loss attributed to:					
8710	Parent company's shareholders		$ 821,520	22	$ 1,291,407	33
	Earnings per share	VI (XXIII)				
9750	Basic earnings per share		$ 6.16		$ 6.73	
9850	Diluted earnings per share		$ 6.12		$ 6.66	

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Statements of Shareholders' Equity
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	Equity attributable to shareholders of the parent company						
				Retained earnings				
		Common capital stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings	Finance of foreign operation Conversion of financial reports Differences	Total equity
January 1 – December 31, 2022								
Balance – 1/1/2022		$ 1,362,617	$ 366,243	$ 713,519	$ 203,472	$ 2,512,130	($ 282,070)	$ 4,875,911
Net income		-	-	-	-	917,467	-	917,467
Other comprehensive profit or loss – current	VI (XI)	-	-	-	-	7,594	366,346	373,940
Total comprehensive profit or loss – current		-	-	-	-	925,061	366,346	1,291,407
The 2021 earnings appropriation and distribution	VI (XIV)							
Appropriation of legal reserve		-	-	39,263	-	(39,263)	-	-
Appropriation of special reserve		-	-	-	78,597	(78,597)	-	-
Cash dividend		-	-	-	-	(313,402)	-	(313,402)
Balance – 12/31/2022		$ 1,362,617	$ 366,243	$ 752,782	$ 282,069	$ 3,005,929	$ 84,276	$ 5,853,916
January 1 – December 31, 2023								
Balance – 1/1/2023		$ 1,362,617	$ 366,243	$ 752,782	$ 282,069	$ 3,005,929	$ 84,276	$ 5,853,916
Net income		-	-	-	-	839,843	-	839,843
Other comprehensive profit or loss – current	VI (XI)	-	-	-	-	1,482	(19,805)	(18,323)
Total comprehensive profit or loss – current		-	-	-	-	841,325	(19,805)	821,520

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Statements of Shareholders' Equity
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand

		Equity attributable to shareholders of the parent company						
				Retained earnings				
	Notes	Common capital stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings	Finance of foreign operation Conversion of financial reports Differences	Total equity
The 2022 earnings appropriation and distribution	VI (XIV)							
Appropriation of legal reserve		-	-	92,506	-	(92,506)	-	-
Reversal of special reserve		-	-	-	(282,069)	282,069	-	-
Cash dividend		-	-	-	-	(681,308)	-	(681,308)
Balance – 12/31/2023		$ 1,362,617	$ 366,243	$ 845,288	$ -	$ 3,355,509	$ 64,471	$ 5,994,128

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Cash Flow Statement
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	January 1, 2023 December 31, 2023	January 1, 2022 December 31, 2023
Cash flow from operating activities			
Net income before tax		$ 1,009,645	$ 1,111,932
Adjustments			
Profits or losses			
Expected credit impairment losses	XII (II)	9,691	-
Depreciation expense	VI (V) (VI) (XX)	597,819	599,950
Amortized expense	VI (VIII) (XX)	45,750	39,452
Interest expense	VI (VI) (XIX)	14,578	11,380
Interest income	VI (XVI)	(126,250)	(32,025)
Gains from the disposal of property, plant, and equipment	VI (XVIII)	(3,439)	(3,045)
Impairment losses of property, plant and equipment	VI (V) (XVIII)	-	15,516
Income from government grants	VI (X)	(3,656)	(3,738)
Changes in assets/liabilities from operating activities			
Net change in assets from operating activities			
Contract assets		744	(11,588)
Accounts receivables		(12,822)	(94,458)
Accounts receivable – related party		1,346	(1,027)
Other Receivables		(67)	(612)
Other Receivables – related party		-	2,249
Inventories		19,411	17,972
Prepayments		5,429	12,428
Other current assets		1,908	(1,611)
Other noncurrent assets		(12)	-
Net change in liabilities from operating activities			
Contract liabilities		(4,931)	4,717
Accounts payable		23,109	(36,789)
Accounts payable – related party		-	(2,448)
Other payables		9,616	58,114
Other payables – related party		215	(1,913)
Liability reserve		(10,248)	894
Other current liabilities		4,121	(20)
Net defined benefit liability		(1,324)	(1,416)
Cash inflow from operating activities		1,580,633	1,683,914
Interest received		128,346	17,365
Interest paid		(14,537)	(11,168)
Income tax paid		(157,876)	(86,453)
Net cash inflow from operating activities		1,536,566	1,603,658

(Continuing to next page)

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Cash Flow Statement
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	January 1, 2023 December 31, 2023	January 1, 2022 December 31, 2023
Cash flow from investing activities			
Acquisition of financial assets measured at amortized cost		($ 7,122,115)	($ 2,916,240)
Disposal of financial assets measured at amortized cost		6,229,660	2,569,081
Acquisition of property, plant and equipment	VI (XXIV)	(326,222)	(996,472)
Acquisition of intangible assets	VI (VIII)	(17,190)	(74,246)
Proceeds from the disposal of property, plant and equipment		3,439	4,367
Increase in guarantee deposits & margins paid		(897)	(1,014)
Decrease in guarantee deposits & margins paid		1,906	27
Net cash outflow from investing activities		(1,231,419)	(1,414,497)
Cash flow from financing activities			
Long-term loans	VI (XXV)	-	100,000
Repayment of long-term loans	VI (XXV)	(53,180)	-
Increase in guarantee deposits & margins received	VI (XXV)	82	6,191
Decrease in guarantee deposits & margins received	VI (XXV)	(49)	(85)
Lease principal repayment amount	VI (XXV)	(2,276)	(2,785)
Distribution of cash dividends	VI (XIV)	(681,308)	(313,402)
Net cash outflow from financing activities		(736,731)	(210,081)
Exchange rate effect		10,085	137,099
Increase (decrease) in cash and cash equivalents for the current period		(421,499)	116,179
Cash and cash equivalent amount - beginning	VI (I)	1,719,592	1,603,413
Cash and cash equivalent amount - ending	VI (I)	$ 1,298,093	$ 1,719,592

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Notes to the Consolidated Financial Statements
2023 and 2022

Unit: NT$ thousand
(unless otherwise specified)

一、Company profile

Winstek Semiconductor Co., Ltd. (hereinafter referred to as the "Company") was established on April 26, 2000 in Taiwan. The Company's stocks were listed for trading on Taipei Exchange (TPEx) in August 2005. The Company and its subsidiaries (hereinafter referred to as the "Group") are mainly engaged in the business operation of integrated circuits testing and packing services of wafer bumping and wafer.

Temasek Holding Limited is the ultimate parent company of the Company. SIGURD MICROELECTRONICS CORP. (hereinafter referred to as "SIGURD") obtained control of the Company's parent company, Bloomeria Limited, on October 13, 2017, and indirectly acquired 51.88% equity of the Company, then becomes the ultimate parent company of the Company.

Bloomeria Limited, the parent company of the Company for the sake of the overall operating efficiency of the Group, had transferred all the shareholding of the Company it held to SIGWIN Corporation (hereinafter referred to as "SIGWIN"), a controlled subsidiary of SIGURD MICROELECTRONICS CORP. on July 6, 2020, then SIGWIN Corporation became the parent company of the Group. SIGWIN Corporation held 51.9% of the Company's equity as of December 31, 2023.

二、Date of and procedure for the approval of the financial statements

This consolidated financial report was released after the approval of the board of directors on February 26, 2024.

三、Application of the newly announced and amended regulations and interpretations

(一)The effect of adopting the newly announced and amended IFRS standards approved by the Financial Supervisory Commission (hereinafter referred to as the "FSC").

The newly announced, amended, and revised IFRS and IAS standards and interpretations that were recognized and announced by the Financial Supervisory Commission and became effective in 2023 are summarized as follows:

Newly announced/amended/revised standards and interpretations	Effective date for the announcement of the IASB
Amendments to International Accounting Standards No. 1 "Disclosure of Accounting Policies"	January 1, 2023

Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendment to IAS 12 “Deferred income tax related to assets and liabilities arising from a single transaction”	January 1, 2023
Amendments to International Accounting Standards No. 12 “International Tax Reformation – accounting for deferred taxes arising from OECD Pillar Two Model Rules”	May 23, 2023

The Group has evaluated and concluded that the above standards and interpretations have no significant impact on the Group’s financial position and financial performance.

（二）The impact of the newly announced and revised IFRS accounting standards approved by the Financial Supervisory Commission that have not yet been adopted

The newly announced, amended, and revised IFRS and IAS standards and interpretations that were recognized by the Financial Supervisory Commission and became effective in 2024 are summarized as follows:

Newly announced/amended/revised standards and interpretations	Effective date for the announcement of the IASB
Amendments to IFRS 16 “Lease Liabilities Arising from Sale and Leaseback Transactions”	January 1, 2024
Amendments to IAS 1 “Classification of Current or Noncurrent Liabilities”	January 1, 2024
Amendments to IAS 1 “Noncurrent liabilities with covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024

The Group has evaluated and concluded that the above standards and interpretations have no significant impact on the Group’s financial position and financial performance.

（三）The effect of IFRS and IAS accounting standards that have been issued by the International Accounting Standards Board but have not yet been recognized by the FSC

The newly announced, amended, and revised IFRS and IAS standards and interpretations that were announced by the IASB but not yet recognized by the Financial Supervisory Commission are summarized as follows:

Newly announced/amended/revised standards and interpretations	Effective date for the announcement of the IASB
Amendments to IFRS 10 and IAS 28 “Sale or contribution of assets between an investor and its joint venture or associate”	Yet to be determined by the International Accounting Standards

	Board
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Amendment to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group has evaluated and concluded that the above standards and interpretations have no significant impact on the Group’s financial position and financial performance.

四、Summary of significant accounting policies

The major accounting policies applied in the consolidated financial statements are summarized and explained as follows. Unless otherwise stated, the following accounting policies have been consistently applied to the consolidated financial statements throughout the reporting period.

（一）Statement of compliance

The consolidated financial statements are prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Firms” (hereinafter referred to as the “Regulations”) and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Announcement (hereinafter referred to as the “IFRSs”) recognized and announced by the Financial Supervisory Commission.

（二）Preparation basis for financial statements

1. Except for the following important items, the consolidated financial statements are prepared on the basis of historical cost.

   Defined benefit liabilities are recognized as the net amount of pension assets deducting the present value of defined benefit obligations.

2. The preparation of financial reports in compliance with IFRSs requires the use of some important accounting estimates. In the process of applying the Group’s accounting policies, management also needs to use its judgment, involving projects with high judgment or complexity, or involving material assumptions in the consolidated financial reports, and estimated items. Please refer to Note V for details.

（三）Consolidation basis

1. Principles for preparing consolidated financial statements:

   (1) The Group includes all subsidiaries as entities in preparing the consolidated financial reports. A subsidiary refers to an entity controlled by the Group. When the Group is exposed to variable returns from its participation in the business entity or has rights to such variable returns and has the ability to affect such returns through its power over the

business entity, then the Group has controlled the business entity. Subsidiaries are included in the consolidated financial report from the date the Group obtains control, and are excluded from the consolidated financial report from the date the Group loses control over the subsidiaries.

(2) The transactions, balance amount, and unrealized profit or loss among the consolidated business entities within the Group have been completely written-off. The financial policies of the subsidiaries have been appropriately adjusted to be consistent with the accounting policies of the Group.

(3) Profit and loss and other components of comprehensive profit and loss belong to the shareholders of the parent company and non-controlling interests; the total comprehensive profit and loss also belongs to the shareholders of the parent company and non-controlling interests, even if it results in a loss balance for the non-controlling interests.

(4) If the change in the shareholdings over the subsidiary does not result in a loss of control (transaction with non-controlling interests), it is treated as an equity transaction, that is, it is regarded as a transaction with the shareholders. The difference between the adjustment amount for non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.

(5) When the Group loses control over a subsidiary, the remaining investment in the former subsidiary is remeasured at fair value and treated as the fair value of the financial assets originally recognized or the cost of the investment in an affiliated enterprise or joint venture originally recognized. The amount of difference between fair value and book value is recognized as profit or loss for the current period. The amount previously recognized in other comprehensive profit and loss related to the subsidiary will be accounted for on the same basis as if the Group had directly disposed of the relevant assets or liabilities, that is, if the gain or loss previously recognized in other comprehensive profit or loss, it will be reclassified as profit or loss when the relevant assets or liabilities are disposed of. So, when the control over the subsidiary is lost, the profit or loss will be reclassified from equity to profit or loss.

2. Subsidiaries included in the consolidated financial statements:

Investing company Name	Subsidies Name	Nature of business	Shareholding ratio		Remarks
			December 31, 2023	December 31, 2022	
The Company	Winstek Semiconductor Co., Ltd.	Packing services of wafer bumping and wafer	100%	100%	Notes
The Company	Winstek Semiconductor Technology Co., Ltd.	Plant development and leasing services	100%	100%	-

Note: Winstek Semiconductor Co., Ltd. had capital reduction arranged on October 17, 2022 with an amount of $1,000,000 refunded to the Company in cash.

The capital reduction ratio is 32.25%.

3. Subsidiaries not included in the consolidated financial statements: None

4. Adjustments and treatments for different accounting periods of subsidiaries: None

5. Material restrictions: None

6. Subsidiaries with material non-controlling interests in the Group: None

(四)Foreign currency translation

Items included in the financial reports of each entity within the Group are measured in the currency of the primary economic environment in which the entity operates (i.e. the functional currency). This consolidated financial report is presented using the Company's functional currency "New Taiwan Dollar" as the currency of expression.

1. Foreign currency transactions and amount

(1) Foreign currency transactions are converted into functional currencies in accordance with the spot exchange rate on the trade date or measurement date, and the differences arising from such conversion of transactions are recognized as profits and losses for the current period.

(2) The balance of monetary assets and liabilities in foreign currency is adjusted based on the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment is recognized as profit or loss for the current period.

(3) The balance of non-monetary assets and liabilities in foreign currency that are measured at fair value through profit and loss is evaluated and adjusted based on the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized as current profit and loss; however, if it is measured at fair value of other comprehensive profit and loss, it will be evaluated and adjusted based on the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustments will be recognized in other comprehensive profit and loss; also, if it is not measured at fair value, it will be adjusted based on the historical exchange rate on the initial trading day.

(4) All exchange profits and losses are booked in the "Other gains and losses" account of the income statement.

2. Conversion of foreign operation

For all group entities, affiliated enterprises, and joint agreements whose functional currency is different from the expression currency, the operating results and financial position will be converted into the expression currency as follows:

(1) The assets and liabilities on each balance sheet are translated at the closing exchange rate on that balance sheet date.

(2) The income and expenses and losses on each comprehensive income statement are

converted at the average exchange rate for the period; and

(3) All exchange differences arising from translation are recognized as other comprehensive profits and losses.

（五）Classification criteria for classifying assets and liabilities as current and noncurrent

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

(1) The assets that are expected to be realized in the normal business cycle or intend to be sold or consumed;

(2) Assets held primarily for trading purposes;

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

(4) Cash or cash equivalents, except for those that will be exchanged or used to pay-off liabilities within 12 months after the balance sheet date, or those with other restrictions;

The Group classifies all assets that do not meet the above conditions as noncurrent.

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

(1) The liabilities that are expected to be liquidated in the normal business cycle;

(2) Assets held primarily for trading purposes;

(3) The liabilities that are expected to be liquidated within 12 months after the balance sheet date;

(4) Liabilities that cannot be extended unconditionally for at least 12 months after the balance sheet date; According to the terms of the liability, it may be liquidated by issuing equity instruments at the choice of the counterparty; however, it does not affect its classification.

The Group classifies all liabilities that do not meet the above conditions as noncurrent.

（六）Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that can be converted into fixed amounts of cash at any time, which is subject to minimal risk of changes in value. Time deposits that meet the aforementioned definition with a sole purpose of fulfilling short-term cash commitments are classified as cash equivalents.

（七）Financial assets measured at amortized cost

1. Refers to those that meet the following conditions at the same time:

(1) The financial asset is held under an operating model with the purpose of collecting contractual cash flows.

(2) The financial asset in a signed contract is for the purpose of generating cash flow on a specific date in order to pay for the principal and interest of the outstanding principal entirely.

2. The Group adopts trade date accounting for financial assets measured at amortized cost that comply with trading practices.

3. The Group measures the fair value plus transaction costs at the time of initial recognition.

Subsequently, the Group adopts the effective interest method and amortization procedures to recognize interest income and impairment losses during the circulation period, and has the profits or losses recognized in profit or loss when having it derecognized.

4. The Group holds time deposits that do not qualify as cash equivalents. The said "time deposits" is measured by the investment amount since it is for a short holding period and the impact of discounting is insignificant.

(八)Receivables

1. Refers to an account that, according to the contract, has the unconditional right to receive the consideration amount in exchange for the transfer of goods or services.
2. The Group has the "short-term accounts receivable without interest accrual" measured by the original invoice amount since the impact of discounting is insignificant.

(九)Impairment of financial assets

For the financial assets measured at amortized cost that are without a significant increase in credit risk since the original recognition, the Group after considering all reasonable and substantiated information (including forward-looking information) measures the allowance for loss based on the 12-month expected credit loss amount on each balance sheet date; however, for those with a significant increase in credit risk since the original recognition, the Group shall measure the allowance for loss based on the expected credit losses amount during the duration; furthermore, for accounts receivable that do not include significant financial components or contract assets, the allowance for loss should be measured based on the expected credit loss during the duration.

(十)Derecognition of financial assets

Financial assets are derecognized when the Group's contractual rights to receive cash flows from the financial assets expire.

(十一)Operating lease (lessor)

Lease income from operating leases, net of any incentives given to the lessee, is amortized on a straight-line basis over the lease period and recognized as current profit and loss.

(十二)Inventories

Inventories are booked at the acquisition cost, and are mainly consumed in the process of providing services and are booked in the "cost of goods sold" account. Inventories are measured at the lower of cost and net realizable value; also, the cost is determined based on the weighted average method. The lower of cost or net realizable value is compared by an itemized comparison method. Net realizable value refers to the estimated selling price in the normal course of business minus the estimated costs required to complete the project and the

estimated costs required to complete the sale.

（十三）Property, Plant and Equipment

1. Property, plant and equipment are booked at the acquisition cost; also, the relevant interest accrued during the acquisition and construction period is capitalized.
2. Subsequent costs will only be included in the book value of the asset or recognized as a separate asset when the future economic benefits related to the project are likely to flow to the Group and the cost of the project can be measured reliably. The book value of the replacement should be derecognized. All other maintenance expenses are recognized as current profits and losses when incurred.
3. Property, plant and equipment is subsequently measured in accordance with the cost method. No depreciation will be appropriated for land. Property, plant and equipment is depreciated based on the estimated useful life and in accordance with the straight-line method. The depreciation of the significant component of property, plant and equipment should be appropriated separately.
4. The Group reviews the residual value, useful life, and depreciation method of each asset at the end of each financial year. If the residual value and useful life is different from the expectation, or the consumption pattern of the future economic benefits contained in the asset differs from the expectation, it shall be handled in accordance with the provisions on changes in accounting estimates as stated in IFRS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” from the date of the change occurred. The useful life of each asset is as follows:

Houses and construction equipment 5~25 years

Machinery and equipment 3~8 years

Office and other equipment 3~8 years

（十四）Lessee’s lease transaction – right-of-use asset/lease liability

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they are available to be used by the Group. When the lease contract is a short-term lease or a lease of a low-value underlying asset, the lease payments are recognized as expenses over the lease period in accordance with the straight-line method.
2. Lease liabilities are recognized at the present value of the unpaid lease amount discounted at the Group’s incremental loan rate on the lease commencement date. The lease payments are fixed payments, minus any lease incentives that can be collected.

The said lease liabilities shall be subsequently measured at the amortized cost in accordance with the interest method; also, interest expenses are accrued during the lease period. When the lease period or lease payments are changed due to non-contract modifications, the lease liability will be re-evaluated and the remeasurement amount will be adjusted to the right-

of-use assets.

3. Right-of-use assets are recognized at cost on the lease commencement date, and the cost includes:

(1) The original measured amount of the lease liability; and

(2) Any original direct cost incurred.

The right-of-use assets will be subsequently measured at the cost; also, the depreciation expenses are accrued when the useful life of the right-of-use asset expires or when the lease term expires, whichever is earlier. When the lease liability is re-evaluated, the remeasurement amount will be adjusted to the right-of-use assets.

（十五）Intangible assets

Computer software is recognized at the acquisition cost and amortized over the 3~5 useful years in accordance with the straight-line method.

（十六）Impairment of non-financial assets

The Group estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount is lower than its book amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's fair value deducting costs of disposal or its value in use. When the circumstances causing asset impairment recognized in previous years are no longer in existence or are eased, the impairment loss shall be reversed. However, the increase in the asset's book amount resulted from the aforementioned reversal of the impairment loss shall not exceed the amount of the asset before recognizing impairment loss but after deducting depreciation or amortization.

（十七）Loans

1. Refers to the long-term and short-term loans borrowed from banks. The Group measures the loan at the fair value net of the transaction costs for the initial recognition. Subsequently, the interest expense of the difference amount between the price net of the transaction costs and the redemption value is recognized in profit or loss in accordance with the effective interest method and the amortization procedure throughout the circulation period.

2. Regarding the fees paid when establishing a credit line, when it is very likely that part or all of the credit line will be applied, the fees will be recognized as the transaction cost of the loan and will be deferred until the operating expenses are incurred and recognized as an adjustment to the effective interest rate; however, when it is unlikely that part or all of the credit line will be applied, the fees will be recognized as a prepayment and amortized throughout the credit line period.

（十八）Accounts payable

1. Refers to debts incurred due to the purchase of raw materials, goods, or services on credit

and accounts payable arising from business and non-business operations.

2. The Group measures accounts payable based on the invoice amount since it is short-term accounts payable without interest accrual and the impact of discounting is insignificant.

（十九）Derecognition of financial liabilities

The Group has financial liabilities derecognized when contractual obligations have been fulfilled, cancelled, or expired.

（二十）Liability reserve

Liability reserves are recognized when there is a current legal or constructive obligation due to a past event; also, it is likely that an outflow of resources with economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Liability reserves are measured based on the best estimated present value of the expenditure required to settle the obligation on the balance sheet date. The discount rate is a pre-tax discount rate that reflects the current market assessment of the time value of money and specific risks of liabilities. The amortization of the discount is recognized as interest expense. Future operating losses shall not be with liability reserve recognized.

（二十一）Employee welfare

1. Short-term employee welfare

Short-term employee welfare is measured with the undiscounted amount expected to be paid and is recognized as an expense when the related services are provided.

2. Pension

(1) Defined contribution plan

For defined contribution plans, the amount of pension fund should be appropriated on an accrual basis and recognized as the pension cost of the current period. Prepaid provisions are recognized as assets to the extent that they can be refunded in cash or can be used to reduce future payments.

(2) Defined benefit plan

A. The net obligation under the defined benefit plan is calculated by discounting the future benefit amount earned by the employee by providing services in the current period or in the past, and subtracting the fair value of the plan assets from the present value of the defined benefit obligation on the balance sheet date. The net defined benefit obligation is calculated annually by the actuary with the estimated unit benefit method; also, the discount rate is the market yield rate of government bonds (on the balance sheet date).

B. Remeasurement amounts arising from defined benefit plans are recognized in other comprehensive profits and losses in the current period and are booked in retained earnings.

3. Employee remuneration and director remuneration

Employee remuneration and director remuneration are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If the actual distribution amount determined subsequently is different from the estimated amount, it will be treated as a change in accounting estimate.

（二十二）Income tax

1. Income tax expenses include current and deferred income taxes. Income taxes are recognized in profit or loss, except for income taxes related to items that are included in other comprehensive profit or loss or directly booked in equity should be processed the same way.
2. The Group calculates current income tax based on the tax rate that has been enacted or has been substantively enacted on the balance sheet date in the country where it operates and generates taxable income. Management regularly evaluates the status of income tax returns filing in accordance with the applicable income tax-related regulations; also, where applicable, estimates income tax liabilities based on the expected tax amount payable to tax authorities. Income tax on unappropriated earnings is levied in accordance with the Income Tax Act. After the profit distribution proposal is resolved in the shareholders' meeting in the year following the year in which the earnings are generated, the unappropriated earnings income tax expense will be recognized based on the actual distribution of earnings.
3. Deferred income tax is recognized based on the temporary differences arising from the tax bases of assets and liabilities and their book value in the consolidated balance sheet in accordance with the balance sheet method. Deferred income tax liabilities arising from the original recognition of goodwill will not be recognized. If the deferred income tax arises from the original recognition of assets or liabilities in a transaction (excluding business mergers), and does not affect accounting profits or taxable income (tax losses) at the time conducting the transaction; also, does not generate equivalent taxable and deductible temporary differences, it will not be recognized. Deferred income tax is based on the tax rate (and tax law) that has been enacted or has been substantively enacted on the balance sheet date and is expected to be applicable when the relevant deferred income tax assets are realized or the deferred income tax liabilities are settled.
4. Deferred income tax assets are recognized to the extent that the temporary differences are likely to be used to offset future taxable income; also, unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date. .
5. The deferred amount of the outstanding income tax credit arising from the purchase of

equipment or technology and research and development expenditures is recognized as deferred income tax assets to the extent of the possible future taxable income for the outstanding income tax credit.

（二十三）Capital stock

Common stock is classified as equity. The incremental costs after tax directly attributable to the issuance of new shares or share options are debited to equity.

（二十四）Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial report when it is resolved in the shareholders' meeting to distribute dividends. Cash dividends are recognized as liabilities.

（二十五）Revenue recognition

Labor service income

The Group provides integrated circuits testing and packing services of wafer bumping and wafer. When fulfill any of the following conditions: (a) the enterprise's performing the contract enables the customer to obtain and consume the benefits provided by the enterprise at the same time, (b) the enterprise's performing the contract creates or enhances an asset and the customer controls the asset throughout the performance process, (c) the enterprise's performing the contract does not create assets that can be used for other purposes, and has enforceable rights to the amounts for which performance has been completed so far, the enterprise gradually transfers control of the goods or services over time; therefore, gradually meets the performance obligations over time and recognizes income. The testing and packing services provided by the Group meet the aforementioned condition (b), so the Group should recognize revenues gradually over time and recognize income based on the completion of performance obligations.

Since the time interval between transferring the promised goods or services to the customer and customer's paying for it does not exceed one year, the Group has not adjusted the transaction price to reflect the time value of money.

（二十六）Government grants

Government grants are recognized at fair value when it is reasonably certain that the enterprise will comply with the conditions attached to the government grants and will receive the grants. If the nature of the government grants is to compensate for the expenses incurred by the Group, the government grants will be recognized as current profits and losses on a systematic basis during the period when the relevant expenses are incurred.

（二十七）Operating department

Information from the Group's operating departments shall be reported in a manner

consistent with the internal management reports provided by the key operating decision-maker. The key operating decision-maker is responsible for allocating resources to operating departments and evaluating their performance.

五、Material accounting judgment, estimation, and the main source of assumption uncertainties

When the Group prepares this consolidated financial report, the management has exercised its judgment to determine the accounting policies adopted, and made accounting estimates and assumptions based on reasonable expectations of future events accordingly on the balance sheet date. The material accounting estimates and assumptions made may be different from the actual results; therefore, evaluation and adjustment will be made continuously by taking into account the historical experience and other factors. The said estimates and assumptions are with the risk of causing material adjustments to the book amount of assets and liabilities in the next financial year. Please refer to the description of the material accounting judgment, estimation, and the main source of assumption uncertainties as follows:

（一）Important judgments in the adoption of accounting policies

None

（二）Important accounting estimates and assumptions

None

六、Description of important accounting matters

（一）Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 100	$ 100
Demand deposit	1,175,173	865,292
Time deposit	122,820	854,200
Sum	$ 1,298,093	$ 1,719,592

1. The credit quality of the financial institutions that the Group deals with is good, and the Group deals with a number of financial institutions to diversify credit risks, and the possibility of default is expected to be very low.

2. The Group has not pledged cash or cash equivalents.

（二）Financial assets measured at amortized cost

Item	December 31, 2023	December 31, 2022
Current items:		
Time Deposit	$ 2,133,520	$ 1,233,850

Noncurrent items:		
Pledged time deposit	$ 21,700	$ 21,700

1. The details of financial assets measured at amortized cost recognized in profit or loss are as follows:

	2023	2022
Interest income	$ 80,483	$ 17,078

2. The time deposits restricted for tariff guarantee purposes on December 31, 2023 and 2022 amounted to $21,700, respectively, and booked in "Financial assets measured at amortized cost - noncurrent." Please refer to Note VIII for details.

3. Please refer to Note XII (II) for the information on credit risk.

(三)Receivables

	December 31, 2023	December 31, 2022
Receivables	$ 925,640	$ 915,405
Accounts receivable – related party	721	2,088
Subtotal	926,361	917,493
Less: Allowance for losses	(9,459)	-
	$ 916,902	$ 917,493

The Group does not have any account amount pledged as collateral.

1. The aging analysis of accounts receivable is as follows:

	December 31, 2023	December 31, 2022
Not overdue	$ 868,556	$ 739,685
Within 30 days	43,972	52,582
31-90 days	1,777	124,664
91-180 days	2,597	25
Over 181 days	9,459	537
	$ 926,361	$ 917,493

The aforementioned aging analysis is based on the number of days overdue.

2. The balances of accounts receivable as of December 31, 2023 and 2022 were all generated from customer contracts. In addition, the balance of accounts receivable from customer contracts was $762,938 as of January 1, 2022.

3. Under the precondition of not considering the enhancement of other credits, the maximum exposure amounts that best represent the credit risk of the Group's accounts receivable were $916,902 and $917,493 as of December 31, 2023 and 2022, respectively.

4. Please refer to Note XII (II) for the information on credit risk.

（四）Inventories

	December 31, 2023	December 31, 2022
Raw material	$ 83,013	$ 107,054
Allowance for loss in value	(4,352)	(9,246)
Book amount	$ 78,661	$ 97,808

The inventory cost recognized as expense and loss by the Group in the current period:

	2023	2022
Cost of inventory consumed and various labor costs	$ 2,569,178	$ 2,637,231
(Reversal profit) Loss in value	(4,872)	3,840
Exchange rate effect	(22)	717
	$ 2,564,284	$ 2,641,788

The Group had consumed the inventories that were with loss on inventory appropriated previously in 2023; therefore, the provision for loss on inventory appropriated in the prior period was reversed and it was debited to the operating cost.

（五）Property, Plant and Equipment

	2023					
	Land	House and building	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Sum
January 1						
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
January 1	$ 240,469	$ 58,904	$ 2,507,845	$ 329,598	$ 7,411	$ 3,144,227
Addition	1,503	18,179	234,875	130,310	-	384,867
Reclassification	-	-	5,454	1,969	(7,423)	-
Depreciation expense	-	(14,399)	(471,970)	(109,074)	-	(595,443)
Net exchange differences	-	-	(3,350)	(4,631)	12	(7,969)
December 31	$ 241,972	$ 62,684	$ 2,272,854	$ 348,172	$ -	$ 2,925,682
December 31						
Cost	$ 241,972	$ 877,253	$ 12,978,993	$ 1,670,602	$ -	$ 15,768,820
Accumulated depreciation and impairment	-	(814,569)	(10,706,139)	(1,322,430)	-	(12,843,138)
	$ 241,972	$ 62,684	$ 2,272,854	$ 348,172	$ -	$ 2,925,682

	2022					
	Land	House and building	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Sum
January 1						
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
Addition	45,545	10,467	833,635	39,326	7,423	936,396
Disposal	-	-	-	(1,322)	-	(1,322)
Reclassification	-	155	17,354	23,716	(41,225)	-
Depreciation expense	-	(11,840)	(476,040)	(109,355)	-	(597,235)
Impairment loss	-	-	(15,516)	-	-	(15,516)
Net 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 and impairment	-	(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

There is no interest capitalization occurred to the property, plant, and equipment.

（六）Lease Transaction - Lessee

1. The subject assets leased by the Group include buildings and official vehicles. The lease contract period is usually for 2~10 years. Lease contracts are negotiated individually with different terms and conditions agreed upon. No other restrictions are imposed except that the leased assets cannot be used as collateral for loans.
2. The lease period of the buildings and transportation equipment by the Group does not exceed 12 months, and the underlying assets leased are low-value buildings and machinery equipment.
3. Information on the book amount of right-of-use assets and recognized depreciation expenses is as follows:

	December 31, 2023	December 31, 2022
	Book amount	Book amount
House and building	$ 5,318	$ 6,043
Transportation equipment (official vehicles)	2,209	2,042
	$ 7,527	$ 8,085

	2023	2022
	Depreciation expense	Depreciation expense
House and building	$ 735	$ 584
Transportation equipment (official vehicles)	1,641	2,131
	$ 2,376	$ 2,715

4. The Group's addition of the right-of-use assets was $1,797 and $2,477 in 2023 and 2022, respectively.
5. Information on profit and loss items related to the lease contract is as follows:

	2023	2022
Items affecting current profit and loss		
Interest expense on lease liabilities	$ 84	$ 76
Fees for short-term lease contracts	18,788	32,997
Fees for leasing low-value assets	9,162	8,050

6. The Group's total leasing cash outflows were $30,310 and $43,908 in 2023 and 2022, respectively.

（七）Lease Transaction – Lessor

1. The underlying assets leased out by the Group include buildings. The term of the lease contract is usually for 5 years. The lease contract is negotiated individually with different terms and conditions agreed upon.
2. The Group recognized rental income of $482 and $444 in 2023 and 2022, respectively, based on the operating lease contract, which did not include variable lease payments.

3. The maturity date of the lease payments for the operating lease arranged by the Company is analyzed as follows:

	December 31, 2023		December 31, 2022
2024	$ 463	2023	$ 463
2025	434	2024	463
2026	291	2025	434
2027	234	2026	291
2028	-	2027	234
Sum	$ 1,423	Sum	$ 1,885

（八）Intangible assets

	2023	2022
	Computer software	Computer software
January 1		
Cost	$ 376,394	$ 289,606
Accumulated amortization and impairment	(218,484)	(167,614)
	$ 157,910	$ 121,992
January 1	$ 157,910	$ 121,992
Addition	17,190	74,246
Amortized expense	(45,750)	(39,452)
Net exchange differences	66	1,124
December 31	$ 129,416	$ 157,910
December 31		
Cost	$ 393,553	$ 376,394
Accumulated amortization and impairment	(264,137)	(218,484)
	$ 129,416	$ 157,910

The amortization of intangible assets is detailed as follows:

	2023	2022
Operating cost	$ 42,174	$ 35,743
Management expenses	3,576	3,709
	$ 45,750	$ 39,452

（九）Other payables

	December 31, 2023	December 31, 2022
Salary and bonus payable	$ 181,736	$ 186,453
Employee remuneration and director remuneration payable	107,425	104,858
Equipment payable	68,873	45,336
Others	119,645	111,838
	$ 477,679	$ 448,485

(十) Long-term loans

Nature of loans	Loan period and repayment method	Interest rate range	Collateral	Note	December 31, 2023
Long-term bank loans					
Credit loans	It is to be repaid in installments according to the agreed period from December 2, 2020 to November 15, 2025.	1.300%	None	Notes	$ 180,320
Credit loans	It is to be repaid in installments according to the agreed period from February 8, 2021 to January 15, 2026.	1.300%	None	Notes	100,000
Credit loans	It is to be repaid in installments according to the agreed period from April 8, 2021 to April 15, 2026.	1.293%	None	Notes	112,500
Credit loans	It is to be repaid in installments according to the agreed period from April 22, 2021 to April 15, 2026.	1.230%	None	Notes	300,000
Credit loans	It is to be repaid in installments according to the agreed period from July 19, 2022 to July 19, 2027.	1.800%	None		100,000
					792,820
Less: Long-term loans due within one year or one operating cycle					(287,558)
					$ 505,262

Nature of loans	Loan period and repayment method	Interest rate range	Collateral	Note	December 31, 2022
Long-term bank loans					
Credit loans	It is to be repaid in installments according to the agreed period from December 2, 2020 to November 15, 2025.	1.175%	None	Notes	$ 196,000
Credit loans	It is to be repaid in installments according to the agreed period from February 8, 2021 to January 15, 2026.	1.175%	None	Notes	100,000
Credit loans	It is to be repaid in installments according to the agreed period from April 8, 2021 to April 15, 2026.	1.161%	None	Notes	150,000
Credit loans	It is to be repaid in installments according to the agreed period from April 22, 2021 to April 15, 2026.	1.105%	None	Notes	300,000
Credit loans	It is to be repaid in installments according to the agreed period from July 19, 2022 to July 19, 2027.	1.550%	None		100,000
					846,000
Less: Long-term loans due within one year or one operating cycle					(53,180)
					$ 792,820

The loan interest expenses were $14,470 and $11,290 recognized in 2023 and 2022, respectively.

Note: The Ministry of Economic Affairs implemented the “Accelerating Investment Action Plan for Enterprises Rooting in Taiwan” on July 1, 2019. Enterprises can apply for subsidized loans from financial institutions for legitimate investment projects at preferential interest rates of 0.58%~0.80%. The Group has been qualified by the Ministry of Economic Affairs for project loans and signed a loan contract with a financial institution to obtain a total financing line of NT$746 million for a credit period of five years. The aforementioned loans are to be used for the purchase of new machinery and equipment, working capital, etc. The Group recognized the loan project grants income of $3,656 and $3,738 (booked in the “other income” account) in 2023 and 2022, respectively,

Credit loans

According to the provisions of the signed credit contract, it is necessary to maintain the financial ratios and agreements before the debts of each credit line are fully paid off during the duration of the loan, which is summarized as follows:

1. Current ratio: The net current assets in the consolidated financial report divided by the

net current liabilities should not be less than 100%.

2. Debt ratio: The total net liabilities in the consolidated financial report plus contingent liabilities and then divided by tangible net worth, which should not be higher than 100%.

3. Times interest earned ratio: The net income before tax in the consolidated financial report plus interest expenses, depreciation expense, and amortization expense and then divided by the interest expenses, which should be no less than 10 times.

4. The shareholding of SIGURD MICROELECTRONICS CORP. in Winstek Semiconductor Co., Ltd. shall not be less than 51%; also, must maintain majority seats of the board of directors. Winstek Semiconductor Co., Ltd. shall hold no less than 100% of the shares in Winstek Semiconductor Co., Ltd.

5. The tangible net worth shall not be less than NT$3.8 billion.

6. The total average deposit amount of Winstek Group in the contracted bank in the most recent three months is not less than NT$60 million.

The aforementioned financial commitment ratios are calculated based on the interim consolidated financial reports reviewed or reviewed by the CPA. The Group's 2023 and 2022 consolidated financial reports complied with the financial ratio restrictions.

（十一）Pension

1. (1) The Company has a retirement policy with defined benefits stipulated in accordance with the provisions of the "Labor Standards Act," which is applicable to the service years of all formal employees accumulated before the implementation of the "Labor Pension Act" on July 1, 2005, and the subsequent service years of employees who choose to be subject to the Labor Standards Act after the implementation of the Labor Pension Act. The pension payment to the employees who meet the retirement conditions is calculated based on the service years and the average salary in the 6 months prior to the retirement. Two basis points are granted to each full year of service within the first 15 years (inclusive) and one basis point is granted to each full year of service thereafter for a maximum of 45 basis points in total. The Company appropriates a pension amount equivalent to 2% of the total salary, which is deposited in the Bank of Taiwan under the name of "Labor Pension Reserve Committee."

(2) The amounts recognized on the balance sheet are as follows:

	December 31, 2023	December 31, 2022
The present value of defined benefit obligations	$ 44,859	$ 48,472
Fair value of plan assets	(30,037)	(30,844)
Net defined benefit liability	$ 14,822	$ 17,628

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

	The present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2023			
Balance – 1/1	$ 48,472	($ 30,844)	$ 17,628
Interest expense (income)	667	(436)	231
	49,139	(31,280)	17,859
Remeasurement amount:			
Return on plan assets (excluding the amounts included in interest income or expenses)	-	(210)	(210)
Impact of changes in financial assumptions	624	-	624
Experience adjustment	(1,896)	-	(1,896)
	(1,272)	(210)	(1,482)
Appropriation of pension	-(	1,555)	(1,555)
Pension payment	(3,008)	3,008	-
Balance – 12/31	$ 4,859	($ 30,037)	$ 14,822

	The present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
Balance – 1/1	$ 53,897	($ 27,259)	$ 26,638
Interest expense (income)	404	(211)	193
	54,301	(27,470)	26,831
Remeasurement amount:			
Return on plan assets (excluding the amounts included in interest income or expenses)	-(	2,044)	(2,044)
Impact of changes in financial assumptions	(3,771)	-	(3,771)
Experience adjustment	(1,779)	-	(1,779)
	(5,550)	(2,044)	(7,594)
Appropriation of pension	-	(1,609)	(1,609)
Pension payment	(279)	279	-
Balance – 12/31	$ 48,472	($ 30,844)	$ 17,628

(4) The Company's defined benefit retirement plan fund assets are managed by the Bank of Taiwan within the ratio and amount of the entrusted operating projects specified in the annual fund investment and utilization plan in accordance with Article 6 of the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (i.e. deposited with domestic and foreign financial institutions, investment in domestic and foreign listed, OTC, or private equity securities, investment in domestic and foreign real estate securitization, etc.), and the relevant applications are supervised by the Labor Pension Fund Supervisory Committee. The minimum income distributed from the annual final settlement for the use of this fund shall not be less than the income calculated based on the two-year time deposit interest rate of the local bank. The insufficient fund, when occurred, shall be made up by the national treasury with the approval of the competent authority. The Company has no right to participate in the operation and management of the said fund; therefore, the Company is unable to disclose the classification of the fair value of the plan assets in accordance with paragraph 142 of International Accounting Standard 19. Please refer to the Annual Labor Pension Fund Operation Report announced by the government for the fair value of the total fund assets as of December 31, 2023 and 2022.

(5) The actuarial assumptions regarding pension benefits are summarized as follows:

	2023	2022
Discount Rate	1.250%	1.375%
Future salary increase rate	3.000%	3.000%

The assumptions about future mortality rates in 2023 and 2022 were estimated based on Taiwan Standard Ordinary Sixth Experience Mortality Table.

The present value of defined benefit obligations affected by changes in the main actuarial assumptions is analyzed as follows:

	Discount Rate		Future salary increase rate	
	Increased by 0.25%	Decreased by 0.25%	Increased by 0.25%	Decreased by 0.25%
December 31, 2023				
Impact on the present value of defined benefit obligations	($ 1,236)	$ 1,288	$ 1,244	($ 1,200)
December 31, 2022				
Impact on the present value of defined benefit obligations	($ 1,400)	$ 1,460	$ 1,413	($ 1,362)

The aforementioned sensitivity analysis is to analyze the impact of changes in a single assumption while others remain unchanged. In reality, changes in many

assumptions may be linked. The sensitivity analysis is consistent with the approach adopted to calculate the net pension liability on the balance sheet. The methods and assumptions adopted in preparing the sensitivity analysis for this period are the same as those for the previous period.

(6) The Company's estimated provision for the retirement plan in 2024 is $1,574.

(7) The weighted average duration of the retirement plan was 11.2 years as of December 31, 2023. The maturity of pension payment is analyzed as follows:

Less than 1 year	$	5,843
1-2 years		1,402
2-5 years		4,463
5-10 years		9,347
	$	21,055

2. (1) The Company and its subsidiaries have established a defined contribution plan in accordance with the "Labor Pension Act" since July 1, 2005, which is applicable to employees of Taiwan nationality. The pension system set by the Company and its domestic subsidiaries for the employees who choose to be subject to the "Labor Pension Act" is with an amount equivalent to 6% of the monthly salary appropriated and deposited in each employee's personal account with the Bureau of Labor Insurance. The pension payment is made to employees in the manner of monthly payment or lump sum payment based on the employee's personal pension account and the accumulated income.

(2) The Group recognized the pension cost for an amount of $30,457 and $29,216 in 2023 and 2022, respectively, in accordance with the aforementioned plan.

(十二) Capital stock

The Company's authorized capital was $4,000,000, divided into 400,000 shares on December 31, 2023, and the paid-in capital was $1,362,617 with a NT$10 par. The Company has collected the proceeds for all the shares issued.

The Company's outstanding shares at the beginning and ending of the year is adjusted as follows:

Unit: Thousand shares

	2023	2022
January 1 / December 31	136,262	136,262

(十三) Additional paid-in capital

According to the provisions of the Company Act, the amount collected from the issuance of stock shares issued at a premium and the additional paid-in capital received from the gifted income can be used to make up for losses; also, when the Company has no accumulated losses, new shares can be issued to shareholders proportionally to their original shareholdings, or cash can be distributed. In addition, according to the relevant provisions of the Securities and Exchange Act, when the aforementioned additional

paid-in capital is allocated to capital, the total appropriation amount shall not exceed 10% of the paid-in capital every year. When there is insufficient surplus reserve to make up for the capital loss, the Company may apply additional paid-in capital to make up for it.

	2023	
	Stock premium	The difference between the actual acquisition or disposal of subsidiary equity and the book amount
January 1 / December 31	$ 250,734	$ 115,509

	2022	
	Stock premium	The difference between the actual acquisition or disposal of subsidiary equity and the book amount
January 1 / December 31	$ 250,734	$ 115,509

（十四）Retained earnings

1. According to the Company's articles of association, the net income, if any, should be applied to make up for accumulated losses, appropriation of 10% of the remaining amount as legal reserve, and a special reserve may be appropriated, when necessary. If there remains balance amount afterwards, the board of directors shall draft an earnings distribution proposal for the distribution of shareholder dividends to be resolved in the shareholders' meeting, together with the accumulated unappropriated earnings from previous years; also, a portion of the balance amount may be reserved depending on the business operation. The board of directors is authorized to reach a special resolution to have dividends and bonuses distribute in the form of cash totally or partially, which should be reported to the shareholders' meeting.
2. According to the Company's dividend distribution policy, dividends should be distributed in accordance with the Company's current profit status and future investment environment, capital needs, capital budget planning, operating plans, etc.; and should also take into account the financial structure and earnings dilution. The dividend distributed should be for an amount not less than 10% of the net income; however, if the earnings per share is less than NT$0.5 or dividend distribution will lead to a breach of contract, the earnings can be retained and no distribution will be arranged. The Company may have earnings distribution arranged in the form of stock dividends or cash dividends, of which, cash dividends shall not be less than 10% of the total dividends.

3. The Company's board of directors may prepare business reports, financial statements, and proposals for profit distribution or loss compensation at the end of each fiscal year for the review of the Audit Committee, and the resolution of the board of directors. Tax payables should be estimated and retained, losses should be compensated, and legal reserves should be appropriated lawfully before having earnings distributed. However, this does not apply when the legal reserve reaches the amount of paid-in capital. The aforementioned earnings distribution that is carried out with new shares issued should be handled in accordance with Article 240 of the Company Act; also, a cash distribution is subject to the resolution of the board of directors.

4. The legal reserve can only be used to make up for the Company's losses, issue new shares to shareholders proportionally to their original shareholding, or distribute cash. However, if new shares or cash are distributed, it is limited to the portion of the legal reserve 25% of the paid-in capital.

5. The Company's earnings distribution proposals for the year of 2022 and 2021 were resolved in the shareholders' meeting on June 6, 2023 and June 8, 2022, respectively, as follows:

	2022		2021	
	Amount	Dividend per share (NT$)	Amount	Dividend per share (NT$)
Appropriation of legal reserve	$ 92,506	$ -	$ 39,263	$ -
Appropriation (reversal) of special reserve	(282,069)	-	78,597	-
Cash dividend	681,308	5.00	313,402	2.30
Sum	$ 491,745	$ 5.00	$431,262	$ 2.30

6. The Company's earnings distribution proposals for the year of 2023 was resolved in the shareholders' meeting on February 26, 2024 as follows; however, the proposal is yet to be approved by the shareholders' meeting:

	2023	
	Amount	Dividend per share (NT$)
Appropriation of legal reserve	$ 84,132	$ -
Cash dividend (note)	654,056	4.80
Sum	$738,188	$ 4.80

Note: Please visit the Market Observation Post System to check the information on earnings distribution.

（十五）Operating income

	2023	2022
Revenue from customer contracts	$ 3,667,818	$ 3,947,152

1. Classification of customer contract revenue

The Group's revenue comes from the labor services provided gradually over time. Revenue can be classified into the following main product lines:

2023	Testing revenue:	Packing income	Others Labor service income	Sum
Departmental income	$1,593,949	$2,060,449	$ 13,420	$3,667,818
External customer contract revenue	$1,593,949	$2,060,449	$ 13,420	$3,667,818

2022	Testing revenue:	Packing income	Others Labor service income	Sum
Departmental income	$1,806,954	$2,096,664	$ 43,534	$3,947,152
External customer contract revenue	$1,806,954	$2,096,664	$ 43,534	$3,947,152

2. Contract assets and contract liabilities

The contract assets and contract liabilities related to the customer contract revenue recognized by the Group are as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets:			
Contract Assets - Packing test	$ 34,216	$ 35,202	$ 22,510
Contract liability:			
Contract liability －Advance sales receipts	$ -	$ 4,861	$ -

The beginning contract liabilities are recognized as income in the current period:

	2023	2022
Contract liabilities - Advance sales receipts	$ 4,861	$ -

（十六）Interest income

	2023	2022
Bank deposit interest	$ 45,767	$ 14,947
Interest income from financial assets measured at amortized cost	80,483	17,078
	$ 126,250	$ 32,025

（十七）Other income

	2023	2022
Rental income	$ 482	$ 444
Income from government grants	5,478	3,738
	$ 5,960	$ 4,182

（十八）Other gains and losses

	2023	2022
Gains from the disposal of property, plant, and equipment	$ 3,439	$ 3,045
Foreign currency exchange gains	32,434	39,274
Impairment losses of property, plant and equipment	-	(15,516)
Other gains	6,967	3,436
	$ 42,840	$ 30,239

（十九）Financial costs

	2023	2022
Interest expense	$ 14,470	$ 11,290
Lease liability	84	76
Other financial expenses	24	14
	$ 14,578	$ 11,380

（二十）Additional information on the nature of expenses

	2023	2022
Employee benefits expenses	$ 992,320	$ 990,327
Depreciation expense of property, plant and equipment and right-of-use assets	$ 597,819	$ 599,950
Amortization expense of intangible assets	$ 45,750	$ 39,452

（二十一）Employee benefits expenses

	2023	2022
Payroll expense	$ 847,790	$ 856,876
Labor and health insurance expense	73,719	67,072
Pension expense	30,688	29,409
Other personnel expenses	40,123	36,970
	$ 992,320	$ 990,327

1. According to the Company's articles of association, the Company shall appropriate an amount equivalent to 0.1% to 15% of the earnings, if any, as employee remuneration. When employee remuneration is distributed in the form of stocks or cash, the employees of the controlled companies or affiliated companies who meet certain conditions are also entitled to the said benefits. However, an amount equivalent to the Company's accumulated losses, if any,

should be reserved in advance. The Company shall appropriate an amount not more than 3% of the earnings, if any, depending on business conditions as director remuneration. However, an amount equivalent to the Company's accumulated losses, if any, should be reserved in advance.

2. The Company's estimated employee remuneration were $63,164 and $66,002 in 2023 and 2022, respectively; also, the estimated director remuneration amounted to $0, respectively, and the aforementioned amounts are booked in the "payroll expenses" account. The employee remuneration and director remuneration were estimated at 6.24% and 0% in 2023, respectively, based on the profit generated in the year.

   The employee remuneration and director remuneration resolved by the board of directors for 2023 and 2022 are consistent with the amounts recognized in the 2023 and 2022 financial reports.

   Please feel free to visit the Market Observation Post System to inquire the information related to employee remuneration and director remuneration approved by the Company's board of directors.

(二十二) Income tax

1. Income tax expenses

   Income tax expense components:

	2023	2022
Current income tax:		
Income tax on current income	$ 204,830	$ 210,352
Additional tax levy on the unappropriated earnings	21,666	-
Overestimated income tax on the income generated in previous years	(54,609)	(27,001)
Total income tax for the current period	171,887	183,351
Deferred income tax:		
The original occurrence and reversal of temporary differences	(2,085)	11,114
Total deferred income tax	(2,085)	11,114
Income tax expenses	$ 169,802	$ 194,465

2. The relationship between income tax expenses and accounting profits

	2023	2022
Income tax on net income before tax is calculated based on statutory tax rate (Note)	$ 201,929	$ 222,386
Expenses that should be exempted according to tax laws	-	713
Overestimated income tax on the income generated in previous years	(54,609)	(27,001)
Additional tax levy on the unappropriated earnings	21,666	-
Others	816	(1,633)
Income tax expenses	$ 169,802	$ 194,465

Note: The basis of applicable tax rate is calculated based on the 20% tax rate applicable to the income generated in Taiwan.

3. The amount of each deferred income tax asset or liability arising from temporary differences is as follows:

	2023		
	January 1	Recognized in profit or loss	December 31
Deferred income tax assets:			
-Temporary differences:			
Fiscal and tax differences of depreciation expense	$ 12,792	$ 595	$ 13,387
Unrealized exchange loss	4,812	7,385	12,197
Compensation for losses	2,213	(2,020)	193
Allowance for loss on inventory	1,759	(978)	781
Asset impairment losses	3,103	-	3,103
Subtotal	24,679	4,982	29,661
-Deferred income tax liabilities:			
Unrealized exchange gains	(14,444)	(2,631)	(17,075)
Others	(133)	(266)	(399)
Subtotal	(14,577)	(2,897)	(17,474)
Sum	$ 10,102	$ 2,085	$ 12,187

	2022		
	January 1	Recognized in profit or loss	December 31
Deferred income tax assets:			
-Temporary differences:			
Fiscal and tax differences of depreciation expense	$ 12,197	$ 595	$ 12,792
Unrealized exchange loss	6,386	(1,574)	4,812
Compensation for losses	1,829	384	2,213
Allowance for loss on inventory	991	768	1,759
Asset impairment losses	-	3,103	3,103
Others	151	(151)	-
Subtotal	21,554	3,125	24,679
-Deferred income tax liabilities:			
Unrealized exchange gains	(338)	(14,106)	(14,444)
Others	-	(133)	(133)
Subtotal	(338)	(14,239)	(14,577)
Sum	$ 21,216	($ 11,114)	$ 10,102

4. The Company's business income tax has been audited and approved by the tax collection agency up to the year of 2021

（二十三）Earnings per share

	2023		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to common stock shareholders of the parent company	$ 839,843	136,262	$ 6.16
Diluted earnings per share			
Net income attributable to common stock shareholders of the parent company	839,843	136,262	
Impact of potential common stock with dilutive effect			
Employee remuneration	-	911	
Net income attributable to common stock shareholders of the parent company plus the impact of potential common stock	$ 839,843	137,173	$ 6.12

	2022		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to common stock shareholders of the parent company	$ 917,467	136,262	$ 6.73
Diluted earnings per share			
Net income attributable to common stock shareholders of the parent company	917,467	136,262	
Impact of potential common stock with dilutive effect			
Employee remuneration	-	1,595	
Net income attributable to common stock shareholders of the parent company plus the impact of potential common stock	$ 917,467	137,857	$ 6.66

（二十四）Cash Flow Supplementary Information

Investing activities with only partial cash payments:

	2023	2022
Acquisition of property, plant and equipment	$ 384,867	$ 936,396
Add: Equipment payable - beginning	45,336	181,244
Add: Prepaid equipment - ending (note)	4,400	39,508
Less: Equipment payable - ending	(68,873)	(45,336)
Less: Prepaid equipment - beginning (note)	(39,508)	(115,070)
Cash paid in current period	$ 326,222	$ 996,742

Note: Booked in the “Other noncurrent assets” account

（二十五）Changes in the liabilities from financing activities

	2023			
	Lease liability	Long-term loans (Note)	Guarantee deposits & margins received	Total liabilities from financing activities
January 1	$ 7,845	$ 846,000	$ 6,447	$ 860,292
Changes in the cash flow from financing activities	(2,276)	(53,180)	33	(55,423)
Interest paid	(84)	-	-	(84)
Other non-cash changes:				
Interest expense	84	-	-	84
Exchange rate effect	(29)	-	87	58
Additions in this period	1,797	-	-	1,797
Others	-	-	(6,228)	(6,228)
December 31	$ 7,337	$ 792,820	$ 339	$ 800,496

	2022			
	Lease liability	Long-term loans (Note)	Guarantee deposits & margins received	Total liabilities from financing activities
January 1	$ 8,077	$ 746,000	$ 266	$ 754,343
Changes in the cash flow from financing activities	(2,785)	100,000	6,106	103,321
Other non-cash changes:				
Interest expense	76	-	-	76
Exchange rate effect	-	-	75	75
Additions in this period	2,477	-	-	2,477
December 31	$ 7,845	$ 846,000	$ 6,447	$ 860,292

Note: Includes long-term loans due within one year.

七、Related party transaction

(I) Parent company and ultimate controller

The Group was originally controlled by Bloomeria Limited (registered in Singapore). Bloomeria Limited had its shareholdings transferred on July 6, 2020, the Group has been controlled by SIGWIN Corporation since with 51.90% shareholdings obtained. SIGURD MICROELECTRONICS CORP. (registered in Taiwan) is the ultimate parent company and ultimate controller of the Group.

(II) Name of and relationship with the related parties

Name of the related party	Relationship with the Group
SIGURD MICROELECTRONICS CORP.	Ultimate parent company
Bloomeria Limited	Parent company (before July 6, 2020)；Fellow subsidiaries (after July 6, 2020)
SIGWIN Corporation	Parent company (after July 6, 2020)
Sirize Technology(Suzhou) Corporation	Brother company
Sigurd UTC Corporation	Brother company

(3) Material transactions conducted with related parties

1. Operating income

	2023	2022
Operating income:		
Ultimate parent company	$ 896	$ 8,735
Brother company	446	-
Subtotal	$ 1,342	$ 8,735

The labor service income is handled in accordance with the general transaction price and conditions, and the payment conditions are 30 days open account.

2. Amounts receivable - related parties

	December 31, 2023	December 31, 2022
Accounts receivable:		
Ultimate parent company	$ 721	$ 2,088

Accounts receivable from related parties is mainly for labor services provided and the machinery and equipment components sold. The said accounts receivable is without mortgage and interest accrual.

3. Amounts payable - related parties

	December 31, 2023	December 31, 2022
Other payables - lease:		
Ultimate parent company	$ -	$ 239
Brother company	454	-
	$ 454	$ 239

Accounts payable to related parties is mainly for lease service provided by the related parties. The said accounts payable is without interest accrual.

4. Other transactions

		Transaction amount	
	Bookkeeping item	2023	2022
Ultimate parent company	Rental expense	$ -	$ 3,066
Ultimate parent company	Processing expense	$ 3,608	$ 12,434
Ultimate parent company	Other expenses	$ 220	$ -
Brother company	Other expenses	$ 5,568	$ -
Parent company	Dividend expense	$ 353,632	$ 162,671

(IV) Information on the remuneration of key management levels

	2023	2022
Short-term employee benefits	$ 32,504	$ 28,109
Post-employment benefits	523	450
Total	$ 33,027	$ 28,559

八、Pledged assets

The Group's assets provided as collateral are detailed as follows:

	Book amount		
Assets	December 31, 2023	December 31, 2022	Guarantee purpose
Pledged time deposits (booked in the "Financial assets measured at amortized cost – noncurrent" account)	$ 21,700	$ 21,700	Tariff Guarantee
Intangible assets	-	-	Long-term loans

九、Material contingent liabilities and unrecognized contractual commitments

Capital expenditures contracted but not yet incurred

	December 31, 2023	December 31, 2022
Property, Plant and Equipment	$ 25,169	$ 106,408

十、Material disaster losses

None

十一、Material post events

The Company's 2023 earnings distribution proposal was resolved by the board of directors on February 26, 2024. Please refer to Note VI (XIV) for details.

十二、Others

(一) Capital management

The Group's strategy in 2023 remains the same as in 2022, which is to forcefully reduce the debt-to-capital ratio to a reasonable risk level. The Group's debt-to-capital ratio on December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Total loan amount	$ 792,820	$ 846,000
Less: Cash and cash equivalents	(1,298,093)	(1,719,592)
Net debt amount	(505,273)	(873,592)
Total equity	5,994,128	5,853,916
Total capital	$ 5,488,855	$ 4,980,324
Debt to capital ratio	-	-

(二) Financial instruments

1. Types of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Cash and cash equivalents	$ 1,298,093	$ 1,719,592
Financial assets measured at amortized cost (including noncurrent)	2,155,220	1,255,550
Receivables	916,181	915,405
Accounts receivable – related party	721	2,088
Other Receivables	10,030	11,952
Guarantee deposits & margins paid	4,480	5,490
	$ 4,384,725	$ 3,910,077

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities measured at amortized cost		
Accounts payable	$ 94,878	$ 72,120
Other payables	477,679	448,485
Other payables – related party	454	239
Long-term loans (including due within one year)	792,820	846,000
Guarantee deposits & margins received	339	6,447
	$ 1,366,170	$ 1,373,291
Lease liabilities (including noncurrent)	$ 7,337	$ 7,845

2. Risk management policy

(1) The Board of Directors is solely responsible for establishing and supervising the Group's risk management structure in order to develop and control the Group's risk management policies.

(2) The establishment of the Group's risk management policy is for identifying and analyzing the risks faced by the Group, for setting appropriate risk limits and controls, and for monitoring risks and compliance with risk limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's operations. The Group develops a disciplined and constructive control environment through training, management standards, and operating procedures so to help all employees understand their roles and responsibilities.

(3) The management personnel of the Group's Audit Committee supervise the compliance of the Group's risk management policies and procedures, and review the appropriateness of the Group's management structure for the risks encountered. Internal auditors assist the Group's Audit Committee in performing supervision responsibility. Those personnel review the risk management controls and procedures; also, report review results to the Audit Committee.

3. Nature and extent of material financial risks

(1) Market risk

Exchange rate risk

A. New Taiwan Dollar is the functional currency of the Company while US Dollar is the functional currency of the subsidiaries, which is affected by exchange rate fluctuations. Information on foreign currency assets and liabilities that are severely affected by exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign currency (NT$ thousand)	Exchange rate	Book amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 42,260	30.705	$ 1,297,593
NTD : USD	565,912	0.033	565,912
Financial liabilities			
Monetary items			
USD : NTD	$ 374	30.705	$ 11,484
NTD : USD	1,056,300	0.033	1,056,300

	December 31, 2022		
	Foreign currency (NT$ thousand)	Exchange rate	Book amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 38,161	30.710	$ 1,171,924
NTD : USD	272,797	0.033	272,797
Financial liabilities			
Monetary items			
USD : NTD	$ 513	30.710	$ 15,754
NTD : USD	1,035,997	0.033	1,035,997

B. The Group's monetary item was with disclosed exchange gains for an amount of $32,434 and $39,274 recognized in 2023 and 2022, respectively, due to the material impact of exchange rate fluctuations.

C. The Group's foreign currency market risk due to material exchange rate fluctuations is analyzed as follows:

	2023		
	Sensitivity Analysis		
	Range of change	Impact on profit (loss)	Impact on other comprehensive profit and loss
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	1%	$ 12,976	$ -
NTD : USD	1%	5,659	-
Financial liabilities			
Monetary items			
USD : NTD	1%	($ 115)	$ -
NTD : USD	1%	(10,563)	-

	2022		
	Sensitivity Analysis		
	Range of change	Impact on profit (loss)	Impact on other comprehensive profit and loss
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	1%	$ 11,719	$ -
NTD : USD	1%	2,728	-
Financial liabilities			
Monetary items			
USD : NTD	1%	($ 158)	$ -
NTD : USD	1%	(10,360)	-

Cash flow and fair value interest rate risk

A. The Group's interest rate risk mainly comes from long-term loans issued at floating interest rates, which has the Group exposed to cash flow interest rate risk. The Group's loans issued at floating interest rates in 2023 and 2022 were mainly denominated in New Taiwan Dollars.

B. The Group's loans are measured at amortized cost, which will be updated every year according to the contract signed. Therefore, the Group is exposed to the risk of changes in future market interest rates.

C. When the loan interest rate is increased or decreased by 1% while other factors remain unchanged, the net income before tax of 2023 and 2022 will be increased by $7,928 and $8,460, respectively, mainly due to the changes in interest expenses resulted from the floating interest rate fluctuations.

(2) Credit risk

A. The Group's credit risk is the risk of financial losses caused by the inability of customers or counterparties of financial instruments in performing contractual obligations. It mainly comes from the inability of counterparties in paying off accounts receivable that are to be paid according to the collection terms; also, it is classified as the investment contract cash flow of debt instrument that is measured at amortized cost.

B. The Group establishes credit risk management from a group perspective. It is defined to only deal with the banks and financial institution with good credit ratings. According to the internally defined credit policy, it is necessary to analyze management and credit risk before setting the terms and conditions for payment and product delivery. An internal risk control refers to assess the credit quality of customers by considering their financial status, past experience, and other factors. Individual risk limits are set based on internal or external ratings; also, the use of credit limits is regularly monitored.

C. According to the credit risk management procedures of the Group, when the counterparty fails to comply with the payment terms agreed upon in the contract for a certain period of time, it will be deemed as a breach of contract.

D. The Group has customers' accounts receivable and contract assets grouped according to the characteristics of customer ratings, and estimates expected credit losses based on the provision matrix in accordance with a simplified method.

E. The Group provides the following assumptions in accordance with the provision of IFRS 9 to determine whether the credit risk of financial instruments has increased significantly since the original recognition:

When the contract payment is overdue for more than 30 days according to the agreed payment terms, the credit risk of the financial asset is deemed to have increased significantly since the original recognition.

F. The criteria used by the Group to determine the credit impairment of debt instrument investments are as follows:

(A) The issuer is more likely to encounter material financial difficulties or enter bankruptcy or other financial reorganization.

(B) The active market for the financial assets disappears due to the financial difficulties encountered by the issuer.

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

(D) Adverse changes in national or regional economic conditions that lead

to the issuer's committing a breach of contract.

G. The Group mainly provides specific customers with packing and testing services for semiconductor wafers. Therefore, the Group, for future consideration, has adjusted the loss rate that is established based on historical and current information for a specific period in order to estimate the allowance for loss of accounts receivable and contract assets. The provision matrix on December 31, 2023 and 2022 is as follows:

	Not overdue	Within 30 days overdue	31-90 days overdue	91-180 days overdue	More than 181 days overdue	Sum
December 31, 2023						
Expected loss rate	0.00%	0.56%	4.81%~42.25%	49.2%~87.3%	100%	
Total book amount	$ 902,772	$ 43,972	$ 1,777	$ 2,597	$ 9,459	$ 960,577
Allowance for losses	$ -	$ -	$ -	$ -	($ 9,459)	($ 9,459)
December 31, 2022						
Expected loss rate	0.33%	0.32%~0.58%	23.66%~24.79%	50%	50%~100%	
Total book amount	$ 774,887	$ 52,582	$ 124,664	$ 25	$ 537	$ 952,695
Allowance for losses	$ -	$ -	$ -	$ -	$ -	$ -

H. The Group's concise statement of changes in allowances for accounts receivable and contract assets is as follows:

	2023
	Accounts receivable and contract assets
January 1	$ -
Appropriation of impairment losses	9,691
Exchange rate effect	(232)
December 31	$ 9,459

	2022
	Accounts receivable and contract assets
January 1 / December 31	$ -

I. The Group had no debts that had been written off as of December 31, 2023 and 2022.

J. For the Group's debt instrument investment measured at amortized cost, the credit risk rating information is as follows:

	December 31, 2023			
		By duration		
	by 12 months	For credit risk that has increased significantly	Those suffered with credit impairment	Sum
Financial assets measured at amortized cost	$ 2,155,220	$ -	$ -	$2,155,220

	December 31, 2022			
		By duration		
	by 12 months	For credit risk that has increased significantly	Those suffered with credit impairment	Sum
Financial assets measured at amortized cost	$ 1,255,550	$ -	$ -	$1,255,550

The Group's financial assets measured at amortized cost are bank time deposits and pledged time deposits with original maturities of more than three months, and there are no material abnormalities found in credit risk ratings.

(3) Liquidity risk

A. The Group's outstanding credit line is detailed as follows:

	December 31, 2023	December 31, 2022
Floating rate		
Due within one year	$ 941,530	$ 589,340
Due in more than one year	500,000	700,000
	$ 1,441,530	$ 1,289,340

B. The Group's non-derivative financial liabilities and derivative financial liabilities settled on a net or gross amount are grouped according to relevant maturity dates as shown below. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date. Derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected contract maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

December 31, 2023	Under 6 months	6 months - 1 year	1 - 2 years	More than 2 years
Non-derivative financial liabilities:				
Accounts payable	$ 94,878	$ -	$ -	$ -
Other payables	477,679	-	-	-
Other payables – related party	454			
Lease liability	1,105	949	1,482	4,004
Guarantee deposits & margins received	-	-	-	339
Long-term loans (including those due within one year)	119,502	177,240	343,327	168,599

December 31, 2022	Under 6 months	6 months - 1 year	1 - 2 years	More than 2 years
Non-derivative financial liabilities:				
Accounts payable	$ 72,120	$ -	$ -	$ -
Other payables	448,485	-	-	-
Other payables – related party	239	-	-	-
Lease liability	1,058	852	1,441	4,738
Guarantee deposits & margins received	-	-	-	6,448
Long-term loans (including those due within one year)	17,443	45,656	295,882	511,360

(三) Fair value information

1. The Group has no financial instruments measured at fair value.

2. Financial instruments not measured at fair value

The book amount of the Group's cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), financial assets measured at amortized cost, guarantee deposits & margins paid, short-term loans, accounts payable (including related parties), other payables (including related parties), long-term liabilities due within one-year, long-term liabilities, and

guarantee deposits & margins received are reasonable approximations of fair value.

十三、Special disclosures

（一）Material transaction related information

1. Loaning of funds: None
2. Making of endorsements and guarantees: Please refer to Table 1
3. The marketable securities held at the end of the period (excluding investment in subsidiaries, affiliated enterprises, and joint venture equity): None
4. The cumulative amount of buying or selling one security for an amount exceeding NT$300 million or 20% of the paid-in capital: None
5. The property acquired for an amount exceeding NT$300 million or 20% of the paid-in capital: None
6. The property disposed for an amount exceeding NT$300 million or 20% of the paid-in capital: None
7. The quantity of goods purchased from and sold to the related party for an amount exceeding NT$100 million or 20% of the paid-in capital: Please refer to Table 2
8. The receivables from the related party for an amount exceeding NT$100 million or 20% of the paid-in capital: None
9. Engaged in derivative transactions: None
10. Business relationship and important transactions between the parent company and subsidiaries and among subsidiaries: Please refer to Table 3

（二）Investment related information

Relevant information such as the name of the invested company, the region where it is located (excluding invested companies in China): Please refer to Table 4

（三）Information on the investment in Mainland China

None

（四）Information of major shareholders

Please refer to Table 5 for details

十四、Operating department information

（一）General information

The Group’s management has applied the reported information used by the Board of Directors in making decisions to identify the reportable departments. There are three reportable departments within the Group: Testing business unit, packing business unit, and factory development business unit.

The Group’s corporate composition, the basis for department division, and the basis

for measuring department information for current year is without any significant change found.

(二) Measurement of departmental information

The Group has allocated non-recurring gains and losses to the reportable departments. In addition, all profits and losses of the reportable departments include material non-cash items other than depreciation and amortization. Amounts included in the departmental information reported are consistent with the amounts in the reports used by operating decision makers. The accounting policies of the operating departments are the same as the Group's important accounting policies. The profit and loss of the Group's operating department are measured at the operating income and net income before tax, which is applied as the basis to evaluate departmental performance.

(三) Information on departmental profits and losses, assets, and liabilities

Reportable departmental information provided to the key operating decision maker is as follows:

2023	Testing Business Unit	Packing Business Unit	Factory Development Business Department	Adjustments and offset	Total
External income	$1,606,099	$2,423,924	$ -	($362,205)	$3,667,818
Depreciation and amortization expenses	$ 339,080	$ 304,489	$ -	$ -	$ 643,569
Department profit and loss	$ 584,190	$ 265,177	($ 194)	$ -	$ 849,173
Departmental Assets - Capital expenditures	$ 86,838	$ 313,419	$ -	$ -	$ 400,257

2022	Testing Business Unit	Packing Business Unit	Factory Development Business Department	Adjustments and offset	Total
External income	$1,840,072	$2,536,326	$ -	($429,246)	$3,947,152
Depreciation and amortization expenses	$ 304,729	$ 334,673	$ -	$ -	$ 639,402
Department profit and loss	$ 856,682	$ 200,234	($ 50)	$ -	$1,056,866
Departmental Assets - Capital expenditures	$ 954,250	$ 56,392	$ -	$ -	$1,010,642

December 31, 2023	Testing Business Unit	Packing Business Unit	Factory Development Business Department	Adjustments and offset	Total
Departmental assets	$ 3,791,307	$ 3,770,456	$ 201,658	($ 139,894)	$ 7,623,527

December 31, 2022	Testing Business Unit	Packing Business Unit	Factory Development Business Department	Adjustments and offset	Total
Departmental assets	$ 3,689,588	$ 3,718,800	$ 200,578	($ 155,091)	$ 7,453,875

（四）Product and labor service information

Please refer to Note VI (XV).

（五）Regional information

The Group’s regional information in 2023 and 2022 is as follows:

	2023		2022	
	Income	Noncurrent assets	Income	Noncurrent assets
Taiwan	$ 823,436	$ 3,062,625	$ 1,592,921	$ 3,310,222
USA	1,172,307	-	1,139,673	-
China	361,113	-	599,586	-
Singapore	1,258,113	-	409,992	-
Others	52,849	-	204,980	-
Sum	$ 3,667,818	$ 3,062,625	$ 3,947,152	$ 3,310,222

（六）Important customer information

The important customer information of the Group in 2023 and 2022 is as follows:

	2023	2022
	Income	Income
Customer B	$ 1,018,474	$ 922,392
Customer H	725,970	552,999
Customer E	510,717	681,505
Customer G	483,008	458,738
	$ 2,738,169	$ 2,615,634

Winstek Semiconductor Co., Ltd.

Making of Endorsements/Guarantees for Others

January 1 – December 31, 2023

Attached Table 1

Unit: NT$ thousand

(unless otherwise specified)

No. (Note 1)	Endorser/Guarantor Company Name	Endorsed/Guaranteed Company		Endorsement /guarantee limit for a single enterprise (Note 3)	Maximum endorsements/guarantees amount - current (Note 4)	Endorsement /guarantee amount - ending (Note 5)	Actual amount allocated to use (Note 6)	Endorsement guarantee amount guaranteed by property	The ratio of the cumulative endorsement/guarantee amounts to the net worth of the latest financial statements	The limited maximum amount of the making of endorsements/guarantees (Note 3)	It is an endorsement/guarantee made by the parent company for the subsidiary. (Note 7)	It is an endorsement/guarantee made by the subsidiary for the parent company. (Note 7)	The making of endorsements/guarantees for a company in China (Note 7)	Note
		Name of company	Relationship (Note 2)											
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	2	$ 5,994,128	$ 300,000	$ 300,000	$ -	$ -	5.00%	$ 5,994,128	Y	N	N	

Note 1: Description of number column is shown below:

(1). For issuer, fill in 0.

(2). Fill in names of companies invested from 1 according to alphabetical order.

Note 2: Specify one of the six relationship types in the making of endorsements/guarantees:

(1) Companies with business dealings.

(2) Companies where the Company owns more than 50% shares with the rights to make direct and indirect decisions.

(3) Companies that own more than 50% shares of the Company with the rights to make direct and indirect decisions.

(4) Companies where the Company owns more than 90% shares with the rights to make direct and indirect decisions.

(5) Companies that mutually make endorsements/guarantees for each other due to the need of construction contracts or agreements between the companies or joint issuers.

(6) Due to joint investment relationship, all shareholders who invest shall make endorsements/guarantees according to their investment percentage for companies invested.

(7) Joint endorsements/guarantees made for performance guarantees involving pre-selling house sales according to the Consumers Protection Act.

Note 3: The total amount of the making of endorsements/guarantees by the Company shall not exceed 50% of net value in the recent accounting year. The limited amount of the making of endorsements/guarantees for a single enterprise shall not exceed 20% of the net value of the making of endorsements/guarantees by the Company. However, there are exceptions for the endorsement/guarantee made between the Company and a company with 100% voting shares held by the Company directly or indirectly, or the endorsement/guarantee of the company that the Company has agreed to acquire and it will become a subsidiary with 100% shares held by the Company directly or indirectly with the approval of the board of directors obtained, in other words, they are not subject to the aforementioned total amount of external endorsement/guarantee limit and the endorsement/guarantee limit for a single enterprise. However, the amount of endorsement/guarantee for a single enterprise shall not exceed 100% of the net worth in the Company's latest financial report audited or reviewed by the CPAs. In addition, for the endorsement/guarantees made between the companies that directly and indirectly hold 100% of the voting shares of the Company, the total cumulative external endorsement/guarantee amount shall not exceed 100% of the net worth in the Company's latest financial report audited or reviewed by the CPAs.

Note 4: The maximum making of endorsement/guarantee amount in the current year

Note 5: When the Company signs an endorsement/guarantee agreement or a bill with a bank as of the end of the year is approved, it assumes the endorsement/guarantee responsibility. In addition, other related endorsements/guarantees should be included in the endorsement/guarantee amount.

Note 6: Please fill in the actual amount allocated to use within the range of balance amount of the making of endorsements/guarantees for companies endorsed and guaranteed.

Note 7: Fill "Y" for the making of endorsements/guarantees by the parent companies for subsidiaries, by the listed and OTC parent company for subsidiaries, and the making of endorsements/guarantees for companies in China.

Winstek Semiconductor Co., Ltd.

The amount of purchase and sales between related parties exceeds NT$100 million or 20% of paid-in capital

January 1 – December 31, 2023

Attached Table 2

Unit: NT$ thousand

(unless otherwise specified)

Companies that sell and buy	Name of transaction party	Relationship	Transaction: Buying (selling)	Transaction: Amount	Transaction: Ratio to total purchases (sales)	Transaction: Credit period	Circumstances and reasons why transaction conditions are different from ordinary transactions (Note 1): Unit price	Circumstances and reasons why transaction conditions are different from ordinary transactions (Note 1): Credit period	Notes and accounts receivable (payable): The balance amount	Notes and accounts receivable (payable): Ratio to total notes and accounts receivable (payable)	Note
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	Subsidies	Sales	($ 359,859)	(22%)	Payment terms: 30 days	-	-	$ 53,982	15%	
Winstek Semiconductor Technology Co., Ltd.	Winstek Semiconductor Co., Ltd.	Parent company	Purchase	$ 359,859	18%	Payment terms: 30 days	-	-	(53,982)	(37%)	

Note 1: The transaction price and payment conditions agreed by the Company and related parties are not significantly different from those conducted with non-related parties. The transaction conditions are determined through negotiation between the two parties.

Winstek Semiconductor Co., Ltd.

Business relationships and important transactions and amounts between the parent company and its subsidiaries

January 1 – December 31, 2023

Attached
Table 3

Unit: NT$ thousand

(unless otherwise specified)

No. (Note 1)	Name of transaction party	Name of counterparty	Relationships with the counterparty (Note 2)	Situation of transactions			Ratio to the total consolidated revenue or total assets (Note 3)
				Name of accounts	Amount	Transaction terms	
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Sales revenue	$ 359,859	According to prices and conditions negotiated by both parties	9.81%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Receivables	53,982	According to prices and conditions negotiated by both parties	0.71%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Other Receivables	83,229	-	1.09%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Dividends revenue	203,677	-	5.55%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Overall business management revenue (Debited to operating cost and operating expense)	40,872	According to prices and conditions negotiated by both parties	1.11%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Business support expenses (Debited to operating cost and operating expenses)	20,326	-	0.55%

Note 1: Business dealings between the parent company and its subsidiaries shall be specified in no. columns according to the coding numbers below:
(1). Fill in 0 for the parent company.
(2). Number subsidiaries starting from 1.

Note 2: There are three following types of relationships of transaction parties (there is no need for repeated disclosure if the same transaction occurs between the parent company and its subsidiaries and among subsidiaries. For example, for a transaction between the parent company and its subsidiary, if the parent company has disclosed the transaction, the subsidiary does not need to repeatedly disclose it;
for a transaction between two subsidiaries, if one subsidiary has disclosed the transaction, the other does not need to repeatedly disclose it):
(1). Parent company to its subsidiary.
(2). Subsidiary to the parent company.
(3). Subsidiary to Subsidiary.

Note 3: For calculation of the percentage of transaction amount accounting for consolidated revenue or total assets, if the account belongs to Assets-Liabilities, end balance shall be calculated for the percentage accounting for consolidated revenue; if the account belongs to Profits-Losses, mid-term accumulated amount shall be calculated for the percentage accounting for consolidated revenue.

Note 4: Individual transaction amounts less than $20,000 will not be disclosed, and transactions with related parties will not be disclosed.

Winstek Semiconductor Co., Ltd.
Relevant information of name and location of area of company invested
(excluding those in China)

January 1 – December 31, 2023

Attached Table 4

Unit: NT$ thousand

(unless otherwise specified)

Name of investing company	Name of invested company (Note 1 and 2)	Area of location	Main items of business operations	Initial investment amount		Shareholdings - ending			Current profits and losses of company being invested (Note 2(2))	Investment loss and profit recognized in current period (Note 2(3))	Note
				End of current period	End of last year	Number of shares	Percentage	Book amount			
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	Taiwan	Packing services of wafer bumping and wafer	$ 1,875,740	$ 1,875,740	210,000,000	100%	$ 2,552,776	$ 302,361	$ 302,361	
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	Taiwan	Plant development and leasing services	200,000	200,000	20,000,000	100%	201,481	1,435	1,435	

Note 1: If a public company set up a foreign holding company and in compliance with local rules and regulations, it shall report with consolidated financial statements and for the disclosure of foreign company invested, it shall only disclose relevant information of the holding company.

Note 2: When there is no situation as stated in Note 1, please follow the rules below to fill in information:

(1) Columns of "Name of company invested," "area of location," "main business operation items," "initial investment amount" and "end shareholding" shall be filled according to the reinvestment situation of the Company (public company) and that of each directly and indirectly invested company. In the Note column, relationships of companies being invested in and the Company (public company) shall be specified (such as a subsidiary or a sub-subsidiary).

(2) The column of "Current profits and losses of company being invested" shall describe the current profit and loss amount of the company being invested in.

(3) In the column of "Current investment losses and profits recognized," subsidiaries recognized by the Company (public company) as direct re-investment and investment profit and loss accounted for using the equity method shall be described without other information. When filling in information of "Amount of current profit and loss of each subsidiary recognized as direct re-investment," please confirm that the current profit and loss amount of each subsidiary includes the investment loss and profit amount recognized according to rules and re-investment.

Winstek Semiconductor Co., Ltd.

Information of major shareholders

January 1 – December 31, 2023

Attached Table 5

Unit: NT$ thousand

(unless otherwise specified)

Name of major shareholders	Number of shares	
	Number of shares owned	Percentage of ownership
SIGWIN Corporation	70,726,438	51.90%

Note 1: Information of major shareholders in this table is provided by TAIWAN DEPOSITORY and CLEARING CORPORATION that calculates ownership of shareholders who own more than 5% of the common and preferred stocks under the dematerialized issuance system (including treasury stocks). For recorded stocks on financial statements and actually registered complete stocks of the company under the dematerialized issuance system, due to a different calculation basis or discrepancy during compiling, they may be different.

Note 2: If the said information belongs to that transferred by shareholders to the trust, it shall be disclosed according to individually transferred accounts designated to the trust by the trustees. For share ownership declaration of insiders holding more than ten percent in compliance with the Securities and Exchange Act, shareholding includes shares owned by shareholders themselves as well as shares over which the owners have the right to determine uses transferred to the trust. For declaration of insider ownership, please refer to TWSE MOPS.

五、The standalone financial statements of the most recent year certified by the independent auditors:

Independent Auditor's Report

(113) PWCR 23002872

To: Winstek Semiconductor Co., Ltd.

Independent Auditor's opinion

We have audited the accompanying standalone balance sheet of Winstek Semiconductor Co., Ltd. as of December 31, 2023 and 2022 and the standalone statements of income, retained earnings, cash flows and notes (including the summary of material accounting policies) to the standalone financial statements for the years then ended.

In our opinion, the standalone financial statements referred to above present fairly, in all material respects, the financial position of Winstek Semiconductor Co., Ltd. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Firms" and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Announcement approved and announced by the Financial Supervisory Commission.

Basis of an audit opinion

We conducted our audit on the consolidated financial statements in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and generally accepted auditing standards. The responsibilities of the independent auditors under these standards will be further explained in the audit performed on the standalone financial statements. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of Winstek Semiconductor Co., Ltd. in accordance with the Code of Ethics and have performed other responsibilities of the Code of Ethics. We believe that our audit provides a reasonable basis for our opinion.

Key Audit Matters

The key audit matters refer to the most important matters in auditing the 2023 standalone financial statements of Winstek Semiconductor Co., Ltd. in accordance with the professional judgment of the independent auditors. These matters have been handled during the process of reviewing the standalone financial statements as a whole with audit opinions formed. The CPA does not express an independent opinion on these matters.

The key audit matters on the 2023 standalone financial reports of Winstek Semiconductor Co., Ltd. to be communicated are as follow:

Property, plant and equipment capitalization review

Description of key audit matters:

Increase of capital expenditures derived from the operation of Winstek Semiconductor Co., Ltd. Please refer to Note IV (XIII) of the standalone financial statements for the accounting policies of property, plant, and equipment in details. Please refer to Note VI (V) of the standalone financial statement for property, plant and equipment in details. The capital expenditures for property, plant and equipment are excessive this year; therefore, the independent auditor has the property, plant and equipment capitalization review included as key review matters.

Corresponding auditing procedures:

The main auditing procedures implemented by the CPAs for the aforementioned key audit matters are as follows:
Evaluate and test the effectiveness of the internal control system for the transactions of property, plant and equipment. Randomly check the relevant purchase orders, invoices, etc. so to confirm the proper approval of the transactions and the correctness of the amount booked. Randomly check the relevant inspection and acceptance documents so to confirm that the assets met the standards for use, and check the adequateness of the capitalization time point (the time when depreciation is appropriated).

The responsibility of the management and governance unit for the standalone financial statements

The responsibility of the management is to have the standalone financial statements presented fairly, in all material respects, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms" and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Announcement approved and announced by the Financial Supervisory Commission. Also, maintain the necessary internal controls related to the standalone financial statements to ensure that the standalone financial statements are free of any material misstatement arising from frauds or errors.

The responsibility of the management in preparing the standalone financial statements also includes evaluating the continuing operation of Winstek Semiconductor Co., Ltd., the disclosure of the relevant matters, and the adoption of the continuing operation accounting base, unless the management intends to liquidate Winstek Semiconductor Co., Ltd. or cease the business operation, or there is lack of any option except for liquidation or suspension.

The governance unit (Audit Committee) of Winstek Semiconductor Co., Ltd. is responsible for supervising the financial reporting process.

CPA's responsibility for auditing the standalone financial statements

The CPAs' auditing the standalone financial statements is for the purpose of obtaining reasonable assurance about whether the standalone financial statements are free of material misstatement arising from frauds or errors and with an audit report issued. Reasonable assurance means high assurance. However, the audit conducted in accordance with generally accepted auditing standards does not guarantee having any material misstatement in the standalone financial statements detected. Material misstatement could arise from frauds or errors. If the misstated amount or aggregated amount is reasonably expected to affect the economic decisions made by the readers of the standalone financial statements, it is considered material.

The CPAs when conducting the audit in accordance with generally accepted auditing standards shall exercise professional judgment and maintain professional suspicion. The CPAs also perform the following tasks:

1. Identify and evaluate the risk of material misstatement of the standalone financial statements arising from frauds or errors; design and implement proper responsive measures for the assessed risks; also, obtain sufficient and adequate audit evidences for forming an audit opinion. Frauds may involve conspiracy, forgery, deliberate omission, false declaration, or violation of internal control; therefore, the risk of not detecting a material misrepresentation resulting from fraud is higher than one resulting from error.
2. Obtain necessary understanding on the internal control related to the audit in order to design appropriate audit procedures under the circumstance, but the purpose is not to express an opinion on the effectiveness of the internal control of Winstek Semiconductor Co., Ltd.
3. Evaluate the appropriateness of the accounting policies adopted by the management; also, the reasonableness of the accounting estimates and related disclosures made.
4. Base on the audit evidence obtained to make conclusions on the suitability of the continuing operation accounting base adopted by the management and whether or not the events or circumstances causing material doubts to the continuing operation ability of Winstek Semiconductor Co., Ltd. are with material uncertainties. If the CPAs believe that such events or circumstances are with material uncertainties, it is necessary to remind the readers of the standalone financial statements in the audit report to pay attention to the relevant disclosure or to revise the audit opinion when such disclosures are inappropriate. The conclusion of the CPAs is based on the audit evidence obtained as of the audit report date. However, future events or circumstances may result in the inability of Winstek Semiconductor Co., Ltd. to continue business operation.
5. Evaluate the overall presentation, structure, and content of the standalone financial statements (including the relevant notes) and whether or not the relevant transactions and events in the standalone financial statements are presented fairly.
6. Obtain sufficient and appropriate audit evidences on the standalone financial information of Winstek Semiconductor Co., Ltd. in order to express an opinion on the standalone financial statements. The CPA is responsible for guiding, supervising, and implementing the auditing process; also, is responsible for forming an audit opinion on the standalone financial statements of Winstek Semiconductor Co., Ltd.

The matters communicated by the CPAs to the governing unit include the scope and timing of the planned audit, and the material findings (including the major nonconformities of internal controls identified in the auditing process).

The CPAs have provided to the governing unit the declaration of independence of the CPA Firm personnel subject to the Code of Ethics; also, has communicated with the governing unit regarding the relationship and other matters (including the relevant protection measures) that may affect the independence of the CPAs.

The CPA has based on the communications with the governing unit to determine the key audit matters to be performed on the 2023 standalone financial statements of Winstek Semiconductor Co.,

Ltd. The CPA shall state the key audit matters in the audit report except for the specific matters prohibited from being disclosed, or, in rare cases, the CPA decides not to have specific matters communicated in the audit report since the negative effect of such disclosure can be reasonably expected to be greater than the increase of public gains.

PwC Taiwan

Chih-Cheng Hsieh

CPAs

Tsai-Yen Chiang

Former Financial Supervisory Commission, Executive Yuan
Certificate No.: Jiang-Kwong-Zheng-Shen-Zi No. 0990042599
Financial Supervisory Commission
Certificate No.: Jiang-Kowng-Zheng-Shen-Zi No. 1060025097

February 26, 2024

Winstek Semiconductor Co., Ltd.
Standalone Balance Sheet
December 31, 2023 and 2022

Unit: NT$ thousand

	Assets	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets					
1100	Cash and cash equivalents	VI (I)	$ 719,013	11	$ 862,230	14
1136	Financial assets measured at amortized cost – current	VI (II)	871,985	13	153,550	2
1140	Contract Assets – Current	VI (XV)	10,099	-	27,559	-
1170	Accounts receivable – net	VI (III)	295,407	5	450,050	7
1180	Accounts receivable – related party – net	VI (III) and VII	53,982	1	100,436	2
1200	Other Receivables		4,557	-	2,309	-
1210	Other Receivables – related party	VII	83,406	1	54,955	1
1410	Prepayments		11,221	-	11,225	-
1470	Other current assets		5,650	-	7,240	-
11XX	**Total current assets**		2,055,320	31	1,669,554	26
	Noncurrent assets					
1535	Financial assets measured at amortized cost – noncurrent	VI (II) and VIII	12,000	-	12,000	-
1550	Investments under the equity method	VI (IV)	2,754,257	42	2,674,359	42
1600	Property, Plant and Equipment	VI (V)	1,582,097	24	1,800,876	29
1755	Right-of-use assets	VI (VI)	1,906	-	2,018	-
1780	Intangible assets	VI (VIII)	112,892	2	144,857	2
1840	Deferred income tax assets	VI (XXI)	24,740	1	17,500	-
1900	Other noncurrent assets		2,353	-	42,784	1
15XX	**Total noncurrent assets**		4,490,245	69	4,694,394	74
1XXX	**Total assets**		$ 6,545,565	100	$ 6,363,948	100

(Continuing to next page)

Winstek Semiconductor Co., Ltd.
Standalone Balance Sheet
December 31, 2023 and 2022

Unit: NT$ thousand

	Liabilities and Equity	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2170	Accounts payable		$ 2,354	-	$ 2,776	-
2180	Accounts payable – related party	VII	1,049	-	-	-
2200	Other payables	VI (IX)	211,798	3	218,165	3
2220	Other payable – related party	VII	1,911	-	1,725	-
2230	Income tax liability - current		212,892	3	165,023	3
2280	Lease liability - current		1,175	-	1,149	-
2399	Other current liabilities – others		3,233	-	2,451	-
21XX	**Total current liabilities**		434,412	6	391,289	6
	Noncurrent liabilities					
2540	Long-term loans	VI (X)	100,000	2	100,000	2
2570	Deferred income tax liability	VI (XXI)	1,359	-	141	-
2580	Lease liability - noncurrent		725	-	862	-
2640	Net defined benefit liability - noncurrent	VI (XI)	14,822	-	17,628	-
2670	Other noncurrent liability – others		119	-	112	-
25XX	**Total noncurrent liabilities**		117,025	2	118,743	2
2XXX	**Total liabilities**		551,437	8	510,032	8
	Equity					
	Capital stock	VI (XII)				
3110	Common capital stock		1,362,617	21	1,362,617	21
	Additional paid-in capital	VI (XIII)				
3200	Additional paid-in capital		366,243	6	366,243	6
	Retained earnings	VI (XIV)				
3310	Legal reserve		845,288	13	752,782	12
3320	Special reserve		-	-	282,069	5
3350	Unappropriated earnings		3,355,509	51	3,005,929	47
	Other equities					
3XXX	Other equities		64,471	1	84,276	1
3XXX	**Total equity**		5,994,128	92	5,853,916	92
	Material commitments and contingencies	IX				
	Material post events	XI				
3X2X	**Total liabilities and equity**		$ 6,545,565	100	$ 6,363,948	100

The accompanying notes to the standalone financial statements are an integral part of this standalone financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd.
Standalone Income Statement
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand
(Except earnings per share in NT$)

	Item	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating income	VI (XV) and VII	$ 1,606,098	100	$ 1,840,072	100
5000	Operating cost	VII	(893,753)	(56)	(849,763)	(46)
5950	Gross profit – net		712,345	44	990,309	54
	Operating expenses	VI (XIX) (XX)				
6100	Marketing expenses		(8,728)	(1)	(9,522)	(1)
6200	Management expenses		(108,629)	(7)	(116,728)	(6)
6300	R&D expenses		(6,736)	-	(7,377)	-
6450	Expected credit impairment losses	XII (II)	(4,062)	-	-	-
6000	Total operating expenses		(128,155)	(8)	(133,627)	(7)
6900	Operating profits		584,190	36	856,682	47
	Non-operating income and expenses					
7100	Interest income	VI (XVI)	53,034	3	7,181	-
7010	Other income	VI (XVI)	2,087	-	444	-
7020	Other gains and losses	VI (XVII)	8,061	1	(23,161)	(1)
7050	Financial costs	VI (XVIII)	(1,810)	-	(6,439)	-
7070	Share of profits and losses from the subsidiaries, affiliated enterprises, and joint ventures under the equity method	VI (IV)	303,796	19	226,770	12
7000	Total non-operating income and expenses		365,168	23	204,795	11
7900	**Net income before tax**		949,358	59	1,061,477	58
7950	Income tax expenses	VI (XXI)	(109,515)	(7)	(144,010)	(8)
8200	**Net income**		$ 839,843	52	$ 917,467	50
	Other comprehensive profits and losses					
	Items not reclassified to profit or loss					
8311	Remeasurement amount of defined benefit plans	VI (XI)	$ 1,482	-	$ 7,594	-
8310	Total amount of the items not reclassified to profit or loss		1,482	-	7,594	-
	Items that may be subsequently reclassified to profit or loss					
8361	Exchange difference from conversion of financial	VI (IV)	(19,805)	(1)	366,346	20

The accompanying notes to the standalone financial statements are an integral part of this standalone financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd.
Standalone Income Statement
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand
(Except earnings per share in NT$)

	statements of foreign operation					
8360	Total amount of the items that may be subsequently reclassified to profit or loss		(19,805)	(1)	366,346	20
8500	**Total comprehensive profit or loss – current**		$ 821,520	51	$ 1,291,407	70
	Earnings per share	VI (XXII)				
9750	Basic earnings per share		$ 6.16		$ 6.73	
9850	Diluted earnings per share		$ 6.12		$ 6.66	

The accompanying notes to the standalone financial statements are an integral part of this standalone financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd.
Standalone Statements of Shareholders' Equity
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	Common capital stock	Additional paid-in capital	Retained earnings			Finance of foreign operation Conversion of financial reports Differences	Total equity
				Legal reserve	Special reserve	Unappropriated earnings		
2022								
Balance – 1/1/2022		$ 1,362,617	$ 366,243	$ 713,519	$ 203,472	$ 2,512,130	($ 282,070)	$ 4,875,911
Net income		-	-	-	-	917,467	-	917,467
Other comprehensive profit or loss – current		-	-	-	-	7,594	366,346	373,940
Total comprehensive profit or loss – current		-	-	-	-	925,061	366,346	1,291,407
The 2021 earnings appropriation and distribution	VI (XIV)							
Appropriation of legal reserve		-	-	39,263	-	(39,263)	-	-
Appropriation of special reserve		-	-	-	78,597	(78,597)	-	-
Cash dividend		-	-	-	-	(313,402)	-	(313,402)
Balance – 12/31/2022		$ 1,362,617	$ 366,243	$ 752,782	$ 282,069	$ 3,005,929	$ 84,276	$ 5,853,916
2023								
Balance – 1/1/2023		$ 1,362,617	$ 366,243	$ 752,782	$ 282,069	$ 3,005,929	$ 84,276	$ 5,853,916
Net income		-	-	-	-	839,843	-	839,843
Other comprehensive profit or loss – current		-	-	-	-	1,482	(19,805)	(18,323)
Total comprehensive profit or loss – current		-	-	-	-	841,325	(19,805)	821,520
The 2022 earnings appropriation and distribution	VI (XIV)							
Appropriation of legal reserve		-	-	92,506	-	(92,506)	-	-
Reversal of special reserve		-	-	-	(282,069)	282,069	-	-
Cash dividend		-	-	-	-	(681,308)	-	(681,308)
Balance – 12/31/2023		$ 1,362,617	$ 366,243	$ 845,288	$ -	$ 3,355,509	$ 64,471	$ 5,994,128

The accompanying notes to the standalone financial statements are an integral part of this standalone financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd.
Standalone Cash Flow Statement
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	January 1, 2023 December 31, 2023	January 1, 2022 December 31, 2023
Cash flow from operating activities			
Net income before tax		$ 949,358	$ 1,061,477
Adjustments			
Profits or losses			
Expected credit impairment losses		4,062	-
Depreciation expense	VI (V) (VI) (XIX)	298,367	269,906
Amortized expense	VI (XIII) (XIX)	40,713	34,823
Interest expense	VI (XVIII)	1,810	6,439
Interest income	VI (XVI)	(53,034)	(7,181)
Gains from the disposal of property, plant, and equipment	VI (XVII)	(1,514)	(2,053)
Share of profits and losses from the subsidiaries under the equity method	VI (IV)	(303,796)	(226,770)
Changes in assets/liabilities from operating activities			
Net change in assets from operating activities			
Contract assets		17,460	(16,503)
Receivables		150,581	(278,032)
Accounts receivable – related party		46,454	(7,002)
Other Receivables		(86)	(3)
Other Receivables – related party		32,708	6,283
Prepayments		4	326
Other current assets		1,590	(1,316)
Net change in liabilities from operating activities			
Accounts payable		(422)	(70)
Accounts payable – related party		1,049	(803)
Other payables		1,933	43,726
Other payables – related party		186	220
Other current liabilities		781	125
Net defined benefit liability		(1,324)	(1,416)
Cash inflow from operating activities		1,186,880	882,176
Interest received		50,872	4,889
Dividend received	VI (IV)	204,093	76,982
Interest paid		(1,802)	(6,439)
Income tax paid		(128,826)	(63,196)
Net cash inflow from operating activities		1,311,217	894,412
Cash flow from investing activities			
Acquisition of financial assets measured at		(3,138,855)	(452,375)

The accompanying notes to the standalone financial statements are an integral part of this standalone financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd.
Standalone Cash Flow Statement
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	January 1, 2023 December 31, 2023	January 1, 2022 December 31, 2023
amortized cost			
Disposal of financial assets measured at amortized cost		2,420,420	323,825
Acquisition of investment under the equity method	VI (IV)	-	(200,000)
Refunds from the capital reduction of the investment under the equity method	VI (IV)	-	1,000,000
Acquisition of property, plant and equipment	VI (XXIII)	(46,889)	(856,120)
Proceeds from the disposal of property, plant and equipment		1,514	3,376
Acquisition of intangible assets	VI (VIII)	(8,748)	(67,958)
Increase in guarantee deposits & margins paid		(664)	(666)
Decrease in guarantee deposits & margins paid		1,586	-
Net cash outflow from investing activities		(771,636)	(249,918)
Cash flow from financing activities			
Long-term loans	VI (XXIV)	-	100,000
Lease principal repayment amount	VI (XXIV)	(1,497)	(1,914)
Increase in guarantee deposits & margins received	VI (XXIV)	20	38
Decrease in guarantee deposits & margins received	VI (XXIV)	(13)	(26)
Distribution of cash dividends	VI (XIV)	(681,308)	(313,402)
Net cash outflow from financing activities		(682,798)	(215,304)
Increase (decrease) in cash and cash equivalents for the current period		(143,217)	429,190
Cash and cash equivalent amount - beginning	VI (I)	862,230	433,040
Cash and cash equivalent amount - ending	VI (I)	$ 719,013	$ 862,230

The accompanying notes to the standalone financial statements are an integral part of this standalone financial report, which shall be referred to jointly.

Unit: NT$ thousand

一、Company profile

Winstek Semiconductor Co., Ltd. (hereinafter referred to as the "Company") was established on April 26, 2000 in Taiwan. The Company's stocks were listed for trading on Taipei Exchange (TPEx) in August 2005. The Company is mainly engaged in the business operation of integrated circuits testing and packing services of wafer bumping and wafer.

Temasek Holding Limited is the ultimate parent company of the Company. SIGURD MICROELECTRONICS CORP. (hereinafter referred to as "SIGURD") obtained control of the Company's parent company, Bloomeria Limited, on October 13, 2017, and indirectly acquired 51.88% equity of the Company, then becomes the ultimate parent company of the Company.

Bloomeria Limited, the parent company of the Company for the sake of the overall operating efficiency of the Group, had transferred all the shareholding of the Company it held to SIGWIN Corporation (hereinafter referred to as "SIGWIN"), a controlled subsidiary of SIGURD MICROELECTRONICS CORP. on July 6, 2020, then SIGWIN Corporation became the parent company of the Company.

二、Date of and procedure for the approval of the financial statements

This standalone financial report was released after the approval of the board of directors on February 26, 2024.

三、Application of the newly announced and amended regulations and interpretations.

(一) The effect of adopting the newly announced and amended IFRS standards approved by the Financial Supervisory Commission (hereinafter referred to as the "FSC").

The newly announced, amended, and revised IFRS and IAS standards and interpretations that were recognized and announced by the Financial Supervisory Commission and became effective in 2023 are summarized as follows:

Newly announced/amended/revised standards and interpretations	Effective date for the announcement of the IASB
Amendments to International Accounting Standards No. 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendment to IAS 12 "Deferred income tax related to assets and liabilities arising from a single transaction"	January 1, 2023
Amendments to International Accounting Standards No. 12 "International Tax Reformation – accounting for deferred taxes arising from OECD Pillar Two Model Rules"	May 23, 2023

The Company has evaluated and concluded that the above standards and interpretations have no significant impact on the Company's financial position and financial performance.

(二) The impact of the newly announced and revised IFRS accounting standards approved by the Financial Supervisory Commission that have not yet been adopted

The newly announced, amended, and revised IFRS and IAS standards and interpretations that were recognized by the Financial Supervisory Commission and became effective in 2024 are summarized as follows:

Newly announced/amended/revised standards and interpretations	Effective date for the announcement of the IASB
Amendments to IFRS 16 "Lease Liabilities Arising from Sale and Leaseback Transactions"	January 1, 2024
Amendments to IAS 1 "Classification of Current or Noncurrent Liabilities"	January 1, 2024
Amendments to IAS 1 "Noncurrent liabilities with covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024

The Company has evaluated and concluded that the above standards and interpretations have no significant impact on the Company's financial position and financial performance.

(三) The effect of IFRS and IAS accounting standards that have been issued by the International Accounting Standards Board but have not yet been recognized by the FSC

The newly announced, amended, and revised IFRS and IAS standards and interpretations that were announced by the IASB but not yet recognized by the Financial Supervisory Commission are summarized as follows:

Newly announced/amended/revised standards and interpretations	Effective date for the announcement of the IASB
Amendments to IFRS 10 and IAS 28 "Sale or contribution of assets between an investor and its joint venture or associate"	Yet to be determined by the International Accounting Standards Board
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Company has evaluated and concluded that the above standards and interpretations have no significant impact on the Company's financial position and financial performance.

四、Summary of significant accounting policies

The major accounting policies applied in the standalone financial statements are summarized and explained as follows. Unless otherwise stated, the following accounting policies have been consistently applied to the consolidated financial statements throughout the reporting period.

(一) Statement of compliance

The standalone financial statements are prepared in accordance with the "Regulations

Governing the Preparation of Financial Reports by Securities Firms."

(二) Preparation basis for financial statements

1. Except for the following important items, the standalone financial statements are prepared on the basis of historical cost.

   Defined benefit liabilities are recognized as the net amount of pension assets deducting the present value of defined benefit obligations.

2. The preparation of financial reports in compliance with the International Financial Reporting Standards, International Accounting Standards, Interpretations and Announcement approved and announced by the Financial Supervisory Commission (hereinafter referred to as the "IFRSs") and became effective requires the use of some important accounting estimates. In the process of applying the Company's accounting policies, management also needs to use its judgment, involving projects with high judgment or complexity, or involving material assumptions in the standalone financial reports, and estimated items. Please refer to Note V for details.

(三) Foreign currency translation

Items included in the financial reports of the Company are measured in the currency of the primary economic environment in which the Company operates (i.e. the functional currency). This standalone financial report is presented using the Company's functional currency "New Taiwan Dollar" as the currency of expression.

1. Foreign currency transactions and amount

   (1) Foreign currency transactions are converted into functional currencies in accordance with the spot exchange rate on the trade date or measurement date, and the differences arising from such conversion of transactions are recognized as profits and losses for the current period.
   (2) The balance of monetary assets and liabilities in foreign currency is adjusted based on the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment is recognized as profit or loss for the current period.
   (3) The balance of non-monetary assets and liabilities in foreign currency that are measured at fair value through profit and loss is evaluated and adjusted based on the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized as current profit and loss; however, if it is measured at fair value of other comprehensive profit and loss, it will be evaluated and adjusted based on the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustments will be recognized in other comprehensive profit and loss; also, if it is not measured at fair value, it will be adjusted based on the historical exchange rate on the initial trading day.
   (4) All exchange profits and losses are booked in the "Other gains and losses" account of the income statement.

2. Conversion of foreign operation

   For all group entities, affiliated enterprises, and joint agreements whose functional currency is different from the expression currency, the operating results and financial position will be converted into the expression currency as follows:

   (1) The assets and liabilities on each balance sheet are translated at the closing exchange rate on that balance sheet date.

(2) The income and expenses and losses on each comprehensive income statement are converted at the average exchange rate for the period; and
(3) All exchange differences arising from translation are recognized as other comprehensive profits and losses.

（四）Classification criteria for classifying assets and liabilities as current and noncurrent

1. Assets that meet one of the following criteria are classified as current assets:
(1) The assets that are expected to be realized in the normal business cycle or intend to be sold or consumed.
(2) Assets held primarily for trading purposes.
(3) The assets that are expected to be realized within 12 months after the balance sheet date.
(4) Cash or cash equivalents, except for those that will be exchanged or used to pay-off liabilities within 12 months after the balance sheet date, or those with other restrictions.
The Company classifies all assets that do not meet the above conditions as noncurrent.

2. Liabilities that meet one of the following criteria are classified as current liabilities:
(1) The liabilities that are expected to be liquidated in the normal business cycle.
(2) Assets held primarily for trading purposes.
(3) The liabilities that are expected to be liquidated within 12 months after the balance sheet date.
(4) Liabilities that cannot be extended unconditionally for at least 12 months after the balance sheet date; According to the terms of the liability, it may be liquidated by issuing equity instruments at the choice of the counterparty; however, it does not affect its classification.
The Company classifies all liabilities that do not meet the above conditions as noncurrent.

（五）Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that can be converted into fixed amounts of cash at any time, which is subject to minimal risk of changes in value. Time deposits that meet the definition with a sole purpose of fulfilling short-term cash commitments are classified as cash equivalents.

（六）Financial assets measured at amortized cost

1. Refers to those that meet the following conditions at the same time:
(1) The financial asset is held under an operating model with the purpose of collecting contractual cash flows.
(2) The financial asset in a signed contract is for the purpose of generating cash flow on a specific date to pay for the principal and interest of the outstanding principal entirely.
2. The Company adopts trade date accounting for financial assets measured at amortized cost that comply with trading practices.
3. The Company measures the fair value plus transaction costs at the time of initial recognition. Subsequently, the Company adopts the effective interest method and amortization procedures to recognize interest income and impairment losses during the

circulation period, and has the profits or losses recognized in profit or loss when having it derecognized.

4. The Company holds time deposits that do not qualify as cash equivalents. The said "time deposits" is measured by the investment amount since it is for a short holding period and the impact of discounting is insignificant.

(七) Receivables

1. Refers to an account that, according to the contract, has the unconditional right to receive the consideration amount in exchange for the transfer of goods or services.
2. The Company has the "short-term accounts receivable without interest accrual" measured by the original invoice amount since the impact of discounting is insignificant.

(八) Impairment of financial assets

For the financial assets measured at amortized cost that are without a significant increase in credit risk since the original recognition, the Company after considering all reasonable and substantiated information (including forward-looking information) measures the allowance for loss based on the 12-month expected credit loss amount on each balance sheet date; however, for those with a significant increase in credit risk since the original recognition, the Company shall measure the allowance for loss based on the expected credit losses amount during the duration; furthermore, for accounts receivable that do not include significant financial components or contract assets, the allowance for loss should be measured based on the expected credit loss during the duration.

(九) Derecognition of financial assets

Financial assets are derecognized when the Company's contractual rights to receive cash flows from the financial assets expire.

(十) Operating lease (lessor)

Lease income from operating leases, net of any incentives given to the lessee, is amortized on a straight-line basis over the lease period and recognized as current profit and loss.

(十一) Investments/subsidiaries under the equity method

1. A subsidiary refers to an entity controlled by the Company. When the Company is exposed to variable returns from its participation in the business entity or has rights to such variable returns and can affect such returns through its power over the business entity, then the Company has controlled the business entity.

2. The unrealized profit or loss between the Company and the subsidiary have been completely written-off. The financial policies of the subsidiaries have been appropriately adjusted to be consistent with the accounting policies of the Company.

3. The Company recognizes the share of profits and losses from the subsidiary after acquisition as profits and losses and recognizes the share of other comprehensive profits and losses from the subsidiary after acquisition as other comprehensive profits and losses. If the share of losses from the subsidiary recognized by the Company equals to or exceeds the Company's equity in the subsidiary, the Company will continue to

recognize losses proportionally to its shareholdings.

4. According to the provisions of the "Regulations Governing the Preparation of Financial Reports by Securities Firms," the profit and loss and other comprehensive profits and losses in the standalone financial reports should be the same as the allocation of current profits and losses and other comprehensive profits and losses attributable to the shareholders of the parent company in the consolidated financial report. The shareholder's equity in the standalone financial reports should be the same as the equity attributable to the shareholders of the parent company in the consolidated financial report.

(十二) Property, Plant and Equipment

1. Property, plant and equipment are booked at the acquisition cost; also, the relevant interest accrued during the acquisition and construction period is capitalized.
2. Subsequent costs will only be included in the book value of the asset or recognized as a separate asset when the future economic benefits related to the project are likely to flow to the Company and the cost of the project can be measured reliably. The book value of the replacement should be derecognized. All other maintenance expenses are recognized as current profits and losses when incurred.
3. Property, plant and equipment is subsequently measured in accordance with the cost method. No depreciation will be appropriated for land. Property, plant and equipment is depreciated based on the estimated useful life and in accordance with the straight-line method. The depreciation of the significant component of property, plant and equipment should be appropriated separately.
4. The Company reviews the residual value, useful life, and depreciation method of each asset at the end of each financial year. If the residual value and useful life is different from the expectation, or the consumption pattern of the future economic benefits contained in the asset differs from the expectation, it shall be handled in accordance with the provisions on changes in accounting estimates as stated in IFRS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change occurred. The useful life of each asset is as follows:

   Houses and construction equipment 5~25 years

   Machinery and equipment 3~8 years

   Office and other equipment 3~8 years

(十三) Lessee's lease transaction – right-of-use asset/lease liability

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they are available to be used by the Company. When the lease contract is a short-term lease or a lease of a low-value underlying asset, the lease payments are recognized as expenses over the lease period in accordance with the straight-line method.
2. Lease liabilities are recognized at the present value of the unpaid lease amount discounted at the Company's incremental loan rate on the lease commencement date. The lease payments are fixed payments, minus any lease incentives that can be collected.

   The said lease liabilities shall be subsequently measured at the amortized cost in

accordance with the interest method; also, interest expenses are accrued during the lease period. When the lease period or lease payments are changed due to non-contract modifications, the lease liability will be re-evaluated and the remeasurement amount will be adjusted to the right-of-use assets.

3. Right-of-use assets are recognized at cost on the lease commencement date, and the cost includes:

   (1) The original measured amount of the lease liability; and
   (2) Any original direct cost incurred.
   The right-of-use assets will be subsequently measured at the cost; also, the depreciation expenses are accrued when the useful life of the right-of-use asset expires or when the lease term expires, whichever is earlier. When the lease liability is re-evaluated, the remeasurement amount will be adjusted to the right-of-use assets.

（十四）Intangible assets

Computer software is recognized at the acquisition cost and amortized over the 3~5 useful years in accordance with the straight-line method.

（十五）Impairment of non-financial assets

The Company estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount is lower than its book amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's fair value deducting costs of disposal or its value in use. When the circumstances causing asset impairment recognized in previous years are no longer in existence or are eased, the impairment loss shall be reversed. However, the increase in the asset's book amount resulted from the reversal of the impairment loss shall not exceed the amount of the asset before recognizing impairment loss but after deducting depreciation or amortization.

（十六）Loans

1. Refers to the long-term loans borrowed from banks. The Company measures the loan at the fair value net of the transaction costs for the initial recognition. Subsequently, the interest expense of the difference amount between the price net of the transaction costs and the redemption value is recognized in profit or loss in accordance with the effective interest method and the amortization procedure throughout the circulation period.
2. Regarding the fees paid when establishing a credit line, when it is very likely that part or all of the credit line will be applied, the fees will be recognized as the transaction cost of the loan and will be deferred until the operating expenses are incurred and recognized as an adjustment to the effective interest rate; however, when it is unlikely that part or all of the credit line will be applied, the fees will be recognized as a prepayment and amortized throughout the credit line period.

（十七）Accounts payable

1. Refers to debts incurred due to the purchase of raw materials, goods, or services on credit and accounts payable arising from business and non-business operations.
2. The Company measures accounts payable based on the invoice amount since it is

short-term accounts payable without interest accrual and the impact of discounting is insignificant.

（十八）Derecognition of financial liabilities

The Company has financial liabilities derecognized when contractual obligations have been fulfilled, cancelled, or expired.

（十九）Liability reserve

Liability reserves are recognized when there is a current legal or constructive obligation due to a past event; also, it is likely that an outflow of resources with economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Liability reserves are measured based on the best estimated present value of the expenditure required to settle the obligation on the balance sheet date. The discount rate is a pre-tax discount rate that reflects the current market assessment of the time value of money and specific risks of liabilities. The amortization of the discount is recognized as interest expense. Future operating losses shall not be with liability reserve recognized.

（二十）Employee welfare

1. Short-term employee welfare

Short-term employee welfare is measured with the undiscounted amount expected to be paid and is recognized as an expense when the related services are provided.

2. Pension

(1) Defined contribution plan

For defined contribution plans, the amount of pension fund should be appropriated on an accrual basis and recognized as the pension cost of the current period. Prepaid provisions are recognized as assets to the extent that they can be refunded in cash or can be used to reduce future payments.

(2) Defined benefit plan

A. The net obligation under the defined benefit plan is calculated by discounting the future benefit amount earned by the employee by providing services in the current period or in the past, and subtracting the fair value of the plan assets from the present value of the defined benefit obligation on the balance sheet date. The net defined benefit obligation is calculated annually by the actuary with the estimated unit benefit method; also, the discount rate is the market yield rate of government bonds (on the balance sheet date).

B. Remeasurement amounts arising from defined benefit plans are recognized in other comprehensive profits and losses in the current period and are booked in retained earnings.

3. Employee remuneration and director remuneration

Employee remuneration and director remuneration are recognized as expenses and liabilities when there is a legal or constructive obligation, and the amount can be reasonably estimated. If the actual distribution amount determined subsequently is different from the estimated amount, it will be treated as a change in accounting estimate.

(二十一) Income tax

1. Income tax expenses include current and deferred income taxes. Income taxes are recognized in profit or loss, except for income taxes related to items that are included in other comprehensive profit or loss or directly booked in equity should be processed the same way.
2. The Company calculates current income tax based on the tax rate that has been enacted or has been substantively enacted on the balance sheet date in the country where it operates and generates taxable income. Management regularly evaluates the status of income tax returns filing in accordance with the applicable income tax-related regulations; also, where applicable, estimates income tax liabilities based on the expected tax amount payable to tax authorities. Income tax on unappropriated earnings is levied in accordance with the Income Tax Act. After the profit distribution proposal is resolved in the shareholders' meeting in the year following the year in which the earnings are generated, the unappropriated earnings income tax expense will be recognized based on the actual distribution of earnings.
3. Deferred income tax is recognized based on the temporary differences arising from the tax bases of assets and liabilities and their book value in the consolidated balance sheet in accordance with the balance sheet method. Deferred income tax liabilities arising from the original recognition of goodwill will not be recognized. If the deferred income tax arises from the original recognition of assets or liabilities in a transaction (excluding business mergers) and does not affect accounting profits or taxable income (tax losses) at the time conducting the transaction; also, does not generate equivalent taxable and deductible temporary differences, it will not be recognized. If temporary differences arise from investing in a subsidiary, the company can control the timing of the reversal of the temporary differences, and if the temporary differences are likely not to reverse in the foreseeable future, they will not be recognized. Deferred income tax is based on the tax rate (and tax law) that has been enacted or has been substantively enacted on the balance sheet date and is expected to be applicable when the relevant deferred income tax assets are realized, or the deferred income tax liabilities are settled.
4. Deferred income tax assets are recognized to the extent that the temporary differences are likely to be used to offset future taxable income; also, unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.
5. The deferred amount of the outstanding income tax credit arising from the purchase of equipment or technology and research and development expenditures is recognized as deferred income tax assets to the extent of the possible future taxable income for the outstanding income tax credit.

(二十二) Capital stock

Common stock is classified as equity. The incremental costs after tax directly attributable to the issuance of new shares or share options are debited to equity.

(二十三)Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial report when it is resolved in the shareholders' meeting to distribute dividends. Cash dividends are recognized as liabilities.

(二十四)Revenue recognition

Labor service income

The Company provides integrated circuits testing and packing services of wafer bumping and wafer. When fulfill any of the following conditions: (a) the enterprise's performing the contract enables the customer to obtain and consume the benefits provided by the enterprise at the same time, (b) the enterprise's performing the contract creates or enhances an asset and the customer controls the asset throughout the performance process, (c) the enterprise's performing the contract does not create assets that can be used for other purposes, and has enforceable rights to the amounts for which performance has been completed so far, the enterprise gradually transfers control of the goods or services over time; therefore, gradually meets the performance obligations over time and recognizes income. The testing and packing services provided by the Company meet the condition (b), so the Company should recognize revenues gradually over time and recognize income based on the completion of performance obligations.

Since the time interval between transferring the promised goods or services to the customer and customer's paying for it does not exceed one year, the Company has not adjusted the transaction price to reflect the time value of money.

(二十五)Government grants

Government grants are recognized at fair value when it is reasonably certain that the enterprise will comply with the conditions attached to the government grants and will receive the grants. If the nature of the government grants is to compensate for the expenses incurred by the Group, the government grants will be recognized as current profits and losses on a systematic basis during the period when the relevant expenses are incurred.

五、Material accounting judgment, estimation, and the main source of assumption uncertainties

When the Company prepares this standalone financial report, the management has exercised its judgment to determine the accounting policies adopted and made accounting estimates and assumptions based on reasonable expectations of future events accordingly on the balance sheet date. The material accounting estimates and assumptions made may be different from the actual results; therefore, evaluation and adjustment will be made continuously by considering the historical experience and other factors. The said estimates and assumptions are with the risk of causing material adjustments to the book amount of assets and liabilities in the next financial year. Please refer to the description of the material accounting judgment, estimation, and the main source of assumption uncertainties as follows:

(一)Important judgments in the adoption of accounting policies

None

（二）Important accounting estimates and assumptions

None

六、Description of important accounting matters

（一）Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 100	$ 100
Checking deposits and demand deposits	596,093	416,450
Time Deposit	122,820	445,680
	$ 719,013	$ 862,230

1. The credit quality of the financial institutions that the Company deals with is good, and the Company deals with a number of financial institutions to diversify credit risks, and the possibility of default is expected to be very low.

2. The Company has not pledged cash or cash equivalents.

（二）Financial assets measured at amortized cost

Item	December 31, 2023	December 31, 2022
Current items:		
Time Deposit	$ 871,985	$ 153,550
Noncurrent items:		
Pledged time deposit	$ 12,000	$ 12,000

1. The details of financial assets measured at amortized cost recognized in profit or loss are as follows:

	2023	2022
Interest income	$ 29,729	$ 2,240

2. The time deposits restricted for tariff guarantee purposes on December 31, 2023 and 2022 amounted to $12,000, respectively, and booked in “Financial assets measured at amortized cost - noncurrent.” Please refer to Note VIII for details.

3. Please refer to Note XII (II) for the information on credit risk.

（三）Receivables

	December 31, 2023	December 31, 2022
Receivables	$ 299,469	$ 450,050
Accounts receivable – related party	53,982	100,436
Subtotal	353,451	550,486
Less: Allowance for losses	(4,062)	-
	$ 349,389	$ 550,486

The Company does not have any account amount pledged as collateral.

1. The aging analysis of accounts receivable is as follows:

	December 31, 2023	December 31, 2022
Not overdue	$ 349,303	$ 437,949
31-90 days	86	112,537
Over 180 days	4,062	-
	$ 353,451	$ 550,486

The aging analysis is based on the number of days overdue.

2. The balances of accounts receivable as of December 31, 2023 and 2022 were all generated from customer contracts. In addition, the balance of accounts receivable from customer contracts was $265,452 as of January 1, 2022.

3. Under the precondition of not considering the enhancement of other credits, the maximum exposure amounts that best represent the credit risk of the Company's accounts receivable were $349,389 and $550,486 as of December 31, 2023 and 2022, respectively.

4. Please refer to Note XII (II) for the information on credit risk.

（四）Investments under the equity method

	2023	2022
January 1	$ 2,674,359	$ 2,958,225
Increase the investments under the equity method	-	200,000
Refunds from the capital reduction of the investment under the equity method	-	(1,000,000)
Share of gains from the investments under the equity method	303,796	226,770
Distribution of earnings from the investments under the equity method	(204,093)	(76,982)
Other changes in equity	(19,805)	366,346
December 31	$ 2,754,257	$ 2,674,359

	December 31, 2023	December 31, 2022
Subsidies	$ 2,754,257	$ 2,674,359

Please refer to Note IV (III) of the Company's 2023 consolidated financial statements for the information about the Company's subsidiaries.

（五）Property, Plant and Equipment

	2023							
		House and building						
	Land	For self-use	For leasing	Subtotal	Machinery equipment	Office and other equipment	Equipment to be verified	Sum
January 1								
Cost	$ 240,469	$ 483,241	$ 382,560	$ 865,801	$ 4,602,367	$ 540,074	$ 5,454	$ 6,254,165
Accumulated depreciation		-(436,876)	(370,021)	(806,897)	(3,225,052)	(421,340)	-	(4,453,289)
	$ 240,469	$ 46,365	$ 12,539	$ 58,904	$ 1,377,315	$ 118,734	$ 5,454	$ 1,800,876
January 1	$ 240,469	$ 46,365	$ 12,539	$ 58,904	$ 1,377,315	$ 118,734	$ 5,454	$ 1,800,876
Addition	1,503	18,179	-	18,179	41,103	17,305	-	78,090
Reclassification	-	-	-	-	5,454	-	(5,454)	-
Depreciation expense		-(11,744)	(2,655)	(14,399)	(239,122)	(43,348)	-	(296,869)
December 31	$ 241,972	$ 52,800	$ 9,884	$ 62,684	$ 1,184,750	$ 92,691	$ -	$ 1,582,097
December 31								
Cost	$ 241,972	$ 494,693	$ 382,560	$ 877,253	$ 4,588,720	$ 507,574	$ -	$ 6,215,519
Accumulated depreciation		-(441,893)	(372,676)	(814,569)	(3,403,970)	(414,883)	-	(4,633,422)
	$ 241,972	$ 52,800	$ 9,884	$ 62,684	$ 1,184,750	$ 92,691	$ -	$ 1,582,097

	2022							
		House and building						
	Land	For self-use	For leasing	Subtotal	Machinery equipment	Office and other equipment	Equipment to be verified	Sum
January 1								
Cost	$ 194,924	$ 472,619	$ 382,560	$ 855,179	$ 3,838,959	$ 531,599	$ 856	$ 5,421,517
Accumulated depreciation		-(427,691)	(367,366)	(795,057)	(3,061,668)	(380,834)	-	(4,237,559)
	$ 194,924	$ 44,928	$ 15,194	$ 60,122	$ 777,291	$ 150,765	$ 856	$ 1,183,958
January 1	$ 194,924	$ 44,928	$ 15,194	$ 60,122	$ 777,291	$ 150,765	$ 856	$ 1,183,958
Addition	45,545	10,467	-	10,467	807,731	17,094	5,454	886,291
Disposal	-	-	-	-	-	(1,322)	-	(1,322)
Reclassification	-	155	-	155	1	700	(856)	-
Depreciation expense		-(9,185)	(2,655)	(11,840)	(207,708)	(48,503)	-	(268,051)
December 31	$ 240,469	$ 46,365	$ 12,539	$ 58,904	$ 1,377,315	$ 118,734	$ 5,454	$ 1,800,876
December 31								
Cost	$ 240,469	$ 483,241	$ 382,560	$ 865,801	$ 4,602,367	$ 540,074	$ 5,454	$ 6,254,165
Accumulated depreciation		-(436,876)	(370,021)	(806,897)	(3,225,052)	(421,340)	-	(4,453,289)
	$ 240,469	$ 46,365	$ 12,539	$ 58,904	$ 1,377,315	$ 118,734	$ 5,454	$ 1,800,876

There is no interest capitalization occurred to the property, plant and equipment.

（六）Lease Transaction - Lessee

1. The subject assets leased by the Company are the official vehicles. The lease contract period is usually for 2~4 years. Lease contracts are negotiated individually with different terms and conditions agreed upon. No other restrictions are imposed except that the leased assets cannot be used as collateral for loans.
2. The lease period of the buildings, machinery equipment, and transportation equipment by the Company does not exceed 12 months, and the underlying assets leased are low-value buildings and machinery equipment.
3. Information on the book amount of right-of-use assets and recognized depreciation expenses is as follows:

	December 31, 2023	December 31, 2022
	Book amount	Book amount
Transportation equipment (official vehicles)	$ 1,906	$ 2,018

	December 31, 2023	December 31, 2022
	Depreciation expense	Depreciation expense
Transportation equipment (official vehicles)	$ 1,498	$ 1,855

4. The Company's addition of the right-of-use assets was $1,386 and $746 in 2023 and 2022, respectively.
5. Information on profit and loss items related to the lease contract is as follows:

	2023	2022
Items affecting current profit and loss		
Interest expense on lease liabilities	$ 32	$ 31
Fees for short-term lease contracts	18,788	32,997
Fees for leasing low-value assets	2,914	2,761

6. The Company's total leasing cash outflows were $23,231 and $37,703 in 2023 and 2022, respectively.

（七）Lease Transaction – Lessor

1. The underlying assets leased out by the Company include buildings. The term of the lease contract is usually for 1~5 years. The lease contract is negotiated individually with different terms and conditions agreed upon.
2. The Company recognized rental income of $482 and $444 in 2023 and 2022, respectively, based on the operating lease contract, which did not include variable lease payments.

3. The maturity date of the lease payments for the operating lease arranged by the Company is analyzed as follows:

	December 31, 2023		December 31, 2022
2024	$ 463	2023	$ 463
2025	434	2024	463
2026	291	2025	434
2027	234	2026	291
2028	-	2027	234
Sum	$ 1,423	Sum	$ 1,885

（八）Intangible assets

	2023	2022
	Computer software	Computer software
January 1		
Cost	$ 244,470	$ 176,512
Accumulated amortization	(99,613)	(64,790)
	$ 144,857	$ 111,722
January 1	$ 144,857	$ 111,722
Addition	8,748	67,958
Amortized expense	(40,713)	(34,823)
December 31	$ 112,892	$ 144,857
December 31		
Cost	$ 253,218	$ 244,470
Accumulated amortization	(140,326)	(99,613)
	$ 112,892	$ 144,857

The amortization of intangible assets is detailed as follows:

	2023	2022
Operating cost	$ 39,232	$ 32,957
Management expenses	1,481	1,866
	$ 40,713	$ 34,823

（九）Other payables

	December 31, 2023	December 31, 2022
Salary and bonus payable	$ 68,961	$ 68,908
Employee remuneration and director remuneration payable	63,164	66,002
Equipment payable	21,756	30,063
Others	57,917	53,192
	$ 211,798	$ 218,165

(十)Long-term loans

Nature of loans	Loan period and repayment method	Interest rate range	Collateral	December 31, 2023
Long-term bank loans				
Credit loans	It is to be repaid in installments according to the agreed period from July 19, 2022 to July 19, 2027.	1.800%	None	$ 100,000
Less: Long-term loans due within one year or one operating cycle				-
				$ 100,000

Nature of loans	Loan period and repayment method	Interest rate range	Collateral	December 31, 2022
Long-term bank loans				
Credit loans	It is to be repaid in installments according to the agreed period from July 19, 2022 to July 19, 2027.	1.550%	None	$ 100,000
Less: Long-term loans due within one year or one operating cycle				-
				$ 100,000

The loan interest expenses were $1,756 and $1,508 recognized in 2023 and 2022, respectively.

Credit loans

According to the provisions of the signed credit contract, it is necessary to maintain the financial ratios and agreements before the debts of each credit line are fully paid off during the duration of the loan, which is summarized as follows:

1. 1. Current ratio: The net current assets in the consolidated financial report divided by the net current liabilities should not be less than 100%.
2. 2. Debt ratio: The total net liabilities in the consolidated financial report plus contingent liabilities and then divided by tangible net worth, which should not be higher than 100%.
3. SIGURD MICROELECTRONICS CORP. shall hold no less than 50% of the shares in Winstek Semiconductor Co., Ltd.
4. The total average deposit amount of Winstek Group in the contracted bank in the most recent three months is not less than NT$60 million.

(十一)Pension

1. (1) The Company has a retirement policy with defined benefits stipulated in accordance with the provisions of the "Labor Standards Act," which is applicable to the service years of all formal employees accumulated before the implementation of the "Labor Pension Act" on July 1, 2005, and the subsequent service years of employees who choose to be subject to the Labor Standards Act after the

implementation of the Labor Pension Act. The pension payment to the employees who meet the retirement conditions is calculated based on the service years and the average salary in the 6 months prior to the retirement. Two basis points are granted to each full year of service within the first 15 years (inclusive) and one basis point is granted to each full year of service thereafter for a maximum of 45 basis points in total. The Company appropriates a pension amount equivalent to 2% of the total salary, which is deposited in the Bank of Taiwan under the name of "Labor Pension Reserve Committee."

(2) The amounts recognized on the balance sheet are as follows:

	December 31, 2023	December 31, 2022
The present value of defined benefit obligations	$ 44,859	$ 48,472
Fair value of plan assets	(30,037)	(30,844)
Net defined benefit liability	$ 14,822	$ 17,628

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

	The present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2023			
Balance – 1/1	$ 48,472	($ 30,844)	$ 17,628
Interest expense (income)	667	(436)	231
	49,139	(31,280)	17,859
Remeasurement amount:			
Return on plan assets (excluding the amounts included in interest income or expenses)	-	(210)	(210)
Impact of changes in financial assumptions	624	-	624
Experience adjustment	(1,896)	-	(1,896)
	(1,272)	(210)	(1,482)
Appropriation of pension	-	(1,555)	(1,555)
Pension payment	(3,008)	3,008	-
Balance – 12/31	$ 44,859	($ 30,037)	$ 14,822

	The present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
Balance – 1/1	$ 53,897	($ 27,259)	$ 26,638
Interest expense (income)	404	(211)	193
	54,301	(27,470)	26,831
Remeasurement amount:			
Return on plan assets (excluding the amounts included in interest income or expenses)	-	(2,044)	(2,044)
Impact of changes in financial assumptions	(3,771)	-	(3,771)
Experience adjustment	(1,779)	-	(1,779)
	(5,550)	(2,044)	(7,594)
Appropriation of pension	(-	1,609)	(1,609)
Pension payment	(279)	279	-
Balance – 12/31	$ 48,472	($ 30,844)	$ 17,628

(4) The Company's defined benefit retirement plan fund assets are managed by the Bank of Taiwan within the ratio and amount of the entrusted operating projects specified in the annual fund investment and utilization plan in accordance with Article 6 of the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (i.e. deposited with domestic and foreign financial institutions, investment in domestic and foreign listed, OTC, or private equity securities, investment in domestic and foreign real estate securitization, etc.), and the relevant applications are supervised by the Labor Pension Fund Supervisory Committee. The minimum income distributed from the annual final settlement for the use of this fund shall not be less than the income calculated based on the two-year time deposit interest rate of the local bank. The insufficient fund, when occurred, shall be made up by the national treasury with the approval of the competent authority. The Company has no right to participate in the operation and management of the said fund; therefore, the Company is unable to disclose the classification of the fair value of the plan assets in accordance with paragraph 142 of International Accounting Standard 19. Please refer to the Annual Labor Pension Fund Operation Report announced by the government for the fair value of the total fund assets as of December 31,

2023 and 2022.

(5) The actuarial assumptions regarding pension benefits are summarized as follows:

	2023	2022
Discount Rate	1.250%	1.375%
Future salary increase rate	3.000%	3.000%

The assumptions about future mortality rates in 2023 and 2022 were estimated based on Taiwan Standard Ordinary Sixth Experience Mortality Table.

The present value of defined benefit obligations affected by changes in the main actuarial assumptions is analyzed as follows:

	Discount Rate		Future salary increase rate	
	Increased by 0.25%	Decreased by 0.25%	Increased by 0.25%	Decreased by 0.25%
December 31, 2023				
Impact on the present value of defined benefit obligations	($ 1,236)	$ 1,288	$ 1,244	($ 1,200)
December 31, 2022				
Impact on the present value of defined benefit obligations	($ 1,400)	$ 1,460	$ 1,413	($ 1,362)

The aforementioned sensitivity analysis is to analyze the impact of changes in a single assumption while others remain unchanged. In reality, changes in many assumptions may be linked. The sensitivity analysis is consistent with the approach adopted to calculate the net pension liability on the balance sheet.

The methods and assumptions adopted in preparing the sensitivity analysis for this period are the same as those for the previous period.

(6) The Company's estimated provision for the retirement plan in 2024 is $1,574.

(7) The weighted average duration of the retirement plan was 11.2 years as of December 31, 2023. The maturity of pension payment is analyzed as follows:

Less than 1 year	$ 5,843
1-2 years	1,402
2-5 years	4,463
5-10 years	9,347
	$ 21,055

2. (1) The Company has established a defined contribution plan in accordance with the "Labor Pension Act" since July 1, 2005, which is applicable to employees of Taiwan nationality. The pension system set by the Company for the employees who choose to be subject to the "Labor Pension Act" is with an amount equivalent to 6% of the monthly salary appropriated and deposited in each employee's personal account with the Bureau of Labor Insurance. The pension payment is made to employees in the manner of monthly payment or lump sum payment based on the employee's personal pension account and the accumulated income.

(2) The Company recognized the pension cost for an amount of $12,726 and $12,432 in 2023 and 2022, respectively, in accordance with the plan.

（十二）Capital stock

The Company's authorized capital was $4,000,000, divided into 400,000 shares on December 31, 2023, and the paid-in capital was $1,362,617 with a NT$10 par. The Company has collected the proceeds for all the shares issued.

The Company's outstanding shares at the beginning and ending of the year is adjusted as follows:

Unit: Thousand shares

	2023	2022
January 1 / December 31	136,262	136,262

（十三）Additional paid-in capital

According to the provisions of the Company Act, the amount collected from the issuance of stock shares issued at a premium and the additional paid-in capital received from the gifted income can be used to make up for losses; also, when the Company has no accumulated losses, new shares can be issued to shareholders proportionally to their original shareholdings, or cash can be distributed. In addition, according to the relevant provisions of the Securities and Exchange Act, when the additional paid-in capital is allocated to capital, the total appropriation amount shall not exceed 10% of the paid-in capital every year. When there is insufficient surplus reserve to make up for the capital loss, the Company may apply additional paid-in capital to make up for it.

	2023	
	Stock premium	The difference between the actual acquisition or disposal of subsidiary equity and the book amount
January 1 / December 31	$ 250,734	$ 115,509

	2022	
	Stock premium	The difference between the actual acquisition or disposal of subsidiary equity and the book amount
January 1 / December 31	$ 250,734	$ 115,509

（十四）Retained earnings

1. According to the Company's articles of association, the net income, if any, should be applied to make up for accumulated losses, appropriation of 10% of the remaining amount as legal reserve, and a special reserve may be appropriated, when necessary. If there remains balance amount afterwards, the board of directors shall draft an earnings distribution proposal for the distribution of shareholder dividends to be resolved in the shareholders' meeting, together with the accumulated unappropriated earnings from previous years; also, a portion of the balance amount

may be reserved depending on the business operation. The board of directors is authorized to reach a special resolution to have dividends and bonuses distribute in the form of cash totally or partially, which should be reported to the shareholders' meeting.

2. According to the Company's dividend distribution policy, dividends should be distributed in accordance with the Company's current profit status and future investment environment, capital needs, capital budget planning, operating plans, etc.; and should also take into account the financial structure and earnings dilution. The dividend distributed should be for an amount not less than 10% of the net income; however, if the earnings per share is less than NT$0.5 or dividend distribution will lead to a breach of contract, the earnings can be retained and no distribution will be arranged. The Company may have earnings distribution arranged in the form of stock dividends or cash dividends, of which, cash dividends shall not be less than 10% of the total dividends.
3. The Company's board of directors may prepare business reports, financial statements, and proposals for profit distribution or loss compensation at the end of each fiscal year for the review of the Audit Committee, and the resolution of the board of directors. Tax payables should be estimated and retained, losses should be compensated, and legal reserves should be appropriated lawfully before having earnings distributed. However, this does not apply when the legal reserve reaches the amount of paid-in capital. The aforementioned earnings distribution that is carried out with new shares issued should be handled in accordance with Article 240 of the Company Act; also, a cash distribution is subject to the resolution of the board of directors.
4. The legal reserve can only be used to make up for the Company's losses, issue new shares to shareholders proportionally to their original shareholding, or distribute cash. However, if new shares or cash are distributed, it is limited to the portion of the legal reserve 25% of the paid-in capital.
5. The Company's earnings distribution proposals for the year of 2022 and 2021 were resolved in the shareholders' meeting on June 6, 2023 and June 8, 2022, respectively, as follows:

	2022		2021	
	Amount	Dividend per share (NT$)	Amount	Dividend per share (NT$)
Appropriation of legal reserve	$ 92,506	$ -	$ 39,263	$ -
Appropriation (reversal) of special reserve	(282,069)	-	78,597	-
Cash dividend	681,308	5.00	313,402	2.30
Sum	$ 491,745	$ 5.00	$ 431,262	$ 2.30

6. The Company's earnings distribution proposals for the year of 2023 was resolved in the shareholders' meeting on February 26, 2024 as follows; however, the proposal

is yet to be approved by the shareholders' meeting:

	2023	
	Amount	Dividend per share (NT$)
Legal reserve	$ 84,132	$ -
Cash dividend (note)	654,056	4.80
Sum	$ 738,188	$ 4.80

Note: Please visit the Market Observation Post System to check the information on the dividend distribution resolved by the board of directors.

(十五) Operating income

	2023	2022
Revenue from customer contracts	$ 1,606,098	$ 1,840,072

1. Classification of customer contract revenue

The Company's revenue comes from the labor services provided gradually over time. Revenue can be classified into the following main product lines:

2023	Testing revenue:	Other labor service income	Sum
Departmental income	$ 1,586,006	$ 20,092	$ 1,606,098
External customer contract revenue	$ 1,586,006	$ 20,092	$ 1,606,098

2022	Testing revenue:	Other labor service income	Sum
Departmental income	$ 1,774,881	$ 65,191	$ 1,840,072
External customer contract revenue	$ 1,774,881	$ 65,191	$ 1,840,072

2. Contract assets:

The contract assets related to the customer contract revenue recognized by the Company are as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets:			
Contract Assets - Testing	$ 10,099	$ 27,559	$ 11,056

（十六）Interest income and other income

	2023	2022
Interest income:		
Bank deposit interest	$ 23,305	$ 4,941
Interest income from financial assets measured at amortized cost	29,729	2,240
Total interest income	$ 53,034	$ 7,181
Other income:		
Rental income	$ 482	$ 444
Income from government grants	1,605	-
Total other income	$ 2,087	$ 444

（十七）Other gains and losses

	2023	2022
Gains from the disposal of property, plant, and equipment	$ 1,514	$ 2,053
Foreign currency exchange gains (losses)	4,276	(26,355)
Other gains	2,271	1,141
	$ 8,061	($ 23,161)

（十八）Financial costs

	2023	2022
Interest expense	$ 1,756	$ 1,508
Loans – related party	-	4,886
Lease liability	32	31
Other financial expenses	22	14
	$ 1,810	$ 6,439

（十九）Additional information on the nature of expenses

	2023	2022
Employee benefits expenses	$ 435,758	$ 440,410
Depreciation expense of property, plant and equipment and right-of-use assets	$ 298,367	$ 269,906
Amortization expense of intangible assets	$ 40,713	$ 34,823

（二十）Employee benefits expenses

	2023	2022
Payroll expense	$ 374,715	$ 383,561
Labor and health insurance expense	32,108	29,525
Pension expense	12,957	12,625
Other personnel expenses	15,978	14,699
	$ 435,758	$ 440,410

1. According to the Company’s articles of association, the Company shall appropriate

an amount equivalent to 0.1% to 15% of the earnings, if any, as employee remuneration. When employee remuneration is distributed in the form of stocks or cash, the employees of the affiliated companies who meet certain conditions are also entitled to the said benefits. However, an amount equivalent to the Company's accumulated losses, if any, should be reserved. The Company shall appropriate an amount not more than 3% of the earnings, if any, depending on business conditions as director remuneration. However, an amount equivalent to the Company's accumulated losses, if any, should be reserved.

2. The Company's estimated employee remuneration were $63,164 and $66,002 in 2023 and 2022, respectively; also, the estimated director remuneration amounted to $0, respectively, and the amounts are booked in the "payroll expenses" account. The employee remuneration and director remuneration were estimated at 6.24% and 0% in 2023, respectively, based on the profit generated in the year.

   The employee remuneration and director remuneration resolved by the board of directors for 2023 and 2022 are consistent with the amounts recognized in the 2023 and 2022 financial reports.

   Please feel free to visit the Market Observation Post System to inquire the information related to employee remuneration and director remuneration approved by the Company's board of directors.

(二十一) Income tax

1. Income tax expenses

   Income tax expense components:

	2023	2022
Current income tax:		
Income tax on current income	$ 135,134	$ 167,382
Additional tax levy on the unappropriated earnings	21,666	-
Overestimated income tax on the income generated in previous years	(41,263)	(22,931)
Total income tax for the current period	115,537	144,451
Deferred income tax:		
The original occurrence and reversal of temporary differences	(6,022)	(441)
Total deferred income tax	(6,022)	(441)
Income tax expenses	$ 109,515	$ 144,010

2. The relationship between income tax expenses and accounting profits

	2023	2022
Income tax on net income before tax is calculated based on statutory tax rate (Note)	$ 189,871	$ 212,295
Expenses that should be exempted according to tax laws	(60,759)	(45,354)
Overestimated income tax on the income generated in previous years	(41,263)	(22,931)
Additional tax levy on the unappropriated earnings	21,666	-
Income tax expenses	$ 109,515	$ 144,010

Note: The basis of applicable tax rate is calculated based on the 20% tax rate applicable to the income generated in Taiwan.

3. The amount of each deferred income tax asset or liability arising from temporary differences is as follows:

	2023		
	January 1	Recognized in profit or loss	December 31
Deferred income tax assets:			
-Temporary differences:			
Fiscal and tax differences of depreciation expense	$ 12,792	$ 595	$ 13,387
Unrealized exchange loss	4,708	6,645	11,353
Subtotal	17,500	7,240	24,740
-Deferred income tax liabilities:			
Unrealized exchange gains	(8)	(952)	(960)
Others	(133)	(266)	(399)
Subtotal	(141)	(1,218)	(1,359)
Sum	$ 17,359	$ 6,022	$ 23,381

	2022		
	January 1	Recognized in profit or loss	December 31
Deferred income tax assets:			
-Temporary differences:			
Fiscal and tax differences of depreciation expense	$ 12,197	$ 595	$ 12,792
Unrealized exchange loss	4,677	31	4,708
Others	151	(151)	-
Subtotal	17,025	475	17,500
-Deferred income tax liabilities:			
Unrealized exchange gains	(107)	99	(8)
Others	-	(133)	(133)
Subtotal	(107)	(34)	(141)
Sum	$ 16,918	$ 441	$ 17,359

4. The Company's business income tax has been audited and approved by the tax collection agency up to the year of 2021.

（二十二）Earnings per share

	2023		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to common stock shareholders	$ 839,843	136,262	$ 6.16
Diluted earnings per share			
Net income attributable to common stock shareholders	839,843	136,262	
Impact of potential common stock with dilutive effect			
Employee remuneration	-	911	
Net income attributable to common stock shareholders plus the impact of potential common stock	$ 839,843	137,173	$ 6.12

	2022		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to common stock shareholders	$ 917,467	136,262	$ 6.73
Diluted earnings per share			
Net income attributable to common stock shareholders	917,467	136,262	
Impact of potential common stock with dilutive effect			
Employee remuneration	-	1,595	
Net income attributable to common stock shareholders plus the impact of potential common stock	$ 917,467	137,857	$ 6.66

（二十三）Cash Flow Supplementary Information

Investing activities with only partial cash payments:

	2023	2022
Acquisition of property, plant and equipment	$ 78,090	$ 886,291
Add: Equipment payable - beginning	30,063	71,887
Add: Prepaid equipment - ending (note)	-	39,508
Less: Equipment payable - ending	(21,756)	(30,063)
Less: Prepaid equipment - beginning (note)	(39,508)	(111,503)
Cash paid in current period	$ 46,889	$ 856,120

Note: Booked in the “Other noncurrent assets” account

（二十四）Changes in the liabilities from financing activities

	Lease liability	Long-term loans	Guarantee deposits & margins received	Total liabilities from financing activities
January 1, 2023	$ 2,011	$ 100,000	$ 112	$ 102,123
Changes in the cash flow from financing activities	(1,497)	-	7	(1,490)
Interest paid	(32)	-	-	(32)
Other non-cash changes:				
Interest expense	32	-	-	32
Increase in the current period	1,386	-	-	1,386
December 31, 2023	$ 1,900	$ 100,000	$ 119	$ 102,019

	Lease liability	Long-term loans	Guarantee deposits & margins received	Total liabilities from financing activities
January 1, 2022	$ 3,148	$ -	$ 100	$ 3,248
Changes in the cash flow from financing activities	(1,883)	100,000	12	98,129
Interest paid	(31)	-	-	(31)
Other non-cash changes:				
Interest expense	31	-	-	31
Increase in the current period	746	-	-	746
December 31, 2022	$ 2,011	$ 100,000	$ 112	$ 102,123

七、Related party transaction

（一）Parent company and ultimate controller

The Company was originally controlled by Bloomeria Limited (registered in Singapore). Bloomeria Limited had its shareholdings transferred on July 6, 2020, the Company has been controlled by SIGWIN Corporation since with 51.90% shareholdings obtained. SIGURD MICROELECTRONICS CORP. (registered in Taiwan) is the ultimate parent company and ultimate controller of the Company.

Name of the related party	Relationship with the Company
SIGURD MICROELECTRONICS CORP.	Ultimate parent company
Bloomeria Limited	Parent company (before July 6, 2020)
SIGWIN Corporation	Parent company (after July 6, 2020)
Winstek Semiconductor Technology Co., Ltd.	Subsidies
TST Co., Ltd.	Subsidies
Sigurd UTC Corporation	Brother company

(二) Material transactions conducted with related parties

1. Operating income

	2023	2022
Ultimate parent company	$ 179	$ 8,735
Subsidiary - Winstek Semiconductor Technology Co., Ltd.	359,859	427,227
Brother company	446	-
Sum	$ 360,484	$ 435,962

The labor service income is handled in accordance with the general transaction price and conditions, and the payment conditions are 30 days open account.

2. Purchase

	2023	2022
Purchase of labor services:		
Subsidiaries	$ 2,345	$ 2,020

Labor services are purchased from subsidiaries according to general commercial terms and conditions.

3. Amounts receivable - related parties

	December 31, 2023	December 31, 2022
Accounts receivable:		
Ultimate parent company	$ -	$ 1,785
Subsidiary - Winstek Semiconductor Technology Co., Ltd.	53,982	98,651
Subtotal	53,982	100,436
Other receivable – plant lease:		
Subsidiaries	325	325
Other receivables—management services and transaction support:		
Subsidiaries	2,970	3,049
Other receivables—advances:		
Subsidiaries	80,111	51,581
Subtotal	83,406	54,955
Sum	$ 137,388	$ 155,391

Accounts receivable from related parties is mainly for labor services provided, operating lease, related party management service, and business support. The said accounts receivable is without mortgage and interest accrual. Amounts receivable from related parties are without liability reserve appropriated. Please refer to Note VI (VII) for the description of lessor's leasing.

4. Amounts payable - related parties

	December 31, 2023	December 31, 2022
Accounts payable:		
Subsidiary - Winstek Semiconductor Technology Co., Ltd.	$ 1,049	$ -
Subtotal	1,049	-
Other payables – machine leasing:		
Ultimate parent company	-	239
Brother company	454	-
Other payables – business support:		
Subsidiary - Winstek Semiconductor Technology Co., Ltd.	1,457	1,478
Other payables – advances:		
Brother company	-	8
Subtotal	1,911	1,725
Sum	$ 2,960	$ 1,725

Accounts payable to related parties is mainly for labor services provided by the related party, machine leasing, and business support and equipment leasing. The said accounts payable is without interest accrual.

5. Other transactions

		Transaction amount	
	Bookkeeping item	2023	2022
Subsidiaries	Rental income (debited to the operating costs)	$ 2,655	$ 2,655
	Management services and business support income (debited to operating costs and operating expense)	$ 40,872	$ 34,202
	Business support expenses (credited to operating costs and operating expenses)	$ 20,326	$ 16,725
	Dividend income (credited to investment under the equity method)	$ 204,093	$ 76,982
Ultimate parent company	Rental expense	$ -	$ 3,066
	Other expenses	$ 110	$ -
Brother company	Other expenses	$ 5,568	$ -

6. Loaning of funds to related parties

Loaning of funds from related parties

Credit line:

	December 31, 2023	December 31, 2022
Subsidiaries	$ -	$ 767,750

The subsidiary of the Company had decided to loan US$25 million ($692,000) to the Company with the resolution of the board of directors on December 21, 2021. According to the agreed loan conditions, the Company shall have the principal of the loan paid back to the subsidiary in a lump sum within one year on the expiry date. Interest is calculated monthly and charged at an interest rate of 1.05% annum. The Company borrowed $556,000 from its subsidiary on January 3, 2022, which was fully repaid to the subsidiary on October 21, 2022.

7. Making of endorsements/guarantees by the related parties

	December 31, 2023	December 31, 2022
Subsidiaries	$ 300,000	$ 300,000

8. Linked tax system

The Company has adopted a linked tax system with its subsidiaries Winstek Semiconductor Technology Co., Ltd. and TST Co., Ltd. to consolidate the accounts receivable from (payable to) related parties arising from the filing of profit-making enterprise income tax since the year of 2016. The Company's estimated tax receivable under the linked tax system is as follows (booked in the "Other receivables – related party" on December 31, 2023 and 2022):

	December 31, 2023	December 31, 2022
Subsidiaries	$ 61,159	$ 36,325

（三）Information on the remuneration of key management levels

	2023	2022
Short-term employee benefits	$ 24,173	$ 19,610
Post-employment benefits	324	324
Total	$ 24,497	$ 19,934

八、Pledged assets

The Company's assets provided as collateral are detailed as follows:

	Book amount		
Assets	December 31, 2023	December 31, 2022	Guarantee purpose
Pledged time deposits (booked in the "Financial assets measured at amortized cost – noncurrent" account)	$ 12,000	$ 12,000	Tariff Guarantee

九、Material contingent liabilities and unrecognized contractual commitments

Capital expenditures contracted but not yet incurred.

	December 31, 2023	December 31, 2022
Property, Plant and Equipment	$ 8,703	$ 45,358

十、Material disaster losses

None

十一、Material post events

The Company's 2023 earnings distribution proposal was resolved by the board of directors on February 26, 2024. Please refer to Note VI (XIV) for details.

十二、Others

(一)Capital management

The Company's strategy in 2023 remains the same as in 2022, which is to forcefully reduce the debt-to-capital ratio to a reasonable risk level. December 31, 2023 and 2022

The Company's debt-to-capital ratio is as follows:

	December 31, 2023	December 31, 2022
Total loan amount	$ 100,000	$ 100,000
Less: Cash and cash equivalents	(719,013)	(862,230)
Net debt amount	(619,013)	(762,230)
Total equity	5,994,128	5,853,916
Total capital	$ 5,375,115	$ 5,091,686
Debt to capital ratio	-	-

(二)Financial instruments

1. Types of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 719,013	$ 862,230
Financial assets measured at amortized cost - current	871,985	153,550
Receivables	295,407	450,050
Accounts receivable – related party	53,982	100,436
Other Receivables	4,557	2,309
Other Receivables – related party	22,247	18,630
Guarantee deposits & margins paid	2,353	3,275
Financial assets measured at amortized cost - noncurrent	12,000	12,000
	$ 1,981,544	$ 1,602,480

Financial liabilities				
Financial liabilities measured at amortized cost				
Accounts payable	$	2,354	$	2,776
Accounts payable – related party		1,049		-
Other payables		211,798		218,165
Other payables – related party		1,911		1,725
Long-term loans		100,000		100,000
Guarantee deposits & margins received		119		112
	$	317,231	$	322,778
Lease liabilities (including noncurrent)	$	1,900	$	2,011

2. Risk management policy

(1) The Board of Directors is solely responsible for establishing and supervising the Company's risk management structure to develop and control the Company's risk management policies.

(2) The establishment of the Company's risk management policy is for identifying and analyzing the risks faced by the Company, for setting appropriate risk limits and controls, and for monitoring risks and compliance with risk limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's operations. The Company develops a disciplined and constructive control environment through training, management standards, and operating procedures so to help all employees understand their roles and responsibilities.

(3) The management personnel of the Company's Audit Committee supervise the compliance of the Company's risk management policies and procedures and review the appropriateness of the Company's management structure for the risks encountered. Internal auditors assist the Company's Audit Committee in performing supervision responsibility. Those personnel review the risk management controls and procedures; also, report review results to the Audit Committee.

3. Nature and extent of material financial risks

(1) Market risk

Exchange rate risk

A. The Company's business operation involves several non-functional currencies. New Taiwan Dollar is the functional currency of the Company, which is affected by exchange rate fluctuations. Information on foreign currency assets and liabilities that are severely affected by exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign currency (NT$ thousand)	Exchange rate	Book amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 42,260	30.705	$1,297,593
Long-term equity investment under the equity method			
USD : NTD	$ 83,139	30.705	$2,552,776

	December 31, 2022		
	Foreign currency (NT$ thousand)	Exchange rate	Book amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 38,161	30.71	$1,171,924
Long-term equity investment under the equity method			
USD : NTD	$ 80,557	30.71	$2,473,898

B. The Company's monetary item was with disclosed exchange gains for an amount of $4,276 and ($26,355) recognized in 2023 and 2022, respectively, due to the material impact of exchange rate fluctuations.

C. The Company's foreign currency market risk due to material exchange rate fluctuations is analyzed as follows:

	2023		
	Sensitivity Analysis		
	Range of change	Impact on profit (loss)	Impact on other comprehensive profit and loss
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	1%	$ 12,976	$ -
Long-term equity investment under the equity method			
Equity investment			
USD : NTD	1%	$ -	$ 25,528

	2023		
	Sensitivity Analysis		
	Range of change	Impact on profit (loss)	Impact on other comprehensive profit and loss
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	1%	$ 11,719	$ -
Long-term equity investment under the equity method			
Equity investment			
USD : NTD	1%	$ -	$ 24,739

(2) Credit risk

A. The Company's credit risk is the risk of financial losses caused by the inability of customers or counterparties of financial instruments in performing contractual obligations. It mainly comes from the inability of counterparties in paying off accounts receivable that are to be paid according to the collection terms.

B. The Company's credit risk management is to only deal with the banks and financial institution with good credit ratings. According to the internally defined credit policy, it is necessary to analyze management and credit risk before setting the terms and conditions for payment and product delivery. An internal risk control refers to assess the credit quality of customers by considering their financial status, experience, and other factors. Individual risk limits are set based on internal or external ratings; also, the use of credit limits is regularly monitored.

C. According to the credit risk management procedures of the Company, when the counterparty fails to comply with the payment terms agreed upon in the contract for a certain period, it will be deemed a breach of contract.

D. The Company has customers' accounts receivable and contract assets grouped according to the characteristics of customer ratings, and estimates expected credit losses based on the provision matrix in accordance with a simplified method.

E. The Company provides the following assumptions in accordance with the provision of IFRS 9 to determine whether the credit risk of financial instruments has increased significantly since the original recognition: When the contract payment is overdue for more than 30 days according to the agreed payment terms, the credit risk of the financial asset is deemed to have increased significantly since the original recognition.

F. The criteria used by the Company to determine the credit impairment of debt instrument investments are as follows:

(A) The issuer is more likely to encounter material financial difficulties or enter bankruptcy or other financial reorganization.

(B) The active market for the financial assets disappears due to the financial difficulties encountered by the issuer.

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

(D) Adverse changes in national or regional economic conditions that lead to the issuer's committing a breach of contract.

G. The Company mainly provides specific customers with packing and testing services for semiconductor wafers. Therefore, the Company, for future consideration, has adjusted the loss rate that is established based on historical and current information for a specific period to estimate the allowance for loss of accounts receivable and contract assets. The provision matrix on December 31, 2023 and 2022 is as follows:

	Not overdue	Within 30 days overdue	31-90 days overdue	91-180 days overdue	More than 181 days overdue	Sum
December 31, 2023						
Expected loss rate	0%	0%	0%	49.20%	100%	
Total book amount	$ 359,402	$ -	$ 86	$ -	$ 4,062	$ 363,550
Allowance for losses	$ -	$ -	$ -	$ -	($ 4,062)	($ 4,062)

	Not overdue	Within 30 days overdue	31-90 days overdue	91-180 days overdue	More than 181 days overdue	Sum
December 31, 2022						
Expected loss rate	0.33%	0.32%~0.58%	23.66%~24.79%	50.000%	100%	
Total book amount	$ 465,508	$ -	$ 112,537	$ -	$ -	$ 578,045
Allowance for losses	$ -	$ -	$ -	$ -	$ -	$ -

H. The Company's concise statement of changes in allowances for accounts receivable and contract assets is as follows:

	2023
	Accounts receivable and contract assets
January 1	$ -
Appropriation of impairment losses	4,062
December 31	$ 4,062

	2022
	Accounts receivable and contract assets
January 1 / December 31	$ -

(3) Liquidity risk

A. The Company's outstanding credit line is detailed as follows:

	December 31, 2023	December 31, 2022
Floating rate		
Due within one year	$ 493,765	$ 392,670
Due in more than one year	500,000	500,000
	$ 993,765	$ 892,670

B. The Company's non-derivative financial liabilities and derivative financial liabilities settled on a net or gross amount are grouped according to relevant maturity dates as shown below. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date. Derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected contract maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

December 31, 2023	Under 6 months	6 months - 1 year	1 - 2 years	2 - 5 years
Non-derivative financial liabilities:				
Accounts payable	$ 2,354	$ -	$ -	$ -
Accounts payable – related party	1,049	-	-	-
Other payables	211,798	-	-	-
Other payables – related party	1,911	-	-	-
Lease liability	675	520	623	111
Long-term loans	902	902	1,800	101,499
Guarantee deposits & margins received	-	-	-	119

December 31, 2022	Under 6 months	6 months - 1 year	1 - 2 years	2 - 5 years
Non-derivative financial liabilities:				
Accounts payable	$ 2,776	$ -	$ -	$ -
Other payables	218,165	-	-	-
Other payables – related party	1,725	-	-	-
Lease liability	674	492	721	148
Long-term loans	835	840	1,680	103,070
Guarantee deposits & margins received	-	-	-	112

（三）Fair value information

1. The Company has no financial instruments measured at fair value.
2. Financial instruments not measured at fair value

   The book amount of the Company's cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), financial assets measured at amortized cost, guarantee deposits & margins paid, accounts payable (including related parties), long-term liabilities, and guarantee deposits & margins received are reasonable approximations of fair value.

十三、Special disclosures

（一）Material transaction related information

1. Loaning of funds: None
2. Making of endorsements and guarantees: Please refer to Table 1
3. The marketable securities held at the end of the period (excluding investment in subsidiaries, affiliated enterprises, and joint venture equity): None
4. The cumulative amount of buying or selling one security for an amount exceeding NT$300 million or 20% of the paid-in capital: None
5. The property acquired for an amount exceeding NT$300 million or 20% of the paid-in capital: None
6. The property disposed for an amount exceeding NT$300 million or 20% of the paid-in capital: None
7. The quantity of goods purchased from and sold to the related party for an amount exceeding NT$100 million or 20% of the paid-in capital: Please refer to Table 2
8. The receivables from the related party for an amount exceeding NT$100 million or 20% of the paid-in capital: None
9. Engaged in derivative transactions: None
10. Business relationship and important transactions between the parent company and

subsidiaries and among subsidiaries: Please refer to Table 3

（二）Investment related information

Relevant information such as the name of the invested company, the region where it is located (excluding invested companies in China): Please refer to Table 4

（三）Information on the investment in Mainland China

None

（四）Information of major shareholders

Please refer to Table 5 for details

十四、Departmental information

Please refer to the 2023 consolidated financial report for details.

(The End)

Winstek Semiconductor Co., Ltd.

Making of Endorsements/Guarantees for Others

January 1 – December 31, 2023

Attached Table 1

Unit: NT$ thousand

(unless otherwise specified)

No. (Note 1)	Endorser/Guarantor Company Name	Endorsed/Guaranteed Company: Name of company	Endorsed/Guaranteed Company: Relationship (Note 2)	Endorsement/guarantee limit for a single enterprise (Note 3)	Maximum endorsements/guarantees amount - current (Note 4)	Endorsement/guarantee amount - ending (Note 5)	Actual amount allocated to use (Note 6)	Endorsement guarantee amount guaranteed by property	The ratio of the cumulative endorsement/guarantee amounts to the net worth of the latest financial statements	The limited maximum amount of the making of endorsements/guarantees (Note 3)	It is an endorsement/guarantee made by the parent company for the subsidiary. (Note 7)	It is an endorsement/guarantee made by the subsidiary for the parent company. (Note 7)	The making of endorsements/guarantees for a company in China (Note 7)	Note
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	2	$ 5,994,128	$ 300,000	$ 300,000	$ -	$ -	5.00%	$ 5,994,128	Y	N	N	

Note 1: Description of number column is shown below:

(1). For issuer, fill in 0.

(2). Fill in names of companies invested from 1 according to alphabetical order.

Note 2: Specify one of the six the relationship types in the making of endorsements/guarantees:

(1) Companies with business dealings.

(2) Companies where the Company owns more than 50% shares with the rights to make direct and indirect decisions.

(3) Companies that own more than 50% shares of the Company with the rights to make direct and indirect decisions.

(4) Companies where the Company owns more than 90% shares with the rights to make direct and indirect decisions.

(5) Companies that mutually make endorsements/guarantees for each other due to the need of construction contracts or agreements between the companies or joint issuers.

(6) Due to joint investment relationship, all shareholders who invest shall make endorsements/guarantees according to their investment percentage for companies invested.

(7) Joint endorsements/guarantees made for performance guarantees involving pre-selling house sales according to the Consumers Protection Act.

Note 3: The total amount of the making of endorsements/guarantees by the Company shall not exceed 50% of net value in the recent accounting year. The limited amount of the making of endorsements/guarantees for a single enterprise shall not exceed 20% of the net value of the making of endorsements/guarantees by the Company.

However, there are exceptions for the endorsement/guarantee made between the Company and a company with 100% voting shares held by the Company directly or indirectly, or the endorsement/guarantee of the company that the Company has agreed to acquire and it will become a subsidiary with 100% shares held by the Company directly or indirectly with the approval of the board of directors obtained, in other words, they are not subject to the aforementioned total amount of external endorsement/guarantee limit and the endorsement/guarantee limit for a single enterprise. However, the amount of endorsement/guarantee for a single enterprise shall not exceed 100% of the net worth in the Company's latest financial report audited or reviewed by the CPAs. In addition, for the endorsement/guarantees made between the companies that directly and indirectly hold 100% of the voting shares of the Company, the total cumulative external endorsement/guarantee amount shall not exceed 100% of the net worth in the Company's latest financial report audited or reviewed by the CPAs.

Note 4: The maximum making of endorsement/guarantee amount in the current year

Note 5: When the Company signs an endorsement/guarantee agreement or a bill with a bank as of the end of the year is approved, it assumes the endorsement/guarantee responsibility. In addition, other related endorsements/guarantees should be included in the endorsement/guarantee amount.

Note 6: Please fill in the actual amount allocated to use within the range of balance amount of the making of endorsements/guarantees for companies endorsed and guaranteed.

Note 7: Fill "Y" for the making of endorsements/guarantees by the parent companies for subsidiaries, by the listed and OTC parent company for subsidiaries and the making of endorsements/guarantees for companies in China.

Winstek Semiconductor Co., Ltd.

The amount of purchase and sales between related parties exceeds NT$100 million or 20% of paid-in capitals

January 1 – December 31, 2023

Attached Table 2

Unit: NT$ thousand (unless otherwise specified)

			Transaction				Circumstances and reasons why transaction conditions are different from ordinary transactions (Note 1)		Notes and accounts receivable (payable)		
Companies that sell and buy	Name of transaction party	Relationship	Buying(selling)	Amount	Ratio to total purchases (sales)	Credit period	Unit price	Credit period	The balance amount	Ratio to total notes and accounts receivable (payable)	Note
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	Subsidies	Sales	($ 359,859)	(22%)	Payment terms: 30 days	-	-	$ 53,982	15%	
Winstek Semiconductor Technology Co., Ltd.	Winstek Semiconductor Co., Ltd.	Parent company	Purchase	359,859	18%	Payment terms: 30 days	-	-	(53,982)	(37%)	

Note 1: In terms of purchase and sales transactions between the Company and its affiliated enterprises, there have been no major difference of transaction price and payment condition from those with non-affiliated enterprises and transaction conditions are decided by both parties.

Winstek Semiconductor Co., Ltd.

Business relationships and important transactions and amounts between the parent company and its subsidiaries

January 1 – December 31, 2023

Attached Table 3

Unit: NT$ thousand (unless otherwise specified)

No (Note1)	Name of transaction party	Name of transaction parties	Relationships with transaction parties (Note 2)	Situation of transactions			Ratio to the total consolidated revenue or total assets (Note 3)
				Name of accounts	Amount	Transaction terms	
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Sales revenue	$ 359,859	According to prices and conditions negotiated by both parties	9.81%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Accounts receivable	53,982	According to prices and conditions negotiated by both parties	0.71%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Other Receivables	83,229	-	1.09%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Dividends revenue	203,677	-	5.55%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Business management income (debited to operating costs and operating expense)	40,872	-	1.11%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology r Co., Ltd.	1	Business support expense (credited to operating costs and operating expense)	20,326	-	0.55%

Note 1: Business dealings between the parent company and its subsidiaries shall be specified in no. columns according to the coding numbers below:
(1). Fill in 0 for the parent company.
(2). Number subsidiaries starting from 1.

Note 2: There are three following types of relationships of transaction parties (there is no need for repeated disclosure if the same transaction occurs between the parent company and its subsidiaries and among subsidiaries. For example, for a transaction between the parent company and its subsidiary, if the parent company has disclosed the transaction, the subsidiary does not need to repeatedly disclose it; for a transaction between two subsidiaries, if one subsidiary has disclosed the transaction, the other does not need to repeatedly disclose it):
(1). Parent company to its subsidiary.
(2). Subsidiary to the parent company.
(3). Subsidiary to Subsidiary.

Note 3: For calculation of the percentage of transaction amount accounting for consolidated revenue or total assets, if the account belongs to Assets-Liabilities, end balance shall be calculated for the percentage accounting for consolidated revenue; if the account belongs to Profits-Losses, mid-term accumulated amount shall be calculated for the percentage accounting for consolidated revenue.

Note 4: Individual transaction amounts less than $20,000 will not be disclosed, and transactions with related parties will not be disclosed.

Winstek Semiconductor Co., Ltd.
Relevant information of name and location of area of company invested
(excluding those in China)

January 1 – December 31, 2023

Attached Table 4

Unit: NT$ thousand

(unless otherwise specified)

Name of investing company	Name of invested company (Note 1 and 2)	Area of location	Main items of business operations	Initial investment amount		Shareholdings - ending			Current profits and losses of company being invested (Note 2(2))	Investment loss and profit recognized in current period (Note 2(3))	Note
				End of current period	End of last year	Number of shares	%	Book amount			
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	Taiwan	Packing services of wafer bumping and wafer	$ 1,875,740	$ 1,875,740	210,000,000	100%	$ 2,552,776	$ 302,361	$ 302,361	
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	Taiwan	Plant development and leasing services	200,000	200,000	20,000,000	100%	201,481	1,435	1,435	

Note 1: If a public company set up a foreign holding company and in compliance with local rules and regulations, it shall report with consolidated financial statements and for the disclosure of foreign company invested, it shall only disclose relevant information of the holding company.
Note 2: When there is no situation as stated in Note 1, please follow the rules below to fill in information:
(1) Columns of "Name of company invested," "area of location," "main business operation items," "initial investment amount" and "end shareholding" shall be filled according to the reinvestment situation of the Company (public company) and that of each directly and indirectly invested company. In the Note column, relationships of companies being invested in and the Company (public company) shall be specified (such as a subsidiary or a sub-subsidiary).
(2) The column of "Current profits and losses of company being invested" shall describe the current profit and loss amount of the company being invested in.
(3) In the column of "Current investment losses and profits recognized," subsidiaries recognized by the Company (public company) as direct re-investment and investment profit and loss accounted for using the equity method shall be described without other information. When filling in information of "Amount of current profit and loss of each subsidiary recognized as direct re-investment," please confirm that the current profit and loss amount of each subsidiary includes the investment loss and profit amount recognized according to rules and re-investment.

Winstek Semiconductor Co., Ltd.

Information of major shareholders

January 1 – December 31, 2023

Attached Table 5

Unit: NT$ thousand

(unless otherwise specified)

Name of major shareholders	Number of shares	
	Number of shares owned	Percentage of ownership
SIGWIN Corporation	70,726,438	51.90%

Note 1: Information of major shareholders in this table is provided by TAIWAN DEPOSITORY and CLEARING CORPORATION that calculates ownership of shareholders who own more than 5% of the common and preferred stocks under the dematerialized issuance system (including treasury stocks). For recorded stocks on financial statements and actually registered complete stocks of the company under the dematerialized issuance system, due to a different calculation basis or discrepancy during compiling, they may be different.

Note 2: If the said information belongs to that transferred by shareholders to the trust, it shall be disclosed according to individually transferred accounts designated to the trust by the trustees. For share ownership declaration of insiders holding more than ten percent in compliance with the Securities and Exchange Act, shareholding includes shares owned by shareholders themselves as well as shares over which the owners have the right to determine uses transferred to the trust. For declaration of insider ownership, please refer to TWSE MOPS.

Seven. Review and analysis of the financial status and financial performance and risk management

I. Comparative analysis of financial status

Unit: NT$ thousand

Item \ Year	12.31.2023	12.31.2022	Difference	
			Amount	%
Current assets	4,500,225	4,052,276	447,949	11.05
Property, Plant and Equipment	2,933,209	3,152,312	(219,103)	(6.95)
Intangible assets	129,416	157,910	(28,494)	(18.04)
Other assets	60,677	91,377	(30,700)	(33.60)
Total assets	7,623,527	7,453,875	169,652	2.28
Current liabilities	1,086,154	762,486	323,668	42.45
Noncurrent liabilities	543,245	837,473	(294,228)	(35.13)
Total liabilities	1,629,399	1,599,959	29,440	1.84
Equity attributable to the shareholders of the parent company	5,994,128	5,853,916	140,212	2.40
Capital stock	1,362,617	1,362,617	-	-
Additional paid-in capital	366,243	366,243	-	-
Retained earnings	4,200,797	4,040,780	160,017	3.96
Other equities	64,471	84,276	(19,805)	(23.50)
Treasury stock	-	-	-	-
Non-controlling interests	-	-	-	-
Total equity	5,994,128	5,853,916	140,212	2.40

For the change over two periods exceeds 20% and for an amount more than NT$10 million, the main reasons are analyzed and explained as follows:

1. Other assets:

   The decrease in other assets in this period compared with the previous period was mainly due to the decrease in other noncurrent asset expenses.

2. Current liabilities:

   The increase in current liabilities compared with the previous period was mainly due to the increase in long-term liability expenses due within one year or one operating cycle.

3. Noncurrent liabilities:

The noncurrent liabilities decreased in this period compared with the previous period was mainly due to the decrease in long-term land expense.

4. Other equity:

The decrease in other equity of this period compared with the previous period was mainly due to the depreciation of NTD that caused the decrease in the exchange difference resulted from the conversion of the financial statements of foreign operations.

II. Financial performance analysis

Unit: NT$ thousand

Item \ Year	2023	2022	Difference	
			Amount	%
Net operating income	3,667,818	3,947,152	(279,334)	(7.08)
Operating cost	2,564,284	2,641,788	(77,504)	(2.93)
Gross profit	1,103,534	1,305,364	(201,830)	(15.46)
Operating expenses	254,361	248,498	5,863	2.36
Operating profits	849,173	1,056,866	(207,693)	(19.65)
Non-operating income and expenses	160,472	55,066	105,406	191.42
Net income before tax	1,009,645	1,111,932	(102,287)	(9.20)
Income tax expense (profit)	169,802	194,465	(24,663)	(12.68)
Net income	839,843	917,465	(77,622)	(8.46)
Other comprehensive profit(loss) (net amount after tax)	(19,805)	366,346	(-386,151)	(105.41)
Total comprehensive profit or loss – current	821,520	1,291,407	(469,887)	(36.39)

1. For the change over two periods exceeds 20% and for an amount more than NT$10 million, the main reasons are analyzed and explained as follows:

(1) Non-operating income and expenses:

The increase in non-operating income and expenses of the current period compared with the same period last year was mainly due to the increase in interest income as a result of rising interest rates.

(2) Other comprehensive (profit) loss (net of tax):

The decrease in other comprehensive (profit) losses (net amount after tax) of this period compared with the same period last year was mainly due to the decrease in the exchange differences resulted from the conversion of the financial statements of foreign operating institutions.

(3) Total comprehensive profit and loss – current:

The decrease in the total comprehensive profit and loss for the current period compared with the same period last year was mainly due to the decrease in net income and other comprehensive profit (loss) (net amount after tax) for the current period.

2. Expected sales volume and the reference, possible impact on the company's future financial and business matters and countermeasures

The company sets annual sales targets in accordance with the operating plan and the considerations of industrial planning and past operating performance. The company will base on the changes in future market demand and customer product and service needs to enhance the business relationships with existing customers continuously, to develop new customers actively, and to expand market share. The company remains cautiously optimistic about the sales in volume and revenue in the coming year.

III. Cash flow analysis

1. Analysis of cash flow changes in the most recent year

Unit: NT$ thousand

Cash balance - beginning	Net cash flow from annual operating activities	Net cash flow from annual investing and financing activities	The impact of exchange rate changes on cash and cash equivalents	Cash balances	Remedies for insufficient cash balances	
					Investing plan	Financing plan
1,719,592	1,536,566	(1,968,150)	10,085	1,298,093	–	–

Analysis of changes in cash flow:

1. The net cash inflow from operating activities is mainly due to the profit growth this year that helps generate cash inflow from operating activities.

2. Net cash outflow from investing activities is mainly due to the increase in the purchase of fixed assets.

3. Net cash outflow from financing activities is mainly due to the distribution of dividends.

2. Cash liquidity analysis for the next year

Unit: NT$ thousand

Cash balance - beginning	Net cash flow from annual operating activities	Net cash flow from annual investing and financing activities	Cash balances	Remedies for insufficient cash balances	
				Investing plan	Financing plan
1,298,093	1,446,307	(981,025)	1,763,375	–	–

Analysis of cash flow:

1. Operating activities: The expected operating income and profits will help generate net cash inflow from operating activities.

2. Investing activities: The expected purchase of fixed assets and other factory equipment will help generate net cash outflows.

3. Financing activities: The expected distribution of cash dividends and increase of bank loans will help generate net cash inflow.

Remedial measures for expected insufficient cash and liquidity

analysis: None

IV. Impact of major capital expenditures on financial and business matters in recent years: None

V. The reinvestment policy of the most recent year and the main reasons for profits or losses, as well as its improvement plans and investment plans for next year:

1. Reinvestment policy

The company based on operational considerations mainly invests in related fields of the industry in order to provide a broad range of services and build up a more diversified customer base. The company currently owns 100% of the invested company, Winstek, whose business is wafer bumping and wafer-level packaging and testing services; also, Winstek Technology, that is engaged in the development, rental, and sale of industrial plants.

2. Investment profits or losses and improvement plans

Unit: NT$ thousand

Name of investing company	Name of the invested company	Amount of profit (loss) recognized for 2023	Main reasons for profit or loss	The improvement plan
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	302,361	The turnover of the subsidiary, Winstek, in 2023 dropped by 4.4% compared with the previous period; however, operating costs were properly controlled; therefore, operations were stable and profitable.	Not applicable
Winstek Semiconductor Co., Ltd.	TST Co., Ltd.	1,435	The Winstek Technology's main source of profit in 2023 was from bank deposits. Interest income.	Not applicable

3. Investment plan for the next year:

The company expects no major investment plan to take place in the next year.

VI. Analysis and evaluation of risk events in the most recent year and as of the publication date of the annual report

1. The impact of interest rates, exchange rate changes, and inflation on the company's profits and losses, and future countermeasures:

Unit: NT$ thousand

Item/Year	2022	2023
Net operating income	3,947,152	3,667,818
Net interest expense	11,380	14,578
Interest expense as a percentage of net operating income (%)	0.29%	0.40%
Net exchange profit (loss)	39,274	32,434
Exchange profit and loss as a percentage of net operating income (%)	0.99%	0.88%

(1) Interest rate changes

Interest expenses accounted for 0.40% and 0.29% of the annual net sales in 2023 and 2022, respectively; therefore, changes in interest rates have no material impact on the company and its subsidiaries.The company observes the changes in market interest rates at all times, maintains good relationships with banks to obtain more favorable interest rate terms, and adjusts financing tools in a timely manner to reduce the risk of interest rate changes.Therefore, it is expected that changes in interest rates will not pose material risks to the company's profits and losses.

(2) Exchange rate changes

The foreign currency positions for purchase and sale transactions of the company and its subsidiaries are based on the principle of liabilities and assets offset for natural hedging, and keep the net position exposed to exchange rate fluctuations the lowest possible; also, maintain a close contact with the foreign exchange departments of the interacting banks in order to understand the trend of exchange rate changes, which can be used as a reference for foreign exchange trading and settlement. Implement foreign exchange operating tools for hedging purposes to reduce the impact of exchange rate fluctuations on operating costs, when necessary.

(3) Inflation

The profits and losses of the company and its subsidiaries have not been materially affected by inflation currently.The company will observe market price fluctuations constantly in the future, maintain a good interactive relationship with customers and suppliers, adjust product selling prices, and ensure the supply of raw materials appropriately in order to reduce the impact of inflation.

2. The policies of engaging in high-risk and high-leverage investments, loaning of

funds, making of endorsements/guarantees, and derivatives transactions, the main reasons for profits or losses, and future countermeasures:

The company does not engage in high-risk and high-leverage investments or derivatives transactions. The company only have arranged loaning of funds and making of endorsements/guarantees for the subsidiaries. The company's financial and business matters are handled soundly, and does comply with relevant laws and regulations and the "Procedures for Loaning of Funds and Making of Endorsements/Guarantee;" therefore, there is no possibility of loss.

3. Future R&D plans and estimated R&D expenses:

The company will continue to develop and introduce new packaging and testing processes and new technologies, and will actively develop and introduce new technologies in line with customers' requirements for new products, which includes multi-function, high-speed, high reliability, and high precision in the future.Future R&D expenses will be controlled for an amount equivalent to 2% of annual revenue or less.

4. The impact of important domestic and foreign policies and legal changes on the company's financial and business matters and the relevant countermeasures:

The company's financial and business matters have not been affected by any major domestic or foreign policies and legal changes in recent years.

5. The impact of technological changes (including information security risks) and industrial changes on the company's financial and business matters, and the countermeasures:

The company has established an enterprise information security organizational structure and formulated information security policies and various management plans in response to information security risks; also, the company strives to ensure and enhance the confidentiality, integrity, and usability of the company's information assets, strengthen employees' awareness of information security, and complies with relevant laws and regulations in order to protect the company from internal and external deliberate or accidental threats.In addition, the company always observes relevant technological changes in the industry and evaluates the possible impact on the company's operations. There have been no technological changes occurred in recent years that have a significant impact on the company's financial and business matters.

6. The impact of changes in corporate image on corporate crisis management, and the

countermeasures:

The company has been enhancing the company's internal management and improving quality management capabilities since the date of incorporation continuously and actively. There have been no material changes in the company's corporate image in recent years; also, there have not any negative report in market against the company's image.

7. Expected benefits, possible risks, and countermeasures for mergers and acquisitions:

   The company did not have any merger and acquisition plan in the most recent year and as of the publication date of the annual report.

8. Expected benefits, possible risks, and countermeasures for factory expansions:

   The company has no plan for factory expansions currently.

9. Risks of concentrated purchasing or sales, and the countermeasures:

   (4) Risks of concentrated purchasing

   The company has acquired main materials for operations from multiple suppliers stably in response to frequent changes in market demand, systematically evaluated new suppliers every year, and search for new qualified suppliers and alternative materials actively. The company's main material suppliers are all well-known international manufacturers with sound finances and capability of supplying materials continuously; therefore, there is no risk of concentrated purchasing.

   (5) Risks of concentrated sales

   The company has developed new customer services actively based on the allocation of production capacity in response to market demand in recent years in order to enhance overall competition niche and hedge the risks of concentrated sales.

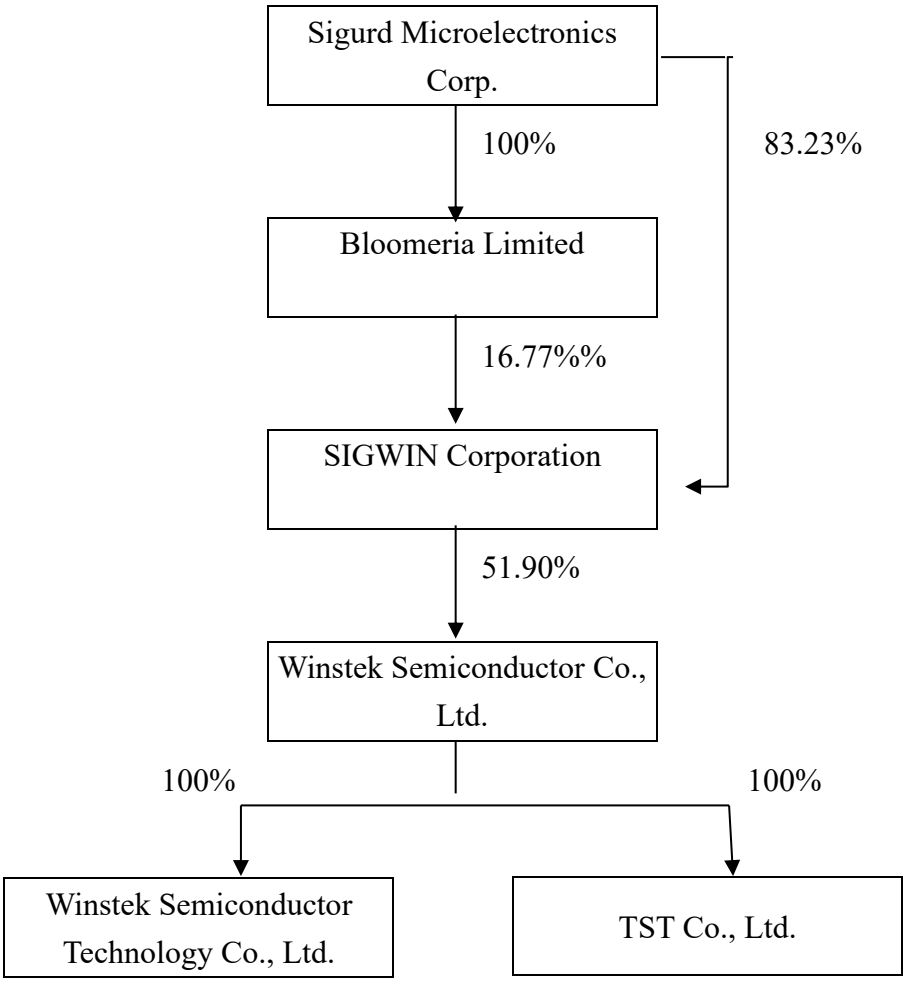
10. The impact and risks of the large-scale transfer or swap of shares by directors, supervisors, or major shareholders holding more than 10% of the shares on the company, and the countermeasures: None.
11. Impact and risks of the changes in management rights on the company, and the countermeasures: None
12. Handling of litigation or non-litigation matters: None
13. Other important risks and countermeasures: None

VII. Other important matters: None

Eight. Special matters

I. Information on affiliated enterprises:

1. Affiliated enterprise organizational chart:



2. Basic information of affiliated enterprises

Company Name	Date of establishment	Address	Paid-in capital	Main business or production items
Winstek Semiconductor Technology Co., Ltd.	09.29.2005	No. 176-5, Luliaokeng, 6th Ling, Hua-Long Village, Qionglin Township, Hsinchu County	NT$2,100,000 thousand	Wafer bumping and flip chip technology packaging services
TST Co., Ltd.	05.10.2022	No. 176-5, Luliaokeng, 6th Ling, Hua-Long Village, Qionglin Township, Hsinchu County	NT$200,000 thousand	Plant development and leasing services

3. Those presumed to be wholly owned and subordinate: None

4. The businesses operated by the overall affiliated enterprises:

The business operations of the company and its affiliated enterprises include wafer bumping, flip-chip technology packaging services, and semiconductor testing services.

5. The names of the directors, supervisors, and President of each affiliated enterprise and the company's shareholdings or capital contributions in each enterprise:

December 31, 2023; Unit: Thousand shares

Company Name	Title	Name or representative	Shareholdings	
			Number of shares	Percentage of ownership
Winstek Semiconductor Technology Co., Ltd.	Chairman	Representative of Winstek Semiconductor Co., Ltd.: Hsing-Yang Huang	2,100,000	100%
	Director	Representative of Winstek Semiconductor Co., Ltd.: Li-Chi Weng		
	Director	Representative of Winstek Semiconductor Co., Ltd.: Min-Hung Wu		

December 31, 2023; Unit: Thousand shares

Company Name	Title	Name or representative	Shareholdings	
			Number of shares	Percentage of ownership
TST Co., Ltd.	Chairman	Representative of Winstek Semiconductor Co., Ltd.: Hsing-Yang Huang	200,000	100%
	Director	Representative of Winstek Semiconductor Co., Ltd.: Li-Chi Weng		
	Director	Representative of Winstek Semiconductor Co., Ltd.: Min-Hung Wu		

6. Operating overview of each affiliated enterprise:

December 31, 2023; Unit: Thousand shares

Company Name	Capital stock	Total assets	Total liabilities	Net worth	Operating income	Operating profit (loss)	Net income (after tax)
Winstek Semiconductor Technology Co., Ltd.	2,100,000	3,770,456	1,217,680	2,552,776	2,423,924	265,176	302,361
TST Co., Ltd.	200,000	201,658	177	201,481	0	(194)	1,435

7. Affiliated Enterprise Consolidated Financial Reports

The companies to be included in the company's 2023 (from January 1, 2023 to December 31, 2023) affiliated enterprise consolidated financial statements in accordance with the "Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Relation Reports" and the companies to be included in the parent-subsidiary consolidated financial statements in accordance with IFRS 10 that are approved by the Financial Supervisory Commission are the same; also, the information that should be disclosed in the affiliated enterprise consolidated financial statements has already been disclosed in the aforementioned parent-subsidiary consolidated financial statements; therefore, the affiliated enterprise consolidated financial statements will not be prepared separately.

Winstek Semiconductor Co., Ltd.

(Stock code: 3265)

Affiliation report

2023

Winstek Semiconductor Co., Ltd.

Statement on the Affiliation Report

The company's affiliation report for the fiscal year 2023 (from January 1, 2023 to December 31, 2023) was prepared in accordance with the "Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Relation Reports," and there is no material discrepancy between the information disclosed and the relevant information disclosed in the notes to the financial reports for the aforementioned period.

Company: Winstek Semiconductor Co., Ltd.

Responsible Person: Hsing-Yang Huang

February 26, 2024

Winstek Semiconductor Co., Ltd.

Independent Auditor's Review Report on the Affiliation Report

Zi-Hui-Zong-Zi No. 23009512

To: Winstek Semiconductor Co., Ltd.

Winstek Semiconductor Co., Ltd. has the affiliation report for the fiscal year 2023 prepared in accordance with the "Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Relation Reports." We have the relevant financial information reviewed against the relevant information disclosed in the notes to the financial statements for the aforementioned period.

We have reviewed and confirmed that the affiliation report of Winstek Semiconductor Co., Ltd. for the fiscal year of 2023 has been prepared in accordance with the "Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Relation Reports," and there is no material discrepancy between the information disclosed and the relevant information disclosed in the notes to the financial reports for the aforementioned period; therefore, no material amendment is required.

PwC Taiwan

Chi-Chen Hsieh

CPAs

Tsai-Yen Chiang

Former Financial Supervisory Commission of the Executive Yuan
Approved Attestation No.: Jin-Kwong-Zheng-Shen-Zi No. 0990042599
Financial Supervisory Commission
Approved Attestation No.: Jin-Kwong-Zheng-Shen-Zi No. 1060025097
February 26, 2024

Winstek Semiconductor Co., Ltd.

The 2023 Affiliation Report

1. Overview of the relationship between subsidiaries and controlling companies

The company is a subsidiary of Sigurd Microelectronics Corp. (hereinafter referred to as "Sigurd") with the information provided as follows:

Unit: share; %

Name of controlling company	Control reasons	Control the company's shareholding and pledge			The directors, supervisors, or managerial officers appointed by the controlling company	
		Number of shares owned	Percentage of ownership	Number of shares pledged	Title	Name
Sigurd Microelectronics Corp.	The ultimate parent company that has control over the company	Comprehensive shareholdings 70,726,438 (Note)	Comprehensive shareholding ratio 51.90% (note)	-	Chairman Director Director Director Director	Hsing-Yang Huang Min-Hung Wu Tsan-Lien Yeh Hsu-Tung Kuo Chao-Hung Hsieh

Note: Sigurd Microelectronics Corp. obtained control over Bloomeria Limited, the company's parent company, on October 13, 2017 with 51.88% of the company's equity indirectly and became the company's ultimate parent company.

Bloomeria Limited transferred its equity in the company to Sigurd Microelectronics Corp., a wholly-owned subsidiary of SIGWIN Corporation, on July 6, 2020, then Sigurd Microelectronics Corp., together with other stock shares acquired from the market, has owned 51.90% of the company's equity thereafter.

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II. Transactions

The transactions conducted between the company and Sigurd Microelectronics Corp., the controlling company, are as follows:

(I) Purchase and sale transactions: Please refer to Appendix 1 for details.

(II) Property transactions: None

(III) Financing transactions: None

(IV) Asset leasing transactions: None

(V) Other important transactions: There are no material transactions conducted.

III. Endorsements/guarantees disclosure: None

IV. Other events that have a material impact on financial and business matters: None

Attached Table 1

Purchases and sales transactions

Unit: NT$ thousand; %

Transactions conducted with the controlling company				Trade terms agreed with the controlling company		General trading terms		Difference Reason	Accounts receivable (payable) and notes receivable (payable)		Overdue accounts receivable			Note
Purchases (sales)	Amount	Ratio to total purchases (sales)	Sales Gross profit margin	Unit price (NTD)	Credit Period	Unit price (NTD)	Credit period		The balance amount	Ratio to total accounts receivable (payable) and notes receivable (payable)	Amount	Handling method	Allowance for bad debt	
(Sales)	($896)	0.02%	10%	Notes	Net 30 days	Notes	Net 30 days 30 - 90days	Notes	$ 721	0.08%	$ -	-	$ -	None

Note: Products and services are sold/provided to related parties in accordance with general business terms and conditions.

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II. Private placement of marketable securities in the most recent year and as of the publication date of this annual report: None

III. Holding or disposal of the company's shares by its subsidiaries in the most recent year and as of the publication date of this annual report: None

IV. Other matters that require additional explanation: None

V. Any of the situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act that materially affect shareholders' equity or the price of securities occurred in the most recent year and as of the publication date of the annual report: None

Winstek Semiconductor Co., Ltd.

Chairman: Hsing-Yang Huang