



Stock Code: 3265

**Winstek Semiconductor Co., Ltd.**

**2023 General Shareholders' Meeting**

**Meeting Handbook**

**Time: June 6, 2023 (Tuesday), 09:00 AM**

**Place: No. 176~5, Luliaokeng, 6th Ling, Qionglin Township,  
Hsinchu County, Taiwan**

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**One. Procedure for the 2023 General Shareholders' Meeting of  
Winstek Semiconductor Co., Ltd.**

- 1. Call the Meeting to Order**
- 2. Chair's Remarks**
- 3. Reports**
- 4. Proposals**
- 5. Election Matters**
- 6. Discussion Items**
- 7. Provisional Motions**
- 8. Adjournment**

**Two. Agenda of the 2023 General Shareholders' Meeting of Winstek Semiconductor Co., Ltd.**

**Convening method: Physical shareholders' meeting**

**Time: June 6, 2023 (Tuesday), 09:00 AM**

**Place: No. 176~5, Luliaokeng, 6th Ling, Qionglin Township, Hsinchu County. (The address of the Company)**

**I. Call the Meeting to Order**

**II. Chair's Remarks**

**III. Reports**

**(1) 2022 Business Report.**

**(2) Audit Committee's 2022 Review Report.**

**(3) Report on the distribution of cash dividends from 2022 earning.**

**(4) Report on the payout of cash dividends from earnings in 2022.**

**IV. Proposals**

**(1) 2022 Business Report and financial statements.**

**(2) Distribution of 2022 earnings.**

**V. Election Matters**

**Proposal to re-elect the Company's directors**

**VI. Discussion Items**

**(1) Motion to lift the restrictions on the competition of the newly elected directors and representatives.**

**(2) Motion to amend provisions of the "Operational Procedure for Capital Loans to Others."**

**VII. Provisional Motions**

**VIII. Adjournment**

## I. Reports

### Report 1

2022 Business Report.

Description: Please refer to Attachment 1 from pages 10 to 13 of this handbook for the Company's 2022 Business Report.

### Report 2

Audit Committee's 2022 Review Report.

Description: Please refer to Attachment 2 on page 14, pages 16-19, and Attachment 3 from pages 28-31 of this handbook for the Audit Committee's 2022 Review Report and the CPAs' Audit Report.

### Report 3

2022 Employee and Director Remunerations Distribution Status Report.

Description: (1) The employee remuneration and the directors' remuneration are distributed as per Article 28 of the Company's Articles of Incorporation.

(2) It is proposal to distribute NT\$66,001,795 as remuneration to the employees and directors, which is 5.9% and 0% of the earnings in 2022, respectively. Payment shall be made in cash in whole, which is relevant to the requirements of the Articles of Incorporation and the amount stated in the book.

(3) The recipients of the employee remuneration include the Company's employees and those at the controlling company or subsidiaries who met certain criteria. The amount distributed will be determined based on the comprehensive review of the length of service, job grades, performance, overall contribution or special achievements, and other matters and paid out after approval by the Chairman.

### Report 4

Report on the distribution of cash dividends from 2022 earning.

Description: (1) As per Article 29 of the Company's Articles of Incorporation, the Board of Directors is authorized to distribute all or part of the dividends and bonuses in cash through a supermajority resolution and report it to the shareholders' meeting.

(2) It is proposed to distribute a cash dividend of NT\$681,308,295 to shareholders, with

NT\$5.0 per share. The cash dividend is rounded down to NT\$ as per the distribution percentage. Each amount below NT\$1 will be adjusted in the descending order of the amounts, and the shareholder account numbers to be aligned with the total amount of cash dividends to be distributed. In addition, the processing fee and remittance fee shall be borne by the shareholders and deducted from the dividends payable.

- (3) This proposal has been approved by the Board of Directors, and the Chairman is authorized to set the ex-dividend record date and matters related to the payout. If the changes in the total number of outstanding shares subsequently, affect the dividend rate, the Chairman is authorized to handle it at his own discretion.

## **II. Proposals**

### Proposal 1

2022 Business Report and financial statements. (Proposed by the Board)

Description: (1) The 2022 Business Report and financial statements were approved by the Board of Directors. The financial statements were audited by CPAs Hsieh Chih-Cheng and Chiang Tsai-Yen of PwC Taiwan. The above financial statements and Business Report have been submitted to the Audit Committee for review, by whom an audit report has been issued.

(2) The Business Report (Attachment 1 from pages 10-13), the CPAs' audit report (Attachment 2 from pages 16-19 and pages 28-31) and the financial statements (Attachment 3 from pages 20-27 and 32-36) are submitted for ratification.

Decision:

Proposal 2

Distribution of 2022 earnings. (Proposed by the Board)

Description: (1) The Company's net profit after tax in 2022 was NT\$917,467,193, and the Company planned to distribute NT\$681,308,295 as cash dividends to shareholders, with a dividend rate of NT\$5 per share.

(2) The 2022 statement of earnings distribution has been approved by the Board of Directors and submitted to the Audit Committee for review.

(3) The 2022 statement of earnings distribution is as follows:

<b>Winstek Semiconductor Co., Ltd.</b>	
<b>Proposal for distribution of earnings</b>	
<b>2022</b>	
	Unit : NTD
<b>Undistributed earnings at the beginning of the period</b>	<b>2,080,866,980</b>
Add: Net income after tax for the year	917,467,193
Add: The amount of items other than the net income after tax for the year included in the undistributed earnings of the year - the change in actuarial gain or loss for 2022	7,594,018
Add: reversal of a special reserve	282,069,667
Less: Provision for Legal Reserve	(92,506,121)
Distributable earnings	3,195,491,737
Distribution:	
<b>Less: Shareholders' Dividends – cash (submit to the shareholders' meeting after the board of directors resolution)</b>	
(Based on 136,261,659 outstanding shares, which made up to NT\$5/share)	<b>(681,308,295)</b>
Shareholders' Dividends and bonus - stocks	
<b>Undistributed earnings at the ending of period</b>	<b>2,514,183,442</b>

Chairman:

General manager:

Accounting  
manager:

(4) It is hereby submitted for ratification.

Decision:



### **III. Election Matters**

Content election of a new Board of Directors (Proposed by the Board)

Description : (I) The tenure of the Directors (including Independent Directors) for the present term will expire on June 8, 2023. A comprehensive re-election is anticipated prior to this shareholders' meeting.

(II) 9 candidates shall be elected to the director seats (including 3 seats of Independent Directors) in this election according to the Company's Articles of Incorporation. The newly elected Directors will assume office immediately after the adjournment of this session of the shareholders' meeting. Each has a tenure of 3 years from 2023.06.06 to 2026.06.05.

(III) According to the Articles of Incorporation of the Company , the candidate nomination system is adopted by the Company in the election of Directors for this instance. Shareholders shall elect the candidates on the nomination list. The election of Independent Directors will be held simultaneously and the votes will be counted to determine the winners.

(IV) For information on the list of candidates for the directors and independent directors seats, their education, experience, and the proportion of shareholdings, refer to this manual (Attachment IV from pages 37-38)

(V) Vote in the election is asked.

Election Results:

### **IV. Discussion Items**

Discussion items1

Motion of lifting the restrictions on the competition of the newly elected directors and representatives.  
(Proposed by the Board)

Description:

- (I) According to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person within the scope of the company's business shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
- (II) Where the newly elected directors and representatives may also hold positions as directors or other similar positions of other companies engaged in the same or similar scope of business of the Company, we ask the Shareholders' Meeting to lift the Company's non-competition restriction on these new directors and representatives pursuant to Article 209 of the Company Act so that the business of the Company can be developed smoothly without causing any

damage to its interest. Before discussing this motion, supplementary information on the scope and content shall be provided.

- (III) Please refer to this manual (Appendix V from pages 39-40) for lifting the list of competition status for director candidates. It is proposed to agree to lift the competition restriction after being elected.
- (IV) The proposal is submitted for discussion.

Decision:

Discussion items 2

Motion to amend provisions of the "Operational Procedure for Capital Loans to Others." (Proposed by the Board)

Description:

- (I) It is proposed to amend some provisions of the " Operational Procedure for Capital Loans to Others" in response to the Company's operational needs. Please refer to this manual (Attachment VI from pages 41-43) for the table of amendments.
- (II) Submitted for discussion.

Resolution:

## **V. Provisiona Motions**

## **VI. Adjournment**

## **Attachment I**

### **Winstek Semiconductor Co., Ltd.**

#### **2022 Business Report**

The business environment in 2022 was plagued by intensified global inflation, the intensifying Russia-Ukraine war, and the escalation of COVID-19 in mainland China. These factors have slowed down the demands for global consumer-end products and hampered the semiconductor industry's growth. On the other hand, the governments of various nations have actively strengthened semiconductor manufacturing energy, especially in the United States. In addition to curbing the rise of the red supply chain, it also created a new type of semiconductor alliance through funding subsidies and cooperative R&D.

Regarding the domestic market overview, the weak consumer application demand has led to continued inventory adjustments by end customers. According to the Taiwan Semiconductor Industry Association (TSIA), the annual increase in our IC industry's output value dropped from 26.7% in 2021 to 19.7% in 2022. The annual increase in the output value of the IC packaging and testing industry also dropped from 16.3% in 2021 to 7.7% in 2022.

Despite many uncertainties in the global economy, governments and manufacturers from various countries are eager to invest in future market opportunities, resulting in a strong demand for high-performance computing and heterogeneous integration. As a result, orders for advanced process wafer foundry and high-end packaging and testing will remain strong. For the high-end packaging and testing industry, small chip design and heterogeneous integration technology will help meet customer product upgrade needs. Meanwhile, system-in-package modules will have higher energy requirements, contributing to the growth momentum of products in related fields. On the other hand, the U.S. has continued to expand the semiconductor industry development restrictions in mainland China at the product, equipment, software, material, and many other levels. The determination to restrict China's supply chain development has hampered supply chain production, caused some production lines to expand outward, and increased demand for production capacity support from Taiwan's semiconductor manufacturers.

The high global inflationary pressure has affected public consumer confidence. The failure of various types of consumer demand to meet expectations may lead to a global semiconductor demand growth slowdown in 2023. Governments worldwide and the semiconductor industry have invested huge sums of money in constructing fabs. The number of 12-inch wafer fabs in operation worldwide is expected to reach 203 by 2026, and overall semiconductor production capacity will be significantly increased. This may lead to an oversupply risk. The demand for 5G, HPC, and automotive electronics is

on the rise, the process technology required is constantly being developed and innovated, and the active supply chain layout will drive the rapid growth of relevant talents required. Regarding industrial policy, it is recommended to actively improve the supply side and assist the semiconductor industry's development in cultivating and recruiting talents.

With the collective efforts of all our employees and shareholders' and customers' support, the Company's overall business performance for the past year is reported as follows:

- I. The consolidated operating income in 2022 was NT\$3.95 billion, an increase of 27.9% from NT\$3.90 billion in 2021. The net income after tax in 2022 was NT\$920 million, an increase of NT\$5200 million from NT\$390 million in 2021. The earnings per share in 2022 was NT\$6.37, an increase of NT\$3.84 from NT\$2.89 in 2021.
- II. Budget execution: The Company did not disclose financial forecasts for 2022.

### Financial structure, debt service ability, and profitability analysis

The Company's financial position and profitability are great and its financial structure, debt service ability, and profitability are as follows:

Item		Parent Company Only Financial Statements		Consolidated Financial Statements	
		2022	2021	2022	2021
Financial structure	Ratio of liabilities to assets (%)	8.0%	6.2%	21.5%	23.1%
	Ratio of long-term capital to fixed property (%)	331.3%	413.1%	212.3%	211.4%
Debt service ability	Current ratio (%)	426.7%	271.3%	531.5%	494.2%
	Quick ratio (%)	423.8%	267.4%	515.0%	472.9%
Profitability	Return on assets (%)	16.0%	7.8%	13.4%	6.6%
	Return on equity (%)	17.1%	8.2%	17.1%	8.2%
	Net profit rate (%)	49.9%	33.9%	23.2%	12.8%
	Earnings per share (NTD)	6.73	2.89	6.73	2.89

### Research and Development Status

Automotive, high-performance computing (HPC), IoT, and other high-growth sectors will continue to be critical in the long-term development of application products in the future. HPC will become the focus of future market attention in next-generation computing. After 2023, IoT product applications will focus on the innovative use of high computing power and non-traditional IT products. Computing power improvement is linked to issues such as wafer manufacturing process and power consumption. We hope to increase chip computing power and overcome power consumption bottlenecks for future processors via miniaturization and new material introduction. On a technical

level, the next stage of the wafer foundry industry will advance to 3nm mass production process technology after 2023, and clients will place orders based on quality and stability. Under this wave of demand, the company adopts a diverse and stable deployment to maintain a highly competitive strategic orientation despite the drastic changes in the external environment. The Company continues to maintain close collaboration with clients and actively invests in relevant technologies and production capacity to clients' future needs.

### **This Year's Business Strategy and Policy**

In light of the rapid changes in the industry and the numerous external environmental uncertainties, we shall continuously focus on investment in the R&D of high-end semiconductor package and testing to maintain our advantage in high-end technology and satisfy clients' product demands. Meanwhile, we are committed to resource integration, cost reduction, and increased productivity. we are also actively developing new clients to ensure the company's revenue and profitability in addition to providing a comprehensive packaging and testing one-stop service model to the existing clients.

According to research firm Gartner, the global semiconductor revenue in 2023 is estimated to be US\$596 billion, showing a decrease of 3.6% from the 2022 global semiconductor revenue of US\$618 billion. According to semiconductor industry prosperity signal indicators and 2023 market forecasts from various professional institutions, procurement demand in emerging technology fields such as 5G/WiFi6/HPC/LEO/Data Center/AI will remain high. However, there are numerous market uncertainties. The company will continue to improve its product competitiveness to meet the clients' demands according to the product development trends.

### **Impact of the external environment, regulatory environment, and general business environment**

The COVID-19 pandemic has raged for many years, and it has had a significant impact on the current globalization model. It has also changed human consumption behavior and the overall economic structure. As times progressed, a new economic model emerged due to industrial chain restructuring and digital economy growth. We have survived the COVID-19 crisis and witnessed more opportunities. In addition to meeting the needs of the world's top clients with the right products at the right time, Winstek Semiconductor has also joined forces with clients to develop the next-generation technology blueprint based on existing products. Our goal is to create a comprehensive smart living environment while continuing to optimize production and R&D capabilities. Winstek Semiconductor will continue to maintain its core values, process integration, and execution capabilities in response to the volatile external environment; and become the best strategic supplier partner for clients.

We would like to thank our shareholders for your continuous support and encouragement of the Company and hope that you will continue to encourage us and offer us your precious advice. We wish you

good health and all the best!

Chairman of the board:

Manager:

Accounting Officer:

**Attachment II**

**Winstek Semiconductor Co., Ltd.**

**Audit Committee's Audit Report**

Among the Company's 2022 Business Report, financial statement, and profit distribution proposal; the 2022 Business Report and financial statements were approved by the board of directors, and the financial statements were audited by CPAs Hsieh Chih-Cheng and Chiang Tsai-Yen of PwC Taiwan. The Audit Committee has audited the aforesaid financial statement, Business Report, and surplus distribution proposals, and no discrepancy was found. A report is prepared and submitted for examination pursuant to Articles 14-4 of the Securities and Exchange Act and 219 of the Company Act.

It is hereby presented to

The Company's 2023 General Shareholders' Meeting

Convener of the Audit Committee: Lin, Min-Kai

March 6, 2023

### **Attachment III**

Winstek Semiconductor Co., Ltd.

#### Declaration of Consolidated Financial Statement of Affiliates

Companies required to be included in the consolidated financial statements under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," are identical with the companies required to be included in the consolidated financial statement of parent and subsidiaries under IFRS 10 in 2022 (January 1 to December 31, 2022). Furthermore, information for disclosure in the consolidated financial statements has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiaries. We therefore will not prepare the financial statements of affiliates.

As hereby declared

Company name : Winstek Semiconductor Co., Ltd.

Legal Representative : Huang Hsing-Yang

March 6, 2023



## Independent Auditors' Report

(112) PWCR 22002995

To Winstek Semiconductor Co., Ltd.:

### **Audit Opinion**

The consolidated balance sheet on December 31, 2022 and December 31, 2021 consolidated composite income sheet, consolidated statement of changes in equity, combined statement of cash flows from January 1, 2022 to December 31, 2021, and the notes to the consolidated financial statements (including the summary of material accounting policies) of Winstek Semiconductor Co., Ltd. and Subsidiaries (hereinafter referred to as "Winstek Group"), have been audited by CPA.

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

### **Basis of Opinion**

We have performed the auditing work in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards in the ROC. Below, our CPAs will further explain the responsibilities auditors shall execute during the audit of consolidated financial statements under the above principles. The personnel of our accounting firm who are subject to independent regulations have acted in accordance with the ROC CPA Code of Professional Ethics to remain highly neutral from Winstek Group, while fulfilling other duties set forth in the said Code. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of the auditor's opinion.

### **Key Audit Matters**

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

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

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

#### Matter description

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

#### Corresponding auditing procedures

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

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

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

Winstek Semiconductor Co., Ltd. has prepared the individual financial report of the year 2022 and 2021, and the CPA has issued the unqualified audit report with other matters for future reference.

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

The responsibility of the management and the governance units shall be conducting necessary internal control to ensure that the Group is prepared in accordance with these Regulations Governing the Preparation of Financial Reports by Securities Firms approved by the Financial Supervisory Commission and are also prepared, governed, interpreted with International Financial Reporting Standards (IFRS), and International Accounting Standards (IAS) for avoidance of misleading, manipulated or major unfaithful expression of consolidated financial statements of the Group.

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

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

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

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

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

1. Identifying and evaluating likely risks from significant false contents in the consolidated financial statements as a result of fraudulence or errors, designing and executing proper counter measures against the risks identified, and also establishing sufficient and appropriate audit evidence to serve as the basis of the auditor's report. As fraudulence can involve conspiracy, forgery, intentional omissions, false statements or transgressions of internal control, the risk of failing to detect significant false contents resulting from fraudulence is higher than the risk of failing to identify those coming from errors.
2. Obtaining necessary understanding of internal controls relevant to the audit, in order to design appropriate audit procedures in the circumstances, but the purpose is not to express an opinion on the effectiveness of internal controls of Winstek Group.
3. Evaluating the appropriateness of the accounting policy adopted by the management and the reasonableness of the accounting assessment and related disclosures made accordingly.
4. Based on the audit evidence obtained, conclusions are drawn on the appropriateness of the management's continuing adoption of the going concern accounting foundation and whether there was any significant doubt (in the events or circumstances) about the capacity of Winstek Group to remain in operation or whether any significant uncertainty existed. If we thought such doubt or significant uncertainty existed, we had to point it out in the auditor's report to remind users of the consolidated financial statements to look out for related disclosures in the consolidated financial statements to revise our audit opinion if such disclosures were considered inappropriate. Our conclusion was established according to the audit evidence obtained before the deadline for the auditor's report. However, future events or circumstances may result in Winstek Group no longer being able to continue as a going concern.

5. Evaluating the overall expression, structure and contents of the consolidated financial statements (including related notes) and whether the consolidated financial statements could appropriately express related transactions and events.
6. Obtaining sufficient and appropriate audit evidence with regard to the finance of the individual entities in the group to establish our opinion about the consolidated financial statements. We were responsible for guiding, supervising, and executing the audit work for the group and also establishing the auditor's opinion.

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

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

Based on the result of our discussion with the governance body, we decided the key audit matters when auditing the 2022 consolidated financial statement of Winstek Group. We have clearly described the said matters in the auditor's report except certain matters whose public disclosure is prohibited by law or certain matters we decided not to mention under some extremely rare circumstances because disclosure of such matters can be reasonably expected to lead negative effects that would be greater than public good they might benefit.

PwC Taiwan

Hsieh Chih-Cheng

Certified public accountant

Chiang Tsai-Yen

Financial Supervisory Commission (FSC)

Approved certificate No. 0990042599

FSC Approved Certificate No. 1060025097

March 6, 2023

Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

December 31, 2022 and 2021

Unit: NT\$ thousand

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

(To be continued on next page)

Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

December 31, 2022 and 2021

Unit: NT\$ thousand

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

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

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

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

Unit: NT\$ thousand

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

(To be continued on next page)

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

Unit: NT\$ thousand

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

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

The notes to the combined financial statements attached is part of the combined financial report for your reference.  
Chairman of the Board: Huang Hsing-Yang    Manager: Weng Chih-Li    Accounting Officer: Liu Kui-Chu



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

Unit: NT\$ thousand

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

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

Unit: NT\$ thousand

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

The notes to the combined financial statements attached is part of the combined financial report for your reference.  
Chairman of the Board: Huang Hsing-Yang    Manager: Weng Chih-Li    Accounting Officer: Liu Kui-Chu

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

Unit: NT\$ thousand

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

(To be continued on next page)

Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Statement of Cash Flow

January 1 to December 31 of 2022 and 2021

Unit: NT\$ thousand

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

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

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

To the Winstek Semiconductor Co., Ltd.:

## **Opinion**

The Parent Company Only Balance Sheets as on December 31, 2022 and December 31, 2021; Parent Company Only Statements Of Comprehensive Income, Parent Company Only Statement of Changes in Equity, Parent Company Only Statement of Cash Flows from January 1, 2021 to December 31 2021 and December 31 2022; and the Notes to the Parent Company Only Financial Statements (including the Summary of Significant Accounting Policies) of Winstek Semiconductor Co., Ltd., have been audited by the certified public accountant (hereafter referred to as "CPA").

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

## **Basis for Opinion**

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

## **Key Audit Matters**

Key audit key matters refer to those most material key matters for the audit on the Parent Company Only Financial Statements of the year 2022 of Winstek Semiconductor Co., Ltd., based on the professional judgment of the accountant. Such matters have been taken into account in audit of the overall Parent Company Only Financial Statements and have been considered to the formation of audit opinions, therefore the CPA is not giving any personal opinions on such key matters.

The key audit matters of the Parent Company Only Financial Statements of the year 2022 of Winstek Semiconductor Co., Ltd. are as followings:

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

#### Matters descriptions

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

#### Corresponding auditing procedures

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

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

The responsibility of the management and the governance units shall be conducting necessary internal control to ensure that the said Company are prepared in accordance with these Regulations Governing the Preparation of Financial Reports by Securities Firms approved by the Financial Supervisory Commission and are also prepared, governed, interpreted with International Financial Reporting Standards (IFRS), and International Accounting Standards (IAS) for avoidance of misleading, manipulated or major unfaithful expression of financial statements of the said Company.

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

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

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

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

CPAs observed the ROC Standards on Auditing and utilized auditor professional judgement and skepticism to conduct auditing. CPAs also carried out works below:

1. Identifying and evaluating likely risks from significant false contents in the Parent Company Only Financial Statements because of fraudulence of errors, designing and executing proper counter measures against the risks identified, and establishing sufficient and appropriate audit evidence to serve as the basis of the auditor's report. As fraudulence can involve conspiracy, forgery, intentional omissions, false statements or transgressions of internal control, the risk of failing to detect significant false contents resulting from fraudulence is higher than the risk of failing to identify those coming from errors.
2. Obtaining necessary understanding of internal controls relevant to the audit, in order to design appropriate audit procedures in the circumstances, but the purpose is not to express an opinion on the effectiveness of internal controls of Winstek Semiconductor Co., Ltd.
3. Evaluating the appropriateness of the accounting policy adopted by the management and the reasonableness of the accounting assessment and related disclosures made accordingly.
4. Based on the audit evidence obtained, conclusions are drawn on the appropriateness of the management's continuing adoption of the going concern accounting foundation and whether there was any significant doubt (in the events or circumstances) about the capacity of Winstek Semiconductor Co., Ltd. to remain in operation or whether any significant uncertainty existed. If we thought such doubt or significant uncertainty existed, we had to point it out in the auditor's report to remind users of the Parent Company Only Financial Statements to look out for related disclosures in the Parent Company Only Financial Statements to revise out audit opinion if such disclosures were considered inappropriate. Our conclusion was established according to the audit evidence obtained before the deadline for the auditor's report. However, future events or circumstances may result in Winstek Semiconductor Co., Ltd. no longer being able for going concern.
5. Evaluating the overall expression, structure, and contents of the Parent Company Only Financial Statements (including related notes) and whether the Parent Company Only Financial Statements could appropriately express related transactions and events.
6. Obtaining sufficient and appropriate audit evidence regarding the finance in Winstek

Semiconductor Co., Ltd. to establish our opinion about the Parent Company Only Financial Statements. We were responsible for guiding, supervising, and executing the audit work for the Company and also establishing the auditor's opinion.

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

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

Based on the result of our discussion with the governance body, we decided the key audit matters when auditing the 2022 Parent Company Only Financial Statements of Winstek Semiconductor Co., Ltd. We have clearly described the said matters in the auditor's report except certain matters whose public disclosure is prohibited by law or certain matters we decided not to mention under some extremely rare circumstances because disclosure of such matters can be reasonably expected to lead negative effects that would be greater than public good they might benefit.

PwC Taiwan

Hsieh Chih-Cheng

Certified public accountant

Chiang Tsai-Yen

Former Executive Yuan Financial Supervisory Commission  
(FSC)

SC Approved Certificate No. 0990042599

Financial Supervisory Commission (FSC)

FSC Approved Certificate No. 1060025097

March 6, 2023



Winstek Semiconductor Co., Ltd.  
Parent Company Only Balance Sheet  
December 31, 2021 and 2022

Unit: NT\$ thousand

Assets	Notes	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
<b>Current asset</b>						
1100	Cash and cash equivalents	6(1)	862,230	14	\$ 433,040	8
1136	Financial assets measured at amortized cost - current	6(2) and 8	153,550	2	25,000	1
1140	Contract assets - current	6(15)	27,559	-	11,056	-
1170	Net accounts receivable	6(3)	450,050	7	172,018	3
1180	Accounts receivable from related parties (net)	6(3) and 7	100,436	2	93,434	2
1200	Other receivables		2,309	-	14	-
1210	Other accounts receivable - related parties	7	54,955	1	13,264	-
1220	Income tax assets in the current period		-	-	32,791	1
1410	Prepayments		11,225	-	11,551	-
1479	Other current assets		7,240	-	5,924	-
11XX	<b>Total current assets</b>		<u>1,669,554</u>	<u>26</u>	<u>798,092</u>	<u>15</u>
<b>Non-current asset</b>						
1535	Financial assets measured at amortized cost - non-current	6(2) and 8	12,000	-	12,000	-
1550	Investment under equity method	6(4)	2,674,359	42	2,958,225	57
1600	Property, plant, and equipment	6(5)	1,800,876	29	1,183,958	23
1755	Right-of-use assets	6(6)	2,018	-	3,127	-
1780	Intangible assets	6(8)	144,857	2	111,722	2
1840	Deferred income tax assets	6(21)	17,500	-	17,024	1
1990	Other non-current assets		42,784	1	114,113	2
15XX	<b>Total non-current assets</b>		<u>4,694,394</u>	<u>74</u>	<u>4,400,169</u>	<u>85</u>
1XXX	<b>Total assets</b>		<u>6,363,948</u>	<u>100</u>	<u>\$ 5,198,261</u>	<u>100</u>

(To be continued on next page)

Winstek Semiconductor Co., Ltd.  
Parent Company Only Balance Sheet  
December 31, 2021 and 2022

Unit: NT\$ thousand

Liability and shareholder's equity	Notes	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
<b>Current liability</b>					
2170	Accounts payable	\$ 2,776	-	\$ 2,846	-
2180	Accounts payable-related parties	7	-	803	-
2200	Other payables	6(9)	218,165	216,294	4
2220	Other payables - related parties	7	1,725	1,505	-
2230	Current income tax liabilities	6(21)	165,023	68,585	2
2280	Lease obligations-current		1,149	1,781	-
2399	Other current liabilities - others		2,451	2,324	-
21XX	<b>Total current liabilities</b>		<u>391,289</u>	<u>294,138</u>	<u>6</u>
<b>Non-current liability</b>					
2540	Long-term loans	6(10)	100,000	-	-
2570	Deferred income tax liabilities	6(21)	141	107	-
2580	Lease obligations-non-current		862	1,367	-
2640	Net defined benefit liability - non-current	6(11)	17,628	26,638	-
2670	Other non-current liabilities – others		112	100	-
25XX	<b>Total non-current liabilities</b>		<u>118,743</u>	<u>28,212</u>	<u>-</u>
2XXX	<b>Total liabilities</b>		<u>510,032</u>	<u>322,350</u>	<u>6</u>
<b>Equity</b>					
Capital					
3110	Capital from ordinary share	6(12)	1,362,617	1,362,617	26
	Capital reserve	6(13)			
3200	Capital surplus		366,243	366,243	7
Retained earnings					
3310	Legal reserve	6(14)	752,782	713,519	14
3320	Special reserve		282,069	203,472	4
3350	Undistributed earnings		3,005,929	2,512,130	48
Other equity					
3400	Other equity		84,276	(282,070)	(5)
3XXX	<b>Total equity</b>		<u>5,853,916</u>	<u>4,875,911</u>	<u>94</u>
	Material commitments and contingencies	9			
	Significant subsequent events	11			
3X2X	<b>Total liabilities and equity</b>		<u>\$ 6,363,948</u>	<u>\$ 5,198,261</u>	<u>100</u>

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

Chairman of the Board: Huang Hsing-Yang

Manager: Weng Chih-Li

Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Co., Ltd.  
Parent Company Only Statement of Comprehensive Income  
January 1, to December 31, 2022 and 2021

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

Items	Notes	2022		2021	
		Amount	%	Amount	%
4000 Revenue	6(15) and 7	\$ 1,840,072	100	\$ 1,162,807	100
5000 Operating cost		( 849,763)	( 46)	( 668,506)	( 57)
5950 Net gross profit		<u>990,309</u>	<u>54</u>	<u>494,301</u>	<u>43</u>
Operating expenses	6(19)(20)				
6100 Selling expenses		( 9,522)	( 1)	( 6,183)	-
6200 General and administrative expenses		( 116,728)	( 6)	( 102,781)	( 9)
6300 Research and development expenses		( 7,377)	-	( 6,239)	( 1)
6000 Total operational expenses		( 133,627)	( 7)	( 115,203)	( 10)
6900 Operating profit		<u>856,682</u>	<u>47</u>	<u>379,098</u>	<u>33</u>
Non-operating income and expenses					
7100 Interest income	6(16)	7,181	-	859	-
7010 Other income	6(16)	444	-	463	-
7020 Other gains and losses	6(17)	( 23,161)	( 1)	( 6,841)	-
7050 Financing cost	6(18)	( 6,439)	-	( 42)	-
7070 Shares of profit (loss) of subsidiaries, associates, and joint ventures accounted for using the equity method	6(4)	<u>226,770</u>	<u>12</u>	<u>85,535</u>	<u>7</u>
7000 Total non-operating income and expenses		<u>204,795</u>	<u>11</u>	<u>79,974</u>	<u>7</u>
7900 <b>Profit before tax</b>		<u>1,061,477</u>	<u>58</u>	<u>459,072</u>	<u>40</u>
7950 Income tax expense	6(21)	( 144,010)	( 8)	( 65,141)	( 6)
8200 <b>Net profit of this period</b>		<u>\$ 917,467</u>	<u>50</u>	<u>\$ 393,931</u>	<u>34</u>
<b>Other comprehensive gain or loss</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
8311 Remeasurements of defined benefit plans	6(11)	\$ 7,594	-	(\$ 1,298)	-
8310 Total amount of items that will not be reclassified subsequently to profit or income		<u>7,594</u>	<u>-</u>	<u>( 1,298)</u>	<u>-</u>
<b>Items that may be reclassified to profit or loss</b>					
8361 Foreign currency translation difference of financial statements of overseas business units	6(4)	<u>366,346</u>	<u>20</u>	<u>( 78,597)</u>	<u>( 7)</u>
8360 Total amount of items that may be reclassified subsequently to profit of loss		<u>366,346</u>	<u>20</u>	<u>( 78,597)</u>	<u>( 7)</u>
8500 <b>Total comprehensive income</b>		<u>\$ 1,291,407</u>	<u>70</u>	<u>\$ 314,036</u>	<u>27</u>
Earnings per share	6(22)				
9750 Basic earnings per share			<u>6.73</u>		<u>2.89</u>
9850 Diluted earnings per share			<u>6.66</u>		<u>2.87</u>

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

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

Winstek Semiconductor Co., Ltd.  
Parent Company Only Statement of Changes in Equity  
January 1, to December 31, 2022 and 2021

Unit: NT\$ thousand

	Notes	Share	Capital surplus	Retained earnings			The balance of translation of the financial statements of foreign operating institutions	Total equity
				Legal capital reserve	Special capital reserve	Retained earnings		
<u>2021</u>								
Balance as at January 1, 2021		\$ 1,362,617	\$ 366,243	\$ 693,278	\$ 45,854	\$ 2,464,874	(\$ 203,473 )	\$ 4,729,393
Net profit of current period		-	-	-	-	393,931	-	393,931
Other comprehensive profit and loss in current period		-	-	-	-	( 1,298 )	( 78,597 )	( 79,895 )
Total comprehensive gain or loss in current period		-	-	-	-	392,633	( 78,597 )	314,036
Annual appropriation of net income and allocation of the year 2020	6(14)							
Appropriated as Legal reserve		-	-	20,241	-	( 20,241 )	-	-
Appropriated as special surplus reserve		-	-	-	157,618	( 157,618 )	-	-
Cash dividend		-	-	-	-	( 167,518 )	-	( 167,518 )
Balance as of December 31, 2021		<u>\$ 1,362,617</u>	<u>\$ 366,243</u>	<u>\$ 713,519</u>	<u>\$ 203,472</u>	<u>\$ 2,512,130</u>	<u>(\$ 282,070 )</u>	<u>\$ 4,875,911</u>
<u>2022</u>								
Balance as of January 1, 2022		\$ 1,362,617	\$ 366,243	\$ 713,519	\$ 203,472	\$ 2,512,130	(\$ 282,070 )	\$ 4,875,911
Net profit of current period		-	-	-	-	917,467	-	917,467
Other comprehensive profit and loss in current period		-	-	-	-	7,594	366,346	373,940
Total comprehensive gain or loss in current period		-	-	-	-	925,061	366,346	1,291,407
Annual appropriation of net income and allocation of the year 2021	6(14)							
Appropriated as Legal reserve		-	-	39,263	-	( 39,263 )	-	-
Appropriated as special surplus reserve		-	-	-	78,597	( 78,597 )	-	-
Cash dividend		-	-	-	-	( 313,402 )	-	( 313,402 )
Balance as of December 31, 2022		<u>\$ 1,362,617</u>	<u>\$ 366,243</u>	<u>\$ 752,782</u>	<u>\$ 282,069</u>	<u>\$ 3,005,929</u>	<u>\$ 84,276</u>	<u>\$ 5,853,916</u>

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

Chairman of the Board: Huang Hsing-Yang

Manager: Weng Chih-Li

Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Co., Ltd  
Parent Company Only Statement of Cash Flow  
January 1, to December 31, 2022 and 2021

Unit: NT\$ thousand

Notes	January 1 To December 31, 2022	January 1 To December 31, 2021
<u>Cash flow from operating activities</u>		
Current net profit before tax	\$ 1,061,477	\$ 459,072
Adjusted items		
Income expense items		
Depreciation expenses	6(5)(6)(19) 269,906	185,968
Amortization expenses	6(8)(19) 34,823	19,944
Interest expense	6(18) 6,439	42
Interest income	6(16) ( 7,181 )	( 859 )
Disposition of plant, property, and equipment	6(17) ( 2,053 )	( 4,253 )
The share of gains and losses of subsidiaries recognized by the equity method	6(4) ( 226,770 )	( 85,535 )
Changes in assets and liabilities relating to operating activities		
Net change in assets relating to operating activities		
Contract assets	( 16,503 )	( 2,675 )
Accounts receivable	( 278,032 )	( 81,834 )
Accounts receivable - related parties	( 7,002 )	( 35,898 )
Other receivables	( 3 )	2,681
Other accounts receivable--related parties	6,283	12,669
Prepayments	( 2,173 )	1,391
Other current assets	( 1,316 )	( 3,075 )
Net change in liabilities related to operating activities		
Accounts payable	( 70 )	1,314
Accounts receivable - related parties	( 803 )	803
Other payables	43,726	21,431
Other payables - related parties	220	897
Provisions	-	( 160 )
Other current liabilities	125	( 198 )
Net defined benefit liability	( 1,416 )	( 1,476 )
Other non-current liabilities	-	( 3,335 )
Cash flow from operating activities	<u>879,677</u>	<u>486,914</u>
Interest income received	4,889	1,475
Dividends received	6(4) 76,982	162,090
Interest paid	( 6,439 )	( 42 )
Income tax paid	( 63,196 )	( 1,264 )
Net cash inflow from operating activities	<u>891,913</u>	<u>649,173</u>
<u>Cash flow from investment activities</u>		
Financial assets acquired at amortized cost	( 452,375 )	( 197,060 )
Disposal of financial assets at amortized cost	323,825	557,500
Investments accounted for using equity method	6(4) ( 200,000 )	-
Refund obtained from Investments accounted for using equity method	6(4) 1,000,000	-
Acquisition of property, plant, and equipment	6(22) ( 853,621 )	( 792,055 )
Amount from disposal of property, plant and equipment	3,376	8,598
Acquire intangible assets	6(8) ( 67,958 )	-
Increased refundable deposit	( 666 )	( 901 )
Net cash outflow from investing activities	<u>( 247,419 )</u>	<u>( 515,837 )</u>
<u>Cash from financing activities</u>		
Long-term borrowing	6(24) 100,000	-
Amount returned for long-term borrowing	6(24) ( 1,914 )	( 1,360 )
Increase in guarantee deposits	6(24) 38	38
Decrease in guarantee deposits	6(24) ( 26 )	( 24 )
Cash dividends paid	6(14) ( 313,402 )	( 167,518 )
Net cash outflow from financing activities	<u>( 215,304 )</u>	<u>( 168,864 )</u>
Increase in cash and cash equivalents (decrease) in the current period	429,190	( 35,528 )
Cash and cash equivalents at beginning of year	6(1) <u>433,040</u>	<u>468,568</u>
Cash and cash equivalents at end of year	6(1) <u>\$ 862,230</u>	<u>\$ 433,040</u>

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

Chairman of the Board: Huang Hsing-Yang

Manager: Weng Chih-Li

Accounting Officer: Liu Kui-Chu

## Attachment IV

List of candidates to the seats of Directors:

Name	Education	Work experience	Quantity of shareholding
SIGWIN Co., Ltd. Representative: Huang,Hsing-Yang	Master of Business Administration, National Taiwan University	Chairman and CEO, Sigurd Microelectronics Corporation. Director, investee of Sigurd Microelectronics Corporation. Director, Bloomeria Limited, Singapore Winstek Semiconductor Technology Co., Ltd. and TST Co., Ltd.'s Chairman and Representative of Institutional Director	<b>70,726,438</b>
SIGWIN Corporation Representative: Yeh, Tsan-Lien	Department of Electronic Physics, National Chiao Tung University, MBA; Executive Master of Business Administration, National Chiao Tung University	Director, General Manager, and operating officer of Sigurd Microelectronics Corporation; Director of reinvestment company of Sigurd Microelectronics Corporation; Director of Singapore Merchants Bloomeria Limited	<b>70,726,438</b>
SIGWIN Corporation Representative: Kuo, Hsu-Tung	Department of Electrical Engineering, National Cheng Kung University	General Manager and deputy chief operating officer of Sigurd Microelectronics Corporation; Director of reinvestment company of Sigurd Microelectronics Corporation.	<b>70,726,438</b>
SIGWIN Corporation Representative: Hsieh, Chao-Hung	Department of Chemical Engineering, Yuan Ze University	Senior Vice President in Sale, Sigurd Microelectronics Corporation, President of Sigurd UTC Corporation	<b>70,726,438</b>
SIGWIN Corporation Representative: Wu, Min-Hung	Department of Electronic Engineering, National Taiwan Technology of Institute	Director, Executive Assistant General Manager, and Chief Financial Officer of Sigurd Microelectronics Corporation; Director of reinvestment company of Sigurd Microelectronics Corporation; Legal person director representative of Winstek Semiconductor Technology Co., Ltd. and TST Co., Ltd.	<b>70,726,438</b>
Weng, Chih-Li	Graduate School, Illinois Institute of Technology, USA	President, Huahong Technology Asst VP, IC testing Division, Formosa Advanced Technology Corporation Sale Asst VP, ASE Technology branch in the USA Legal person director representative and president of Winstek Semiconductor Technology Co., Ltd.	<b>571507</b>

		Legal person director representative of TST Co., Ltd.	
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List of candidates to the seats of Independent Directors:

Name	Education	Work experience	Quantity of shareholding
Lin, Min-Kai	Master of Business Administration, National Taiwan University	Senior professional staff in finance/investment at Office of the President, Special Assistant to the Chairman/Director of the Auditing Office/Chief Secretary, Chia Hsin Cement Corporation. Supervisor, Huatong Cement International/CHC Construction/ChiaChi International. Member of Remuneration Committee, Winstek Semiconductor Co., Ltd. Independent Director and member of Remuneration Committee, Sigurd Microelectronics Corporation	0
Wang, Dein	Master of Science, Rochester Institute of Technology, Rochester, New York, USA	30+ years management experience in Engineering, Advanced Packaging Technology and Supply Chain Operation with Semiconductor Foundry and OSAT Industry. TSMC :Director, Special Project, Advanced Packaging Technology & Service	0
Wen-chou Vincent Wang (note)	Ph.D. Materials Science&Engineering from Cornell University, Ithaca, New York	Senior Vice President for STATChipPAC Ltd, Head of Flip Chip Engineering for Altera Corporation, San Jose	0

Note:

The Independent Director candidate, Wen-Chou Vincent Wang, has been in office as Independent Director of the Company for 3 terms. Mr. Wang's broad industry expertise, engineering abilities, production technology knowledge, and ability to provide counsel for the Company's product production make him an invaluable asset. As such, the Company also nominated Wen-Chou Vincent Wang as a candidate for the seat of the upcoming term of office of Independent Director so that he could provide professional opinions in supervising the board of directors with his expertise when performing his duties as an independent director.

## Attachment V

### List of Competition Status for Director Candidates

Candidate Category	Candidate Name	Company Name & Job Position	Main items of business operations
Director	Huang,Hsing-Yang	1. Chairman and CEO of Sigurd Microelectronics Corporation	Packaging, Testing
		2. Director of Sigurd International Co., Ltd.	Investment Company
		3. Director of Sigurd Microelectronics (Cayman) Co., Ltd.	Investment Company
		4. Director of Sigurd Micro Electronics(Wuxi) Co., Ltd.	Production and sales of microelectronic products
		5. Director of Burgurd Co., Limited	International Trade Company
		6. Representative and chairman of the board for UTC Holdings Corporation's corporate directors [Sigurd Microelectronics Corporation]	Investment Company
		7. Representative and chairman of the board for Sigurd UTC Corporation's corporate directors [UTC Holdings Corporation]	Packaging, Testing
		8. Representative of the board for AMBERSAN Medical Technology Co., Ltd. [Sigurd Microelectronics Corporation]	Manufacture and retail of medical equipment
		9. Representative and chairman of the board for SIGWIN Corporation's corporate directors [Sigurd Microelectronics Corporation]	Investment Company
Director	Yeh Tsan-Lien	1. Director, president, and CEO of Sigurd Microelectronics Corporation	Packaging, Testing
		2. Director of Sigurd Microelectronics (Cayman) Co., Ltd.	Investment Company
		3. Director of Bloomeria Limited	Investment Company
		4. Representative for UTC Holdings Corporation's corporate directors [Sigurd Microelectronics Corporation]	Investment Company
		5. Representative for Sigurd UTC Corporation's corporate directors [UTC Holdings Corporation]	Packaging, Testing
		6. Representative of the board for AMBERSAN Medical Technology Co., Ltd. [Sigurd Microelectronics Corporation]	Manufacture and retail of medical equipment
		7. Representative and chairman of the board for Flatek, Inc.'s corporate directors [Sigurd Microelectronics Corporation]	Electronic Information Supply Services
		8. Director of OPS Electronic Limited	Investment Company
		9. Director of Valuenet International Limited	Electronic Information Supply Services
		10. Representative for SIGWIN Corporation's corporate directors [Sigurd Microelectronics Corporation]	Investment Company
Director	Wu Min-Hung	1. Director and CFO of Sigurd Microelectronics Corporation	Packaging, Testing
		2. Director of Sigurd Microelectronics (Cayman) Co., Ltd.	Investment Company
		3. Director of Sigurd Micro Electronics(Wuxi) Co., Ltd.	Production and sales of microelectronic products



		4. Representative and chairman of the board for TEST-SERV INC.'s corporate directors [Sigurd Microelectronics Corporation]	Packaging, Testing
		5. Director of Flusol Co., Ltd.	Investment Company
		6. Director of Sirize Technology (Suzhou) Co., Ltd.	R&D of semiconductor test software, advanced packaging, and testing services
		7. Director of Bloomeria Limited	Investment Company
		8. Representative for Sigurd UTC Corporation's corporate directors [UTC Holdings Corporation]	Packaging, Testing
		9. Representative and chairman of the board for TPFUSION INC.'s corporate directors [Flatek, Inc.]	Electronic Information Supply Services
		10. Director of Chen Jun Co., Ltd.	Investment Company
		11. Representative for Yanyuan Investment Co., Ltd.'s corporate directors [Sigurd Microelectronics Corporation]	Investment Company
		12. Representative for SIGWIN Corporation's corporate directors [Sigurd Microelectronics Corporation]	Investment Company
Director	Kuo Hsu-Tung	1. Director, Deputy COO, and President of Business Group for Sigurd Microelectronics Corporation	Packaging, Testing
		2. Director of Sigurd Microelectronics (Cayman) Co., Ltd.	Investment Company
		3. Director of Sigurd Micro Electronics(Wuxi) Co., Ltd.	Production and sales of microelectronic products
		4. Director of Sirize Technology (Suzhou) Co., Ltd.	R&D of semiconductor test software, advanced packaging, and testing services
		5. Representative for Sigurd UTC Corporation's corporate directors [UTC Holdings Corporation]	Packaging, Testing
		6. Representative for Flatek, Inc.'s corporate directors [Sigurd Microelectronics Corporation]	Electronic Information Supply Services
Director	Hsieh Chao-Hung	1. Director and Senior Vice President of Sigurd Microelectronics Corporation	Packaging, Testing
		2. Director of Sirize Technology (Suzhou) Co., Ltd.	R&D of semiconductor test software, advanced packaging, and testing services
		3. Representative for Sigurd UTC Corporation's corporate directors [UTC Holdings Corporation]	Packaging, Testing
Independent Director	Min-Kai Lin	Independent director of Sigurd Microelectronics Corporation	Packaging, Testing

**Attachment VI**

Winstek Semiconductor Co., Ltd.

Table of Amendments for the Operating Procedure for Capital Loans to Others

Original Article	Provision after amendments	Description
<p>Article II: The Company's capital loan subjects:</p> <p>The Company shall not loan funds to others. However, this restriction shall not apply between the Company and (1) a subsidiary whereby the Company holds 100% of the shares directly or indirectly, (2) a subsidiary whereby the Company has agreed to acquire and will become a 100% owner after completion, and (3) fund loans to the parent company or the ultimate parent company, and the conditions and time limit of the relevant fund loan are resolved by the Company's board of directors and comply with the circumstances stipulated in Article III of this guideline.</p> <p>The total amount of funds loaned by the Company shall not exceed 30% of the net profit of financial statements in the current accounting year certified or audited by CPAs. The amount of funds loaned by the Company to individual parties shall not exceed 30% of the net profit of financial statements in the current accounting year certified or audited by CPAs.</p>	<p>Article II: The subjects of the Company's capital loans shall be limited to:</p> <p>I. Companies that this Company has business transactions with; or</p> <p>II. Companies with short-term capital financing needs. The "short-term" referred to above shall mean one year.</p> <p>When the Company's funds are loaned to other business-relation companies, it shall be limited to operating turnover needs. Capital lending due to short-term financing needs shall be restricted between this Company and (1) a subsidiary whereby the Company holds 100% of the shares directly or indirectly, (2) a subsidiary whereby the Company has agreed to acquire and will become a 100% owner after completion, and (3) fund loans to the parent company or the ultimate parent company.</p>	<p>1. Add new companies that have business transactions with the Company as fund loan receivers</p> <p>2. Revise the text according to the law</p>
	<p><u>Article III: The reason and necessity for this Company to issue capital loans to others:</u></p> <p><u>I. If this Company engages in capital loans to other companies due to business transactions, it shall be handled according to the quota stipulated in Paragraph 2 of Article 4.</u></p> <p><u>II. Capital loans engaged due to short-term financing needs shall be restricted to the following:</u></p>	<p>Reasons and necessity for new loans to others</p>

	<p><u>(I) The Company's affiliated enterprises requiring short-term financing for operational needs.</u></p> <p><u>(II) Other companies that need short-term financing due to material procurements or operating turnovers.</u></p> <p><u>(III) Other lenders approved by this Company's Board of Directors.</u></p>	
	<p><u>Article IV: The Company's total capital loan quota restrictions for individual subjects:</u></p> <p><u>I. The total amount of funds loaned by the Company shall not exceed 30% of the net profit of financial statements in the current accounting year certified or audited by CPAs.</u></p> <p><u>II. For companies that have business transactions with this Company, the total amount shall not exceed 30% of the Company's net amount, and individual loan amounts shall not exceed the total amount of business transactions between the parties during the 12 months before the capital loan or 10% of the Company's latest net worth audited or reviewed by a CPA.</u></p> <p><u>III. For companies with short-term financing needs, the total loan amount shall not exceed 30% of the Company's net amount. Individual loan amounts shall not exceed 30% of the Company's latest net worth audited by a CPA or listed in financial statements audited by a CPA.</u></p>	Modify the limit of capital loans to individual subjects
Article III: The Company's capital loan operation and review procedures: (omit the following)	Article IV: The Company's capital loan operation and review procedures: (omit the following)	Article revision
Article IV: Capital Loans to Subsidiaries (omit the following)	Article VI: Capital Loans to Subsidiaries (omit the following)	Article revision

Article V: Audit (omit the following)	Article VII: Audit (omit the following)	Article revision
<p>Article <u>VI</u>: I. This Operation Procedures shall be approved by the audit committee and the board of directors and submitted to the shareholders meeting for approval. If any director expresses an objection and the objection has been recorded into a written statement, the Company shall submit its objection to the independent directors and the shareholders meeting for discussion. The same shall apply to amendments.</p> <p><u>When referring this operating procedure to the board of directors for discussion according to the regulations above, our Company shall fully consider the opinion of all independent directors and record all reasons of disapproval or reservation in the board of directors meeting minutes.</u></p> <p><u>If the Company has established an audit committee, the operating procedures to establish or amend capital loans to others shall be approved by over one-half of all audit committee members, be submitted to the board of directors for resolution, and the requirements in (II) shall not apply.</u></p> <p>If the motion of the Ethical Corporate Management Best Practice Principles has not been passed by more than 1/2 of the members of the Auditing Committee but approved by more than 2/3 of the Directors, specify the detail of the resolution of the Board as minutes of Board meeting on record.</p> <p>The "all members" of the audit committee or the board of directors referred to in (IV) above shall mean those currently holding their positions.</p>	<p>Article <u>VIII</u>: <u>The revised or amended parts of the</u> Operation Procedures shall be approved <u>by more than 1/2 of the audit committee members</u> and the board of directors and shall be submitted to the shareholders meeting for approval. If any director expresses an objection and the objection has been recorded into a written statement, the Company shall submit its objection to the independent directors and the shareholders meeting for discussion. The same shall apply to amendments.</p> <p>If the motion of the Ethical Corporate Management Best Practice Principles has not been passed by more than 1/2 of the members of the Auditing Committee but approved by more than 2/3 of the Directors, specify the detail of the resolution of the Board as minutes of Board meeting on record.</p> <p>The "all members" of the audit committee or the board of directors referred to in (I) above shall mean those who are currently holding their positions.</p>	<p>1. Article revision 2. Revise the text according to the law</p>
Article VII: This Operating Procedure was established on June 30, 2003.	Article VIII: This Operating Procedure was established on June 30, 2003.	Article revisions

<p>The 1st amendment was made on June 6, 2013.</p> <p>The 2nd amendment was made on April 15, 2015.</p> <p>The 3rd amendment was made on June 10, 2019.</p> <p>The 4th amendment was made on June 7, 2021.</p>	<p>The 1st amendment was made on June 6, 2013.</p> <p>The 2nd amendment was made on April 15, 2015.</p> <p>The 3rd amendment was made on June 10, 2019.</p> <p>The 4th amendment was made on June 7, 2021.</p> <p>The 5th amendment was made on June 6, 2023.</p>	<p>and addition of revision dates.</p>
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## Appendix I

### Articles of Incorporation of Winstek Semiconductor Co., Ltd.

#### Chapter 1 General Provisions

Article 1: The Company is incorporated in accordance with the Company Act and named 台星科股份有限公司 (English name is Winstek Semiconductor Co., Ltd.).

Article 2: The scope of the Company's business is as follows:

- I. CB01010 Machine and equipment manufacturing.
- II. CC01050 Data storage and processing equipment manufacturing .
- III. CC01070 Wireless Communication machine and materials manufacturing .
- IV. CC01080 Electronic components manufacturing .
- V. E701010 Communication Engineering.
- VI. F401030 Manufacturing and export .
- VII. G801010 Warehouse storage
- VIII. I301010 Software Design Services.
- IX. I501010 Product Designing.
- X. IZ99990 Other industrial and commercial services (integrated circuits, research, development and testing of IC and its testing apparatus).
- XI. F119010 Wholesale of Electronic Materials.
- XII. F219010 Retail of Electronic Materials.
- XIII. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company may provide guarantees to external entities and invest in other businesses, and the total amount of such investments may exceed 40% of the Company's paid-in capital.

Article 4: The Company is headquartered in Hsinchu County, and may establish branches in appropriate locations elsewhere where necessary. The Board shall determine the opening and shutdown of branches.

Article 5: The Company's announcement method shall be handled in accordance with Article 28 of the Company Act.

#### Chapter 2 Shares

Article 6: The Company's total authorized capital is NT\$4 billion, which is divided into 400 million shares with a par value of NT\$10 per share, which may be issued by the Board of Directors as authorized in tranches. Of the above capital, NT\$125 million is divided into 12.5 million shares, which is reserved for subscription by employees exercising their stock warrants.

Article 7: The Company's shares are generally registered and numbered and are issued after being signed or sealed by the directors representing the Company. They shall specify the provisions under Article 162 of the Company Act and shall be issued after being certified by the competent authority or an issuing and registration agency it approves. After the public offering of shares,

the Company may, at the request of the centralized securities depository enterprise, consolidate and exchange them for large-value securities. The Company may be exempted from printing stock certificates after the public offering of shares. The shares issued under the preceding paragraph shall be registered or kept with the centralized securities depository enterprise.

Article 8: The Company's stock affairs shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent securities authority.

Article 9: The transfer of shares shall be suspended within 60 days before a general shareholders' meeting, within 30 days before an extraordinary shareholders' meeting, or within 5 days before the record date of payout of dividends, bonuses, or other benefits.

Article 10: The Company's shares purchased by the Company shall be transferred to employees at the controlling company or subsidiaries who meet certain criteria set by the Board of Directors. The recipients of the Company's employee stock warrants include employees at the controlling company or subsidiaries who met certain criteria set by the Board of Directors. The employees who are able to subscribe for the Company's new shares, if applicable, include employees at the controlling company or subsidiaries who met certain criteria set by the Board of Directors. The recipients of the Company's restricted stock awards include employees at the controlling company or subsidiaries who met certain criteria set by the Board of Directors.

### **Chapter 3 Shareholders' Meetings**

Article 11: There are general and extraordinary shareholders' meetings. A general shareholders' meeting shall be convened within six months after the end of each fiscal year. An extraordinary shareholders' meeting may be convened when necessary. Unless otherwise provided by the Company Act, the shareholders' meetings referred to in the preceding paragraph shall be convened by the Board of Directors. The Company may convene a shareholders' meeting by video conference or in other methods as announced by the competent authority.

Article 12: A notice containing the date, place, and reason for the meeting, to convene a general shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date; in case of an extraordinary shareholders' meeting, a meeting notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date, both in writing or by electronic means as per law. For shareholders holding less than 1,000 registered shares, the notice of the shareholders' meeting may be made through a public announcement in accordance with other relevant laws and regulations.

Article 13: A shareholder shall be entitled to one vote for each share held, except the shares that are deemed non-voting shares under Article 179 of the Company Act.

Article 14: A shareholders' meeting shall be chaired by the Chairman. When the Chairman is absent, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to

make such a designation, the directors shall select from among themselves one person to serve as the chair. If a shareholders' meeting is convened by a party with the power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 15: Unless otherwise provided by the Company Act, resolutions by a shareholders' meeting shall be adopted by more than half of the voting rights represented by shareholders at such a meeting attended by shareholders representing more than half of the total outstanding shares.

The voting rights for proposals at shareholders' meetings may be exercised in writing or by electronic means in accordance with relevant laws and regulations.

Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be distributed through public announcements.

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

Article 16: The Company's Board of Directors is formed by nine to eleven directors, who are elected from a list of director candidates at a shareholders' meeting for a term of three years and may be re-elected.

Of the above number of directors, the number of independent directors shall be at least three. The Company adopts a candidate nomination system for the election of directors, and shareholders shall elect directors from a list of candidates. The directors and independent directors shall be elected at the same time, but the number of elected candidates shall be counted separately. The professional qualifications, shareholding, restrictions on positions held concurrently, nomination and appointment methods, and other matters to be complied with for independent directors shall be governed by the relevant regulations of the competent securities authority. The total shareholding of all directors shall be governed by the regulations of the competent securities authority.

Article 17: The Company shall establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, and the Audit Committee shall be composed of all independent directors. The Audit Committee's responsibilities, charter, the exercise of powers, and other matters to be complied with shall be handled in accordance with the competent securities authority's and the Company's relevant regulations.

The Company shall establish other functional committees as required by law and regulations.

Article 18: The Board of Directors shall be formed by the directors, and the Chairman shall be elected by more than half of the attending directors from among themselves at a Board meeting attended by more than two-thirds of all directors. The Chairman represents the Company externally.



Article 19: The powers and responsibilities of the Board of Directors are as follows:

- I. Decision-making of the Business Plan
2. Review and approval of important regulations and contracts.
3. Establishment and dissolution of a branch.
4. Preparation of a budget and financial statements.
5. Appointment and dismissal of important employees.
6. Decision on the Company's major loans.
7. Decision on the Company's major business and investments.
8. Decisions on employee stock subscription measures.
9. Other matters stipulated in the Company Act, relevant regulations enacted by the competent authority, and the Articles of Incorporation.

Article 20: Except as otherwise provided by the Companies Act, a Board meeting is chaired by the Chairman; if the Chairman is on leave or can not exercise his power for any reasons, the Chairman shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chair. The reason for convening a Board meeting shall be stated in a meeting notice, which shall then be sent to all directors at least seven days in advance in writing or by fax or email. In the event of an emergency, a Board meeting may be convened at any time, and the meeting notice may also be sent in writing or by fax or email.

Article 21: Unless otherwise provided by the Company Act, resolutions by the Board of Directors shall be implemented with the approval of more than half of the directors present at a Board meeting attended by more than half of all directors.

Article 22: If a director is unable to attend for any reason, they may entrust another director to attend as a proxy; however each director may act as a proxy for only one director.

Article 23: The Chairman's remuneration shall be determined by the Board of Directors as authorized according to the degree of his participation in the Company's operations, the value of his contribution, and the general standard in the industry.

Article 24: The Company may purchase liability insurance for all directors during their terms in accordance with the law for the scope of their duties, to reduce and diversify the risk of damage to all directors, the Company, and shareholders, and report to the soonest Board meeting.

## **Chapter 5 Managers**

Article 25: The Company may engage a couple of managers, who shall follow the policies adopted by the Board of Directors and relevant laws and regulations and manage all the Company's business. Their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

## **Chapter 6 Accounting**

Article 26: The Company's fiscal year starts from January 1 to December 31 each year.

Article 27: The Board of Directors shall prepare and submit the following documents to the shareholders' meeting for ratification.

1. Business report.
2. Financial statements.
3. Statement of earnings distribution and deficit compensation.

Article 28. If the Company makes a profit in a year, it shall allocate 0.1% to 15% as employee remuneration and may allocate no more than 3% as the directors' remuneration depending on the business performance. However, where the Company still has accumulated losses, the amount shall be reserved for making up the accumulated loss first. The remuneration to employees shall be distributed in stock or cash, and the remuneration to directors shall be distributed in cash only, which shall only be implemented after approved by more than half of the directors present at a Board meeting attended by more than two-thirds of all directors and reported to the shareholders' meeting. The recipients of employee remuneration shall include employees of controlling companies or subsidiaries who met certain criteria.

Article 29: If there are earnings after tax as per the Company's annual financial statements, it shall first compensate the deficit of previous years and then set aside 10% of the balance as a legal reserve. No further appropriation of legal reserve is necessary if the amount of legal reserve is equivalent to the paid-in capital. The Company shall set aside an amount for or reversing a special reserve as per needs, and then any remaining profit, together with any undistributed earnings at the beginning of the period, after a portion is retained depending on the business situation, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal. In the case of issuance of new shares, it shall be distributed after a resolution is adopted by the shareholders' meeting. The Company authorizes the Board of Directors to pay out dividends and bonuses payable or cash from all or part of capital surplus or legal reserve with approval of more than half of the directors present at a Board meeting attended by more than two-thirds of all directors and report to the shareholders' meeting.

Article 30: The Company's dividend distribution policy shall be based on the Company's earnings for the year, future investment environment, capital needs, capital budget plan, and operational plan, as well as the financial structure and earnings dilution. The amount to be distributed shall not be less than 10% of the annual earnings after tax, but if the earnings per share is less than NT\$50 cents or the dividend distribution will lead to a default, such earnings can be retained without being distributed. The Company's earnings may be distributed in the form of stock dividends or cash dividends, of which cash dividends shall not be less than 10% of the total dividends to be distributed.

### **Chapter 7 Supplementary Provisions**

Article 31: The Company's Articles of Incorporation and operating rules shall be formulated separately as

resolved by the Board of Directors.

Article 32: Any matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act.

Article 33: The Articles of Incorporation were formulated on April 21, 2000.

The 1st amendment was made on May 8, 2000.

The 2nd amendment was made on August 5, 2001.

The 3rd amendment was made on September 6, 2001.

The 4th amendment was made on May 28, 2002.

The 5th amendment was made on June 30, 2003.

The 6th amendment was made on April 15, 2004.

The 7th amendment was made on June 23, 2005.

The 8th amendment was made on June 14, 2006.

The 9th amendment was made on June 13, 2007.

The 10th amendment was made on October 5, 2007.

The 11th amendment was made on June 26, 2009.

The 12th amendment was made on June 5, 2012.

The 13th amendment was made on September 22, 2015.

The 14th amendment was made on June 14, 2017.

The 15th amendment was made on June 10, 2019.

The 16th amendment was made on June 9, 2020.

The 17th amendment was made on June 8, 2022.

Winstek Semiconductor Co., Ltd.

Chairman: Huang, Hsing-Yang

## Appendix II

### **Winstek Semiconductor Co., Ltd. Rules of Procedure for Shareholders' Meeting**

- I. Unless otherwise stipulated by laws or regulations, the Company's shareholders' meeting shall be governed by these Rules.
- II. Attending shareholders shall hand in their sign-in cards in lieu of signing in. The number of shares in attendance shall be counted according to the shares indicated in the sign-in cards handed in, plus the number of shares whose voting rights are exercised in writing or by electronic means.
- III. Attendance and voting at shareholders' meetings shall be counted based on the number of shares.
- IV. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- V. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where the Vice Chairman is on leave or unable to exercise the powers as the chair for any reason, the Chairman shall appoint one of the managing directors to act as the chair. Where there is no such position as managing director, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the managing directors or directors shall select from among themselves one person to serve as the chair.

If a shareholders' meeting is by a party with the power to convene such meetings other than the Board of Directors, such a party shall chair the meeting. When there are two or more such parties, they shall mutually select a chair from among themselves.
- VI. The Company may designate its attorney, CPA, or other relevant persons to attend the shareholders' meeting in a non-voting capacity.

Those handling the business of a shareholders' meeting shall wear an ID badge or an armband.
- VII. The Company shall make an audio and video recording of the entire proceedings of a shareholders' meeting and preserve the recordings for at least one year.
- VIII. The chair shall call the meeting to order upon the meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If there are not enough shareholders, while representing at least one-third of outstanding shares, after two postponements, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act.

If the session is not adjourned and the shareholders in session can represent more than half of the outstanding shares, the presiding officer may come to provisional decision and present to the Shareholders' Meeting again for resolution pursuant to Article 174 of the Company Act.
- IX. The Board shall set the agenda for the convention of Shareholders' Meeting at its call. The meeting shall proceed in accordance with the agenda and no change is permitted unless at the resolution of the Shareholders' Meeting.

If the convention of Shareholders' Meeting is called for other parties entitled to call for the meeting, the aforementioned requirement shall be applicable.

If the agenda set under the preceding 2 paragraphs is still in progress (including the discussion of extemporary motions), the Chairman cannot announce for the adjournment of the session without resolution of the Shareholders' Meeting.

After the adjournment of the session, shareholders shall not nominate another presiding officer to continue the session at the same place or other places. If the presiding officer act in defiance of the parliamentary procedure and announce for the adjournment of the session, the shareholders in session may appoint another presiding officer with by a simple majority and continue the session.

- X. Before presenting a speech, shareholders shall put down the summary, the shareholder account number (or attendance pass number), and the account title on the speech memo where the presiding officer shall set the priority for assigning the floor to the shareholders.

Shareholders who just submitted the speech memo without presenting the speech shall be deemed no presentation of speech. If the content of the speech is irrelevant with the contents of the speech memo, the contents of the speech shall prevail.

Shareholders shall not cause interference to any other shareholder who has the floor for expression of opinion unless at the consent of the presiding officer or the shareholder on the floor. The Chairman shall stop any action of interference from other shareholders.

- XI. Each shareholder may have the floor for expressing opinion on particular motion for no more than twice without the consent of the Chairman and only 5 minutes would be allowed for each instance. The presiding officer shall interrupt the shareholder who spent more than the allowable time and goes beyond the scope of the motion.

- XII. Where an institutional shareholder may act as proxy to attend the session, it may appoint only 1 representative to attend the session.

When an institutional shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

- XIII. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

- XIV. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

- XV. Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided that all scrutineers be shareholders of the Company.

The results of the voting shall be announced on-site at the meeting and recorded.

- XVI. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed, or the Company may be exempted from sending a notice and making an announcement within five days after a resolution has been adopted by the shareholders' meeting.

- XVII. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When a proposal is put for a vote, if the chair puts the

matter before all attending shareholders and none voices an objection, the matter is deemed approved, and the effect is the same as voting.

XVIII. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

XIX. The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an ID badge or an armband, reading "Proctor".

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from doing so.

Shareholders who act in defiance of the parliamentary procedure or insubordinate to the corrective action of the presiding officer, to the effect that the session is hindered, the presiding officer may command the prefects or the security guards to escort the shareholders concerned to leave.

XX. Matters not specified in these Rules shall be handled in accordance with the Company Act and other laws and regulations.

XXI. The Rules and any amendments thereto shall come into force after being approved by the shareholders' meeting.

## Appendix III

### Winstek Semiconductor Co., Ltd.

#### Regulations Governing the Election of Directors

- I. The election of the Directors of the Company is governed by the Regulations unless the law or the Articles of Incorporation provides otherwise.
- II. The Company adopted the cumulative voting system for the election of Directors. The names of the voters may be substituted by the attendance pass number printed on the ballots. Unless the Company Act provides otherwise, the holder of each share will be entitled to votes equivalent to the number of seats of Directors to be elected. Shareholders may cast the votes in favor of particular candidates or distribute the votes to different candidates. In the election of Directors, shareholders may cast vote by balloting and also adopt vote by correspondence or electronic mean to exercise their voting rights.
- III. The Board shall prepare the ballots for the election in the quantity equivalent to the number of Directors to be present in the session of the Board and mark down the votes on the ballots for release to the Shareholders in session.
- IV. The Chairman shall appoint several scrutineers (who are also shareholders) and tally clerks to perform related duties as the election starts.
- V. The Board shall prepare the ballot box and open the box for the inspection of the public before balloting.
- VI. A ballot shall be invalid if any of the following applies:
  - (I) Voters who do not require preparation by those with the right to convene.
  - (II) Blank ballot in the ballot box .
  - (III) The handwriting is blurred that cannot be identified or being marked for correction
  - (IV) The candidates filled in are inconsistent with the list of director candidates after verification.
  - (V) Other words were added in addition to the number of allocated voting rights.
  - (VI) Two or more candidates were put down on the same ballot.
- VII. The Company adopts the candidate nomination system in the election of directors. The Shareholders' Meeting shall elect competent candidates as directors according to the law. The regulations of the Company governing the election, nomination procedure, qualification and appointment of Independent Directors shall be governed by the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and regulated by the number of seats allocated to Independent Directors for counting the voting rights of election of Directors and Independent Directors. Candidates who win a majority of the votes in descending order will be elected to the seats of Independent Directors and Directors. If there are two or more candidates earning the same number of votes but there is no more seats available, they will be elected to the seats by lot drawing. The presiding officer shall draw the lot on behalf of those who are absent from the scene.

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

VIII. After the voting, the ballots shall be counted on-site, and the Chairman or his designated personnel shall announce the counting results on the spot.

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

IX. The elected director shall receive a notice of election to office from the Company.

X. Matters not covered by this Method shall be handled according to the Company Act, the Company's Articles of Incorporation, and the relevant laws and regulations.

XI. The Regulations shall come into force at the resolution of the Shareholders' Meeting. The same procedure shall apply to any amendment thereto.

This set of Regulations was instituted on 2002.05.28

Amendment for the 1st instance on 2008.06.13

Amendment of the 2nd instance on 2017.06.14

Amendment of the 3rd instance 2020.06.09.

Amendment of the 4th instance on 2021.03.09.



## **Appendix IV**

The shareholders' proposals for this general shareholders' meeting:

- I. Pursuant to Article 172-1 of the Company Act, each shareholder who holds more than 1% of the total outstanding shares may submit only one written proposal to the Company for the general shareholders' meeting, and the proposal submitted is limited to 300 characters.
- II. The Company shall accept proposals presented by shareholders for this regular session of the Shareholders' Meeting from 2023.03.31 to 2023.04.10 and has disclosed related information at MOPS as required by law.
- III. The Company did not receive any shareholder's proposal during the acceptance period.

## Annex V

### Shareholding status of all directors:

#### Winstek Semiconductor Co., Ltd.

##### Shareholdings by all Directors

Unit share

Occupational title	Name	Number of shares held	Percentage
Chairman	SIGWIN Co., Ltd. Representative: Huang, Hsing-Yang	70,726,438	51.90%
Director	SIGWIN Co., Ltd. Representative: Yeh, Tsan-Lien		
Director	SIGWIN Co., Ltd. Representative: Wu, Min-Hung		
Director	SIGWIN Co., Ltd. Representative: Kuo, Hsu-Tung		
Director	SIGWIN Co., Ltd. Representative: Hsieh, Chao-Hung		
Director	Weng, Chih-Li	571,507	0.42%
Independent Director	Lin, Min-Kai	—	—
Independent Director	Wei, Jen-Yu	—	—
Independent Director	Wen-chou Vincent Wang	—	—
Shares held by all directors		71,297,945	52.32%

#### Note:

1. Quantity of shares held by Directors individually and collectively as of the day on which share transactions stopped for the 2023 regular session of Shareholders' Meeting (2023.04.08) as stated in the shareholders roster.
2. The number of shares that shall be held by the Company's incumbent directors as required by law is as follows:
  - (1) Total outstanding shares on 2023.04.08: 136,261,659 common shares.
  - (2) The mandatory quantity of shareholdings by directors is 8,175,699 shares. As of 2023.04.08, all directors had 71,297,945 in holding.
  - (3) The Company has established an Audit Committee, so the number of shares that supervisors shall hold as required by law does not apply.
  - (4) The shareholdings of the Company's all directors have met the standard as stipulated in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.