



WIN Semiconductors Corp.

2023 Annual General

Shareholders' Meeting Handbook

Notice to readers

This English version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

Meeting Type: Physical shareholders' meeting

Time: 9:00 a.m., Friday, May 26, 2023

Place: B1, No.108, Sec 1, Nankan Rd., Luzhu Dist., Taoyuan City 338, Taiwan
(Monarch Skyline Hotel)

TABLE OF CONTENTS

| | |
|---|-----------|
| I. MEETING PROCEDURE | 1 |
| II. MEETING AGENDA | 2 |
| REPORT ITEMS..... | 3 |
| PROPOSED ITEMS | 5 |
| DISCUSSION ITEMS | 6 |
| ELECTIONS..... | 6 |
| SPECIAL MOTIONS | 7 |
| ADJOURNMENT..... | 7 |
| III. ATTACHMENT | 8 |
| ATTACHMENT I: 2022 BUSINESS REPORT | 8 |
| ATTACHMENT II: 2022 AUDIT COMMITTEE’S REVIEW REPORT | 12 |
| ATTACHMENT III: INDEPENDENT AUDITORS’ REPORT AND 2022 CONSOLIDATED FINANCIAL STATEMENTS | - 13 - |
| ATTACHMENT IV: INDEPENDENT AUDITORS’ REPORT AND 2022 PARENT-COMPANY-ONLY FINANCIAL STATEMENTS | - 22 - |
| ATTACHMENT V: PROFIT ALLOCATION PROPOSAL | 30 |
| ATTACHMENT VI: REVISIONS TO ARTICLE OF INCORPORATION..... | 31 |
| APPENDIX I: ARTICLES OF INCORPORATION (BEFORE THE REVISION) | 33 |
| APPENDIX II: RULES AND PROCEDURES OF SHAREHOLDERS’ MEETING | 39 |
| APPENDIX III: RULES FOR ELECTION OF DIRECTORS | 45 |
| APPENDIX IV: EFFECT UPON BUSINESS PERFORMANCE, EARNINGS PER SHARE AND RETURN ON EQUITY OF ANY STOCK DIVIDEND DISTRIBUTION | 48 |
| APPENDIX V: THE ACCEPTANCE OF PROPOSED RESOLUTIONS OR NOMINATION OF CANDIDATES FOR DIRECTORS FROM ELIGIBLE SHAREHOLDERS | 48 |
| APPENDIX VI: SHAREHOLDING OF DIRECTORS | 49 |

I. MEETING PROCEDURE

WIN Semiconductors Corp. Procedure for the 2023 Annual General Shareholders' Meeting

I. Call the Meeting to Order

II. Chairperson Remarks

III. Report Items

IV. Proposed Items

V. Discussion Items

VI. Directors Election

VII. Special Motions

VIII. Adjournment

II. MEETING AGENDA

WIN Semiconductors Corp.

Agenda of the 2023 Annual General Shareholders' Meeting

Meeting Type: Physical shareholders' meeting

Time: 9:00 a.m., Friday, May 26, 2023

Place: B1, No.108, Sec 1, Nankan Rd., Luzhu Dist., Taoyuan City 338, Taiwan
(Monarch Skyline Hotel)

I. Call the Meeting to Order

II. Chairperson Remarks

III. Report Items

1. 2022 Business Report
2. 2022 Audit Committee's review report
3. 2022 employees' profit sharing bonus and Directors' compensation
4. Status of distribution for cash dividend of 2022 earnings
5. Status of endorsement and/or guarantee of the Company

IV. Proposed Items

1. Adoption of the 2022 Business Report, Financial Statements and Profit Allocation Proposal

V. Discussion Items

1. Amendment to the Company's "Article of Incorporation"
2. Proposal to Release the Prohibition on Directors from Participation in Competitive Business

VI. Elections

1. By-election of one Independent Director

VII. Special Motions

VIII. Adjournment

REPORT ITEMS

Report 1: 2022 Business Report

See Attachment I (pages 8-11).

Report 2: 2022 Audit Committee's review report

See Attachment II (page 12).

Report 3: 2022 employees' profit sharing bonus and Directors' compensation

1. The Company's profit for 2022 was NT\$ 2,400,603,844 (this was the pre-tax profit before deducting the employees' profit sharing bonus and compensation for Directors). The proposed employees' profit sharing bonus and Directors' compensation was NT\$149,000,000 and NT\$38,000,000 respectively, and both will be distributed in cash.
2. These amounts were examined by the Compensation Committee on March 2, 2023 and approved by the Board of Directors meeting on March 9, 2023.

Report 4: Status of distribution for cash dividend of 2022 earnings

1. In accordance with Article 22-1 of the Articles of Incorporation, distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.
2. The proposed dividend to shareholders is a cash dividend of NT\$2.5 per common share, amounting to NT\$1,059,850,960. Distribution of cash dividend will be rounded down to an integer, and the Chairman will be authorized to distribute the total rounded down amounts to specific persons for adjustment.
3. The proposal was resolved by the Board of Directors and the Chairman of the Board of Directors was authorized to determine the ex-dividend date and payment date. If the total amount of common shares changes and the distribution ratio for the cash dividend needs to be adjusted, the Chairman of the Board of Directors was authorized to make such adjustments.

Report 5: Status of endorsement and/or guarantee of the Company

1. Endorsement and/or guarantees were conducted in accordance with the Company's "Procedures for Endorsement & Guarantee."
2. The Company provided endorsements and guarantees for bank loans of its subsidiaries. The balance of endorsements and guarantees amounted to NT\$9,213,000 thousand as of December 31, 2022, and did not exceed the limit, below please see the details:

Unit: thousand NT\$

| Name of endorsees/guarantees | Remaining balance of endorsement/guarantee (Note 1) | Limit of endorsements/guarantees for any single entity (Note 2) |
|---|---|---|
| Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. | 2,252,056 | 16,664,268 |
| Jiangsu Chainwin Kang Yuan Agricultural Development Co., Ltd. | 1,637,856 | 16,664,268 |
| Jiangsu Win Yield Agriculture Development Co., Ltd. | 2,252,088 | 16,664,268 |
| Jiangsu Chainwin Agriculture and Animal Technology Co., Ltd. | 1,023,656 | 16,664,268 |
| Jiangsu Win Fortune Agriculture Development Co., Ltd. | 818,944 | 16,664,268 |
| Jiangsu Win Boutique Agriculture Development Co., Ltd. | 614,200 | 16,664,268 |
| Jiangsu Win Sunlight Agriculture Development Co., Ltd. | 614,200 | 16,664,268 |
| Total | 9,213,000 | 16,664,268 (Aggregate limit of endorsement / guarantee) |
| <p>Note 1: The aggregate credit line of endorsees/ guarantees the Company provides for above subsidiaries is no more than US\$300 million, the exchange rate of USD/NTD=30.71 is being used for the calculation.</p> <p>Note 2: The aggregate amount of endorsements and/or guarantees of the Company shall not exceed 50% of net worth of the financial statements audited or reviewed by the CPA. The limits to any single enterprise shall not exceed 50% of the Company's net worth of the financial statements audited or reviewed by the CPA.</p> | | |

PROPOSED ITEMS

Proposal 1:

Proposed by the Board

Adoption of the 2022 Business Report, Financial Statements and Profit Allocation Proposal

Explanation:

1. The CPAs from KPMG, Chia-Chien Tang and Ming-Hung Huang, were retained to audit WIN's Financial Statements (parent-company-only & consolidated) including the balance sheets, statements of comprehensive income, statement of changes in equity, and statements of cash flows and have issued an audit report relating to the Financial Statements with unqualified opinion and other matters. The Financial Statements together with Business Report and Profit Allocation Proposal have been approved by the Board of Directors and examined by the Audit Committee of the Company.
2. The 2022 Business Report, Independent Auditors' Audit Report, Financial Statements and Profit Allocation Proposal are attached hereto as Attachments I (pages 8-11), III, IV and V (pages 13-30).

DISCUSSION ITEMS

Proposal 1:

Proposed by the Board

Amendment to the Company's "Article of Incorporation"

Explanation:

- (1) In order to accommodate the Company's business practice, it is proposed to amend certain provisions of the Article of Incorporation. The proposed amendment to the "Article of Incorporation" is attached hereto as Attachment VI (pages 31-32).
- (2) WIN's "Article of Incorporation" (before the revision) is attached hereto as Appendix I (pages 33-38).

Proposal 2:

Proposed by the Board

Proposal for Release the Prohibition on Directors from Participation in Competitive Business

Explanation:

- (1) According to Article 209 of the Company Law, a director who does anything for himself or on behalf of another person that is 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.
- (2) The Director (as shown below) of the Board of the Company who participate in the operations of another company, that engages in the same or similar business scope as the Company hereby requests the shareholders' approval to release the director and its proxy from the non-competition restrictions for the newly added relevant positions held concurrently.

| Title | Name | Relevant positions held concurrently by directors | |
|----------|--------------|---|-------------------------|
| Director | Li-Cheng Yeh | InveneXt System CO., LTD. | Chairman Representative |

ELECTIONS

Proposal 1:

Proposed by the Board

By-election of one Independent Director

Explanation:

- (1) In order to maintain a sound corporate governance system, the Company proposed a by-election of one Independent Director. The newly-elected Independent Director shall take office on the elected day. The tenure of newly-elected Independent Director shall commence on May 26, 2023 and expire on June 16, 2025.

- (2) The election of Independent Director shall be conducted in accordance with the candidate nomination system as specified in Article 192-1 of the Company Law and Article 13 of the Article of Incorporation. The Independent Director shall be elected at a shareholders' meeting and can be re-elected if run for election continuously.
- (3) The candidate's information of the Independent Director had been reviewed by Board of Directors during the 5th meeting of the 9th session of Board of Directors on March 9, 2023 and the information is shown as below:

| Name | Gender | Education & Previous Major Experience | Major Positions Currently Held | Shareholdings* (shares) |
|--------------------------|--------|--|--|----------------------------|
| Chao-Shun Chang (張兆順) | Male | <ul style="list-style-type: none"> • Master Degree in Public Finance, National Chengchi University, Taiwan • Supervisor, First Commercial Bank • Chairman, Franklin Templeton First Taiwan Securities Investment Trust Enterprise • Supervisor, First Financial Holding Co., Ltd. • Chairman, Oversea-Chinese Banking Corporation Limited • Chairman, Taiwan Business Bank • Chairman of First Financial Holding Co., Ltd. and First Commercial Bank • Certified Public Accountant | <ul style="list-style-type: none"> • Chairman, Mega Financial Holding Company Ltd. • Chairman, Mega International Commercial Bank • Director, National Credit Card Center of R.O.C. • Director, Taipei Financial Center Corporation • Supervisor, Taiwan Capital Buffalo Fund Co., Ltd. • Director, Taiwan Capital Management Corporation • Director, Taiwan Asset Management Corporation • Chairman, Mega Bank Cultural and Educational Foundation • Chairman, Mega Charity Foundation | 0 |

* Shareholdings as of March 28, 2023.

SPECIAL MOTIONS

ADJOURNMENT

III. ATTACHMENT

ATTACHMENT I: 2022 BUSINESS REPORT

As the world bids farewell to an unstable 2022, we look back on the Russia-Ukraine war that has not yet ended, the outbreak of the epidemic in China after their lifting of strict epidemic prevention policies, and the continued deterioration of US-China trade conflicts. These crises have disrupted the division of labor in the supply chains of the past. Together with the problems of inflation, end-consumer demand has been affected. In terms of the industry, the problem of inventory adjustments of Android smartphones has spread from the Chinese market to the world. Adjustments have been made from the start of the year to the end of the year. With these numerous negative factors, WIN Semi's consolidated revenue has decreased by 30% in 2022 compared to the previous year, and our operations are facing challenges that have rarely been seen in recent years.

Looking ahead to the new year, although we are still facing the pressure of economic weakness and inventory adjustment in the short term, the supply and demand are expected to gradually return to normal as the global pandemic eases, Covid restrictions are lifted, the global economy reopens, and inflation gradually gets under control. In the coming years, we are optimistic about the long-term development of compound semiconductors. 5G smartphone penetration is expected to further increase and drive the demand for 5G infrastructure. Wi-Fi spec upgrades will be gradually adopted by routers and smartphones. Wi-Fi 6E is expected to become popular, and the development of Wi-Fi 7 is expected to officially start. Extended from the technology of 3D sensing, we have actively worked with clients on automotive applications including in-vehicle sensing and out-of-vehicle ADAS system as well as the V2X and OTA which utilize the wireless communication technology that we are expert in. All of these related applications no matter in conventional vehicles or electric vehicles are getting closer and closer to us. Facing with these long-term growth drivers, WIN Semi. is gradually investing resources to develop new technologies and seeking new opportunities, to keep up with the next wave of growth trend.

Amid headwinds, we have never relaxed our commitment to ESG. In 2022, we were ranked in the top 5% among TPEx-listed companies in the Corporate Governance Evaluation Survey by TWSE for the eighth consecutive year, and were selected to join the DJSI World Index for the third year. It is encouraging for us to be included in the index again, along with other global leading companies, and it is also the driving force for us to keep improving. 2022 operating results and 2023 outlook are reported as follow:

A. Operating Performance in 2022

1. Operating Performance

The Company's 2022 consolidated revenues totaled NT\$18,334,336 thousand, representing a decrease of 30% compared to the year 2021. 2022 net profit attributable to owners of parent was NT\$1,802,169 thousand, representing a decrease of 67% compared to the prior year, and EPS for 2022 was NT\$4.25.

2. Analysis of Receipts, Expenditures, and Profitability

| | | | | Unit: NT\$ thousand; % | |
|---------------------------------------|-----------------------------------|------------------|--|------------------------|------------------------|
| Items | | | | 2022 (Consolidated) | 2021 (Consolidated) |
| Interest Income & Interest Expense | Interest Income | | | 110,101 | 37,752 |
| | Interest Expense | | | 341,133 | 309,380 |
| Profitability | Return on Total Assets (%) | | | 2.34 | 8.42 |
| | Return on Equity (%) | | | 5.28 | 15.81 |
| | Ratio to Issued Capital (%) | Operating Income | | 35 | 151.50 |
| | | Pre-tax Income | | 43.07 | 150.95 |
| | Profit Ratio (%) | | | 7.71 | 19.90 |
| | Earnings per Share (NT\$ dollars) | | | 4.25 | 12.90 |

3. Budget Implementation

The Company is not required to make public its 2022 financial forecast information; however, the Board of Directors approved the budget plan and the overall operating plan is in good condition.

4. Research and Development Status

The research and development direction of WIN Semi. has always been based on the future growth drivers and customer needs in the market. We are not only continuously developing next generation process technologies to enhance customer competitiveness, but also focusing on technological developments for potential future markets and new applications. For example, WIN Semi. has accumulated much mass production experience in smartphone 3D sensing applications for facial recognition and time-of-flight. Similar technologies and principles can be extended to AR and VR, and even applied to automotive LiDAR. On the other hand, developments in long-wavelength optical applications can be applied to proximity sensors and biometrics. Although the materials may be different and the technologies and the market applications have yet to mature, WIN Semi. has accumulated several customers to join us in developing these technologies together.

In addition, the design for both optical communications and wireless communication components are gradually moving from individual to integrated component. In order to meet these trends, WIN Semi. is actively developing new related technologies and entering mass production. In terms of optical communications, transmission and reception components are moving towards Photonic Integrated Circuits (PIC) in response to the high-speed transmission needs of data centers. In terms of wireless communications, in response to the

move from traditional discrete components in PA modules to integrated components, WIN Semi. is providing customer filter foundry services to help customers combine the technologies with their existing products to enhance their competitiveness, at the same time, further tighten the relationship between WIN Semi. and customers.

B. Business Plan in 2023

As of the end of 2022, the total production capacity of WIN Semi's fab A, B, and C has reached 43,000 6-inch wafers per month. After the entire year of inventory adjustments in the smartphone industry, the 2023 production capacity expansion plan of WIN Semi. is mainly focused on the completion of the building of the Luzhu fab in the Southern Taiwan Science Park in Kaohsiung. The subsequent clean room construction, facilities and equipment installation will be delayed until the visibility for the market demand becomes clearer.

C. Development Strategy

In 2022, due to the Russian-Ukraine War, China's epidemic prevention measurements, and inflation, the development of 5G smartphones seems to have fallen below the previous forecasts. According to the latest reports of some research institutions, the penetration of 5G smartphones in 2023 will grow to 55% from 47% in the previous year. In addition to driving the growth in actual smartphone PA demand, it will further increase the demand for the network power and density of 5G infrastructure. Win Semi. offers comprehensive solutions for technologies required by 5G base stations, and the related technologies can be applied to low-orbit satellites, including higher frequency and higher power GaN PA, LNA with GaAs pHEMT technology, driver amplifier with GaAs HBT technology, and integrated passive devices (IPD). WIN Semi. also pays special attention to the developments in the Wi-Fi market this year, especially the upgrade of specifications. As Wi-Fi routers continue to improve, high-end smartphones are also expected to actively adopt Wi-Fi 6E and Wi-Fi related customers of WIN Semi. are expected to benefit. In the future, the advancement of Wi-Fi 7 is expected to accelerate. Not only are we focused on the additional PA needs due to more operating frequencies, the module complexity and requirements for linearity are also expected to increase due to the 3.6 times faster transmission speeds of Wi-Fi 7 compared to Wi-Fi 6 and the increase in operating frequencies. These factors have made GaAs components irreplaceable. All of the above are the business opportunities, WIN Semi. is actively developing and striving towards in the next few years.

D. The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Environment

The past global division of labor of the semiconductor industry has gradually disintegrated due to the pandemic, Russia-Ukraine War, and especially the political tension between China and the US. The ability to satisfy customer demand and seek geopolitical balance while maintaining corporate growth has become a challenge shared by the industry. With inflation pushing up operating costs, the pressure of competition among peers has further intensified due to the decreased end-consumer demand. In the face of the various challenges and changes in the external environment, WIN Semi. continues to comply with laws and regulations and implement corporate governance, thereby seeking sustainable management and caring for society, environment, and stakeholders.

Chin-Tsai Chen
(Dennis Chen)
Chairman

Kuo-Hua Chen
(Kyle Chen)
CEO

Linna Su
Accounting Officer

ATTACHMENT II: 2022 AUDIT COMMITTEE'S REVIEW REPORT

AUDIT COMMITTEE'S REVIEW REPORT

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements (parent-company-only & consolidated), and proposal for allocation of earnings. The CPA firm of KPMG was retained to audit WIN's Financial Statements and has issued an audit report relating to the Financial Statements.

The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of WIN Semiconductors Corp. According to relevant Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

WIN Semiconductors Corp.

Chairman of the Audit Committee: Chin-Shih Lin

March 9, 2023

ATTACHMENT III: INDEPENDENT AUDITORS' REPORT AND 2022 CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To the Board of Directors of WIN Semiconductors Corp.:

Opinion

We have audited the consolidated financial statements of WIN Semiconductors Corp. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of another auditor (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. Based on our audits and the report of another auditor, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters we communicated in the auditors' report were as follows:

1. Assessment of impairment on investments accounted for using equity method

Please refer to Note 4(o) "Impairment of non-financial assets" for accounting policies, Note 5 for accounting assumptions, judgments and estimation uncertainty of impairment on investments accounted for using equity method, and Note 6(g) for assessment of impairment on investments accounted for using equity method.

Description of key audit matter

The Group periodically assesses and performs its impairment test on investments accounted for using equity method based on the recoverable amount that is calculated by using the value-in-use method, which takes into account by predicting the future cash flow, and is decided by applying the discount rate. Since the assessment of impairment on investments accounted for using equity method relies on the subjective judgments and estimation made by the management, it has been identified as the key matter in our audit.

How the matter was addressed in our audit

Our principal audit procedures included assessing the rationality of method used in measuring the recoverable amount, which is provided by the management of the Group, including evaluating the appropriateness of assumption and estimation on major parameters, such as the forecast of cash flow and discount rate; comparing the historical accuracy of judgments, including inspecting the amount of forecast of cash flow in prior year, with the actual cash flow to evaluate the appropriateness of the assumptions; moreover, performing the sensitivity analysis on main assumption.

2. Evaluation of inventory

Please refer to Note 4(h) “Inventories” for accounting policies, Note 5 for accounting assumptions, judgments and estimation uncertainty of inventories, and Note 6(e) for the amount of loss on valuation of inventories of the financial statements.

Description of key audit matter

Due to the high industry demand and rapid fluctuation of the price of precious metals, the Group stores a significant volume of the said material, which results in slow turnover of inventories. Therefore, the Group cannot obtain sufficient information on inventories that are sold or used on the reporting date. Since the technology changes rapidly, the inventory may be out of date or may not conform to market demand, resulting in a risk wherein the carrying amount of inventories may exceed its net realizable value. Consequently, the evaluation of inventory is identified as the key matter in our audit.

How the matter was addressed in our audit

Our principal audit procedures included testing the accuracy of the estimations of inventories at the lower of cost and net realizable value; referring to the recent selling price and considering the amount of written-off inventories in the subsequent events to evaluate the appropriateness of the amount of loss on valuation of inventories or obsolescence; analyzing the historical accuracy of judgments, including inspecting the amount of loss on valuation of inventories or obsolescence recognized in prior year and with reference to actual disposal to assess rationality of the judgments of the current period; moreover, comparing with the provision for inventories valuation and obsolescence made in the current year to evaluate the appropriateness of the assumptions.

Other Matter

We did not audit the financial statements for the years ended December 31, 2022 and 2021 of certain investments accounted for using the equity method. The financial statements for the years ended December 31, 2022 and 2021 were audited by another auditor, whose audit report has been furnished to us, and our conclusion, insofar as it relates to the amounts included in these investments, is based solely on the audit reports of another auditor. The investment accounted for using the equity method amounted to \$10,143,903 thousand and \$9,678,934 thousand, respectively, constituting 14.67% and 12.92% of total assets as of December 31, 2022 and 2021, respectively, and the related shares of profit of associates and joint ventures accounted for using the equity method amounted to \$390,714 thousand and \$306,373 thousand, respectively, as well as the related shares of other comprehensive income of associates and joint ventures accounted for using the equity method amounted to \$50,870 thousand and \$25,420 thousand, respectively, constituting 26.08%, 5.62%, 3.40%, and 0.47% of total comprehensive income and loss for the years ended December 31, 2022 and 2021, respectively.

WIN Semiconductors Corp. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion with other matter paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC as well as SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chia-Chien Tang and Ming-Hung Huang.

KPMG

Taipei, Taiwan (The Republic of China)

March 9, 2023

Note to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
WIN Semiconductors Corp. and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

| | | <u>December 31, 2022</u> | | <u>December 31, 2021</u> | | | | <u>December 31, 2022</u> | | <u>December 31, 2021</u> | |
|----------------------------|---|-----------------------------|-------------------|--------------------------|-------------------|-------------------------------|--|-----------------------------|-------------------|--------------------------|-------------------|
| Assets | | Amount | % | Amount | % | Liabilities and Equity | | Amount | % | Amount | % |
| Current assets: | | | | | | Current liabilities: | | | | | |
| 1100 | Cash and cash equivalents (Note 6(a)) | \$ 10,379,712 | 15 | 16,331,759 | 22 | 2120 | Current financial liabilities at fair value through profit or loss (Notes 6(b) and 6(r)) | \$ 449,261 | 1 | 180,497 | - |
| 1110 | Current financial assets at fair value through profit or loss (Note 6(b)) | 120,845 | - | 61,875 | - | 2130 | Current contract liabilities (Note 6(z)) | 235,309 | - | 353,157 | - |
| 1170 | Notes and accounts receivable, net (Notes 6(c) and 6(z)) | 916,640 | 1 | 2,717,560 | 3 | 2170 | Notes and accounts payable | 1,016,716 | 1 | 2,162,825 | 3 |
| 1310 | Inventories (Note 6(e)) | 5,420,476 | 8 | 6,670,737 | 9 | 2200 | Other payables (Note 6(aa)) | 2,497,109 | 4 | 4,218,686 | 6 |
| 1400 | Current biological assets (Note 6(f)) | 93,368 | - | 138,494 | - | 2280 | Current lease liabilities (Notes 6(s) and 6(af)) | 103,570 | - | 122,882 | - |
| 1470 | Other current assets (Notes 6(d) and 6(o)) | 282,210 | 1 | 534,427 | 1 | 2320 | Long-term liabilities, current portion (Notes 6(q), 6(af) and 8) | 1,731,147 | 3 | - | - |
| | Total current assets | <u>17,213,251</u> | <u>25</u> | <u>26,454,852</u> | <u>35</u> | 2399 | Other current liabilities | 213,976 | - | 176,905 | - |
| Non-current assets: | | | | | | | Total current liabilities | <u>6,247,088</u> | <u>9</u> | <u>7,214,952</u> | <u>9</u> |
| 1510 | Non-current financial assets at fair value through profit or loss (Note 6(b)) | 1,661,503 | 2 | 1,822,433 | 2 | | Non-current liabilities: | | | | |
| 1517 | Non-current financial assets at fair value through other comprehensive income (Note 6(b)) | 1,841,932 | 3 | 2,186,577 | 3 | 2530 | Bonds payable (Notes 6(r) and 6(af)) | 10,669,555 | 16 | 13,286,639 | 18 |
| 1550 | Investments accounted for using equity method (Notes 6(g) and 7) | 10,873,014 | 15 | 10,405,398 | 14 | 2540 | Long-term borrowings (Notes 6(q), 6(af) and 8) | 15,870,298 | 23 | 15,992,820 | 22 |
| 1600 | Property, plant and equipment (Notes 6(h), 6(k), 7 and 8) | 31,546,006 | 46 | 27,783,997 | 37 | 2570 | Deferred tax liabilities (Note 6(v)) | 16,185 | - | - | - |
| 1755 | Right-of-use assets (Notes 6(l) and 8) | 1,099,729 | 2 | 1,255,616 | 2 | 2580 | Non-current lease liabilities (Notes 6(s) and 6(af)) | 924,832 | 1 | 1,034,327 | 1 |
| 1760 | Investment property (Note 6(m)) | 1,048,632 | 1 | 1,053,948 | 1 | 2600 | Other non-current liabilities (Notes 6(u), 6(af) and 7) | 210,711 | - | 243,424 | - |
| 1780 | Intangible assets (Notes 6(h) and 6(n)) | 562,305 | 1 | 641,885 | 1 | | Total non-current liabilities | <u>27,691,581</u> | <u>40</u> | <u>30,557,210</u> | <u>41</u> |
| 1830 | Non-current biological assets (Note 6(f)) | 273,554 | - | 389,952 | 1 | | Total liabilities | <u>33,938,669</u> | <u>49</u> | <u>37,772,162</u> | <u>50</u> |
| 1840 | Deferred tax assets (Note 6(v)) | 756,114 | 1 | 417,116 | 1 | | Equity (Notes 6(b), 6(g), 6(i), 6(j), 6(r), 6(w) and 6(x)): | | | | |
| 1915 | Prepayments for business facilities | 1,765,808 | 3 | 2,153,533 | 3 | 3110 | Ordinary shares | 4,239,404 | 6 | 4,239,764 | 6 |
| 1990 | Other non-current assets (Notes 6(o) and 8) | 486,365 | 1 | 328,851 | - | 3200 | Capital surplus | 9,964,088 | 14 | 9,969,914 | 13 |
| | Total non-current assets | <u>51,914,962</u> | <u>75</u> | <u>48,439,306</u> | <u>65</u> | 3300 | Retained earnings | 18,351,411 | 27 | 19,960,265 | 27 |
| | | | | | | 3400 | Other equity interests | 773,633 | 1 | 768,065 | 1 |
| | | | | | | | Total equity attributable to owners of parent | 33,328,536 | 48 | 34,938,008 | 47 |
| | | | | | | 36XX | Non-controlling interests | 1,861,008 | 3 | 2,183,988 | 3 |
| | | | | | | | Total equity | <u>35,189,544</u> | <u>51</u> | <u>37,121,996</u> | <u>50</u> |
| Total assets | | <u>\$ 69,128,213</u> | <u>100</u> | <u>74,894,158</u> | <u>100</u> | | Total liabilities and equity | <u>\$ 69,128,213</u> | <u>100</u> | <u>74,894,158</u> | <u>100</u> |

WIN Semiconductors Corp. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

| | | 2022 | | 2021 | |
|------|--|----------------------------|-----------------|-------------------------|------------------|
| | | Amount | % | Amount | % |
| 4000 | Operating revenue (Notes 6(b), 6(g) and 6(z)) | \$ 18,334,336 | 100 | 26,182,376 | 100 |
| 5000 | Operating costs (Notes 6(b), 6(e), 6(f), 6(k), 6(l), 6(n), 6(s), 6(u), 6(x), 6(aa), 7 and 12) | <u>(13,609,604)</u> | <u>(74)</u> | <u>(16,412,282)</u> | <u>(63)</u> |
| | Gross profit from operating | <u>4,724,732</u> | <u>26</u> | <u>9,770,094</u> | <u>37</u> |
| | Operating expenses (Notes 6(c), 6(k), 6(l), 6(m), 6(n), 6(s), 6(u), 6(x), 6(aa), 7 and 12): | | | | |
| 6100 | Selling expenses | (344,606) | (2) | (347,132) | (1) |
| 6200 | Administrative expenses | (1,212,468) | (7) | (1,667,370) | (6) |
| 6300 | Research and development expenses | (1,683,783) | (9) | (1,331,849) | (5) |
| 6450 | Losses on expected credit impairment | <u>(180)</u> | <u>-</u> | <u>(694)</u> | <u>-</u> |
| | Total operating expenses | <u>(3,241,037)</u> | <u>(18)</u> | <u>(3,347,045)</u> | <u>(12)</u> |
| | Net operating income | <u>1,483,695</u> | <u>8</u> | <u>6,423,049</u> | <u>25</u> |
| | Non-operating income and expenses (Notes 6(b), 6(g), 6(k), 6(r), 6(s), 6(t), 6(ab) and 7): | | | | |
| 7100 | Interest income | 110,101 | 1 | 37,752 | - |
| 7010 | Other income | 223,295 | 1 | 52,046 | - |
| 7020 | Other gains and losses | 29,801 | - | 48,113 | - |
| 7050 | Finance costs | (341,133) | (2) | (309,380) | (1) |
| 7060 | Share of profit (loss) of associates and joint ventures accounted for using equity method, net | <u>319,977</u> | <u>2</u> | <u>148,299</u> | <u>1</u> |
| | Total non-operating income and expenses | <u>342,041</u> | <u>2</u> | <u>(23,170)</u> | <u>-</u> |
| 7900 | Profit before tax | 1,825,736 | 10 | 6,399,879 | 25 |
| 7950 | Tax expense (Note 6(v)) | <u>(411,481)</u> | <u>(2)</u> | <u>(1,189,465)</u> | <u>(5)</u> |
| | Profit | <u>1,414,255</u> | <u>8</u> | <u>5,210,414</u> | <u>20</u> |
| 8300 | Other comprehensive income: | | | | |
| 8310 | Components of other comprehensive income that will not be reclassified to profit or loss (Notes 6(g), 6(u), 6(v) and 6(w)) | | | | |
| 8311 | Remeasurements of defined benefit plans | 22,235 | - | (1,099) | - |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | (313,673) | (2) | 323,357 | 1 |
| 8320 | Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss | 1,061 | - | (656) | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | <u>(4,447)</u> | <u>-</u> | <u>220</u> | <u>-</u> |
| | Total components of other comprehensive income (loss) that will not be reclassified to profit or loss | <u>(294,824)</u> | <u>(2)</u> | <u>321,822</u> | <u>1</u> |
| 8360 | Components of other comprehensive income that will be reclassified to profit or loss (Notes 6(g) and 6(w)) | | | | |
| 8361 | Exchange differences on translation of foreign financial statements | 384,372 | 2 | (118,583) | - |
| 8370 | Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss | (5,873) | - | 39,920 | - |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | Total components of other comprehensive income (loss) that will be reclassified to profit or loss | <u>378,499</u> | <u>2</u> | <u>(78,663)</u> | <u>-</u> |
| 8300 | Other comprehensive income, net | <u>83,675</u> | <u>-</u> | <u>243,159</u> | <u>1</u> |
| 8500 | Total comprehensive income | <u>\$ 1,497,930</u> | <u>8</u> | <u>5,453,573</u> | <u>21</u> |
| | Profit (loss) attributable to: | | | | |
| 8610 | Profit attributable to owners of parent | \$ 1,802,169 | 10 | 5,454,962 | 21 |
| 8620 | Profit (losses) attributable to non-controlling interests | <u>(387,914)</u> | <u>(2)</u> | <u>(244,548)</u> | <u>(1)</u> |
| | | <u>\$ 1,414,255</u> | <u>8</u> | <u>5,210,414</u> | <u>20</u> |
| | Comprehensive income (loss) attributable to: | | | | |
| 8710 | Comprehensive income, attributable to owners of parent | \$ 1,837,758 | 10 | 5,709,580 | 22 |
| 8720 | Comprehensive income (loss), attributable to non-controlling interests | <u>(339,828)</u> | <u>(2)</u> | <u>(256,007)</u> | <u>(1)</u> |
| | | <u>\$ 1,497,930</u> | <u>8</u> | <u>5,453,573</u> | <u>21</u> |
| | Earnings per common share (expressed in New Taiwan dollars) (Note 6(y)) | | | | |
| 9750 | Basic earnings per share | <u>\$ 4.25</u> | | <u>12.90</u> | |
| 9850 | Diluted earnings per share | <u>\$ 4.24</u> | | <u>12.49</u> | |

WIN Semiconductors Corp. and Subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

| Equity attributable to owners of parent | | | | | | | | | | | | | | | | | | |
|---|-------------------|----------------|-------------------|-----------------|------------------|---|--------------|------------|-------------|--------------|-------------|------------------|------------------|--------------|--------------------|-----------------|-----------------|--------------|
| | | | | | | Other equity interests | | | | | | | | | | | | |
| | | | | | | Unrealized gains (losses) on measured at fair differences on translation of | | | | | | Total equity | | | | | | |
| | | | | | | | | | | | | Exchange | financial assets | Other | Total other equity | attributable to | Non-controlling | Total equity |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| Retained earnings | foreign financial | comprehensive | restricted shares | interests | owners of parent | interests | Total equity | | | | | | | | | | | |
| Ordinary | Unappropriated | Total retained | shares | Capital surplus | Legal reserve | retained earnings | earnings | statements | income | of employees | interests | owners of parent | interests | Total equity | | | | |
| Balance at January 1, 2021 | \$ | 4,240,564 | 9,323,098 | 2,515,700 | 14,485,321 | 17,001,021 | (202,205) | 3,780,846 | (65,738) | 3,512,903 | 34,077,586 | 1,652,866 | 35,730,452 | | | | | |
| Appropriation and distribution of retained earnings: | | | | | | | | | | | | | | | | | | |
| Legal reserve appropriated | - | - | 657,022 | (657,022) | - | - | - | - | - | - | - | - | - | | | | | |
| Cash dividends of ordinary shares | - | - | - | (4,240,414) | (4,240,414) | - | - | - | - | - | (4,240,414) | - | (4,240,414) | | | | | |
| | - | - | 657,022 | (4,897,436) | (4,240,414) | - | - | - | - | - | (4,240,414) | - | (4,240,414) | | | | | |
| Profit (losses) for the year ended December 31, 2021 | - | - | - | 5,454,962 | 5,454,962 | - | - | - | - | - | 5,454,962 | (244,548) | 5,210,414 | | | | | |
| Other comprehensive income for the year ended December 31, 2021 | - | - | - | (879) | (879) | (67,204) | 322,701 | - | 255,497 | 254,618 | (11,459) | 243,159 | | | | | | |
| Total comprehensive income for the year ended December 31, 2021 | - | - | - | 5,454,083 | 5,454,083 | (67,204) | 322,701 | - | 255,497 | 5,709,580 | (256,007) | 5,453,573 | | | | | | |
| Changes in ownership interest in subsidiaries | - | 16,155 | - | (25,344) | (25,344) | - | - | - | - | (9,189) | - | (9,189) | | | | | | |
| Compensation cost arising from restricted shares of employees | - | - | - | 39 | 39 | - | - | 48,579 | 48,579 | 48,618 | - | 48,618 | | | | | | |
| Purchase and retirement of restricted shares of stock for employees | (800) | (9,762) | - | - | - | - | - | 10,562 | 10,562 | - | - | - | | | | | | |
| Recognition of equity component of convertible bonds issued | - | 639,583 | - | - | - | - | - | - | - | 639,583 | - | 639,583 | | | | | | |
| Changes in equity of associates accounted for using equity method | - | 510 | - | (1,288,596) | (1,288,596) | - | - | - | - | (1,288,086) | - | (1,288,086) | | | | | | |
| Stock option compensation cost of subsidiary | - | 330 | - | - | - | - | - | - | - | 330 | 230 | 560 | | | | | | |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | 3,059,476 | 3,059,476 | - | (3,059,476) | - | (3,059,476) | - | - | - | | | | | | |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | - | - | 786,899 | 786,899 | | | | | | |
| Balance at December 31, 2021 | 4,239,764 | 9,969,914 | 3,172,722 | 16,787,543 | 19,960,265 | (269,409) | 1,044,071 | (6,597) | 768,065 | 34,938,008 | 2,183,988 | 37,121,996 | | | | | | |
| Appropriation and distribution of retained earnings: | | | | | | | | | | | | | | | | | | |
| Legal reserve appropriated | - | - | 719,966 | (719,966) | - | - | - | - | - | - | - | - | | | | | | |
| Cash dividends of ordinary shares | - | - | - | (3,391,811) | (3,391,811) | - | - | - | - | (3,391,811) | - | (3,391,811) | | | | | | |
| | - | - | 719,966 | (4,111,777) | (3,391,811) | - | - | - | - | (3,391,811) | - | (3,391,811) | | | | | | |
| Profit (losses) for the year ended December 31, 2022 | - | - | - | 1,802,169 | 1,802,169 | - | - | - | - | 1,802,169 | (387,914) | 1,414,255 | | | | | | |
| Other comprehensive income for the year ended December 31, 2022 | - | - | - | 17,788 | 17,788 | 330,413 | (312,612) | - | 17,801 | 35,589 | 48,086 | 83,675 | | | | | | |
| Total comprehensive income for the year ended December 31, 2022 | - | - | - | 1,819,957 | 1,819,957 | 330,413 | (312,612) | - | 17,801 | 1,837,758 | (339,828) | 1,497,930 | | | | | | |
| Compensation cost arising from restricted shares of employees | - | - | - | - | - | - | - | 39 | 39 | 39 | - | 39 | | | | | | |
| Purchase and retirement of restricted shares of stock for employees | (360) | (6,198) | - | - | - | - | - | 6,558 | 6,558 | - | - | - | | | | | | |
| Changes in equity of associates accounted for using equity method | - | 372 | - | (55,830) | (55,830) | - | - | - | - | (55,458) | - | (55,458) | | | | | | |
| Stock option compensation cost of subsidiary | - | - | - | - | - | - | - | - | - | - | 16,848 | 16,848 | | | | | | |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | 18,830 | 18,830 | - | (18,830) | - | (18,830) | - | - | - | | | | | | |
| Balance at December 31, 2022 | \$ | 4,239,404 | 9,964,088 | 3,892,688 | 14,458,723 | 18,351,411 | 61,004 | 712,629 | - | 773,633 | 33,328,536 | 1,861,008 | 35,189,544 | | | | | |

WIN Semiconductors Corp. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

| | <u>2022</u> | <u>2021</u> |
|--|--------------------|---------------------|
| Cash flows from (used in) operating activities: | | |
| Profit before tax | \$ 1,825,736 | 6,399,879 |
| Adjustments: | | |
| Adjustments to reconcile profit (loss): | | |
| Depreciation expense | 4,163,812 | 4,034,973 |
| Amortization expense | 139,503 | 132,369 |
| Losses on expected credit impairment | 180 | 694 |
| Net losses (gains) on financial assets or liabilities at fair value through profit or loss | 709,129 | (365,198) |
| Interest expense | 341,133 | 309,380 |
| Interest income | (110,101) | (37,752) |
| Dividend income | (222,314) | (47,766) |
| Share-based payments | 16,887 | 49,178 |
| Share of profit of associates and joint ventures accounted for using equity method | (375,937) | (198,535) |
| Losses on disposal of property, plant and equipment | 190,266 | 49,183 |
| Prepayments for business facilities transferred to expenses | 48 | 986 |
| Changes in biological assets at fair value | 32,939 | (7,506) |
| Unrealized foreign exchange losses (gains) | 509,379 | (92,825) |
| Gains on repurchases of bonds payable | (600,777) | - |
| Losses on lease modification | 25,788 | 19,584 |
| Total adjustments to reconcile profit (loss) | <u>4,819,935</u> | <u>3,846,765</u> |
| Changes in operating assets and liabilities: | | |
| Changes in operating assets: | | |
| (Increase) decrease in financial assets at fair value through profit or loss | (80,860) | 703,208 |
| Decrease (increase) in notes and accounts receivable | 1,800,740 | (680,697) |
| Decrease (increase) in inventories | 1,087,965 | (1,425,949) |
| Decrease (increase) in biological assets | 33,613 | (19,965) |
| Decrease (increase) in other current assets | <u>126,091</u> | <u>(10,162)</u> |
| Total changes in operating assets | <u>2,967,549</u> | <u>(1,433,565)</u> |
| Changes in operating liabilities: | | |
| Decrease in contract liabilities | (117,848) | (181,269) |
| (Decrease) increase in notes and accounts payable | (1,146,109) | 368,157 |
| (Decrease) increase in other payables | (1,074,139) | 370,172 |
| Increase in other current liabilities | 37,071 | 19,693 |
| Increase in other non-current liabilities | 621 | 1,044 |
| Total changes in operating liabilities | <u>(2,300,404)</u> | <u>577,797</u> |
| Total changes in operating assets and liabilities | <u>667,145</u> | <u>(855,768)</u> |
| Cash inflow generated from operations | 7,312,816 | 9,390,876 |
| Dividends received | 38,047 | 31,181 |
| Income taxes paid | <u>(1,382,495)</u> | <u>(1,607,345)</u> |
| Net cash flows from operating activities | <u>5,968,368</u> | <u>7,814,712</u> |
| Cash flows from (used in) investing activities: | | |
| Acquisition of financial assets at fair value through other comprehensive income | - | (2,744,229) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 19,744 | 313,827 |
| Proceeds from capital reduction of financial assets at fair value through other comprehensive income | 17,667 | 10,000 |
| Acquisition of financial assets at fair value through profit or loss | (76,500) | (614,629) |
| Proceeds from disposal of financial assets at fair value through profit or loss | 9,969 | - |
| Proceeds from capital reduction of financial assets at fair value through profit or loss | 8,719 | 901 |
| Acquisition of investments accounted for using equity method | (462,556) | (3,619,063) |
| Acquisition of property, plant and equipment | (5,609,967) | (6,728,213) |
| Proceeds from disposal of property, plant and equipment | 81,755 | 11,005 |
| Acquisition of intangible assets | (66,333) | (93,632) |
| Net cash inflows from business combination | - | 458 |
| Acquisition of right-of-use assets | (1,136) | (51,976) |
| Increase in other non-current assets | (166,432) | (39,305) |
| Increase in prepayments for business facilities | (1,513,915) | (1,352,663) |
| Interest received | 95,548 | 37,629 |
| Dividends received | <u>582,478</u> | <u>275,484</u> |
| Net cash flows used in investing activities | <u>(7,080,959)</u> | <u>(14,594,406)</u> |
| Cash flows from (used in) financing activities: | | |
| Issuance of convertible bonds payable | - | 13,902,774 |
| Increase in short-term loans | 18,805 | - |
| Decrease in short-term loans | (18,805) | - |
| Proceeds from long-term debt | 6,086,497 | 7,759,270 |
| Repayments of long-term debt | (5,123,113) | (3,081,000) |
| Repayments of lease liabilities | (102,247) | (123,806) |
| (Decrease) increase in other non-current liabilities | (11,099) | 5,666 |
| Cash dividends paid | (3,391,811) | (4,240,414) |
| Interest paid | (134,302) | (87,000) |
| Changes in non-controlling interests | - | 695,982 |
| Repurchases of bonds payable | <u>(2,347,210)</u> | <u>-</u> |
| Net cash flows (used in) from financing activities | <u>(5,023,285)</u> | <u>14,831,472</u> |
| Effect of exchange rate changes on cash and cash equivalents | <u>183,829</u> | <u>(76,289)</u> |

ATTACHMENT IV: INDEPENDENT AUDITORS' REPORT AND 2022 PARENT-COMPANY-ONLY FINANCIAL STATEMENTS

Independent Auditors' Report

To the Board of Directors of WIN Semiconductors Corp.:

Opinion

We have audited the financial statements of WIN Semiconductors Corp. (“the Company”), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of another auditor (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the report of another auditor, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters we communicated in the auditors' report were as follows:

1. Assessment of impairment on investments accounted for using equity method

Please refer to Note 4(n) “Impairment of non-financial assets” for accounting policies, Note 5 for accounting assumptions, judgments and estimation uncertainty of impairment on investments accounted for using equity method, and Note 6(f) for assessment of impairment on investments accounted for using equity method.

Description of key audit matter

The Company periodically assesses and performs its impairment test on investments accounted for using equity method based on the recoverable amount that is calculated by using the value-in-use method, which takes into account by predicting the future cash flow, and is decided by applying the discount rate. Since the assessment of impairment on investments accounted for using equity method relies on the subjective judgments and estimation made by the management, it has been identified as the key matter in our audit.

How the matter was addressed in our audit

Our principal audit procedures included assessing the rationality of method used in measuring the recoverable amount, which is provided by the management of the Company, including evaluating the appropriateness of assumption and estimation on major parameters, such as the forecast of cash flow and discount rate; comparing the historical accuracy of judgements, including inspecting the amount of forecast of cash flow in prior year, with the actual cash flow to evaluate the appropriateness of the assumptions; moreover, performing the sensitivity analysis on main assumption.

2. Evaluation of inventory

Please refer to Note 4(g) “Inventories” for accounting policies, Note 5 for accounting assumptions, judgments and estimation uncertainty of inventories, and Note 6(e) for the amount of loss on valuation of inventories of the financial statements.

Description of key audit matter

Due to the high industry demand and rapid fluctuation of the price of precious metals, the Company stores a significant volume of the said material, which results in slow turnover of inventories. Therefore, the Company cannot obtain sufficient information on inventories that are sold or used on the reporting date. Since the technology changes rapidly, the inventory may be out of date or may not conform to market demand, resulting in a risk wherein the carrying amount of inventories may exceed its net realizable value. Consequently, the evaluation of inventory is identified as the key matter in our audit.

How the matter was addressed in our audit

Our principal audit procedures included testing the accuracy of the estimations of inventories at the lower of cost and net realizable value; referring to the recent selling price and considering the amount of written-off inventories in the subsequent events to evaluate the appropriateness of the amount of loss on valuation of inventories or obsolescence; analyzing the historical accuracy of judgments, including inspecting the amount of loss on valuation of inventories or obsolescence recognized in prior year and with reference to actual disposal to assess rationality of the judgments of the current period; moreover, comparing with the provision for inventories valuation and obsolescence made in the current year to evaluate the appropriateness of the assumptions.

Other Matter

We did not audit the financial statements for the years ended December 31, 2022 and 2021 of certain investments accounted for using the equity method. The financial statements for the years ended December 31, 2022 and 2021 were audited by another auditor, whose audit report has been furnished to us, and our conclusion, insofar as it relates to the amounts included in these investments, is based solely on the audit reports of another auditor. The investment accounted for using the equity method amounted to \$7,838,047 thousand and \$7,855,162 thousand, respectively, constituting 13.21% and 11.90% of total assets as of December 31, 2022 and 2021, respectively, and the related shares of profit of subsidiaries, associates and joint ventures accounted for using the equity method amounted to \$318,817 thousand and \$254,979 thousand, respectively, as well as the related shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method amounted to \$36,153 thousand and \$21,000 thousand, respectively, constituting 17.35%, 4.47%, 1.97%, and 0.37% of total comprehensive income and loss for the years ended December 31, 2022 and 2021, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on these financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chia-Chien Tang and Ming-Hung Huang.

KPMG

Taipei, Taiwan (The Republic of China)

March 9, 2023

Note to Readers

The accompanying parent-company-only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers". The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

WIN Semiconductors Corp.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

| | | December 31, 2022 | | December 31, 2021 | | | | December 31, 2022 | | December 31, 2021 | |
|------------------------|---|-----------------------------|-------------------|--------------------------|-------------------|-----------------------------|--|-----------------------------|-------------------|--------------------------|-------------------|
| Assets | | Amount | % | Amount | % | Liabilities and Equity | | Amount | % | Amount | % |
| Current assets: | | | | | | Current liabilities: | | | | | |
| 1100 | Cash and cash equivalents (Note 6(a)) | \$ 7,212,951 | 12 | 11,522,418 | 18 | 2120 | Current financial liabilities at fair value through profit or loss (Notes 6(b) and 6(o)) | \$ 449,261 | 1 | 180,497 | - |
| 1110 | Current financial assets at fair value through profit or loss (Note 6(b)) | 9,549 | - | 18,541 | - | 2130 | Current contract liabilities (Note 6(w)) | 218,576 | - | 339,851 | 1 |
| 1170 | Accounts receivable, net (Notes 6(c) and 6(w)) | 909,758 | 2 | 2,708,951 | 4 | 2170 | Accounts payable | 1,001,659 | 2 | 2,118,917 | 3 |
| 1210 | Other receivables due from related parties (Notes 6(d) and 7) | - | - | 14,148 | - | 2200 | Other payables (Note 6(x)) | 2,106,358 | 4 | 3,822,631 | 6 |
| 1310 | Inventories (Note 6(e)) | 5,278,163 | 9 | 6,554,201 | 10 | 2220 | Other payables to related parties (Note 7) | 12,613 | - | 6,643 | - |
| 1470 | Other current assets (Notes 6(d) and 6(l)) | 177,408 | - | 236,354 | - | 2280 | Current lease liabilities (Notes 6(p) and 6(ac)) | 50,525 | - | 30,844 | - |
| | Total current assets | <u>13,587,829</u> | <u>23</u> | <u>21,054,613</u> | <u>32</u> | 2320 | Long-term liabilities, current portion (Notes 6(n), 6(ac) and 8) | 1,731,147 | 3 | - | - |
| | Non-current assets: | | | | | 2399 | Other current liabilities | 209,060 | - | 170,874 | - |
| 1510 | Non-current financial assets at fair value through profit or loss (Note 6(b)) | 1,369,943 | 2 | 1,442,016 | 2 | | Total current liabilities | <u>5,779,199</u> | <u>10</u> | <u>6,670,257</u> | <u>10</u> |
| 1517 | Non-current financial assets at fair value through other comprehensive income (Note 6(b)) | 512,532 | 1 | 660,220 | 1 | | Non-Current liabilities: | | | | |
| 1550 | Investments accounted for using equity method (Notes 6(f), 6(g) and 7) | 20,029,912 | 34 | 21,190,836 | 32 | 2530 | Bonds payable (Notes 6(o) and 6(ac)) | 10,669,555 | 18 | 13,286,639 | 20 |
| 1600 | Property, plant and equipment (Notes 6(h) and 8) | 19,469,959 | 33 | 17,261,431 | 26 | 2540 | Long-term borrowings (Notes 6(n), 6(ac) and 8) | 8,886,100 | 15 | 10,470,660 | 16 |
| 1755 | Right-of-use assets (Notes 6(i) and 8) | 494,931 | 1 | 413,970 | 1 | 2570 | Deferred tax liabilities (Note 6(s)) | 16,185 | - | - | - |
| 1760 | Investment property (Note 6(j)) | 1,048,632 | 2 | 1,053,948 | 2 | 2580 | Non-current lease liabilities (Notes 6(p) and 6(ac)) | 447,496 | 1 | 384,407 | 1 |
| 1780 | Intangible assets (Note 6(k)) | 77,070 | - | 138,218 | - | 2600 | Other non-current liabilities (Notes 6(r), 6(ac) and 7) | 201,699 | - | 234,543 | - |
| 1840 | Deferred tax assets (Note 6(s)) | 756,114 | 1 | 417,116 | 1 | | Total non-current liabilities | <u>20,221,035</u> | <u>34</u> | <u>24,376,249</u> | <u>37</u> |
| 1915 | Prepayments for business facilities | 1,751,643 | 3 | 2,140,415 | 3 | | Total liabilities | <u>26,000,234</u> | <u>44</u> | <u>31,046,506</u> | <u>47</u> |
| 1990 | Other non-current assets (Notes 6(l) and 8) | 230,205 | - | 211,731 | - | | Equity (Notes 6(b), 6(f), 6(g), 6(o), 6(r), 6(s), 6(t) and 6(u)): | | | | |
| | Total non-current assets | <u>45,740,941</u> | <u>77</u> | <u>44,929,901</u> | <u>68</u> | 3110 | Ordinary shares | 4,239,404 | 7 | 4,239,764 | 7 |
| | | | | | | 3200 | Capital surplus | 9,964,088 | 17 | 9,969,914 | 15 |
| | | | | | | 3300 | Retained earnings | 18,351,411 | 31 | 19,960,265 | 30 |
| | | | | | | 3400 | Other equity interests | 773,633 | 1 | 768,065 | 1 |
| | | | | | | | Total equity | <u>33,328,536</u> | <u>56</u> | <u>34,938,008</u> | <u>53</u> |
| Total assets | | <u><u>\$ 59,328,770</u></u> | <u><u>100</u></u> | <u><u>65,984,514</u></u> | <u><u>100</u></u> | | Total liabilities and equity | <u><u>\$ 59,328,770</u></u> | <u><u>100</u></u> | <u><u>65,984,514</u></u> | <u><u>100</u></u> |

WIN Semiconductors Corp.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

| | | 2022 | | 2021 | |
|------|--|---------------|------|--------------|------|
| | | Amount | % | Amount | % |
| 4000 | Operating revenue (Note 6(w)) | \$ 17,811,085 | 100 | 25,521,833 | 100 |
| 5000 | Operating costs (Notes 6(e), 6(h), 6(i), 6(k), 6(p), 6(r), 6(u), 6(x) and 12) | (12,748,356) | (72) | (15,779,629) | (62) |
| | Gross profit from operations | 5,062,729 | 28 | 9,742,204 | 38 |
| | Operating expenses (Notes 6(h), 6(i), 6(j), 6(k), 6(p), 6(r), 6(u), 6(x), 7 and 12): | | | | |
| 6100 | Selling expenses | (269,869) | (1) | (287,537) | (1) |
| 6200 | Administrative expenses | (697,120) | (4) | (1,168,561) | (5) |
| 6300 | Research and development expenses | (1,481,611) | (8) | (1,154,136) | (4) |
| | Total operating expenses | (2,448,600) | (13) | (2,610,234) | (10) |
| | Net operating income | 2,614,129 | 15 | 7,131,970 | 28 |
| | Non-operating income and expenses (Notes 6(b), 6(f), 6(h), 6(o), 6(p), 6(q), 6(y) and 7): | | | | |
| 7100 | Interest income | 100,507 | - | 31,463 | - |
| 7010 | Other income | 222,970 | 1 | 51,765 | - |
| 7020 | Other gains and losses | 849,351 | 5 | 227,320 | 1 |
| 7050 | Finance costs | (191,793) | (1) | (205,163) | (1) |
| 7070 | Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method | (1,381,560) | (8) | (603,681) | (2) |
| | Total non-operating income and expenses | (400,525) | (3) | (498,296) | (2) |
| 7900 | Profit before tax | 2,213,604 | 12 | 6,633,674 | 26 |
| 7950 | Tax expenses (Note 6(s)) | (411,435) | (2) | (1,178,712) | (5) |
| | Profit | 1,802,169 | 10 | 5,454,962 | 21 |
| 8300 | Other comprehensive income: | | | | |
| 8310 | Components of other comprehensive income that will not be reclassified to profit or loss (Notes 6(r), 6(s) and 6(t)) | | | | |
| 8311 | Remeasurements of defined benefit plans | 22,235 | - | (1,099) | - |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | (110,277) | - | 49,108 | - |
| 8330 | Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss | (202,335) | (1) | 273,593 | 1 |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | (4,447) | - | 220 | - |
| | Total components of other comprehensive income (loss) that will not be reclassified to profit or loss | (294,824) | (1) | 321,822 | 1 |
| 8360 | Components of other comprehensive income (loss) that will be reclassified to profit or loss (Note 6(t)) | | | | |
| 8361 | Exchange differences on translation of foreign financial statements | 940,005 | 5 | (214,625) | (1) |
| 8380 | Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss | (609,592) | (3) | 147,421 | 1 |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | - | - | - | - |
| | Total components of other comprehensive income that will be reclassified to profit or loss | 330,413 | 2 | (67,204) | - |
| 8300 | Other comprehensive income | 35,589 | 1 | 254,618 | 1 |
| 8500 | Total comprehensive income | \$ 1,837,758 | 11 | 5,709,580 | 22 |
| | Earnings per common share (expressed in dollars) (Note 6(v)) | | | | |
| 9750 | Basic earnings per share | \$ 4.25 | | 12.90 | |
| 9850 | Diluted earnings per share | \$ 4.24 | | 12.49 | |

WIN Semiconductors Corp.
Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

| | Retained earnings | | | | | Other equity interests | | | | |
|---|---------------------|------------------|------------------|----------------------------------|-------------------------|---|--|--|------------------------------|--------------------|
| | Ordinary shares | Capital surplus | Legal reserve | Unappropriated retained earnings | Total retained earnings | Exchange differences on translation of foreign financial statements | Unrealized gains (losses) on financial assets at fair value through other comprehensive income | Other unearned compensation for restricted shares of employees | Total other equity interests | Total equity |
| Balance at January 1, 2021 | <u>\$ 4,240,564</u> | <u>9,323,098</u> | <u>2,515,700</u> | <u>14,485,321</u> | <u>17,001,021</u> | <u>(202,205)</u> | <u>3,780,846</u> | <u>(65,738)</u> | <u>3,512,903</u> | <u>34,077,586</u> |
| Appropriation and distribution of retained earnings: | | | | | | | | | | |
| Legal reserve appropriated | - | - | 657,022 | (657,022) | - | - | - | - | - | - |
| Cash dividends on ordinary shares | - | - | - | (4,240,414) | (4,240,414) | - | - | - | - | (4,240,414) |
| | <u>-</u> | <u>-</u> | <u>657,022</u> | <u>(4,897,436)</u> | <u>(4,240,414)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(4,240,414)</u> |
| Profit for the year ended December 31, 2021 | - | - | - | 5,454,962 | 5,454,962 | - | - | - | - | 5,454,962 |
| Other comprehensive income for the year ended December 31, 2021 | - | - | - | (879) | (879) | (67,204) | 322,701 | - | 255,497 | 254,618 |
| Total comprehensive income for the year ended December 31, 2021 | - | - | - | 5,454,083 | 5,454,083 | (67,204) | 322,701 | - | 255,497 | 5,709,580 |
| Changes in equity of subsidiaries and associates accounted for using equity method | - | 6,409 | - | (1,230,923) | (1,230,923) | - | (54,714) | - | (54,714) | (1,279,228) |
| Changes in ownership interests in subsidiaries | - | 10,586 | - | (28,303) | (28,303) | - | - | - | - | (17,717) |
| Compensation cost arising from restricted shares of employees | - | - | - | 39 | 39 | - | - | 48,579 | 48,579 | 48,618 |
| Purchase and retirement of restricted shares of stock for employees | (800) | (9,762) | - | - | - | - | - | 10,562 | 10,562 | - |
| Recognition of equity component of convertible bonds issued | - | 639,583 | - | - | - | - | - | - | - | 639,583 |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | 3,004,762 | 3,004,762 | - | (3,004,762) | - | (3,004,762) | - |
| Balance at December 31, 2021 | <u>4,239,764</u> | <u>9,969,914</u> | <u>3,172,722</u> | <u>16,787,543</u> | <u>19,960,265</u> | <u>(269,409)</u> | <u>1,044,071</u> | <u>(6,597)</u> | <u>768,065</u> | <u>34,938,008</u> |
| Appropriation and distribution of retained earnings: | | | | | | | | | | |
| Legal reserve appropriated | - | - | 719,966 | (719,966) | - | - | - | - | - | - |
| Cash dividends on ordinary shares | - | - | - | (3,391,811) | (3,391,811) | - | - | - | - | (3,391,811) |
| | <u>-</u> | <u>-</u> | <u>719,966</u> | <u>(4,111,777)</u> | <u>(3,391,811)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,391,811)</u> |
| Profit for the year ended December 31, 2022 | - | - | - | 1,802,169 | 1,802,169 | - | - | - | - | 1,802,169 |
| Other comprehensive income for the year ended December 31, 2022 | - | - | - | 17,788 | 17,788 | 330,413 | (312,612) | - | 17,801 | 35,589 |
| Total comprehensive income for the year ended December 31, 2022 | - | - | - | 1,819,957 | 1,819,957 | 330,413 | (312,612) | - | 17,801 | 1,837,758 |
| Compensation cost arising from restricted shares of employees | - | - | - | - | - | - | - | 39 | 39 | 39 |
| Purchase and retirement of restricted shares of stock for employees | (360) | (6,198) | - | - | - | - | - | 6,558 | 6,558 | - |
| Changes in equity of subsidiaries and associates accounted for using equity method | - | 372 | - | (55,830) | (55,830) | - | - | - | - | (55,458) |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | 18,830 | 18,830 | - | (18,830) | - | (18,830) | - |
| Balance at December 31, 2022 | <u>\$ 4,239,404</u> | <u>9,964,088</u> | <u>3,892,688</u> | <u>14,458,723</u> | <u>18,351,411</u> | <u>61,004</u> | <u>712,629</u> | <u>-</u> | <u>773,633</u> | <u>33,328,536</u> |

WIN Semiconductors Corp.
Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

| | 2022 | 2021 |
|--|---------------------|---------------------|
| Cash flows from (used in) operating activities: | | |
| Profit before tax | \$ 2,213,604 | 6,633,674 |
| Adjustments: | | |
| Adjustments to reconcile profit (loss): | | |
| Depreciation expense | 3,809,704 | 3,856,799 |
| Amortization expense | 102,217 | 102,693 |
| Net losses (gains) on financial assets or liabilities at fair value through profit or loss | 577,357 | (243,365) |
| Interest expense | 191,793 | 205,163 |
| Interest income | (100,507) | (31,463) |
| Dividend income | (184,267) | (16,585) |
| Compensation cost arising from share-based payments | 39 | 48,618 |
| Share of losses of subsidiaries, associates and joint ventures accounted for using equity method | 1,381,560 | 603,681 |
| (Gains) losses on disposal of property, plant and equipment | (36,499) | 3,098 |
| Other income | (63,885) | (51,482) |
| Prepayments for business facilities transferred to expenses | 48 | 96 |
| Gains on repurchases of bonds payable | (600,777) | - |
| Total adjustments to reconcile profit (loss) | 5,076,783 | 4,477,253 |
| Changes in operating assets and liabilities: | | |
| Changes in operating assets: | | |
| Decrease (increase) in accounts receivable | 1,799,193 | (675,237) |
| Decrease (increase) in inventories | 1,113,742 | (1,361,157) |
| Decrease (increase) in other current assets | 72,814 | (3,291) |
| Total changes in operating assets | 2,985,749 | (2,039,685) |
| Changes in operating liabilities: | | |
| Decrease in contract liabilities | (121,275) | (179,089) |
| (Decrease) increase in accounts payable | (1,117,258) | 351,825 |
| (Decrease) increase in other payables | (1,045,938) | 338,429 |
| Increase (decrease) in other payables to related parties | 5,970 | (192) |
| Increase in other current liabilities | 38,186 | 23,275 |
| Increase in other non-current liabilities | 621 | 1,044 |
| Total changes in operating liabilities | (2,239,694) | 535,292 |
| Total changes in operating assets and liabilities | 746,055 | (1,504,393) |
| Cash inflow generated from operations | 8,036,442 | 9,606,534 |
| Income taxes paid | (1,381,924) | (1,596,645) |
| Net cash flows from operating activities | 6,654,518 | 8,009,889 |
| Cash flows from (used in) investing activities: | | |
| Acquisition of financial assets at fair value through other comprehensive income | - | (1,884,803) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 19,744 | 313,827 |
| Proceeds from capital reduction of financial assets at fair value through other comprehensive income | 17,667 | 10,000 |
| Acquisition of financial assets at fair value through profit or loss | (76,500) | (353,212) |
| Proceeds from disposal of financial assets at fair value through profit or loss | 9,969 | - |
| Proceeds from capital reduction of financial assets at fair value through profit or loss | 8,719 | 901 |
| Acquisition of investments accounted for using equity method | (500,000) | (7,214,240) |
| Acquisition of property, plant and equipment | (3,949,965) | (2,896,439) |
| Proceeds from disposal of property, plant and equipment | 81,755 | 11,005 |
| Acquisition of intangible assets | (61,153) | (79,541) |
| Increase in other non-current assets | (18,474) | (113,024) |
| Increase in prepayments for business facilities | (1,512,868) | (1,346,378) |
| Interest received | 86,639 | 30,121 |
| Dividends received | 536,251 | 295,408 |
| Other income received | 78,033 | 45,779 |
| Net cash flows used in investing activities | (5,280,183) | (13,180,596) |
| Cash flows from (used in) financing activities: | | |
| Issuance of convertible bonds payable | - | 13,902,774 |
| Proceeds from long-term debt | 5,269,700 | 5,792,720 |
| Repayments of long-term debt | (5,123,113) | (3,081,000) |
| Repayments of lease liabilities | (51,607) | (47,666) |
| (Decrease) increase in other non-current liabilities | (11,230) | 5,343 |
| Cash dividends paid | (3,391,811) | (4,240,414) |
| Interest paid | (28,531) | (41,249) |
| Repurchases of bonds payable | (2,347,210) | - |
| Net cash flows (used in) from financing activities | (5,683,802) | 12,290,508 |
| Net (decrease) increase in cash and cash equivalents | (4,309,467) | 7,119,801 |
| Cash and cash equivalents at beginning of period | 11,522,418 | 4,402,617 |
| Cash and cash equivalents at end of period | \$ 7,212,951 | 11,522,418 |

ATTACHMENT V: PROFIT ALLOCATION PROPOSAL

WIN Semiconductors Corp. 2022 Profit Allocation Proposal

Unit: NT\$

| | |
|--|------------------------|
| Unappropriated retained earnings, Dec. 31, 2021 | 12,675,766,180 |
| Net profit of 2022 | 1,802,168,926 |
| Add: Disposal of investments in equity instruments designated at fair value through other comprehensive income | 18,829,987 |
| Add: Remeasurements of defined benefit plans | 17,788,000 |
| Less: Changes in equity of investment in subsidiaries and associates accounted for using equity method | (55,829,943) |
| The net profit of 2022 and the items other than net profit of 2022 but are included in unappropriated retained earnings of 2022 | 1,782,956,970 |
| Less: 10% legal reserve | (178,295,697) |
| Retained earnings in 2022 available for distribution | 1,604,661,273 |
| Distributable item: | |
| Cash dividends to common share holders (NT\$2.5 per share) | (1,059,850,960) |
| Unappropriated retained earnings of 2022 | 544,810,313 |
| Unappropriated retained earnings, Dec. 31, 2022 | 13,220,576,493 |

If there is any net profit after closing of a fiscal year, the Corporation shall first pay business income tax, offset losses in previous years, set aside a legal capital reserve at 10% of the profits left over, provided that no allocation of legal reserve is required if the accumulated legal reserve is equivalent to the total capital amount of the Corporation; and then set aside or rotate special reserve according to the rule set out by the government authority in charge. If there is still remaining balance, the Corporation shall set aside at least 50% for shareholders' dividends, the Board of Directors should draw up a meeting regarding the issue of profit distribution and report to the shareholders' meeting for the resolution of the distribution of the dividend, in which cash dividend shall not be lower than 10% of entire dividend.

It is authorized the distributable dividends and bonuses or legal capital reserve and capital reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

As the Corporation is a high-tech firm with intensive capital expenditure, conditions, timing, amount and kinds of the above-stated dividend policy may be adjusted, taking into account economic cycles, industry change and the Corporation's growth and cash demand.

| | | |
|-------------------------------------|---------------------------------|---------------------------|
| <i>Chin-Tsai Chen (Dennis Chen)</i> | <i>Kuo-Hua Chen (Kyle Chen)</i> | <i>Linna Su</i> |
| <i>Chairman</i> | <i>CEO</i> | <i>Accounting Officer</i> |

ATTACHMENT VI: REVISIONS TO ARTICLE OF INCORPORATION

Before and After Revision

| AFTER THE REVISION | BEFORE THE REVISION | EXPLANATION |
|--|--|--|
| <p>Article 9-1</p> <p><u>The shareholders' meeting of the Corporation may be held in hybrid format or other methods allowed by the regulatory authority.</u></p> | | <ol style="list-style-type: none"> 1. This Article is newly added. 2. The shareholders' meeting of the Corporation may be held in hybrid format. |
| <p>Article 22 Employees' Profit Sharing Bonus and Compensation of Directors</p> <p>If there is any net profit after closing of a fiscal year, it shall be allocated according to the following principles:</p> <p>1. Employee's profit sharing bonus: not less than 5% but no more than 10%. In addition, employee's profit sharing bonus shall be distributed in the form of shares or cash.</p> <p>Stock-type employee's profit sharing bonus may be distributed to qualified employees of affiliates of the Corporation.</p> <p>2. Compensation of Directors: no more than 3%. However, if there are any accumulated losses of the Corporation, the Corporation shall pre-reserve the amount to offset the loss.</p> <p>The distribution of employees' compensation and compensation of Directors shall follow the special resolution by Board of Directors, and report it to the shareholders' meeting</p> | <p>Article 22 Employees' Profit Sharing Bonus and Compensation of Directors</p> <p>If there is any net profit after closing of a fiscal year, it shall be allocated according to the following principles:</p> <p>1. Employee's profit sharing bonus: not less than 5% but no more than 10% <u>and shall be determined and pursuant to Employee Bonus Procedure of the Corporation.</u> In addition, employee's profit sharing bonus shall be distributed in the form of shares or cash.</p> <p>Stock-type employee's profit sharing bonus may be distributed to qualified employees of affiliates of the Corporation.</p> <p>2. Compensation of Directors: no more than 3%. However, if there are any accumulated losses of the Corporation, the Corporation shall pre-reserve the amount to offset the loss.</p> <p>The distribution of employees' compensation and compensation of Directors shall follow the special resolution by Board of Directors, and report it to the shareholders' meeting.</p> | <p>The distribution of employee bonus of the Corporation has been revised in the Compensation Management Procedure of the Corporation.</p> |
| <p>Article 25</p> <p>The Article of Incorporation are agreed to and signed on December 12, 1999 by all the promoters of the Corporation,</p> | <p>Article 25</p> <p>The Article of Incorporation are agreed to and signed on December 12, 1999 by all the promoters of the Corporation,</p> | <p>Proposed revisions to reflect the amendment date of these Articles.</p> |

| AFTER THE REVISION | BEFORE THE REVISION | EXPLANATION |
|--|--|-------------|
| <p>and the first Amendment was approved by the shareholders' meeting on May 12, 2000, the second Amendment on May 4, 2001, the third Amendment on June 24, 2002, the fourth Amendment on June 24, 2003, the fifth Amendment on October 26, 2004, the sixth Amendment on June 24, 2005, the seventh Amendment on June 2, 2006, the eighth Amendment on June 19, 2008, the ninth Amendment on June 26, 2009, the tenth Amendment on June 24, 2010, the eleventh Amendment on June 10, 2011, the twelfth Amendment on June 5, 2012, the thirteenth Amendment of June 3, 2015, the fourteenth Amendment of June 24, 2016, the fifteenth Amendment of June 14, 2019, the sixteenth Amendment of July 22, 2021 <u>and the seventeenth Amendment of May 26, 2023.</u></p> | <p>and the first Amendment was approved by the shareholders' meeting on May 12, 2000, the second Amendment on May 4, 2001, the third Amendment on June 24, 2002, the fourth Amendment on June 24, 2003, the fifth Amendment on October 26, 2004, the sixth Amendment on June 24, 2005, the seventh Amendment on June 2, 2006, the eighth Amendment on June 19, 2008, the ninth Amendment on June 26, 2009, the tenth Amendment on June 24, 2010, the eleventh Amendment on June 10, 2011, the twelfth Amendment on June 5, 2012, the thirteenth Amendment of June 3, 2015, the fourteenth Amendment of June 24, 2016, the fifteenth Amendment of June 14, 2019 and the sixteenth Amendment of July 22, 2021.</p> | |

APPENDIX I: ARTICLES OF INCORPORATION (BEFORE THE REVISION)

WIN Semiconductors Corp.

Articles of Incorporation

Approved by the AGM on July 22, 2021

Section I General Provisions

Article 1

This Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 穩懋半導體股份有限公司 in Chinese.

The Corporation's name shall be WIN Semiconductors Corp. in English.

Article 2

The scope of business of the Corporation shall be as follows:

1. CC01080 - Manufacturing of electronic parts and components.
2. F119010 - Wholesale of electronic materials.
3. ZZ99999 - All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The Corporation shall have its principal office in Taoyuan City, Taiwan, and shall be free, whenever necessary and upon approval of the Board of Directors and government authorities in charge, to set up branch offices at various locations within or outside the territory of the Republic of China.

Article 4

The Corporation may provide endorsement and guarantee and act as a guarantor pursuant to the Corporation's Endorsement and Guarantee Procedure, whenever the Corporation deems it necessary to carry out its business.

Section II Capital Stock

Article 5

The total capital stock of the Corporation shall be in the amount of 10,000,000,000 New Taiwan Dollars, divided into 1,000,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments subject to the approval by the meeting of the Board of Directors. The Corporation may issue employee stock options from time to time. A total of 100,000,000 shares (representing 1,000,000,000 New Taiwan Dollars) among the above total capital stock shall be reserved for issuing employee stock options.

Article 6

The Corporation may issue shares without printing share certificates, provided that the stock shall be recorded with the centralized securities custody institution.

Article 7

All transfers of stocks and name changes conducted by shareholders shall follow the Company Law and applicable regulations.

Article 8

All transfers of stocks, pledges of rights, losses, successions, gifts, losses of seal, amendments of seal, changes of address or similar stock transactions conducted by shareholders of the Corporation shall follow the “Guidelines for Stock Operations of Public Companies” unless specified otherwise by securities laws and regulations.

Article 8 – 1

When it is proposed that the Corporation cease public offering of its shares, the Corporation shall submit such proposal for approval by the Shareholders’ Meeting in accordance with the Company Law of the Republic of China, provided that such clause shall not be varied or amended during the period of registration with and/or listing on the Emerging Market of Gre Tai Securities Market, Taiwan Stock Exchange Corporation and/or the Gre Tai Securities Market.

Section III Shareholders Meeting**Article 9**

Shareholders’ Meetings of the Corporation are of two types, namely: (1) regular meetings, and (2) special meetings. Regular meetings shall be convened within six (6) months after the close of each fiscal year. Special meetings shall be convened whenever necessary. The above-stated shareholders’ meetings shall be convened by the Board of Directors unless otherwise provided for in the Company Law of the Republic of China.

Article 10

If a shareholder is unable to attend a meeting, he/she may appoint a representative to attend it by signing or sealing a proxy stating scope of authorization. The handling of proxies shall follow Procedures Governing Using Proxies in Shareholders Meetings of a Public Company issued by the government authority in charge.

Article 11

Unless otherwise provided for by laws, each share of stock in the Corporation shall be entitled to one vote.

Article 12

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

Section IV Directors of the Board

Article 13

The Corporation shall have seven (7) to thirteen (13) Directors, who shall be elected in accordance with the nomination system by the shareholders' meeting, and to serve a term of office of three (3) years. All Directors shall be eligible for re-election.

The Corporation shall have Independent Directors, seats of which shall not be less than three (3) or one-fifth of seats of Directors, whichever is higher. Matters relevant to acceptance of candidate nomination, announcement, etc. shall be proceeded pursuant to the Company Law, Securities Exchange Law and the related laws and regulations. The election of Independent Directors and Directors of the Corporation shall be conducted concurrently and the number of the Independent Directors and Directors to be elected shall be calculated separately.

Article 14

The Board of Directors is consisted of Directors. The Directors shall elect from among themselves a Chairman of the Board of Directors and a Vice Chairman of the Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Board of Directors shall have the authority to undertake all matters on behalf of the Corporation pursuant to the laws and regulations, the Articles of Incorporation of the Corporation, and the resolutions adopted by the Shareholders' meeting and the meeting of the Board of Directors.

Article 14 - 1

The Board of Directors may establish various committees with different functions. The committees subordinated to the Board of Directors shall stipulate charters and rules regarding the exercise of rights and duties and which shall be put in force upon approval by the Board of Directors.

In compliance with laws or regulations, the Corporation shall establish an Audit

Committee, which shall consist of all Independent Directors. The Audit Committee shall be responsible for those responsibilities of supervisors specified in the Company Law of the Republic of China, Securities and Exchange Law and other relevant regulations.

Article 15

The Board of Directors shall hold a meeting at least once every quarter.

The reasons for convention of meetings of the Board of Directors shall be specified in the meeting notice and be given to each Director, provided that a meeting of the Board of Directors may be convened at any time in the event of emergency. The notice for convention of meetings of the Board of Directors shall be given to each Director in writing, in the form of electronic transmission or facsimile.

Article 16

The authorities of the Board of Directors shall follow the Company Law of the Republic of China and other applicable regulations.

Article 17

Meetings of the Board of Directors shall be presided by the Chairman of the Board of Directors. In his absence, acting for him shall be determined in accordance with Article 208 of the Company Law of the Republic of China. Other than the Board of Directors, anyone who has the right to convene a shareholders' meeting shall preside that shareholders' meeting. If there are two (2) or more persons who have the right to convene such meeting, a chairman shall be elected among themselves.

Article 18

Except as otherwise provided in the Company Law of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting. A Director may, by written authorization stating the scope of authority, appoint another Director to attend the meeting, provided that one Director may not be acting for two or more Directors.

Article 19

The Corporation may defray compensation to all the Directors when they perform the duties relevant to the Corporation.

The Board of Directors is authorized to determine the compensation for all Directors based on the standards of the industry, taking into account the individual performance and the long term performance of the Corporation, and the business operation risk of the Corporation. The compensation for Independent Directors may be reasonably different from Directors.

Article 19 - 1

The Corporation may purchase liability insurance for Directors.

Section V Management

Article 20

The Corporation may appoint a Chief Executive Officer, whose appointment, discharge and compensation shall follow Article 29 of the Company Law of the Republic of China and be appointed by a resolution attended by a majority of Directors and adopted with the concurrence of the majority of the Directors present at the meeting.

Section VI Accounting

Article 21

After closing of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted to the regular Shareholders' meeting for acceptance:

1. Business Report;
2. Financial Statements, and
3. Proposal Concerning Appropriation of Net Profits or Losses.

If the proposal concerning appropriation of net profits is paid in cash according to the second paragraph of Article 22-1, it shall be reported to the regular Shareholders' meeting.

Article 22 Employees' Profit Sharing Bonus and Compensation of Directors

If there is any net profit after closing of a fiscal year, it shall be allocated according to the following principles:

1. Employee's profit sharing bonus: not less than 5% but no more than 10% and shall be determined and pursuant to Employee Bonus Procedure of the Corporation. In addition, employee's profit sharing bonus shall be distributed in the form of shares or cash. Stock-type employee's profit sharing bonus may be distributed to qualified employees of affiliates of the Corporation.
2. Compensation of Directors: no more than 3%.

However, if there are any accumulated losses of the Corporation, the Corporation shall pre-reserve the amount to offset the loss. The distribution of employees' compensation and compensation of Directors shall follow the special resolution by Board of Directors, and report it to the shareholders' meeting.

Article 22 - 1 Profits Distribution

If there is any net profit after closing of a fiscal year, the Corporation shall first pay business income tax, offset losses in previous years, set aside a legal capital reserve at

10% of the profits left over, provided that no allocation of legal reserve is required if the accumulated legal reserve is equivalent to the total capital amount of the Corporation; and then set aside or rotate special reserve according to the rule set out by the government authority in charge. If there is still remaining balance, the Corporation shall set aside at least 50% for shareholders' dividends, the Board of Directors should draw up a meeting regarding the issue of profit distribution and report to the shareholders' meeting for the resolution of the distribution of the dividend, in which cash dividend shall not be lower than 10% of entire dividend.

It is authorized the distributable dividends and bonuses or legal capital reserve and capital reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

As the Corporation is a high-tech firm with intensive capital expenditure, conditions, timing, amount and kinds of the above-stated dividend policy may be adjusted, taking into account economic cycles, industry change and the Corporation's growth and cash demand.

Section VII Supplementary Provisions

Article 23

The amount of re-investment by the Corporation may exceed 40% of its paid-in capital.

Article 24

In regard to all matters not provided for in the Articles of Incorporation, the Company Law and relevant laws and regulations of the Republic of China shall govern.

Article 25

The Article of Incorporation are agreed to and signed on December 12, 1999 by all the promoters of the Corporation, and the first Amendment was approved by the shareholders' meeting on May 12, 2000, the second Amendment on May 4, 2001, the third Amendment on June 24, 2002, the fourth Amendment on June 24, 2003, the fifth Amendment on October 26, 2004, the sixth Amendment on June 24, 2005, the seventh Amendment on June 2, 2006, the eighth Amendment on June 19, 2008, the ninth Amendment on June 26, 2009, the tenth Amendment on June 24, 2010, the eleventh Amendment on June 10, 2011, the twelfth Amendment on June 5, 2012, the thirteenth Amendment of June 3, 2015, the fourteenth Amendment of June 24, 2016 and the fifteenth Amendment of June 14, 2019 and the sixteenth Amendment on July 22, 2021.

APPENDIX II: RULES AND PROCEDURES OF SHAREHOLDERS' MEETING

WIN Semiconductors Corp. Rules and Procedures of Shareholders' Meeting

Approved by the AGM on July 22, 2021

1. Unless otherwise provided for in applicable laws and regulations or the Company's Articles of Incorporation, Shareholders' Meeting Rules and Procedures of the Company shall comply with the following articles.

2. Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

The convening of the Company's shareholders' meeting shall be notified to all shareholders within a prescribed time limit according to the laws and regulations, and shareholders who hold less than one thousand registered shares may be notified by the announcements uploaded on the Market Observation Post System (MOPS).

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

3. Shareholders' meetings (the "Meeting") shall be held at the Company's premises or at another place that is convenient for shareholders to attend and suitable for a Meeting. The Meeting shall not start earlier than 9:00 AM or later than 3:00 PM.
4. A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

5. The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient

number of suitable personnel assigned to handle the registrations.

The Company shall provide a sign-in book allowing attending shareholders to sign in or require attending shareholders to submit attendance cards in lieu of signing in. Shareholders shall be admitted to the Meeting on the basis of attendance passes, attendance cards, or other attendance documents; those persons soliciting proxy forms shall be required to present identification documents for checking identities. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a legal entity is a shareholder, more than one representative may attend the Meeting. However, a legal entity serving as proxy to attend the Meeting may appoint only one representative to attend.

6. Voting and attendance at the Meeting shall be based on number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

Shares of shareholders without voting rights shall not be included in the total number of issued and outstanding shares when voting on resolutions. If there is concern that a shareholder's interest may conflict with and adversely affect the Company's interests with regard to any matters discussed at the Meeting, such shareholder may not participate in voting, and may not represent another shareholder to exercise his or her voting rights.

The number of shares of those persons not permitted to exercise their voting rights in the foregoing paragraph shall not be included in counting the total number of voting shares for attending shareholders.

Except in the case of a trust enterprise or securities proxy organization approved by the securities competent authority, the proxy voting rights of a person serving as a proxy for two or more shareholders may not exceed 3% of total issued and outstanding shares voting rights; if it does exceed 3%, the excess portion shall not be counted.

7. The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board of Directors cannot preside at the Meeting, the Vice Chairman shall act in place of the chairman; if the Vice Chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, one of the Directors shall preside at the Meeting in accordance with Article 208 of the Company Law of the Republic of China.

If the Meeting is convened by any person entitled to convene the Meeting other than the Board of Directors, such person shall be the chairman to preside at the Meeting. If there is more than one such person entitles to convene the Meeting,

those persons shall nominate amongst themselves to be the Meeting's chairman.

The Company may appoint retained lawyers, certified public accountants or related persons to participate in the Meeting.

8. The Company, beginning from the time of shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures and the recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
9. The chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and the Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements, the number of shares represented by the attending shareholders has not yet constituted more than one-third of all issued and outstanding shares, the chairman shall announce the termination of the Meeting.

If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Law of the Republic of China, and shareholders shall be notified to attend another shareholders' meeting to approve the tentative resolutions within one month.

If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of China.

10. The agenda of the Meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. Votes shall be cast on each separate proposal in the agenda, including extraordinary motions and amendments to the original proposals set out in the agenda. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

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

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

The chairman must provide sufficient time for the explanation and discussion of all items on the agenda and amendments and provisional motions submitted by

shareholders; the chairman may announce an end of discussion and submit an item for a vote if the chairman deems that the agenda item is ready for voting and allocate sufficient time for voting.

11. When a shareholder attending the meeting wishes to speak, a speech note should be filled out with summary of the speech, the shareholder's account number (or the number of attendance card) and the account name of the shareholder. The chairman shall determine the sequence of shareholder's speeches.

If any attending shareholder at the Meeting submits a speech note but does not speak, no speech should be deemed to have been made by the shareholder. In case the content of the speech of a shareholder is inconsistent with the content of the speech note, the content of actual speech shall prevail.

The same shareholder may not speak more than twice concerning the same item without the chairman's consent, and each speech time may not exceed five minutes. The chairman may stop the speech of any shareholder who violates the above provision or exceeds the scope of the agenda item.

Unless otherwise permitted by the chairman and the speaking shareholder, no shareholder shall interrupt the speech of the speaking shareholder, otherwise the chairman shall stop such interruption.

When a legal-entity shareholder has appointed two or more representatives to attend the Meeting, only one representative can speak for each agenda item.

The chairman may respond himself/herself or designate another person to respond after the speech of attending shareholder.

12. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Law.

When this Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in

person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except otherwise specified in the Company Law or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders.

At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

13. The chairman shall appoint persons to handle checking and counting ballots during votes on agenda items. However, the persons responsible for checking ballots must be shareholders. The ballots shall be publicly counted at the Meeting venue and the results of voting shall be announced at the Meeting and placed on record.
14. During procession of the Meeting, the chairman may announce recession. In case of force majeure, the chairman may determine to suspend the Meeting and announce the time of resuming the Meeting. In accordance with Article 182 of the Company Law of the Republic of China, the shareholders may have resolution to extend or continue the Meetings in five days.
Before the agenda (including provisional motions) set for the Meeting are completed, if the Meeting place cannot continue to be used, a new place will be located for resumption of the Meeting.
15. Persons handling affairs of the Meeting shall wear identification cards or arm badges. The chairman may order disciplinary officers or security guards to assist in keeping order in the Meeting place. Such disciplinary officers or security guards shall wear arm badges marked "Disciplinary Personnel" when assisting in maintaining order in the Meeting place.

If the Meeting place is equipped with loudspeaker equipment, the chairman shall stop any shareholders using equipment not installed by the Company from speaking.

The chairman shall order disciplinary officers or security guard to escort any shareholders who violate these Rules and Procedures and fail to heed the

chairman's correction, or disrupt the proceeding of the Meeting and fail to desist, to leave the Meeting place.

16. If the election of directors is conducted during the Meeting, such an election shall be performed in accordance with the Company's Rules for Election of Directors and Supervisors, and the results must be announced at the Meeting including the names of those elected as directors and the numbers of votes.

The ballots casts in the election in the forgoing paragraph shall be sealed and signed by the persons responsible for checking ballots and kept for at least one year. If a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, ballots shall be kept until the end of the lawsuit.

17. Resolutions made at the Meeting shall be complied in the form of minutes. The chairman shall affix his signature or seal to the minutes, which shall be issued to shareholders within 20 days after the end of the Meeting.

With regard to the issue of minutes in the forgoing paragraph, the minutes may be distributed in the form of an announcement on the Market Observation Post System Website.

The minutes must faithfully record the Meeting's date (year, month, day), place, chairman's name, resolution method, summary of proceeding and the voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors.

The minutes of the Meeting shall be preserved for as long as the Company exists.

If any resolutions made by the Meeting are material information pursuant to the applicable laws and regulations or the Taipei Exchange (TPEX) regulations, the Company shall transmit the content of such resolutions to the Market Observation Post System Website within the specified period of time.

18. Shareholders attending the Meeting shall have the obligation to observe Meeting rules, obey resolutions and maintain order at the Meeting place.
19. The Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

APPENDIX III: RULES FOR ELECTION OF DIRECTORS

WIN Semiconductors Corp.

Rules for Election of Directors

Approved by the AGM on July 22, 2021

Article 1

In order to provide a fair, just, and open procedure for the election of directors, the Rules for election of directors was established in accordance with Article 21 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”. Unless otherwise provided in relevant laws and regulations or the Company’s Articles of Incorporation, the directors of this Company shall be elected in accordance with the rules specified herein.

Article 2

The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. They shall possess the following abilities:
 1. Ability to make operational judgments.
 2. Ability to perform accounting and financial analysis.
 3. Ability to conduct management administration.
 4. Ability to conduct crisis management.
 5. Knowledge of the industry.
 6. An international market perspective.
 7. Leadership.
 8. Ability to make policy decisions.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

Article 3

Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company

Act.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 4

In the election of directors of this Company, each share shall have voting rights equivalent to the number of seats to be elected and such voting rights can be combined to vote for one person or divided to vote for several persons.

Article 5

The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting, Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 6

The number of directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons received the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chairman drawing lots on behalf of any person not in attendance.

Article 7

At the beginning of the election, the Chairman shall appoint several persons each to check and record the ballots. The persons to check the ballots may be appointed from the shareholders present.

Article 8

The ballot box used for voting shall be prepared by the Board of Directors and checked in public by the person to check the ballots before voting.

Article 9

Ballots shall be deemed void under the following conditions:

- (1) Ballots not prepared by a person with the right to convene;
- (2) A blank ballot is placed in the ballot box;
- (3) The writing is unclear and indecipherable or has been altered;
- (4) Other words or marks are entered in addition to the number of voting rights allotted.

Article 10

The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.

Article 11

The Board of Directors shall issue notifications to the directors elected.

Article 12

The Rules and any revision thereof shall become effective after approval by the shareholders' meeting.

APPENDIX IV: EFFECT UPON BUSINESS PERFORMANCE, EARNINGS PER SHARE AND RETURN ON EQUITY OF ANY STOCK DIVIDEND DISTRIBUTION

No stock dividend distributed, not applicable.

APPENDIX V: THE ACCEPTANCE OF PROPOSED RESOLUTIONS OR NOMINATION OF CANDIDATES FOR DIRECTORS FROM ELIGIBLE SHAREHOLDERS

1. In accordance with Article 172-1 and Article 192-1 of the Company Law, the time frame for the acceptance of proposed resolutions or nomination of candidates for directors from eligible shareholders will start from March 13 to March 23, 2023.
2. In addition to the nomination of one independent director by the Board, no proposal or nomination was submitted by any shareholders who hold more than one per cent of the company's outstanding shares within this period.

APPENDIX VI: SHAREHOLDING OF DIRECTORS

WIN Semiconductors Corp. Shareholding of Directors

Book closure date: March 28, 2023

| Position | Name | Gender | Shareholding (shares) | Shareholding ratio (%) |
|--|------------------|--------|--------------------------|---------------------------|
| Chairman | Chin-Tsai Chen | Male | 12,752,953 | 3.01% |
| Vice Chairman | Yu-Chi Wang | Male | 650,000 | 0.15% |
| Director | Ming-Chien Hsieh | Male | 50,000 | 0.01% |
| Director | Li-Chen Yeh | Male | 7,687,525 | 1.81% |
| Director | Kuo-Hua Chen | Male | 155,176 | 0.04% |
| Director | Wen-Ming Chang | Male | 290,750 | 0.07% |
| Director | Shun-Ping Chen | Male | 1,897,993 | 0.45% |
| Shareholding of directors (excluding independent directors) | | | 23,484,397 | 5.54 % |
| Independent Director | Chin-Shih Lin | Male | 0 | 0% |
| Independent Director | Shen-Yi Lee | Male | 5,000 | 0.001% |
| Independent Director | Hai-Ming Chen | Female | 5,120 | 0.001% |
| Shareholding of independent directors | | | 10,120 | 0.002% |

Note:

1. Total issued shares: 423,940,384 shares
2. The minimum required combined shareholding of all directors by law: 16,000,000 shares.
3. The shareholding of directors (excluding independent directors) on the book closure date: 23,484,397 shares (5.54%) as of March 28, 2023.