



WIN Semiconductors Corp.
2023 Annual General Shareholders' Meeting Minutes
(Translation)

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)

Attending Shareholders: The total number of shares represented by shareholders attending the meeting in person or by proxy is 297,396,519 shares (including casted electronically 265,728,358 shares), representing 70.15% of the total number of issued shares of the Company (i.e. 423,940,384 shares).

Attending Directors: Chin-Tsai Chen (Chairman), Yu-Chi Wang (Director), Kuo-Hua Chen (Director), Wen-Ming Chang (Director), Shun-Ping Chen (Director), Chin-Shih Lin (Independent Director & Convener of Audit Committee), Shen-Yi Lee (Independent Director) and Hai-Ming Chen (Independent Director & Convener of Compensation Committee). There were 8 directors attended the meeting which had exceeded more than half of the total 10 members of Board of Directors.

Attendees: Chia-Chien Tang (CPA, KPMG)

Chairman: Chin-Tsai Chen

Recorder: Joan Lu

I. As the number of shares represented by attending shareholder has reached the required quorum for shareholders' meeting, the chairman declares the shareholders' meeting begins

II. Chairperson Remarks: (Omitted)

III. Report Items

Report 1: 2022 Business Report

See Attachment I

Report 2: 2022 Audit Committee's review report

See Attachment II

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>		

IV. 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, III, IV and V.

Resolution:The voting results of the motion are shown as follows. The number of votes in favor of the motion exceeded the statutory amount, and the motion was approved. The results of the voting are as follows:

Total voting rights at the time of voting	Results of voting			Shares of voting rights of shareholders present (%)
297,396,519 shares	Number in favor: (Voting right exercised by electronic means:	223,520,100 191,917,960	shares shares)	75.15%
	Number against: (Voting right exercised by electronic means:	350,021 350,021	shares shares)	0.11%
	Invalid: (Voting right exercised by electronic means:	0 0	shares shares)	0.00%
	Abstention/Did not vote: (Voting right exercised by electronic means:	73,526,398 73,460,377	shares shares)	24.72%

V. 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.
- (2) For WIN's "Article of Incorporation" (before the revision) please refer to Appendix I (pages 33-38) of 2023 Annual General Shareholders' Meeting Handbook.

Resolution: The voting results of the motion are shown as follows. The number of votes in favor of the motion exceeded the statutory amount, and the motion was approved. The results of the voting are as follows:

Total voting rights at the time of voting	Results of voting			Shares of voting rights of shareholders present (%)
297,396,519 shares	Number in favor: (Voting right exercised by electronic means:	223,549,016 191,946,876	shares shares)	75.16%
	Number against: (Voting right exercised by electronic means:	574,213 574,213	shares shares)	0.19%
	Invalid: (Voting right exercised by electronic means:	0 0	shares shares)	0.00%
	Abstention/Did not vote: (Voting right exercised by electronic means:	73,273,290 73,207,269	shares shares)	24.63%

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

Resolution:The voting results of the motion are shown as follows. The number of votes in favor of the motion exceeded the statutory amount, and the motion was approved. The results of the voting are as follows:

Total voting rights at the time of voting	Results of voting			Shares of voting rights of shareholders present (%)
297,396,519 shares	Number in favor: (Voting right exercised by electronic means:	214,933,792 183,355,652	shares shares)	72.27%
	Number against: (Voting right exercised by electronic means:	2,728,359 2,728,359	shares shares)	0.91%
	Invalid: (Voting right exercised by electronic means:	0 0	shares shares)	0.00%
	Abstention/Did not vote: (Voting right exercised by electronic means:	79,734,368 79,644,347	shares shares)	26.81%

VI. 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.

Voting Result:

The newly elected one Independent Director is listed as follows:

Title	Name	Votes Received
Independent Director	Chao-Shun Chang	175,072,970

VII. Special Motions: None

Questions from shareholders: There were no questions from shareholders at the shareholders' meeting.

Reply from the Company: Not applicable

VIII. Adjournment: The chairman declares the shareholders' meeting has ended.
(09:23a.m of May 26, 2023)

(The general shareholders' meeting minutes only record the main points of the meeting; please refer to the video records of the meeting for detail contents.)

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)

		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))	\$ 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	17,213,251	25	26,454,852	35	2399	Other current liabilities	213,976	-	176,905	-
Non-current assets:							Total current liabilities	6,247,088	9	7,214,952	9
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	27,691,581	40	30,557,210	41
1830	Non-current biological assets (Note 6(f))	273,554	-	389,952	1		Total liabilities	33,938,669	49	37,772,162	50
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	51,914,962	75	48,439,306	65	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	35,189,544	51	37,121,996	50
Total assets		\$ 69,128,213	100	74,894,158	100		Total liabilities and equity	\$ 69,128,213	100	74,894,158	100

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						
Retained earnings					Exchange	financial assets	Other					
					translation of	value through	unearned					
Ordinary				Unappropriated	Total retained	foreign financial	comprehensive	restricted shares	Total other equity	Total equity	attributable to	Non-controlling
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))	<u>177,408</u>	<u>-</u>	<u>236,354</u>	<u>-</u>	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	<u>209,060</u>	<u>-</u>	<u>170,874</u>	<u>-</u>
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)	<u>201,699</u>	<u>-</u>	<u>234,543</u>	<u>-</u>
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)	<u>230,205</u>	<u>-</u>	<u>211,731</u>	<u>-</u>		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	<u>773,633</u>	<u>1</u>	<u>768,065</u>	<u>1</u>
							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	\$ 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
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)
	-	-	657,022	(4,897,436)	(4,240,414)	-	-	-	-	(4,240,414)
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	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
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)
	-	-	719,966	(4,111,777)	(3,391,811)	-	-	-	-	(3,391,811)
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	\$ 4,239,404	9,964,088	3,892,688	14,458,723	18,351,411	61,004	712,629	-	773,633	33,328,536

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>	