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WT Microelectronics Co., Ltd.

2022 Annual Report

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IV. Name of the CPA and name, address, website, and telephone number of the accounting firm for financial statements in the most recent year:

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V. Name of overseas stock exchange and method for accessing information on overseas negotiable securities:

Global Depository: Luxembourg Stock Exchange
Receipts:
Website: <https://www.luxse.com/issuer/WTMicroelectron/107935>

VI. Company website:

<http://www.wtmec.com>

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Chapter 1. Letter to Shareholders

Dear Shareholders:

The Group's net consolidated operating revenue in 2022 was NT\$571,197,118 thousand, a 27.53% growth compared with NT\$447,896,117 thousand in 2021. The net profit after tax in 2022 was NT\$7,600,364 thousand, down 3.24% compared to the NT\$7,855,168 thousand in 2021. With the accelerated global digitization brought on by the pandemic and the increased need for energy conservation and carbon reduction due to climate change, the main driving force for growth in 2022 consisted of the increased use of semiconductors in electronics and the rapid growth of automotive electronics, data centers, energy management, green energies, and 5G communications. In addition to the development of high growth product applications and increasing customer penetration in the future, we will continue to optimize digitization to improve operational efficiency, optimize operational management systems, enhance our financial management system, and strengthen human resource management, in order to enhance the Company's capability to provide added value to the semiconductor industry supply chain, and thus lay the foundation for corporate sustainability.

The Group's 2022 business overview and 2023 business plan summary report are as follows:

I. 2022 Business Report

1. Business plan implementation results:

Unit: NT\$ thousand

Item	2021	2022	Increase (Decrease)	Rate of change %
Operating Revenue	447,896,117	571,197,118	123,301,001	27.53
Operating Profit	10,557,129	11,782,617	1,225,488	11.61
Net profit after tax	7,855,168	7,600,364	(254,804)	(3.24)

2. Financial revenue and expenditure and profitability analysis:

Item		2021	2022
Financial structure	Debt to asset ratio (%)	68.93	72.54
	Long-term fund to property, plant and Equipment (%)	6,250.35	7,739.27
Liquidity	Current ratio (%)	134.86	147.14
	Quick ratio (%)	73.91	73.92
Profitability	Return on assets (%)	5.39	4.68
	Return on equity (%)	15.71	13.97
	Net profit margin (%)	1.75	1.33
	Earnings per share (NT\$) (Note)	9.96	8.61

Note: Based on weighted average shares outstanding in the current year.

3. Research and development status:

The continued evolution of semiconductor processes, the rising demand for high

performance computing processors, the use of artificial intelligent to greatly improve computational capabilities, the introduction of high-band semiconductor components, and the rapid deployment and development of 5G communications have led to new energy vehicles, open RAN, and edge computing becoming new growth markets. New applications are needed to satisfy the following needs corresponding to changes in the macroenvironment and requirements of work and life: Advanced driver assistance systems, 5G base stations, metalens, green energy, industrial automation, low-orbit satellites, ultra wide band real-time positioning, data processing unit (DPU), machine vision, WIFI 7, new IoT connection technologies, Bluetooth 5.3, and 4D imaging radar. These technologies have become the highlights of the next generation semiconductor industry. In addition to manufacturing key components, such as high performance x86 processors, neural embedded system image processor, high performance radio frequency components, single point infrared laser sensing component, multiple point far infrared sensing component, MEMS components, high performance microprocessors, high performance power components, highest-bandwidth switching solutions, and high precision analog components, the Group is constructing corresponding equipment, digital systems, and development tools, in order to reduce the technological gap between customers and new technologies. We aim to provide sufficient technologies to support the system design and product development of the aforementioned new platforms. Focusing on the long-term stable growth of semiconductor demand in the future, the Group will continue to invest in and accumulate knowledge and technologies for system integration, in order to improve the overall depth of developed technologies. We will continue to work with world-class chip manufacturers to provide high-quality technical services and overall solutions to customers. Research and development expenditures over the last three years are shown below:

Unit: NT\$ thousand

Item	2020	2021	2022
Net operating revenue	353,152,195	447,896,117	571,197,118
R&D expenses	385,971	608,561	654,845
R&D expenses as a percentage of revenue	0.11%	0.14%	0.11%

II. 2023 Business Plan Summary

1. Operating strategy:

- (1) "Professional integrity and sustainable management" is the Group's business philosophy.
- (2) The Group's consistent service tenet is to "provide services to support downstream clients by reducing their R&D pipeline and increasing their competitiveness and to assist upstream suppliers through product promotion and marketing".
- (3) Focus on performance and efficiency in order to build a solid business team.
- (4) Monitor market trends and provide customers with technology-based services.

2. Expected sales volume and its basis:

The Group's main sales products consist of various electronic components. Due to the wide variety of products and large variation in unit price, adopting sales volume as a basis for

measurement is not suitable. For the Group's overall sales expectations, based on the analysis of the market and macroeconomic development, the Group's core business is expected to show steady growth in the coming year.

3. Important production and sales policies:

- (1) Introducing new product lines and entering new application markets - According to the Company's long-term development strategies and plan, introduce new product lines that meet market demand and expand the product portfolio. Strengthen product and market planning capabilities and improve the overall market positioning by expanding penetration into related markets, such as automotive electronics, cloud data centers, smart Internet of Things, 5G-related applications, industrial control, green energy, energy management, and medical instruments markets. Strengthen the proportions of shipments of these products to continuously improve the product portfolio and growth rate.
- (2) Exploring new customers - For the existing customer base, optimize management capabilities, improve service quality, and continuously increase the penetration rate of the Group's products. At the same time, actively expand high-quality new customers, new product lines for existing customers, as well as new application opportunities for existing products, especially in the Group's strategic development areas of automotive electronics, cloud data centers, smart Internet of Things, 5G-related applications, industrial control, green energy, energy management, and medical instruments. By providing high-quality technical support and total solutions, accelerate customers' timeliness in promoting products to the market, and develop close and long-term cooperation with leaders in various fields.
- (3) Improving value-added services - Continue to optimize digitization, and improve operating efficiency and reduce costs through AI enabled operations management systems and optimized internal processes. Create demand for vendors through solid customer relationships and rapid market response, and increase products' added value and the Group's profitability while providing solid technical support to help customers develop new products.
- (4) Effectively responding to changes in the macroeconomic environment - Changes in the global economy, exchange rate fluctuations, changes in government-led economic and financial policies, unexpected global public health events such as the COVID-19 pandemic, and climate change all affect the Group's financial and business operations and management. Therefore, in order to stabilize the Group's competitiveness in the market, the management and control capabilities regarding inventory, the customer account collection period, accounts receivable, exchange rate hedging, and cash flow must also be improved. The organization and business activities must be adjusted as needed to flexibly respond to various changes.

III. The Group's Future Development Strategy

In order to cope with the global industrial division of labor, improve overall competitiveness, and continue to increase the return on working capital and the return on equity, the Group's positioning strategies in Asia Pacific and emerging markets include the following: first, focusing on the Group's long-term development, introducing new product lines, entering new application areas in a timely manner, and adapting to industry demands and technology trends; second, strengthening the mix of customers, product lines, and market applications to reduce the risk of being affected by changes in a single factor; third, increase the value added to upstream vendors and downstream customers; and fourth, integrate resources of different parties through mergers and acquisitions to generate synergistic effects that will reduce operating costs and gain economies of scale. The Group aims to become an international professional semiconductor components distributor, as well as to build a comprehensive service network in the pan-Asia Pacific region and emerging regions through a comprehensive business marketing system. While actively increasing market share and expanding revenue scale in accordance with the principles of "professional integrity and sustainable management", we will continue to pursue the best interests of shareholders, employees, and customers with the support of all employees and shareholders.

For the support of all shareholders, I would like to express my most sincere gratitude to the shareholders on behalf of the Board of Directors and all the Group's employees. We will uphold our consistent business philosophy, seize opportunities for industrial development, and present superior business results to share with you.

Sincerely yours,

Chairman: Cheng, Wen-Tsung

Chapter 2. Company profile

I. Date of Establishment

December 23, 1993

II. Company history

- 1993
- Established Serial Semiconductor Co. (currently known as WT Microelectronics Co. Ltd.) with a registered capital of NT\$10 million. Its main business was the sale of electronic components.
- 1994
- Purchased land and buildings in the Wanshunliao section of Shenkeng Township for office and storage use.
 - Underwent an organizational change from Serial Semiconductor Co. to Serial Semiconductor Co., Ltd.
- 1995
- Promoted and sold the semiconductor electronic components of the US-based Texas Instruments (TI).
- 1996
- Awarded TI's Fastest Growing Agent in Asia.
- 1997
- Had a cash capital increase of NT\$30 million, with a total capital of NT\$40 million.
 - The office was relocated to 7F, No. 34, Section 3, Bade Road, Taipei, Taiwan.
 - Established the R&D Application Engineering Department to engage in electronic-related product design and assisted design.
 - Awarded TI's Annual of SSL Sales Reaching US\$10 million and Second Place in DSP DWIN LNR Promotion.
- 1998
- Had a cash capital increase of NT\$40 million, with a total capital of NT\$80 million.
 - Reinvested in Wintech Microelectronics Holding Limited.
 - Established WT Microelectronics Hong Kong Branch.
 - Awarded TI's Highest Sales Revenue for CBT Series Products and DSP Best Promotion in Taiwan.
 - Awarded TI's Gold and Bronze for DSP Solution Design and Introducing Product Sales.
 - Awarded TI's Sales Gold of Specific Application Products.
 - Ranked among the top 500 in the service industry in Taiwan by China Credit Information Service Ltd.
- 1999
- Promoted and sold semiconductor electronic components of the US-based Fairchild.
 - Had a capital increase of NT\$119.2 million out of capital reserve, with a total capital of NT\$199.2 million.
 - Promoted and sold semiconductor electronic components of the US-based SST.
 - Had a cash capital increase of NT\$50 million and a capital increase of 15 million out of earnings, with a total capital of NT\$264.2 million, and retroactively handled the public issuance of shares.

- Promoted and sold semiconductor electronic components of the US-based LSI.
 - Had a cash capital increase of NT\$95.8 million, with a total capital of NT\$360 million.
 - Purchased the Far East Century Plaza (about 852 pings) in Zhonghe City, Taipei County for office and warehouse use.
 - Changed the Company's English name from Serial Semiconductor Co., Ltd. to Wintech Microelectronics Co., Ltd.
 - Awarded TI's Fastest Sales Growth in High-End CMOS Logic Products.
 - Awarded Fairchild's Best Agent.
 - Ranked 183rd in Commonwealth Magazine's survey of revenue growth rate and 26th in employee productivity.
- 2000
- Promoted and sold semiconductor electronic components of the France-based ST.
 - Moved offices and warehouses to Far East Century Plaza in Zhonghe City.
 - Promoted and sold semiconductor electronic components of the US-based Marvell.
 - Had a cash capital increase of NT\$168 million and a capital increase of NT\$72 million out of earnings, with a total capital of NT\$600 million.
 - Reinvested in Milestone Investment Co., Ltd.
 - Reinvested in Nino Capital Co., Ltd.
 - Stock was listed on the over-the-counter market.
 - Awarded TI's Fastest Growing Agent in Taiwan and the Best Quality App.
 - Awarded Fairchild's Best Agent in Taiwan, the New Product Promotion Excellence, and the Best Agent of the Year.
 - Awarded Marvell's Best Agent of the Year.
 - Ranked 32nd among the top 100 operational performance in the manufacturing and service industry in Taiwan by Commonwealth Magazine.
- 2001
- Reinvested in Shanghai Well Tech Microelectronics Co., Ltd.
 - Reinvested in World Motion Technology Limited.
 - A cash capital increase of NT\$100 million and a capital increase of NT\$136 million out of earnings, capital reserve, and employee bonus, with a total capital of NT\$836 million.
 - Issued the first domestic unsecured convertible corporate bonds of NT\$300 million.
 - Issued the first employee stock options of 5,000 units.
 - Awarded ST's Agent for the Fastest Growing Sales in Asia.
 - Awarded Marvell's Best Agent of the Year.
 - Awarded ST's Agent with the Most Growth Promise in the Asia-Pacific Region.
 - Ranked 496th among Business Weekly's "Top 1000 Listed Companies in the Mainland, Taiwan, and Hong Kong".
 - Ranked 98th among Business Weekly's "Top 500 Service Industry Survey" and 16th in the information, communication, and IC channels.
- 2002
- Issued the second domestic unsecured convertible corporate bonds of NT\$800 million.
 - Convertible corporate bonds were converted to a share capital of NT\$44.74 million, with a total capital of NT\$880.74 million.
 - Awarded the "2001 Top 500 Outstanding Exporters/Importers" certificate issued by the Bureau of Foreign Trade, MOEA.

- The Company's stock was listed on the Taiwan Stock Exchange.
 - Reinvested in Welltech Microelectronics (Shenzhen) Co., Ltd.
 - Had a capital increase of NT\$60.04 million out of earnings, capital reserve, and employee bonuses, and convertible corporate bonds were converted to a share capital of NT\$57.24 million, with a total capital of NT\$998.01 million.
 - Reinvested in Lintek Singapore Ltd., and changed its English company name to Wintech Microelectronics Singapore Pte. Ltd.
 - Convertible corporate bonds were converted to a share capital of NT\$4.23 million, with a total capital of NT\$1,002.24 million.
 - Issued the second employee stock options of 2,240 units.
 - Purchased treasury shares of the Company for the first time for a total of 153 thousand shares.
 - Awarded TI's for being the Outstanding Distributor Team.
 - Awarded ST's Most Steady Growth Supplier in the Past Three Years.
 - Ranked among the top 100 companies in Commonwealth Magazine's Top 500 Service Industry Surveys in terms of revenue.
 - Ranked 373rd among Business Weekly's "Top 1000 Listed Companies in the Mainland, Taiwan, and Hong Kong" and 13th in the information, communication, and IC channels.
- 2003
- Convertible corporate bonds were converted to a share capital of NT\$940 thousand, with a total capital of NT\$1.00319 billion.
 - Convertible corporate bonds were converted to a share capital of NT\$9.33 million, with a total capital of NT\$1.01251 billion.
 - Reinvested in Wintech Microelectronics Korea Co., Ltd.
 - Reinvested in Wintech Microelectronics (Malaysia) Sdn., Bhd.
 - Convertible corporate bonds were converted to a share capital of NT\$15.39 million, with a total capital of NT\$1.02791 billion.
 - Had a capital increase of NT\$71.55 million out of earnings and employee bonuses, and convertible corporate bonds were converted to a share capital of NT\$73.10 million, with a total capital of NT\$1.17256 billion.
 - Issued the third domestic unsecured convertible corporate bonds of NT\$800 million.
 - Issued the third employee stock options of 2,800 units.
 - Convertible corporate bonds were converted to a share capital of NT\$32.93 million, with a total capital of NT\$1.20549 billion.
 - Awarded ST's Best Apac Power Business Unit Best Application Support Manufacturer.
 - Ranked 119th in revenue and 82nd in service industry performance in the large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2003.
- 2004
- Convertible corporate bonds were converted to a share capital of NT\$8.95 million, and employee stock options were converted into a share capital of NT\$400 thousand, with a total capital of NT\$1.21484 billion.
 - Purchased treasury shares of the Company for the second time for a total of 3 million shares.
 - Convertible corporate bonds were converted to a share capital of NT\$20.29 million, and employee stock options were converted into a share capital of NT\$940 thousand, with a total capital of NT\$1.23607 billion.
 - Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2004: Ranked 67th in service industry revenue, 120th in service industry performance, and 7th in the electronic component wholesale industry.

- Reinvested in Wintech Microelectronics (Thailand) Ltd.
- The employee stock options were converted into a share capital of NT\$1.2 million, with a total capital of NT\$1.23727 billion.
- Reinvested in Lintek Electronics Co., Ltd.
- Reinvested in Sin Yie Investment Co., Ltd.
- Had a capital increase of NT\$90.20 million out of earnings and employee bonuses, with a total capital of NT\$1.32748 billion.
- Convertible corporate bonds were converted to a share capital of NT\$660 thousand, with a total capital of NT\$1.32813 billion.
- The subsidiary, Lintek Electronics Co., Ltd., merged with Nuvision Technology Inc.
- Reinvested in NuVision Technology (Samoa) Inc.
- Reinvested in Ahead Success Co., Ltd.
- Reinvested in Nuvision Technology (Shenzhen) Co., Ltd.
- 2005 ● Promoted and sold semiconductor electronic components of SyChip.
- Promoted and sold semiconductor electronic components of EXAR.
- Ranked 48th among Business Weekly's Top 500 Service Industry Survey in Taiwan.
- Convertible corporate bonds were converted to a share capital of NT\$750 thousand, with a total capital of NT\$1.32888 billion.
- Convertible corporate bonds were converted to a share capital of NT\$2.1 million, with a total capital of NT\$1.33098 billion.
- Promoted and sold semiconductor electronic components of the US-based CaMD.
- Promoted and sold semiconductor electronic components of the US-based ALTERA.
- Had a capital increase of NT\$267.4 million out of capital reserve and employee bonuses, with a total capital of NT\$1.59839 billion.
- Reinvested in Wintech Microelectronics (Shanghai) Co., Ltd., setting up a share capital of US\$1 million.
- Promoted and sold semiconductor electronic components of ESMT.
- Canceled the treasury shares of the first time purchase to reduce share capital by NT\$1.53 million, with a total capital of NT\$1.59686 billion.
- Promoted and sold semiconductor electronic components of Audiocodes.
- Awarded ST's Best Performance Growth in Asia Pacific.
- Ranked among Digital Age Biweekly's 2005 Top 100 Technological Companies in Taiwan.
- Awarded by Ambarella in recognition of contribution to delivering A1 chip, the world's first HD H. 264/AVC hybrid camera SoC.
- Awarded ST's 2005 Best Performance Growth Agent – MPG Team.
- Awarded TI's 2005 Asia Pacific HPA Outstanding New EE Development Agent and Asset Management Performance.
- Awarded TI's 2005 Outstanding Agent Platinum (200M\$ Club).
- Awarded the Silver Award of TI's 2005 Highest SLL Thrust Product Excellence Agent Retail Performance.
- Awarded ADI's 2005 Best Team in the Notebook Computer Division.
- 2006 ● Ranked 84th among revenue in Business Weekly's 2005 Top 1000 Listed Companies and 116th among the Top 150 Listed Companies Revenue Growth.
- Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2006: Ranked 6th in the electronic component wholesale industry, 46th in service industry net revenue,

136th in the mixed list of public and private businesses, and 360th in service industry performance.

- Purchased treasury shares of the Company for the fourth time for a total of 3.616 million shares.
 - Purchased treasury shares of the Company for the fifth time for a total of 845 thousand shares.
 - Reinvested in Wintech Logistics Limited.
 - Purchased treasury shares of the Company for the sixth times for a total of 1.5 million shares.
 - Awarded the "2005 Top 500 for Outstanding Exporters/Importers" certificated issued by the Bureau of Foreign Trade, MOEA.
 - Convertible corporate bonds were converted to a share capital of NT\$550 thousand, and employee stock options were converted into a share capital of NT\$2.98 million, with a total capital of NT\$1.60039 billion.
 - Had a capital increase of NT\$85.67 million out of earnings and employee bonuses, with a total capital of NT\$1.68606 billion.
 - Awarded ASUSTeK Computer's 2006 Excellent Supplier.
 - Awarded TI's Outstanding Agent in the Asia-Pacific region.
 - Awarded Fairchild's 2006 Excellent Supplier.
 - Ranked among Digital Age Biweekly's 2006 Top 100 Technological Companies in Taiwan.
- 2007
- Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2007: Ranked 6th in the electronic component wholesale industry, 52nd in service industry net revenue, and 134th in the mixed list of public and private businesses.
 - Issued the fourth domestic unsecured convertible corporate bonds of NT\$400 million.
 - The employee stock options were converted into a share capital of NT\$27.27 million, with a total capital of NT\$1.71333 billion.
 - Singapore-based Serial System Limited was dismissed as the Director and Supervisor in accordance with the law due to transferring more than one-half of the shares it held at the time of its selection as the Director and Supervisor.
 - The employee stock options were converted into a share capital of NT\$3.09 million, with a total capital of NT\$1.71642 billion.
 - The Company's English name was changed from Wintech Microelectronics Co., Ltd. to WT Microelectronics Co., Ltd.
 - The employee stock options were converted into a share capital of NT\$3.21 million, with a total capital of NT\$1.71963 billion.
 - Reinvested in WT Technology Pte. Ltd.
 - Ranked 4th in the information channel industry in CommonWealth Magazine's 2007 selection of Benchmark Enterprise Survey.
 - Had a capital increase of NT\$84.7 million out of earnings and employee bonuses, with a total capital of NT\$1.80433 billion.
 - Convertible corporate bonds were converted to a share capital of NT\$18.91 million, and employee stock options were converted into a share capital of NT\$4.47 million, with a total capital of NT\$1.82771 billion.
 - Awarded Altera's Asia Pacific Outstanding Performance for the third quarter of 2007.
 - Awarded the 2006 Outstanding Exporters/Importers certificated issued by the Bureau of Foreign Trade, MOEA.
 - Had a cash capital increase of NT\$250 million, with a total capital of NT\$2.07771 billion.

- Issued the first employee stock options of 5,000 units for the year of 2007.
- 2008 ● Convertible corporate bonds were converted to a share capital of NT\$2.57 million, and employee stock options were converted into a share capital of NT\$4.92 million, with a total capital of NT\$2.0852 billion.
- Awarded ST's 2007 Fastest Growing Agent .
- Ranked 124th among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2008; ranked 6th in the electronic component wholesale industry and 48th in service industry net revenue.
- The Company and its 100% indirectly held subsidiary, Promising Investment Limited, acquired all shares of the semiconductor parts distribution business of Solomon Co. Ltd. and the Hong Kong subsidiary Solomon QCE Limited of Solomon in cash.
- The employee stock options were converted into a share capital of NT\$1.76 million, with a total capital of NT\$2.08696 billion.
- Awarded the 2007 Outstanding Exporters/Importers certificated issued by the Bureau of Foreign Trade, MOEA.
- Convertible corporate bonds were converted to a share capital of NT\$240 thousand, and employee stock options were converted into a share capital of NT\$11.78 million, with a total capital of NT\$2.09898 billion.
- Had a capital increase of NT\$173.36 million out of earnings and employee bonus, with a total capital of NT\$2.27234 billion.
- The employee stock options were converted into a share capital of NT\$750 thousand, with a total capital of NT\$2.27309 billion.
- Ranked 5th in the information channel industry in CommonWealth Magazine's 2008 selection of Benchmark Enterprise Survey.
- Purchased treasury shares of the Company for the seventh time for a total of 2.577 million shares.
- Purchased treasury shares of the Company for the eighth time for a total of 393 thousand shares.
- Awarded ST's 2008 Global Second Agent.
- Awarded Pegatron & Unihan's 2008 Excellent Supplier.
- Awarded Foxconn Technology Group's 2008 Excellent Supplier in JIT Promotion.
- Awarded ASUSTeK Computer's 2008 Excellent Supplier.
- Reinvested in Shanghai Welltech Microelectronics Co., Ltd. and changed its English name to Shanghai WT Microelectronics Co., Ltd.
- Reinvested in Welltech Microelectronics (Shenzhen) Co., Ltd. and changed its Chinese name to WT Microelectronics (Shenzhen) Co., Ltd.
- 2009 ● The employee stock options were converted into a share capital of NT\$2.68 million, with a total capital of NT\$2.27577 billion.
- Ranked 114th among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2009; ranked 5th in the electronic component wholesale industry and 52nd in service industry net revenue.
- Reinvested in Shanghai WT Microelectronics Co., Ltd. and changed its Chinese name to WT Microelectronics (Shanghai) Co., Ltd.
- Reinvested in Shanghai Welltech Microelectronics Co., Ltd. and changed its Chinese name to Shanghai WT Microelectronics Co., Ltd.
- Reinvested in Welltech Microelectronics (Shenzhen) Co., Ltd. and changed its English name to WT Microelectronics (Shenzhen) Co., Ltd.

- Canceled the treasury shares of the fifth purchase to reduce share capital by NT\$6.48 million, with a total capital of NT\$2.26929 billion.
- Canceled the treasury shares of the sixth purchase to reduce share capital by NT\$12.78 million, with a total capital of NT\$2.25651 million.
- Purchased treasury shares of the Company for the tenth time for a total of 7.12 million shares.
- Acquired all shares of Morrihan International Corp. to increase capital by NT\$ 209.08 million by share conversion, with a total capital of NT\$ 2.46559 billion.
- Had a capital increase of NT\$36.88 million out of earnings and employee bonuses, with a total capital of NT\$2.50247 billion.
- Awarded ST's 2009 Global First Agent.
- Awarded Pegatron & Unihan's Excellent Supplier.
- Ranked 5th in the information channel industry in CommonWealth Magazine's 2009 selection of Benchmark Enterprise Reputation Survey.
- Promoted and sold semiconductor electronic components of APL.
- Awarded Moxa Technology's 2009 Excellent Supplier.
- 2010 ● Awarded ASUSTeK Computer's 2010 Excellent Supplier.
- Ranked 4th in the information channel industry in CommonWealth Magazine's 2010 selection of Benchmark Enterprise Reputation Survey.
- Ranked 85th among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2010; ranked 5th in the electronic component wholesale industry and 45th in service industry net revenue.
- Awarded ASUSTeK Computer's 2010 Best Partner.
- Awarded ASUSTeK Computer's 2010 Best Sales.
- Awarded IR's 2010 Taiwan Best Demand Creation.
- Awarded Ublox's 2010 Outstanding Distributor in Taiwan.
- Awarded ST's 2010 Special Award for the Support of PWM within the Computer Segment.
- Awarded ST's 2010 Best Performance for MSH Products.
- Awarded ST's 2010 A Profound Team Partner of 1B\$ in GC & SA Region.
- Awarded TI's Platinum Award in Recognition of Outstanding Resale Performance in the 2010 Asia Distributors Conference.
- Acquired all shares of BSI Semiconductor Pte. Ltd. and its subsidiaries in cash.
- Awarded Moxa Technology's 2010 Excellent Supplier.
- 2011 ● Increased investment in the subsidiary, Wintech Microelectronics Holding Limited, by US\$20 million, and acquired all shares of NSU Semiconductor Co., Ltd. in cash through its indirectly held subsidiary, Wintech Investment Co., Ltd.
- Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2011: Ranked 73rd in the mixed list of public and private businesses, 95th in service industry performance, 21st in service industry net revenue, and 3rd in electronic component wholesale.
- Ranked 21st among the service industry and 3rd in the information, communication, and IC channel category in CommonWealth Magazine's 2011 Top 1000 Business Survey.
- The employee stock options were converted into a share capital of NT\$16.7 million, with a total capital of NT\$2.51917 billion.
- The employee stock options were converted into a share capital of NT\$4.04 million, with a total capital of NT\$2.52321 billion.

- Had a capital increase of NT\$49.88 million out of earnings, with a total capital of NT\$2.57309 billion.
 - Had a cash capital increase of NT\$300 million, with a total capital of NT\$2.87309 billion.
 - The employee stock options were converted into a share capital of NT\$2.73 million, with a total capital of NT\$2.87582 billion.
 - The employee stock options were converted into a share capital of NT\$6.42 million, with a total capital of NT\$2.88224 billion.
 - Ranked among Business Next Biweekly's 2011 Top 100 Technological Companies in Taiwan and Asia.
 - Awarded the 2011 Best Innovation, ST Microelectronics GC & SA Region, Distribution Sales Convention, Sept. 18~22, 2011, Sanya, China.
 - Awarded the 2011 Best Performance, ST Microelectronics GC & SA Region, Distribution Sales Convention, Sept. 18~22, 2011, Sanya, China.
 - Awarded Etasis Electronics Corp.'s 2011 Best Partner of the Year.
 - Awarded Orient Semiconductor Electronics Limited's 2011 Excellent Supplier.
- 2012
- Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2012: Ranked 67th in the mixed list of public and private businesses, 88th in service industry performance, 21st in service industry net revenue, and 4th in electronic component wholesale.
 - Acquired all shares of Techmosa International Inc. to increase capital by NT\$ 404.5 million by share conversion, with a total capital of NT\$3.28674 billion.
 - The employee stock options were converted into a share capital of NT\$5.3 million, with a total capital of NT\$3.29204 billion.
 - The employee stock options were converted into a share capital of NT\$1.46 million, with a total capital of NT\$3.2935 billion.
 - Canceled the treasury shares of the tenth purchase to reduce share capital by NT\$26.2 million, had a capital increase of NT\$98 million out of earnings, with a total capital of NT\$3.3653 billion.
 - The employee stock options were converted into a share capital of NT\$6.46 million, with a total capital of NT\$3.37176 billion.
 - Awarded Freescale's 2012 Asia Distribution Distinction for the Highest Customer Count Growth Regional Distributor.
 - Awarded TI's Outstanding Resale Performance, Platinum Award.
 - Ranked 21st among the service industry and 3rd in the information, communication, and IC channel category in CommonWealth Magazine's 2012 Top 1000 Business Survey.
- 2013
- The employee stock options were converted into a share capital of NT\$3.89 million, with a total capital of NT\$3.37565 billion.
 - Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2013: Ranked 65th in the mixed list of public and private businesses, 19th in service industry net revenue, and 2nd in electronic component wholesale.
 - Awarded EXAR's Best Continuing Grow-Up On BIZ Revenues and Demand Creation's Performances in the Past Six Quarters.
 - Awarded ASUSTeK Computer's Excellence Supplier.
 - The Company acquired all shares of MSD Holdings Pte. Ltd. in cash.
 - Reinvested in NSU Semiconductor Co., Ltd. and changed its English name to WT Technology Korea Co., Ltd.

- Awarded the Best Demand Creation (Industrial & Power Group) 2013, ST Microelectronics GC&SA, Annual Distribution Sales Convention, 2-6 September 2013, Macau.
 - Awarded FSP Technology Inc's 2013 Excellent Supplier.
- 2014
- Had a capital increase of NT\$168.78 million out of earnings, with a total capital of NT\$3.54443 billion.
 - Reinvested in Anius Enterprise Co., Ltd.
 - Reinvested in Mega Source Co., Ltd.
 - Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2014: Ranked 61st in the mixed list of public and private businesses, 17th in service industry net revenue, and 1st in electronic component wholesale.
 - Ranked 20th in the service industry and 3rd in the information, communication, and IC channel category, in Commonwealth Magazine's 2013 Top 2000 Business Survey.
 - Awarded the "2014 Top 500 for Outstanding Exporters/Importers" certificated issued by the Bureau of Foreign Trade, MOEA (ranked 292nd).
 - Awarded Texas Instruments' in Recognition of Achieving \$1B Milestone.
 - Awarded Freescale's 2013 Asia Distribution Distinction for Best Performing Regional Distributor in the Greater China.
 - Awarded Orient Semiconductor Electronics Limited's 2013 Excellent Supplier.
 - Awarded Whetron Electronics Co., Ltd.'s 2013 Supplier Excellence.
 - Donated NT\$30 million to establish the WT Education Foundation.
- 2015
- Had a cash capital increase of NT\$525 million, with a total capital of NT\$4.06943 billion.
 - Ranked 4th in Asia Pacific and 4th in the world in Gartner's 2014 Semiconductor Channel Distributors Market Survey.
 - Ranked 67th among Commonwealth Magazine's 2014 Top 2000 Business Survey, 18th in the service industry, and 3rd in the information, communication, and IC channel category.
 - Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2015: Ranked 52nd in the mixed list of public and private businesses, 14th in service industry net revenue, and 1st in electronic component wholesale.
 - Received ST's 2014 Best Demand Creation for Memory, Microcontrollers & Secure Microcontrollers Division.
 - Awarded Fairchild Distributor of the Year 2014.
 - Awarded Freescale's 2014 Outstanding Reference Design Team.
 - Awarded Orient Semiconductor Electronics Limited's 2014 Excellent Supplier.
 - Awarded the UK-based Quixant's 2014 Best Partner.
 - Had a capital increase of NT\$406.94 million out of earnings, with a total capital of NT\$4.47638 billion.
 - The Company obtained ISO 9001:2008 quality management system certification and 14001:2004 environmental management system certification for the first time.
 - The subsidiary, WT Microelectronics (Shanghai) Co., Ltd., obtained real estate for business in Shanghai.
 - The subsidiary WT Microelectronics changed its Chinese name and English name to WT Microelectronics (Shanghai) Co., Ltd.

- 2016
- The subsidiary, WT Technology Korea Co., Ltd., absorbed the subsidiary BSI Semiconductor (Korea) Co., Ltd.
 - Awarded Texas Instruments' in Recognition of Year 2015 for Outstanding MM Growth WT Taiwan, Outstanding MM Growth WT China, Outstanding MM Growth WT Asia, and Excellent Distributor Partner WT Asia.
 - Awarded Freescale's 2015 Outstanding Performance Award in Market Penetration.
 - Ranked 16th in the service industry in CommonWealth Magazine's 2015 Business Survey and 2nd in the information, communication, and IC channel category.
 - Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2016: Ranked 49th in revenue among companies in mixed industries, 14th in service industry net revenue, and 2nd in the electronic component wholesale industry.
 - Awarded ST's 2015 Best Demand Creation-Digital Product Group, Best Partnership-China, and Best Performance-Gold.
 - Ranked among the top 21%-35% bracket of the 2nd Corporate Governance Evaluation in 2015.
 - Invested US\$20 million to increase the capital of Wintech Microelectronics Holding Limited, an important subsidiary, and subsequently reinvested the same amount to the subsidiaries Promising Investment Limited and Rich Web Ltd. and the Mainland subsidiary WT Microelectronics (Shenzhen) Co., Ltd.
 - Issued the fifth domestic unsecured convertible corporate bonds for NT\$1.5 billion.
 - Had a capital increase of NT\$223.82 million out of earnings, with a total capital of NT\$4.7002 billion.
 - Convertible corporate bonds were converted to a share capital of NT\$15 million, with a total capital of NT\$4.7152 billion.
 - Increased the capital of the subsidiary, Morrihan International Corp. by NT\$1 billion in cash.
- 2017
- Awarded Texas Instruments' in Recognition of Year 2016 (NonCF) 1B Milestone Achievement.
 - Awarded ST's 2016 Best Agent in Taiwan.
 - Awarded ON Semiconductor's 2016 Best Distributor Award in Taiwan.
 - Awarded Foxconn's 2016 Outstanding Supplier Award.
 - Ranked 12th in the service industry in CommonWealth Magazine's 2016 Top 2000 Business Survey, 3rd in the information, communication, and IC channel category, 36th in the service industry's fastest growing category, and 36th in the service industry's most profitable companies category.
 - Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2017: Ranked first in the electronic component wholesale industry, 10th in service industry revenue, 41st in the revenue among companies in mixed industries, and 151st in service industry performance.
 - Convertible corporate bonds were converted to a share capital of NT\$57.03 million, with a total capital of NT\$4.77223 billion.
 - Ranked among the top 6%-20% of the 3rd Corporate Governance Evaluation in 2016.
 - Awarded ST's Asia Pacific Best Agent.
 - Awarded ST's Asia Pacific Best Agent for Memory Products.
 - Awarded Foxconn (Wuhan) Technology Group's 2017 Best Cooperative Agent.

- Awarded Foxconn CESBG's 2017 Best Partner.
- Acquired 100% of all shares of Maxtek Technology Co., Ltd. converted by cash consideration.
- Increased the capital of the subsidiary, Morrihan International Corp. by NT\$1.6 billion in cash.
- Awarded first place in Qisda's 2017 H2 supplier evaluation.
- Obtained ISO 9001:2015 Quality Management System certification and ISO 14001:2015 Environmental Management System certification.
- 2018 ● Awarded INVENTEC's 2017 Best Supplier.
- Awarded ON Semiconductor Corporation's 2017 Top Distribution Partner in APAC.
- Had a cash capital increase of NT\$750 million, with a total capital of NT\$5.52223 billion.
- Convertible corporate bonds were converted to a share capital of NT\$3.22 million, with a total capital of NT\$5.52545 billion.
- Ranked among the top 6%-20% of the 4th Corporate Governance Evaluation in 2017.
- Ranked 10th in the service industry in Commonwealth Magazine's 2017 Top 2000 Business Survey, 3rd in the information, communication and IC channel category, 28th in the service industry's fastest growing category, and 27th in the service industry's most profitable companies category.
- Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2018: Ranked first in the electronic component wholesale industry, 6th in service industry revenue, and 33rd in revenue among companies in mixed industries.
- Awarded ST's 2018 Best Partnership (Taiwan), Best Growth STD Products Award and Best Performance (Gold Award).
- Awarded GIGABYTE's 2018 Best Agent.
- First release of the Chinese version of the 2017 Corporate Social Responsibility Report.
- Awarded the 2018 Great support to Dell NB Business.
- 2019 ● Convertible corporate bonds were converted to a share capital of NT\$50.66 million, with a total capital of NT\$5.57611 billion.
- First release of the English version of the 2017 Corporate Social Responsibility Report.
- Ranked among the top 6%-20% of the 5th Corporate Governance Evaluation in 2018.
- Ranked 6th in the service industry in Commonwealth Magazine's 2018 Top 2000 Business Survey, 3rd in the information, communication and IC channel category, 24th in the service industry's fastest growing category, and 26th in the service industry's most profitable companies category.
- Convertible corporate bonds were converted to a share capital of NT\$290.32 million, with a total capital of NT\$5.86643 billion.
- Issued the sixth domestic unsecured convertible corporate bonds for NT\$1.2 billion.
- Convertible corporate bonds were converted to a share capital of NT\$36.93 million, with a total capital of NT\$5.90336 billion.
- Awarded NXP's 2018 Outstanding Performance in Demand Creation.
- Awarded Korenix Technology's 2018 Best Partner of the Year.
- Awarded Inventec Appliances' 2019 Excellent Supplier.

- 2020
- Convertible corporate bonds were converted to a share capital of NT\$11.01 million, with a total capital of NT\$5.91437 billion.
 - Increased capital by NT\$1.71 billion in new shares with a total capital of NT\$7.62437 billion in a stock swap with ASMedia Technology Inc.
 - Convertible corporate bonds were converted to a share capital of NT\$11.68 million, with a total capital of NT\$7.63605 billion.
 - Ranked among the top 6%-20% of the 6th Corporate Governance Evaluation in 2019.
 - Ranked 5th in the service industry in CommonWealth Magazine's 2019 Top 2000 Business Survey, 2nd in the information, communication and IC channel category, 48th in the service industry's fastest growing category, and 33rd in the service industry's most profitable companies category.
 - Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2019: Ranked first in the electronic component wholesale industry, 4th in service industry revenue, and 22nd in revenue among companies in mixed industries.
 - Ranked 24th in CommonWealth Magazine's 2020 Top 50 Business Survey.
 - Acquired all shares of Analog World Co., Ltd. in cash, and transferred the semiconductor product distribution business of Analog Tech Systems, Inc. and Analog Devices, Inc. of Analogtechsys Limited to the subsidiary Morrihan International Corp.
 - Convertible corporate bonds were converted to a share capital of NT\$205.86 million, with a total capital of NT\$7.84191 billion.
 - Had a cash capital increase of NT\$1.35 billion in Class A preferred shares, with a total capital of NT\$9.19191 billion.
 - Convertible corporate bonds were converted to a share capital of NT\$38.35 million, with a total capital of NT\$9.23026 billion.
 - Awarded the "2019 Top 500 for Outstanding Exporters/Importers" certificated issued by the Bureau of Foreign Trade, MOEA.
 - Awarded ST's 2020 Best Partnership (Taiwan) and Best Performance (Gold Award).
 - Awarded Winbond Electronics Corporation's 2020 Best PM Award.
 - Awarded Maxim's 2020 Best Agent.
 - Awarded Nuvoton Technology Corp's 2020 Best Agent, Top Sales Award, and Best MCU FAE.
 - Awarded Microchip's 2020 Partnership Award.
 - The major subsidiary, Wintech Microelectronics Holding Limited reinvested in subsidiaries, Brillnics Inc., Brillnics (HK) Limited, Brillnics Singapore Pte. Ltd., Brillnics Japan Inc., and Brillnics (Taiwan) Inc.
 - Received the 2019 TCSA Taiwan Corporate Sustainability Report Bronze Award.
- 2021
- Convertible corporate bonds were converted to a share capital of NT\$2.06 million, with a total capital of NT\$9.23232 billion.
 - Issued new restricted employee shares of NT\$29.92 million, with a total capital of NT\$9.26224 billion.
 - Ranked in 500 High-growth Companies Asia Pacific by Financial Times and Nikkei Asia.
 - Convertible corporate bonds were converted to a share capital of NT\$530 thousand, with a total capital of NT\$9.26277 billion.
 - Ranked in the top 5% of listed companies in the 7th Corporate Governance Evaluation in 2020 and the 10% of listed electronics companies worth over NT\$10 billion.

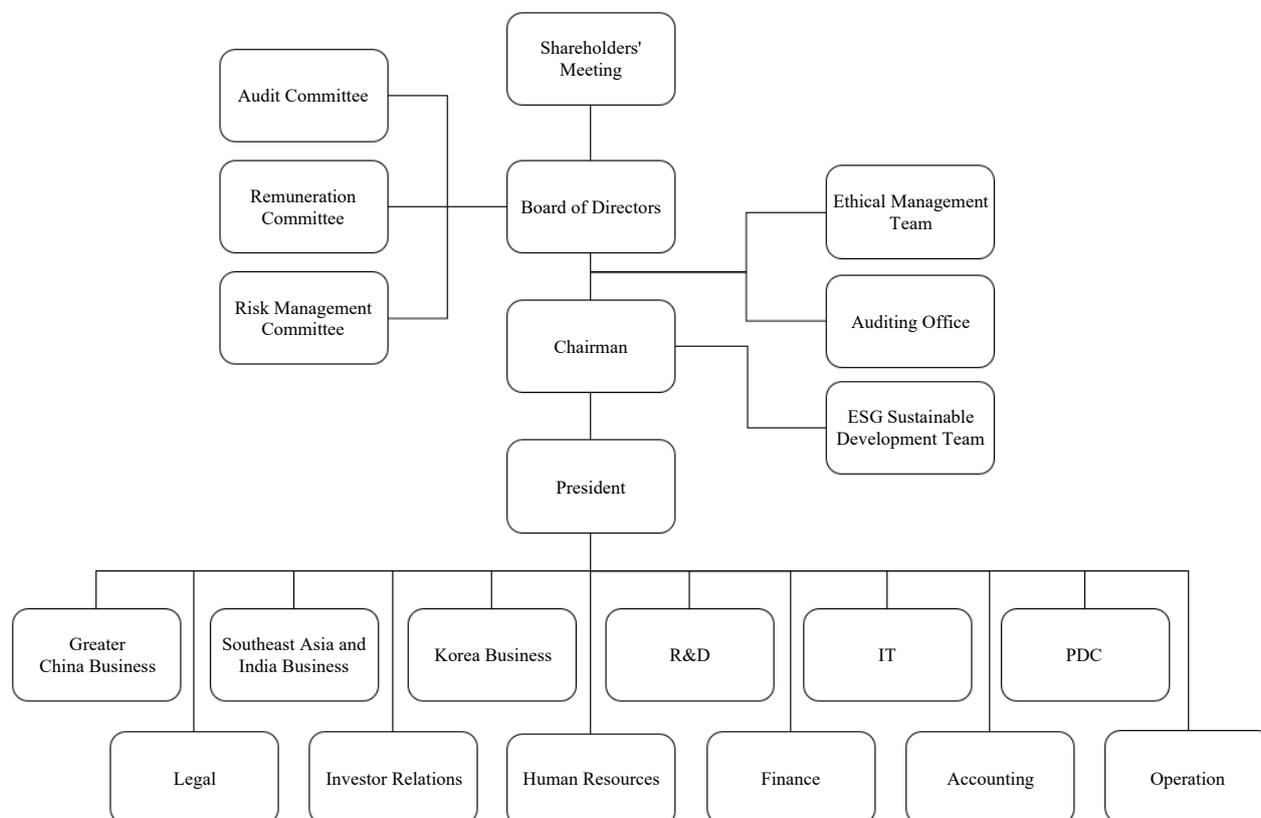
- Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2020: Ranked first in the electronic component wholesale industry, 3rd in service industry revenue, and 19th in revenue among companies in mixed industries.
 - Ranked 4th in the service industry in CommonWealth Magazine's 2020 Top 2000 Business Survey, 1st in the information, communication and IC channel category, and 28th in the service industry's most profitable companies category.
 - Convertible corporate bonds were converted to a share capital of NT\$3.51 million, and redeemed new restricted employee shares reduced capital by NT\$240 thousand, for a total capital of NT\$9.26604 billion.
 - Issued new restricted employee shares of NT\$27.88 million, with a total capital of NT\$9.29392 billion.
 - Received the Sports Company Certification by the Sports Administration of the Ministry of Education in 2021.
 - Convertible corporate bonds converted share capital of NT\$58.37 million, canceled treasury stock reduced share capital by NT\$24.94 million, and redeemed new restricted employee shares reduced capital by NT\$280 thousand, for a total capital of NT\$9.32707 billion.
 - Received the 2020 Taiwan Corporate sustainability Awards (TCSA) Taiwan Corporate Sustainability Report Bronze Award.
 - Awarded the Green Procurement Enterprise Award for green procurements over NT\$5 million by the Environmental Protection Bureau, New Taipei City, in 2021.
 - Awarded the ST Microelectronics In Recognition of Outstanding Performance: Achieve \$1 Billion 2021 Yearly Revenue and Long Lasting Partnership.
 - Awarded the GIGABYTE's 2021 Best Agent award.
 - Awarded the Nuvoton Technology Corp's 2021 Top Sales Award.
 - Awarded the Smartsens' 2021 Best Agent award.
 - Awarded the Lumileds Gold Excellent-Excellent Distribution Partner Award 2021.
 - Awarded ST's 2021 Best Performance (Gold Award).
 - Named Asia Pacific Onsemi Best Award Disty Partner by ONSEMI in 2021.
 - Named Renesas Distributor RA (MCU)Promotion Winners and Best PM Team by Renesas in 2021.
- 2022
- Convertible corporate bonds converted share capital of NT\$51.50 million, and redeemed new restricted employee shares reduced capital by NT\$620 thousand, for a total capital of NT\$9.37795 billion.
 - Reinvested in WT Semiconductor Holdings Pte. Ltd.
 - Ranked in the top 5% of listed companies in the 8th Corporate Governance Evaluation in 2021 and the 10% of listed electronics companies worth over NT\$10 billion.
 - Convertible corporate bonds converted share capital of NT\$28.88 million, and redeemed new restricted employee shares reduced capital by NT\$330 thousand, for a total capital of NT\$9.4065 billion.
 - Initially issued global depositary receipts for a cash capital increase of NT\$780 million, with a total capital of NT\$10.1865 billion.
 - Redeemed new restricted employee shares reduced capital by NT\$700 thousand, for a total capital of NT\$10.1858 billion.
 - Increased investment in the subsidiary, WT Semiconductor Holdings Pte. Ltd., by US\$165.74 million, and acquired all shares of Excelpoint Technology Ltd. in cash through the subsidiary.

- The subsidiary, Excelpoint Technology Ltd., changed its name to Excelpoint Technology Pte. Ltd.
 - Redeemed new restricted employee shares reduced capital by NT\$500 thousand, for a total capital of NT\$10.1853 billion.
 - The subsidiary, Morrihan International Trading (Shanghai) Co., Ltd., changed its Chinese name to WT Microelectronics (Shanghai) Technology Co., Ltd.
 - In response to the adjustment of the group's organizational structure, all shares of WT Microelectronics (Hong Kong) Limited, WT Solomon QCE Limited, WT Technology Pte. Ltd., WT Microelectronics Singapore Pte. Ltd., and WT Technology (H.K.) Limited were directly acquired.
 - Named one of the "Top 100 Carbon Competitiveness" in the Business Weekly Survey in 2022.
 - Awarded the Green Procurement Enterprise Award for green procurements over NT\$5 million by the Environmental Protection Bureau, New Taipei City, in 2022.
 - Received the 2022 Taiwan Corporate sustainability Awards (TCSA) Taiwan Corporate Sustainability Report Bronze Award.
 - Named Outstanding Distribution Partner by NXP in 2022.
 - Awarded Best Performance (Gold Award) and Best Performance Award in ST 2022, and in DSC 2022 (Korea), and Best Partnership Award (South Asia).
 - Named Excellent Progressive Agent in MPS 2022.
 - Named The Best Value Added Reseller in MTK 2022.
 - Awarded the GIGABYTE's 2022 Best Agent award.
 - Obtained the BSI 2021 greenhouse gas emissions verification opinion statement based on the ISO 14064-1: 2018 Greenhouse Gas Standard.
 - Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2022: Ranked first in the electronic component wholesale industry, 3rd in service industry net revenue, and 19th in revenue among companies in mixed industries.
 - Ranked 5th in the service industry in CommonWealth Magazine's 2022 Top 2000 Business Survey, 1st in the information, communication and IC channel category, and 22nd in the service industry's most profitable companies category.
 - Ranked 5th in CommonWealth Magazine's 2022 Top 100 Semiconductor Enterprises.
 - Obtained ISO/IEC 27001:2013 and CNS 27001:2014 information security management system certifications.
- 2023
- Redeemed new restricted employee shares reduced capital by NT\$290 thousand, for a total capital of NT\$10.18501 billion.
 - Acquired 100 percent share of the subsidiary Nuvision Technology Inc. proceed with the short-form share exchange by cash consideration.

Chapter 3. Corporate Governance Report

I. Company organization

(I) Organization chart



(II) Business operations of major departments

Departments	Business Operations
Business	Responsible for the sales of goods, with different locations in Greater China, Southeast Asia, India and South Korea
R&D	Responsible for research and development of new products and technologies
IT	Responsible for the construction, integration and control of information systems
PDC	Including Warehouse Department and Shipping Department
Ethical Management Team	Responsible for the stipulation and supervised implementation of ethical management policies and preventive measures
Auditing Office	Responsible for business implementation assessments, audits, supervision and recommendations for improvement of various departments
ESG Sustainable Development Team	Responsible for the preparation of the annual ESG report, and participating in discussions related to sustainability and climate change trends
Legal	Responsible for the management of corporate legal affairs, litigation and business contracts
Investor Relations	Responsible for the service matters of institutional investors and

	public relations
Human Resources	Responsible for the management of human resources
Finance	Responsible for capital management and bank transactions
Accounting	Responsible for accounting summaries of company transactions and tax return filings and planning
Operation	Including GA Department, VSR Department, and CSR Department

II. Information on directors, supervisors, president, vice president, assistant vice president, and heads of departments and branch offices

(I) Information on Directors

1. Information on Directors:

April 1, 2023 Unit: shares

Title	Nationality or place of registration	Name	Gender/age	Date appointed	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other positions at the Company or elsewhere	Other officer, director or supervisor who is the spouse or a relative within second degree			Notes				
							Number of common shares	Number of preferred shares	Shareholding ratio	Number of common shares	Number of preferred shares	Shareholding ratio (Note 1)	Number of common shares	Number of preferred shares			Shareholding ratio (Note 1)	Number of common shares	Number of preferred shares		Shareholding ratio (Note 1)	Title	Name	Relationship
Chairman	ROC	Cheng, Wen-Tsung	Male/ 51-60 years old	2022.05.20	3	1994.11.11	28,177,112		3.50%	24,467,112		2.76%	4,635,194		0.52%	87,671,307 (Note 2)	9.89%	Department of Industrial Engineering, Tunghai University Chairman, WT Microelectronics Co., Ltd.	President, WT Microelectronics Co., Ltd. Chairman, Nuvision Technology, Inc. Chairman, Techmosa International Inc. Chairman, Morrihan International Corp. Chairman, Maxtek Technology Co., Ltd. Chairman, Hongtech Electronics Co., Ltd. Chairman, Milestone Investment Co., Ltd. Chairman, SinYie Investment Co., Ltd. Chairman, Shao yang Investment Co., Ltd. Director, WT Microelectronics (Hong Kong) Limited Director, Promising Investment Limited Director, Wen You Investment Co., Ltd. Director, Tang Ye Investment Co., Ltd. Supervisor, Shao Cheng Investment Co., Ltd. Supervisor, Shao Chih Cheng Co., Ltd. Director, WT Technology (H.K.) Limited	Director and Senior Vice President	Hsu, Wen-Hung	Spouse	Note 3	
							0		0%	0		0%	0		0%	0	0%							

Title	Nationality or place of registration	Name	Gender/age	Date appointed	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Education/ work experience	Other positions at the Company or elsewhere	Other officer, director or supervisor who is the spouse or a relative within second degree			Notes
							Number of common shares	Number of preferred shares	Number of common shares	Number of preferred shares	Number of common shares	Number of preferred shares	Number of common shares	Number of preferred shares			Number of common shares	Number of preferred shares	Title	
															Director, WT Technology Pte. Ltd. Director, WT Microelectronics Singapore Pte. Ltd. Director, Wintech Microelectronics Ltd. Director, Wintech Microelectronics Holding Limited Director, Wintech Microelectronics Limited Director, Wintech Investment Co., Ltd. Director, WT Microelectronics (Malaysia) Sdn. Bhd. Director, WT Solomon QCE Limited Representative Director, Wonchang Semiconductor Co., Ltd. Representative Director, WT Technology Korea Co., Ltd. Representative Director, Analog World Co., Ltd. Director, BSI Semiconductor Pte. Ltd. Director, Morrihan Singapore Pte. Ltd. Director, MSD Holdings Pte. Ltd. Director, Lacewood International Corp. Director, Asia Latest Technology Limited					

Title	Nationality or place of registration	Name	Gender/age	Date appointed	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Education/ work experience	Other positions at the Company or elsewhere	Other officer, director or supervisor who is the spouse or a relative within second degree			Notes
							Number of common shares	Number of preferred shares	Number of common shares	Number of preferred shares	Shareholding ratio (Note 1)	Shareholding ratio (Note 1)	Number of common shares	Number of preferred shares			Shareholding ratio (Note 1)	Shareholding ratio (Note 1)	Title	
															Director, Nino Capital Co., Ltd. Director, Rich Web Ltd. Director, Brillnics Inc. Director, Brillnics (HK) Limited Director, Brillnics Singapore Pte. Ltd. Director, Brillnics Japan Inc. Chairman, Brillnics (Taiwan) Inc. Director, WT Semiconductor Holdings Pte. Ltd. Director, Excelpoint Technology Pte. Ltd.					
Director	ROC	Wen You Investment Co., Ltd.	-	2022.05.20	3	2019.06.21	1,359,204	0	1,359,204	0	-	-	-	-	-	-	-	-	-	None
Legal Representative	ROC	Hsu, Wen-Hung	Female/ 51-60 years old	-	-	-	8,435,194		4,585,194		24,517,112		87,671,307 (Note 2)	9.89%	National Chengchi University Senior Vice President, WT Microelectronics Co., Ltd.	Senior Vice President, WT Microelectronics Co., Ltd. Director, WT Microelectronics (Hong Kong) Limited Director, WT Technology Pte. Ltd. Director, WT Microelectronics Singapore Pte. Ltd. Director, WT Microelectronics (Malaysia) Sdn. Bhd. Director, WT Technology (H.K.) Limited	Chairman and President	Cheng, Wen-Tsung	Spouse	None

Title	Nationality or place of registration	Name	Gender/age	Date appointed	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other positions at the Company or elsewhere	Other officer, director or supervisor who is the spouse or a relative within second degree			Notes
							Number of common shares	Number of preferred shares	Number of common shares	Number of preferred shares	Number of common shares	Number of preferred shares	Number of common shares	Number of preferred shares			Shareholding ratio (Note 1)	Shareholding ratio (Note 1)	Number of common shares	
							0	0%	0	0%	0	0%	0	0%		Director, WT Solomon QCE Limited Director, Wonchang Semiconductor Co., Ltd. Director, WT Technology Korea Co., Ltd. Director, BSI Semiconductor Pte. Ltd. Director, MSD Holdings Pte. Ltd. Director, Analog World Co., Ltd. Chairperson, Wen You Investment Co., Ltd. Chairperson, Tang Ye Investment Co., Ltd. Supervisor, Shao yang Investment Co., Ltd. Chairperson, Shao Cheng Investment Co., Ltd. Chairperson, Shao Chih Cheng Co., Ltd. Director, Brillnics Inc. Director, Brillnics (Taiwan) Inc. Director, WT Semiconductor Holdings Pte. Ltd. Director, Excelpoint Technology Pte. Ltd. Director, PharmaEngine Inc.				

Title	Nationality or place of registration	Name	Gender/age	Date appointed	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other positions at the Company or elsewhere	Other officer, director or supervisor who is the spouse or a relative within second degree			Notes
							Number of common shares	Number of preferred shares	Number of common shares	Number of preferred shares	Shareholding ratio (Note 1)	Number of common shares	Number of preferred shares	Shareholding ratio (Note 1)			Number of common shares	Number of preferred shares	Shareholding ratio (Note 1)	
Director	ROC	ASMedia Technology Inc.	-	2022.05.20	3	2022.05.20	171,000,000	21.23%	171,000,000	19.29%	-	-	-	-			-	-	-	None
							8,000,000	5.93%	8,000,000	5.93%	-	-	-	-						
Legal Representative	ROC	Lin, Che-Wei	Male/ 51-60 years old	-	-	-	0	0%	0	0%	0	0%	0	0%	Master of science in electrical engineering, University of Missouri Columbia Vice President, VIA Technologies, Inc. Vice President, ASUSTEK Computer Inc.	Director and President, ASMedia Technology Inc. Director, iCatch Technology Inc. Director, Applied Optoelectronics, Inc.	None	None	None	None
							0	0%	0	0%	0	0%	0	0%						
Director	ROC	Sung Kao, Hsin-Ming	Female/ 71-80 years old	2022.05.20	3	2009.06.16	4,474,434	0.56%	4,474,434	0.50%	0	0%	0	0%	EMBA, International Business, National Taiwan University Section Head, Electronics Research Institute, Institute for Industrial Research	Chairman and CEO, Marketch International Corp. Chairman, JI-XUAN Investment Corp. Chairman, Taiwan Radisen HealthCare Co., Ltd. Director, ProbeLeader Co., Ltd. Director, Macrotec Technology Corp. Director, eZoom Information, Inc. Director, ADAT Technology Co., Ltd. Director, Vertex System Corporation Director, Forward Science Corp.	None	None	None	None
							0	0%	0	0%	0	0%	0	0%						

Title	Nationality or place of registration	Name	Gender/age	Date appointed	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other positions at the Company or elsewhere	Other officer, director or supervisor who is the spouse or a relative within second degree			Notes
							Number of common shares	Number of preferred shares	Shareholding ratio	Number of common shares	Number of preferred shares	Shareholding ratio (Note 1)	Number of common shares	Number of preferred shares			Shareholding ratio (Note 1)	Number of common shares	Number of preferred shares	
															Director, Brillian Network & Automation Integrated System Co.,Ltd. Chairman, Everlasting Digital ESG Co., Ltd. Director, Bolite Co., Ltd.					
Independent Director	ROC	Cheng, Tien-Chong	Male/ 71-80 years old	2022.05.20	3	2016.06.03	0	0%	0	0%	0	0%	0	0%	MBA, Santa Clara University, USA CEO, FIH Mobile Limited, subsidiary of Foxconn Technology Group Vice President, Foxconn Technology Group President, Texas Instruments Asia President, HP China	Chairman, Aurotek Corporation Independent Director, Howtech Technology Co., Ltd. Director, 3e Yamaichi Electronics Co., Ltd. Chairman, Taiwan Oiles Industry Co., Ltd.	None	None	None	None
Independent Director	ROC	Kung, Ju-Chin	Female/ 51-60 years old	2022.05.20	3	2016.06.03	0	0%	0	0%	0	0%	0	0%	CPA of Taiwan, USA and China MBA, University of California, USA Master of Laws, National Chengchi University Assistant Manager, Pricewaterhouse Coopers President and CFO, Cite Media Holding Group CEO and Director, Cite Cultural & Arts Foundation	CFO, TNL Media Group Associate Professor, China Industrial & Commercial Research Institute Director, DaEX Intelligent Co., Inc. Director, Polydice, Inc. Director, TNL Media Co., Ltd.	None	None	None	None

Title	Nationality or place of registration	Name	Gender/age	Date appointed	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other positions at the Company or elsewhere	Other officer, director or supervisor who is the spouse or a relative within second degree			Notes				
							Number of common shares	Number of preferred shares	Shareholding ratio	Number of common shares	Number of preferred shares	Shareholding ratio (Note 1)	Number of common shares	Number of preferred shares			Shareholding ratio (Note 1)	Number of common shares	Number of preferred shares		Shareholding ratio (Note 1)	Title	Name	Relationship
														Managing Director, Magazine Business Association of Taipei										
Independent Director	ROC	Ding, Kung-Wha	Male/ 61-70 years old	2022.05.20	3	2020.03.27	0	0%	0	0%	210,000	0.02%	0	0%	Master Degree in Public Finance, National Chengchi University Bachelor Degree in Finance, National Chung-Hsing University Deputy Commissioner, Commissioner of the Securities and Futures Commission, Ministry of Finance Chairman of the Securities and Futures Institute Chairman of Taiwan Depository & Clearing Corporation Chairman of Taipei Exchange Chairman of the Financial Supervisory Commission	Independent Director, Energenesis Biomedical Co., Ltd. Director, Hotung International Co., Ltd. Full-time Chair Professor, Chihlee University of Technology Part-time Chair Professor, National Taipei University Part-time Associate Professor, National Chengchi University, National Yang Ming Chiao Tung University, and National Taiwan Normal University Director, Hotung Investment Holdings Limited	None	None	None	None				
							0	0%	0	0%	0	0%	0	0%										

Note 1: The total number of shares used to calculate the shareholding percentage was based on the number of outstanding common shares of 886,526,651 and the number of preferred shares of 135,000,000 on April 1, 2023.

Note 2: Total shares held by Shao Yang Investment Co., Ltd., Tang Ye Investment Co., Ltd., Wen You Investment Co., Ltd., and Shao Cheng Investment Co., Ltd.

Note 3: Where the chairman and president or equivalent position (highest level managerial officer) is the same person, the spouse, or a first-degree relative, provide information on the reason, reasonableness, necessity, and future improvement measures (such as increasing the number of independent director seats and more than half of all directors not concurrently serving as employees or managerial officers):

The Company's chairman concurrently served as president aims to improve operational efficiency and the execution of decisions. To strengthen the Board's independence, the Company is actively training suitable candidates internally. The responsible unit shall periodically convene meetings to discuss and plan the candidates and cultivation of successors. Furthermore, the chairman shall fully communicate the Company's operations and planned directions to all directors to implement corporate governance. Currently, the Company has the following measures:

1. The three independent directors have expertise in finance, accounting, and semiconductors, thus ensure efficient supervision.
2. The re-election of one independent director is planned for the 2023 Annual Shareholders' Meeting to enhance the functions of the Board of Directors and strengthen the supervisory functions.
3. Arrange directors to participate in professional courses offered by external institutions every year, such as the Securities and Futures Institute, to enhance Board performance.
4. Independent directors can fully discuss and provide recommendations in functional committees to the Board of Directors in implementing corporate governance.
5. Over half of the directors in the Board of Directors do not concurrently serve as an employee or managerial officer.

2. Major shareholders of the institutional shareholders:

August 16, 2022

Name of corporate shareholder	Major shareholders of the corporate shareholders:	Shareholding ratio (%)
Wen You Investment Co., Ltd.	Hsu, Wen-Hung	80.39
	Cheng, Shiang-Hua	12.17
	Cheng, Wen-Tsung	5.68
	Hsu, Wen-Ting	1.76

April 11, 2022

Name of corporate shareholder	Major shareholders of the corporate shareholders:	Shareholding ratio (%)
ASMedia Technology Inc.	ASUSTek Computer Inc.	35.33
	WT Microelectronics Co. Ltd.	13.00
	Hua Chen Venture Capital Co., Ltd.	7.10
	Hua Min Investment Co., Ltd.	3.48
	Nan Shan Life Insurance Co., Ltd.	3.30
	Golman Saches Global Future Technology Leaders Equity by Standard Chartered.	1.87
	Cathay Life Insurance Co., Ltd.	1.16
	Lin, Che-Wei	1.14
	Allianz Global Investors-Allianz Oriental Income Equity managed by Standard Chartered.	1.03
	The Government of Singapore Investment Corp. Equity managed bu Citibank.	0.99

3. Major shareholders above who are institutional investors and their major shareholders:

April 10, 2022

Name of institutional shareholder	Major shareholders of the corporate shareholders:	Shareholding ratio (%)
ASUSTek Computer Inc.	Shi, Chong-Tang	4.05
	Cathay United Bank managed Expert Union Limited Investment account	2.78
	ASUS Certificate of Depositary with Citibank (Taiwan)	2.65
	Yuanta/P-shares Taiwan Dividend Plus ETF	1.88
	New Labor Pension Fund	1.88
	HSBC (Taiwan) in custody for Morgan Stanley International Co. Investment Fund	1.69
	HSBC managed Silchester International Investors International Value Equity Trust	1.49
	Fubon Life Insurance Co., Ltd.	1.35

Name of institutional shareholder	Major shareholders of the corporate shareholders:	Shareholding ratio (%)
	JP Morgan Chase Bank N.A. Taipei Branch in custody for Vanguard Emerging Market Stock Index Fund, a series of Vanguard International Equity Index Funds	1.34
	JPMorgan Chase Bank in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.22

April 10, 2022

Name of institutional shareholder	Major shareholders of the corporate shareholders:	Shareholding ratio (%)
Hua Chen Venture Capital Corp.	ASUSTek Computer Inc.	100

April 10, 2022

Name of institutional shareholder	Major shareholders of the corporate shareholders:	Shareholding ratio (%)
Hua Min Investment Co., Ltd.	ASUSTek Computer Inc.	100

April 17, 2022

Name of institutional shareholder	Major shareholders of the corporate shareholders:	Shareholding ratio (%)
Nan Shan Life Insurance Co., Ltd.	Ruen Chen Investment Holding Co., Ltd.	89.55
	Ruen Hua Dyeing & Weaving Co., Ltd.	1.34
	Du, Ying-Zong	1.16
	Ruentex Xing Co., Ltd.	0.97
	Ruentex Development Co., Ltd.	0.23
	Ruentex Industries Ltd.	0.21
	Yuanxin Investment Co., Ltd.	0.16
	Ruentex Leasing Co., Ltd.	0.13
	Jiping Investment Co., Ltd.	0.11
	Pan City Co., Ltd.	0.09

March, 2022

Name of institutional shareholder	Major shareholders of the corporate shareholders:	Shareholding ratio (%)
Cathay Life Insurance Co., Ltd.	Cathay Financial Holding Co. Ltd.	100

4. Professional qualifications of Directors (including Independent Directors) and independence information disclosure of Independent Directors:

April 19, 2023

Qualifications Position Name	Professional qualifications and experience (Note 1 and 2)	Independence (Note 3)	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent director
<p>Chairman Cheng, Wen-Tsung</p>	<p>Co-founder of WT Microelectronics Co., Ltd., possesses experience in establishing and managing a public company and the management capabilities for an international company over 30 years of experience in semiconductor component industry management and strategy. He possesses knowledge related to the development of the semiconductor industry and component industry, and professional leadership abilities and business strategy.</p>	<p>(6)(8)(9) (11)(12)</p>	<p>0</p>
<p>Director Wen You Investment Co., Ltd. Representatives: Hsu, Wen-Hung</p>	<p>Co-founder of WT Microelectronics Co., Ltd., possesses experience in establishing and managing a public company and the management capabilities for an international company. Her expertise is related to finance, business management, and corporate governance. She is able to provide suggestions for corporate governance and operational management to the Company's Board of Directors timely.</p>	<p>(6)(8)(9)(11)</p>	<p>0</p>
<p>Director Representative of ASMedia Technology Inc.: Lin, Che-Wei</p>	<p>Director and President of ASMedia Technology. Once served as Vice President of VIA Technologies. He possesses experience in managing public companies and the management capabilities for an international company. He has worked in electronics-related industries for several years and possesses qualifications and experience related to decision making and corporate governance.</p>	<p>(1)(2)(3)(4)(6) (7)(8)(9) (10)(11)</p>	<p>0</p>
<p>Director Sung Kao, Hsin-Ming</p>	<p>Founder of Marketech International Corp. Once held the position of Section Head, Electronics Research Institute, Institute for Industrial Research. Possesses experience in establishing and managing a public company and the management capabilities for an international company. Currently serving as a director and administrator of multiple electronics companies and possesses expertise in technical services in the technology industry.</p>	<p>(1)(2)(3)(4)(5) (6)(7)(8)(9) (10)(11)(12)</p>	<p>0</p>
<p>Independent Director Cheng, Tien-Chong</p>	<p>Once held the positions of President of HP China, President of Texas Instruments Asia Pacific, and Vice President of Foxconn Technology Group. Possesses experience in</p>	<p>(1)(2)(3)(4)(5) (6)(7)(8)(9) (10)(11)(12)</p>	<p>1</p>

Qualifications Position Name	Professional qualifications and experience (Note 1 and 2)	Independence (Note 3)	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent director
	managing international companies and has been working in the semiconductors industry for over 40 years. He is a professional manager with extensive experience in the electronics industry and has invested in the startup movement to cultivate the next generation of professional managers. He currently serves as the chairman of Aurotek Corporation.		
Independent Director Kung, Ju-Chin	Possesses CPA qualification in Taiwan, the United States, and China. An expert in finance and tax planning in Taiwan and China. Once held the positions of President and CFO of Cite Media Holding Group. Possesses a professional background in accounting and extensive practical experience. Currently serves as the CFO of TNL Media Group.	(1)(2)(3)(4)(5) (6)(7)(8)(9) (10)(11)(12)	0
Independent Director Ding, Kung-Wha	Once held the positions of Chairman of the Financial Supervisory Commission, Chairman of the Taipei Exchange, and Chairman of the Securities & Futures Institute and Taiwan Depository & Clearing Corporation. He possesses expertise related to securities management, finance, tax planning, and corporate governance. Currently teaching in National Chengchi University, National Yang Ming Chiao Tung University, and National Taiwan Normal University.	(1)(2)(3)(4)(5) (6)(7)(8)(9) (10)(11)(12) (Note 4)	1

Note 1: Professional qualifications and experience: Details the professional qualifications and experience of individual director. Those who are members of the Audit Committee and who possess accounting or financial expertise should clearly explain their accounting or finance background and work experience.

Note 2: The matters stipulated in all paragraphs of Article 30 of the Company Act do not describe the directors mentioned above. For the academic experiences and position information of the Directors, please refer to 3. Corporate Governance Report (II) Information on directors, supervisors, presidents, vice presidents, assistant managers, and managers of each department and branch.

Note 3: Independent director shall describe the circumstances of independence, including but not limited to whether the individual, the individual's spouse or a relative within the second degree serves as directors, supervisors, or employees of the Company or its affiliated companies; whether the individual, the individual's spouse or a relative within the second degree (or in the name of others) holds shares of the Company and the proportion of shares; serves as directors, supervisors or employees of companies with a certain relationship to the Company; the remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years.

Independence of Directors and Independent Directors in the two years before appointment and during their term. Those who comply will be disclosed above.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Directors and supervisors who are not part of the Company or its affiliated companies (except if the Company and its parent company, subsidiary, or subsidiary of the same parent company are independent directors set up in accordance with this law or local laws and regulations).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor

children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.

- (4) Not a manager in (1) or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of personnel in (2) and (3).
- (5) Not directors, supervisors or legal shareholders who directly hold more than 5% of the total issued shares of the Company, in the top five for shareholdings, or appointed a representative as a director or supervisor of the Company in accordance with Paragraph 1 or 2, Article 27 of the Company Act (except for those who concurrently serve as independent directors established by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with this law or local laws and regulations).
- (6) Not a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company (but concurrent independent directors of the Company or its parent company, subsidiary or subsidiary of the same parent company as established by this law or local laws and regulations are not limited by this).
- (7) Directors, supervisors or employees of other companies or institutions that are not the same person or spouse as the chairman, president or equivalent positions of the Company (but concurrent independent directors of the Company or its parent company, subsidiary or subsidiary of the same parent company as established by this law or local laws and regulations are not limited by this).
- (8) Not directors, supervisors, managers, or shareholders holding more than 5% of shares of a specific company or organization that is in financial or business dealings with the Company (but if a specific company or organization holds more than 20% but less than 50% of the Company's total issued shares, and the concurrent independent directors of the Company or its parent company, subsidiary or subsidiary of the same parent company as established by this law or local laws and regulations are not limited by this).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or president of a sole proprietorship, partnership, company, or institution that, provides auditing and commercial, legal, financial, accounting services or consultation that does not exceed NT\$500,000 in remuneration over the last two years to the Company or to any affiliate of the Company, or a spouse thereof. However, this does not apply to members of the Remuneration Committee, Public Acquisition Review Committee, or Mergers and Acquisitions Special Committee who perform their duties in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers and Acquisitions Act.
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the company;
- (11) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.
- (12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C.

Note 4: The spouse holds 210,000 common shares, accounting for 0.02% of shareholdings. The total number of shares used to calculate the shareholding percentage was based on the total number of outstanding common shares of 886,526,651 on April 1, 2023.

5. Diversity and Independence of the Board of Directors:

(1) Diversity of the Board of Directors:

The Company has stipulated in Article 20 of the Corporate Governance Best Practice Principles that diversity shall be considered in the composition of board members. Directors who are also managers in the Company may not take up more than one-third of all seats. In addition, appropriate diversity policies shall be stipulated reflective of the Company's operation status, operational pattern, and developmental needs, which shall include, without limitation, the following two major aspects:

- I. Basic requirements and values: Gender, age, nationality, culture, etc. Among the Board, female directors account for one third of all directors.
- II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform his/her duties. To achieve an ideal level of corporate governance, the Board of Directors should be equipped with the following abilities:

- I. Ability to make operational judgments.

- II. Ability to perform accounting and financial analysis.
- III. Ability to manage a business.
- IV. Ability to handle crisis management.
- V. Industry knowledge.
- VI. An understanding of international markets.
- VII. Leadership ability.
- VIII. Decision-making ability.

Implementation of the diversity policy is as follows:

■ Basic composition:

Diversification item Name of director	Composition							
	Gender	Serving as the Company's employee	Age distribution			Year(s) as independent director		
			Below 60 years old	61 to 70 years old	71 years old or more	3 years or less	3 to 9 years	9 years or more
Cheng, Wen-Tsung	Male	V	V					
Hsu, Wen-Hung	Female	V	V					
Lin, Che-Wei	Male		V					
Sung Kao, Hsin-Ming	Female			V				
Cheng, Tien-Chong	Male			V		V		
Kung, Ju-Chin	Female		V				V	
Ding, Kung-Wha	Male			V			V	

■ Professional background, knowledge and skills:

Diversification item Name of director	Professional background				Professional knowledge and skills						
	Accounting	Industry	Finance	Technology	Ability to make sound business judgments	Ability to manage a business	Leadership/Decision-making ability	Industry markets	An understanding of international markets	Accounting and financial analysis capability	Ability to respond to a crisis
Cheng, Wen-Tsung		V		V	V	V	V	V	V		V
Hsu, Wen-Hung		V	V		V	V	V	V	V	V	V
Lin, Che-Wei		V		V	V	V	V	V	V		V
Sung Kao, Hsin-Ming		V	V	V	V	V	V	V	V	V	V
Cheng, Tien-Chong		V		V	V	V	V	V	V		V
Kung, Ju-Chin	V		V		V	V	V		V	V	V
Ding, Kung-Wha	V		V		V	V	V		V	V	V

(2) Independence of the Board of Directors:

The current Board of Directors of the Company consists of 7 directors, including 3 independent directors, 3 female directors and 2 employees serving as directors (accounting for 43%, 43%, and 29% of the directors, respectively). Among the directors, the Chairman of the Board, Cheng, Wen-Tsung, and Director Hsu, Wen-Hung are spouses. The remaining 5 directors are not spouses or relatives within the second degree of kinship of each other. Therefore, it complies with Paragraph 3, Article 26-3 of the Securities and Exchange Act.

(II) Profile of President, Vice Presidents, Assistant Vice Presidents, and Department Directors

April 1, 2023

Title	Nationality	Name	Gender	Date appointed (Note 1)	Shares held		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other positions	Other manager who is the spouse or a relative within second degree			Notes
					Number of common shares	Shareholding ratio (Note 2)	Number of common shares	Shareholding ratio (Note 2)	Number of common shares	Shareholding ratio (Note 2)			Title	Name	Relationship	
President	ROC	Cheng, Wen-Tsung	Male	1993.12.23	24,467,112	2.76%	4,635,194	0.52%	87,671,307 (Note 3)	9.89%	Department of Industrial Engineering, Tunghai University Chairman, WT Microelectronics Co., Ltd.	Please refer to pages 21-23	Senior Vice President	Hsu, Wen-Hung	Spouse	Note 4
					0	0%	0	0%	0	0%						
Senior Vice President	ROC	Hsu, Wen-Hung	Female	2005.02.01	4,585,194	0.52%	24,517,112	2.77%	87,671,307 (Note 3)	9.89%	National Chengchi University Senior Vice President, WT Microelectronics Co., Ltd.	Please refer to page 23-24	Chairman and President	Cheng, Wen-Tsung	Spouse	None
					0	0%	0	0%	0	0%						
Senior Vice President	ROC	Jack Yang	Male	2000.03.01	1,039,155	0.12%	2,341	0.00%	0	0%	National Chin-Yi University of Technology Senior Vice President, WT Microelectronics Co., Ltd. Texas Instruments Incorporated	None	None	None	None	None
					0	0%	0	0%	0	0%						
Senior Vice President	ROC	James Wen	Male	2004.01.01	604,746	0.07%	194,556	0.02%	0	0%	Tungnan University Senior Vice President, WT Microelectronics Co., Ltd. Xingqiang Electronics Co., Ltd.	None	None	None	None	None
					0	0%	0	0%	0	0%						
Senior Vice President	ROC	Rick Chang	Male	2012.01.01	252,070	0.03%	17,423	0.00%	0	0%	China University of Science and Technology Senior Vice President, WT Microelectronics Co., Ltd. DFI Inc.	None	None	None	None	None
					0	0%	0	0%	0	0%						
Vice President	ROC	Willie Sun	Male	2005.08.01	501,543	0.06%	26,403	0.00%	0	0%	Ph.D., National Central University Vice President, WT Microelectronics Co., Ltd. Lecturer, Kuang Wu Institute of Technology	None	None	None	None	None
					0	0%	0	0%	0	0%						

Title	Nationality	Name	Gender	Date appointed (Note 1)	Shares held		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other positions	Other manager who is the spouse or a relative within second degree			Notes
					Number of common shares	Shareholding ratio (Note 2)	Number of common shares	Shareholding ratio (Note 2)	Number of common shares	Shareholding ratio (Note 2)			Title	Name	Relationship	
Vice President and Principal Accounting Officer	ROC	Yang, Shing-Yu	Female	2008.04.11	730,726	0.08%	0	0%	0	0%	Master of Accounting, Soochow University Vice President and Chief Accountant, WT Microelectronics Co., Ltd.	Supervisor, Wonchang Semiconductor Co., Ltd. Supervisor, WT Technology Korea Co., Ltd. Supervisor, Analog World Co., Ltd. Supervisor, Brillnics Japan Inc.	None	None	None	None
					0	0%	0	0%	0	0%						
Senior Vice President	ROC	Jerry Chang	Male	2021.07.01	25,018	0.00%	0	0%	0	0%	MBA, Tulane University Toshiba Taiwan Co., Ltd. Ming Yi Enterprise Co., Ltd.	None	None	None	None	None
					84	0%	0	0%	0	0%						
Vice President	ROC	Tim Wu	Male	2021.07.01	102,104	0.01%	0	0%	0	0%	Master of Computer Science, National Chiao Tung University Chunghwa Telecom Co., Ltd. Ericsson Taiwan Ltd.	None	None	None	None	None
					0	0%	0	0%	0	0%						

Title	Nationality	Name	Gender	Date appointed (Note 1)	Shares held		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other positions	Other manager who is the spouse or a relative within second degree			Notes
					Number of common shares	Shareholding ratio (Note 2)	Number of common shares	Shareholding ratio (Note 2)	Number of common shares	Shareholding ratio (Note 2)			Title	Name	Relationship	
Senior Director and Finance Supervisor	ROC	Jason Lu	Male	2007.06.01	523,800	0.06%	0	0%	0	0%	Master of Finance, National Taiwan University of Science and Technology	None	None	None	None	None
					0	0%	0	0%	0	0%	Senior Director and Finance Supervisor, WT Microelectronics Co., Ltd. Junior Manager, Jih Sun International Bank					

Note 1: This is the date of the initial appointment as manager.

Note 2: The total number of shares used to calculate the shareholding percentage was based on the number of outstanding common shares of 886,526,651 and the number of preferred shares of 135,000,000 on April 1, 2023.

Note 3: Total shares held by Shao Yang Investment Co., Ltd., Tang Ye Investment Co., Ltd., Wen You Investment Co., Ltd., and Shao Cheng Investment Co., Ltd.

Note 4: Where the chairman and president or equivalent position (highest level managerial officer) is the same person, the spouse, or a first-degree relative, provide information on the reason, reasonableness, necessity, and future improvement measures (such as increasing the number of independent director seats and more than half of all directors not concurrently serving as employees or managerial officers):

The Company's chairman concurrently served as president aims to improve operational efficiency and the execution of decisions. To strengthen the Board's independence, the Company is actively training suitable candidates internally. The responsible unit shall periodically convene meetings to discuss and plan the candidates and cultivation of successors. Furthermore, the chairman shall fully communicate the Company's operations and planned directions to all directors to implement corporate governance. Currently, the Company has the following measures:

1. The three independent directors have expertise in finance, accounting, and semiconductors, thus ensure efficient supervision.
2. The re-election of one independent director is planned for the 2023 Annual Shareholders' Meeting to enhance the functions of the Board of Directors and strengthen the supervisory functions.
3. Arrange directors to participate in professional courses offered by external institutions every year, such as the Securities and Futures Institute, to enhance Board performance.
4. Independent directors can fully discuss and provide recommendations in functional committees to the Board of Directors in implementing corporate governance.
5. Over half of the directors in the Board of Directors do not concurrently serve as an employee or managerial officer.

(III) Remunerations to directors, supervisors, president, and vice presidents in recent years

1. Remuneration to directors and independent directors

Title	Name	Director's remuneration								Ratio of total remuneration (A+B+C+D) to net income (Note 7)		Pay received as an employee								Ratio of total remuneration (A+B+C+D+E+F+G) to net income (Note 7)		Remuneration received from invested companies other than subsidiaries or the parent company	
		Remuneration (A) (Note 1)		Pension (B)		Remuneration to directors (C) (Note 2)		Business expense (D)				Salary, bonus and special allowance (E) (Note 3)		Pension (F)		Employee compensation (G)							
		The Company	All Consolidated Entities (Note 4)	The Company	All Consolidated Entities (Note 4)	The Company	All Consolidated Entities (Note 4)	The Company	All Consolidated Entities (Note 4)	The Company	All Consolidated Entities (Note 4)	The Company	All Consolidated Entities (Note 4)	The Company	All Consolidated Entities (Note 4)	Cash	Stock	Cash	Stock	The Company	All Consolidated Entities (Note 4)		
Director	Cheng, Wen-Tsung	0	0	0	0	5,000	5,000	0	0	5,000 0.07%	5,000 0.07%	44,792	44,792	0	0	0	0	0	0	49,792 0.65%	49,792 0.65%	None	
	Wen You Investment Co., Ltd. (After re-election) (Note 8)	0	0	0	0	3,096	3,096	0	0	3,096 0.04%	3,096 0.04%	0	0	0	0	0	0	0	0	3,096 0.04%	3,096 0.04%	None	
	Representative: Hsu, Wen-Hung	0	0	0	0	0	0	0	0	0	0	17,680	17,680	101	101	0	0	0	0	19,685 0.26%	19,685 0.26%	None	
	Hsu, Wen-Hung (Before re-election) (Note 8)	0	0	0	0	1,904	1,904	0	0	1,904 0.02%	1,904 0.02%												
	Wen You Investment Co., Ltd. (Before re-election) (Note 8)	0	0	0	0	1,904	1,904	0	0	1,904 0.02%	1,904 0.02%	0	0	0	0	0	0	0	0	1,904 0.02%	1,904 0.02%	None	
	Representative: Cheng, Ken-Yi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	ASMedia Technology Inc. (After re-election) (Note 8)	0	0	0	0	3,096	3,096	0	0	3,096 0.04%	3,096 0.04%	0	0	0	0	0	0	0	0	3,096 0.04%	3,096 0.04%	None	
	Representative: Lin, Che-Wei	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Sung Kao, Hsin-Ming	0	0	0	0	5,000	5,000	0	0	5,000 0.07%	5,000 0.07%	0	0	0	0	0	0	0	0	5,000 0.07%	5,000 0.07%	None	

Independent Director	Cheng, Tien-Chong	641	641	0	0	5,000	5,000	0	0	5,641 0.07%	5,641 0.07%	0	0	0	0	0	0	0	0	5,641 0.07%	5,641 0.07%	None
	Kung, Ju-Chin	733	733	0	0	5,000	5,000	0	0	5,733 0.08%	5,733 0.08%	0	0	0	0	0	0	0	0	5,733 0.08%	5,733 0.08%	None
	Ding, Kung-Wha	733	733	0	0	5,000	5,000	0	0	5,733 0.08%	5,733 0.08%	0	0	0	0	0	0	0	0	5,733 0.08%	5,733 0.08%	None

*1. Please describe the policy, system, standard, and structure of remuneration to directors and independent directors, and the correlation between duties, risk, and time input with the amount of remuneration:
The Company has stipulated the "Director and Functional Committee Remuneration Payment Guidelines". Apart from members of functional committees, the Company's directors are not paid fixed remuneration. When the Company profits, director remuneration will be given according to the Articles of Incorporation. The Company's director and functional committee member remuneration structure is stipulated according to industry standards, and the remuneration policy, system, structure, and standards for directors and functional committee members are reviewed periodically according to the Company's short- and long-term business plans. According to Article 5 of the aforementioned guidelines, the director remuneration payment standards are as follows:
(1) Remuneration: It is handled according to Article 16 of the Company's Articles of Incorporation. Remuneration shall be proposed by the Remuneration Committee based on the degree of the directors' involvement in the Company's operation and value of contribution, the Company's business performance and the standards of the industry, and submitted to the Board of Directors for resolution.
(2) Pension: The Company does not provide director pensions except for directors who are also serving as employees of the Company.
(3) Remuneration to directors: It is handled according to Article 19 of the Company's Articles of Incorporation. Director remuneration is distributed according to the profits. The remuneration is reviewed and approved by the Remuneration Committee, then submitted to the Board of Directors for resolution and reported to the Shareholders' Meeting. The distribution of remuneration for individual directors will be based on the extent of directors' involvement in the Company's operations and the value of such contributions. The remuneration will be distributed after being approved by the Remuneration Committee and resolved by Board of Directors.
(4) Business expense: The Company also does not provide transportation allowances, special expense allowances, and other allowances. Apart from directors who are employees, travel expenses for business trips due to the Company's operational needs will be subsidized according to the Company's Management Measures for Business Trips.
2. In addition to the table above, in the most recent fiscal year, compensation for services provided by directors of the company (including as a non-employee advisor for all companies/investees under the parent company/in the Financial Report) is as follows: None.

Remuneration Bracket Table for Directors and Independent Directors

Range of remuneration paid to each director	Name of director			
	Total amount of (A+B+C+D)		Total amount of (A+B+C+D+E+F+G)	
	The Company (Note 5)	All Consolidated Entities (I) (Note 6)	The Company (Note 5)	All Consolidated Entities (J) (Note 6)
Less than NT\$1,000,000				
NT\$1,000,000 (incl) - NT\$2,000,000 (excl)	Director: Hsu, Wen-Hung, Wen You Investment Co., Ltd. (Representatives : Cheng, Ken-Yi)	Director: Hsu, Wen-Hung Wen You Investment Co., Ltd. (Representatives : Cheng, Ken-Yi)	Director: Wen You Investment Co., Ltd. (Representatives: Cheng, Ken-Yi)	Director: Wen You Investment Co., Ltd. (Representatives: Cheng, Ken-Yi)
NT\$2,000,000 (incl) - NT\$3,500,000 (excl)	Director: Wen You Investment Co., Ltd. (Representatives: Hsu, Wen-Hung) ASMedia Technology Inc. (Representatives : Lin, Che-Wei)	Director: Wen You Investment Co., Ltd. (Representatives : Hsu, Wen-Hung) ASMedia Technology Inc. (Representatives : Lin, Che-Wei)	Director: Wen You Investment Co., Ltd. (Representatives : Hsu, Wen-Hung) ASMedia Technology Inc. (Representatives : Lin, Che-Wei)	Director: Wen You Investment Co., Ltd. (Representatives : Hsu, Wen-Hung) ASMedia Technology Inc. (Representatives : Lin, Che-Wei)
NT\$3,500,000 (incl) - NT\$5,000,000 (excl)				
NT\$5,000,000 (incl) - NT\$10,000,000 (excl)	Director: Cheng, Wen-Tsung Sung Kao, Hsin-Ming Independent Directors: Cheng, Tien-Chong	Director: Cheng, Wen-Tsung Sung Kao, Hsin-Ming Independent Directors: Cheng, Tien-Chong	Director: Sung Kao, Hsin-Ming Independent Directors: Cheng, Tien-Chong	Director: Sung Kao, Hsin-Ming Independent Directors: Cheng, Tien-Chong

Range of remuneration paid to each director	Name of director			
	Total amount of (A+B+C+D)		Total amount of (A+B+C+D+E+F+G)	
	The Company (Note 5)	All Consolidated Entities (I) (Note 6)	The Company (Note 5)	All Consolidated Entities (J) (Note 6)
	Kung, Ju-Chin Ding, Kung-Wha	Kung, Ju-Chin Ding, Kung-Wha	Kung, Ju-Chin Ding, Kung-Wha	Kung, Ju-Chin Ding, Kung-Wha
NT\$10,000,000 (incl) - NT\$15,000,000 (excl)				
NT\$15,000,000 (incl) - NT\$30,000,000 (excl)			Director: Hsu, Wen-Hung	Director: Hsu, Wen-Hung
NT\$30,000,000 (incl) - NT\$50,000,000 (excl)			Director: Cheng, Wen-Tsung	Director: Cheng, Wen-Tsung
NT\$50,000,000 (incl) - NT\$100,000,000 (excl)				
NT\$100,000,000 and above				
Total	8	8	8	8

Note 1: Refers to director remuneration in the most recent year (2022) (including independent directors and members of the Remuneration Committee).

Note 2: Refers to the amount of remuneration to directors as approved by the Board of Directors for the most recent year (2022).

Note 3: Refers to the remuneration received by directors who are also employees (including the president and vice presidents) in the most recent fiscal year (2022), including salaries, car rentals, year-end bonuses, employee stock ownership trust, and employee stock options recognized as salary expenses under IFRS 2.

Note 4: The total pay to the directors from all companies in the consolidated statements (including the Company).

Note 5: Refers to the total remuneration paid to each director by the Company, and the director's name shall be disclosed in the corresponding remuneration bracket.

Note 6: Refers to the total remuneration all companies (including the Company) in the consolidated financial statements paid to each director of the Company, and the director's name shall be disclosed in the corresponding remuneration bracket.

Note 7: The net income after-tax refers to the net income after-tax of NT\$7,631,123 thousand in the standalone financial statements for the most recent year (2022).

Note 8: The re-election was held during the Annual Shareholders' Meeting on May 20, 2022. The Director Ms. Hsu, Wen-Hung is serving as the representative of the juristic person director, Wen You Investment Co., Ltd. after the re-election. The original representative of Wen You Investment Co., Ltd., Mr. Cheng, Ken-Yi, was dismissed. The juristic person director ASMedia Technology Inc. was elected during the re-election, and its representative is Mr. Lin, Che-Wei.

* The information on the remuneration disclosed in this table is different from the concept of income of the Income Tax Act. Therefore, the purpose of this Table is for information disclosure only and not for tax purposes.

2. Remuneration to supervisors: N/A.

3. Remunerations to the president and vice presidents

Title	Name	Salary (A) (Note 2)		Pension (B)		Bonuses, special allowances, etc. (C) (Note 3)		Employee compensation (D)				Ratio of total remuneration (A+B+C+D) to net income (%) (Note 7)		Remuneration received from invested companies other than subsidiaries or the parent company
		The Company	All Consolidated Entities (Note 4)	The Company	All Consolidated Entities (Note 4)	The Company	All Consolidated Entities (Note 4)	The Company		All Consolidated Entities (Note 4)		The Company	All Consolidated Entities (Note 4)	
								Cash	Stock	Cash	Stock			
President	Cheng, Wen-Tsung	NT\$44,893 thousand	NT\$50,635 thousand	NT\$1,044 thousand	NT\$1,044 thousand	NT\$131,682 thousand	NT\$136,254 thousand	0	0	0	0	NT\$177,619 thousand 2.33%	NT\$187,933 thousand 2.46%	None
Senior Vice President	Hsu, Wen-Hung													
Senior Vice President	Jack Yang													
Senior Vice President	James Wen													
Senior Vice President	Rick Chang													
Vice President	Willie Sun													
Senior Vice President	Jerry Chang													
Vice President	Tim Wu													
Vice President and Principal Accounting Officer	Yang, Shing-Yu													

Remuneration Bracket Table for President and Vice Presidents

Range of remuneration paid to president and vice presidents	Names of president and vice presidents	
	The Company (Note 5)	All Consolidated Entities (E) (Note 6)
Less than NT\$1,000,000		
NT\$1,000,000 (incl) - NT\$2,000,000 (excl)		
NT\$2,000,000 (incl) - NT\$3,500,000 (excl)		
NT\$3,500,000 (incl) - NT\$5,000,000 (excl)		
NT\$5,000,000 (incl) - NT\$10,000,000 (excl)		
NT\$10,000,000 (incl) - NT\$15,000,000 (excl)	Willie Sun, Tim Wu, and Yang, Shing-Yu	Willie Sun, Tim Wu, and Yang, Shing-Yu
NT\$15,000,000 (incl) - NT\$30,000,000 (excl)	Hsu, Wen-Hung, James Wen, Jack Yang, Rick Chang, and Jerry Chang	Hsu, Wen-Hung, James Wen, Jack Yang, Rick Chang, and Jerry Chang
NT\$30,000,000 (incl) - NT\$50,000,000 (excl)	Cheng, Wen-Tsung	Cheng, Wen-Tsung
NT\$50,000,000 (incl) - NT\$100,000,000 (excl)		
NT\$100,000,000 and above		
Total	9	9

Note 1: The names of the president and vice presidents shall be separately listed, and the amount of each payment shall be disclosed on an aggregate basis.

Note 2: Refers to the salaries, duty allowances, and severance pay paid to the president or vice president in the most recent year (2022).

Note 3: Refers to the remuneration received by the president and vice presidents in the most recent year (2022), including salaries, car rentals, year-end bonuses, employee stock ownership trust, and employee stock options and new restricted employee shares recognized as salary expenses under IFRS 2.

Note 4: The total pay to the president or vice president from all companies in the consolidated statements (including the Company).

Note 5: Refers to the total remunerations paid to each president and vice president by the Company, and the names of presidents and vice presidents shall be disclosed in the corresponding remuneration bracket.

Note 6: Refers to the total remuneration all companies (including the Company) in the consolidated financial statements paid to each president and vice president of the Company, and the names of presidents and vice presidents shall be disclosed in the corresponding remuneration bracket.

Note 7: The net income after-tax refers to the net income after-tax of NT\$7,631,123 thousand in the standalone financial statements for the most recent year (2022).

* The information on the remuneration disclosed in this table is different from the concept of income of the Income Tax Act. Therefore, the purpose of this Table is for information disclosure only and not for tax purposes.

4. Names of executive officers that received employee bonuses and status of the distribution

December 31, 2022

	Title	Name	Stock	Cash	Total	Ratio accounted compared to the total net income (%)
Executive officers	President	Cheng, Wen-Tsung	0	0	0	0%
	Senior Vice President	Hsu, Wen-Hung				
	Senior Vice President	Jack Yang				
	Senior Vice President	James Wen				
	Senior Vice President	Rick Chang				
	Vice President	Willie Sun				
	Senior Vice President	Jerry Chang				
	Vice President	Tim Wu				
	Vice President and Principal Accounting Officer	Yang, Shing-Yu				
	Senior Director and Finance Supervisor	Jason Lu				

(IV) Compare and describe separately the analysis of total remunerations paid to the Company's directors, president, and vice presidents for the past two years by the Company and all companies in the consolidated report as a percentage of the net income after tax, and describe the correlation among the remuneration payment policy, standards and combination, remuneration establishing procedures, and management performance and future risks.

Title	2021				2022			
	Total amount of remuneration (Unit: NT\$ thousands)		Ratio of the total amount to net income after tax (%) (Note)		Total amount of remuneration (Unit: NT\$ thousands)		Ratio of the total amount to net income after tax (%) (Note)	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Director	36,980	36,980	0.46	0.46	37,107	37,107	0.49	0.49
Supervisor	0	0	0	0	0	0	0	0
President and Vice Presidents	166,070	166,070	2.10	2.10	177,619	187,933	2.32	2.46
Total	203,050	203,050	2.56	2.56	214,726	225,040	2.81	2.95

Note: The Company's 2021 net income after tax was NT\$7,923,257 thousand and the 2022 net income after tax was NT\$ 7,631,123 thousand.

1. The Company has specified in Article 19 of the Articles of Incorporation that if there is any profit in the current year, it shall contribute no less than 1% to the employee's remuneration and no more than 3% to the directors' remuneration. The amount to be contributed shall be reviewed by the Remuneration Committee, and then submitted to the Board of Directors for discussion and approval, and shall be reported to the Annual Shareholders' Meeting.
2. The procedures for determining the remuneration of the directors, president, and vice presidents of the Company are based on the "Remuneration Committee Charter", "Rules for Board of Directors Performance Assessments", "Director and Functional Committee Remuneration Payment Guidelines", and "Regulations Governing Compensation Payment of Executive Officers". With regard to director remuneration, in addition to considering the evaluation results based on performance assessment criteria such as the Company's goals and mission, director understanding of responsibilities, participation in the Company's operations, internal relationship management and communication, director expertise and ongoing education, and internal

control, the remuneration is also determined based on Article 16 of the Company's Articles of Incorporation and Paragraph 1, Article 5 of the "Director and Functional Committee Remuneration Payment Guidelines" , whereby the Remuneration Committee evaluates each director's degree of participation in the Company's operations and contribution value, links the reasonableness and fairness of performance risks with income, and submits recommendations to the Board of Directors for approval after considering the Company's operating performance and the level of remuneration commonly provided in the industry. As for the performance evaluation and remuneration of managers, such as the president and vice president, it is based on the Company's "Regulations Governing Compensation Payment of Executive Officers", which includes evaluating whether there are any moral risks or other risks that may cause negative impacts on the Company's image, reputation, or internal management, and considering the level of remuneration commonly provided in the industry, as well as personal performance evaluation results, time invested, responsibilities undertaken, achievement of personal goals, performance in other positions, remuneration provided to individuals holding equivalent positions in recent years, and the correlation between individual performance and the Company's operating performance and future risks based on the Company's short-term and long-term business objectives and financial condition. The content and reasonableness of the remuneration are reviewed by the Remuneration Committee and submitted to the Board of Directors for discussion and approval, and the remuneration system is reviewed and revised as appropriate based on the Company's operating conditions and relevant laws and regulations in order to achieve a balance between sustainable business operations and risk management.

3. The Company's remuneration policy considers the Company's current financial status, operating results and future capital utilization needs for overall planning. Future risk assessment is also included in the scope of consideration to minimize the possibility of risk occurrence. As of the annual report publication date, there are no existing matters that will cause the Company to potentially bear any responsibility, obligation or liability in the future.

III. Implementation of corporate governance

(I) Board of Directors:

In the most recent year (2022), the Board of Directors had 13 meetings [A] and the average attendance rate of all directors was 99%. The attendance of directors and supervisors is as follows:

Title	Name	Attendance in person [B]	By proxy	Attendance rate (%) [B/A]	Notes
Chairman	Cheng, Wen-Tsung	13	0	100%	Re-elected on May 20, 2022
Director	Before re-election: Hsu, Wen-Hung	7		100%	Changed from natural person director to representative of juristic person director on May 20, 2022.
	After re-election: Wen You Investment Co., Ltd. Representatives: Hsu, Wen-Hung	6	0		
Director	Wen You Investment Co., Ltd. Representatives: Cheng, Ken-Yi	7	0	100%	Re-elected and dismissed on May 20, 2022.
Director	ASMedia Technology Inc. Representatives: Lin, Che-Wei	6	0	100%	Re-elected and newly appointed on May 20, 2022.
Director	Sung Kao, Hsin-Ming	12	1	92%	Re-elected on May 20, 2022
Independent Director	Cheng, Tien-Chong	13	0	100%	Re-elected on May 20, 2022
Independent Director	Kung, Ju-Chin	13	0	100%	Re-elected on May 20, 2022
Independent Director	Ding, Kung-Wha	13	0	100%	Re-elected on May 20, 2022

Attendance of Independent Directors in the 13 Board meetings in 2022:

Independent Director	2022												
	1st meeting	2nd meeting	3rd meeting	4th meeting	5th meeting	6th meeting	7th meeting	8th meeting	9th meeting	10th meeting	11th meeting	12th meeting	13th meeting
Cheng, Tien-Chong	Attendance in person in every meeting												
Kung, Ju-Chin	Attendance in person in every meeting												
Ding, Kung-Wha	Attendance in person in every meeting												

Other matters that require reporting:

I. If any of the following circumstances occurs in the operation of the Board of Directors, the date, period, content of the motions, the opinions of all independent directors, and the Company's handling of independent directors' opinions shall be stated:

(1) Matters referred to in Article 14 -3 of the Securities and Exchange Act

Term and date	Agenda
28th meeting of the 9th board January 6, 2022	<ol style="list-style-type: none"> 1. Proposal to make a donation to the "WT Education Foundation". 2. Proposal to issue second employee stock options in 2021 and the list of eligible employees. 3. 2021 executive officers' year-end and performance bonus payment. 4. 2022 executive officers' salary compensation payment. 5. Proposal for changing CPAs. 6. Proposed appointment of CPA and independence assessment. 7. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.
30th meeting of 9th	1. Proposal for the issuance of new common shares for cash to sponsor

board February 24, 2022	issuance of GDRs. 2. Proposal for the 2021 internal control system effectiveness assessment and internal control system statements.
31st meeting of 9th board February 24, 2022	1. Proposal for the 2021 distribution of remuneration to employees and directors. 2. Establishment of the "2022 Employee Stock Subscription Regulations for Cash Issue of Common Shares" and the 2022 List of Management Subscriptions of Cash Issue of Common Shares.
32nd meeting of the 9th board April 7, 2022	1. Proposal for 2021 director remuneration distribution of the Company. 2. The 2021 Earnings Distribution. 3. 2021 earnings distribution of cash dividends. 4. Amendments to the Articles of Corporation. 5. Amendments to the Rules of Procedure for the Shareholders' Meeting. 6. Amendments to the Procedures for Acquisition or Disposal of Assets. 7. Issuance of new restricted employee shares. 8. Issuance of new common shares for cash capital increase and/or Issuance of new common shares for cash to sponsor issuance of GDRs. 9. Proposal to amend the Internal Control System. 10. The Company will provide new endorsements and guarantees for the subsidiary to obtain purchase credit line from suppliers. 11. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.
33rd meeting of the 9th board April 13, 2022	1. The Company's proposal to increase the cash capital of its subsidiary WT Semiconductor Holdings Pte. Ltd. 2. The Company plans to acquire shares of Excelpoint Technology Ltd. in cash through its subsidiary in Singapore, WT Semiconductor Holdings Pte. Ltd. 3. To provide associated guarantees for subsidiaries to obtain a credit line from banks.
34th meeting of the 9th board May 9, 2022	To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.
1st meeting of 10th board May 20, 2022	Election of the 10th Chairman.
2nd meeting of 10th board May 31, 2022	1. Appointment of the 5th Remuneration Committee members. 2. Appointment of members of the 2nd Risk Management Committee.
3rd meeting of 10th board August 5, 2022	To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.
4th meeting of 10th board October 6, 2022	1. Acquisition of common shares of Nichidenbo Corp. 2. The Company adopts a group organization structure. The Company plans to acquire all issued shares of WT Microelectronics (Hong Kong) Limited and WT Solomon QCE Limited held by the wholly-owned subsidiary Promising Investment Limited, thereby changing the company to a wholly-owned subsidiary of the Company. 3. To provide associated guarantees for subsidiaries to obtain a credit line from banks. 4. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.
5th meeting of 10th board October 28, 2022	1. Proposal to amend the Internal Control System. 2. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.
6th meeting of 10th board December 9, 2022	Issuance of the first First Unsecured Overseas convertible bond.
Resolutions of the matters above: Passed as proposed after the chairperson consulted all attending directors. Independent directors' opinions: No dissenting or unqualified opinions. The Company's handling of independent directors' opinions: N/A.	

(II) In addition to the aforementioned matters, other Board meeting resolutions with independent directors' dissenting and unqualified opinions in records or written statements: No such incident occurred.

II. Details, including names of directors, proposals, reasons for conflict of interest, and voting results, of circumstances where directors absented themselves due to conflict of interest:

Details of directors absenting themselves due to conflict of interest in 2022		
Date	Agenda	Name of recused director
January 6, 2022	<ol style="list-style-type: none"> 1. Proposal to make a donation to the "WT Education Foundation". 2. Proposal to issue second employee stock options in 2021 and the list of eligible employees. 3. 2021 executive officers' year-end and performance bonus payment. 4. 2022 executive officers' salary compensation payment. 5. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks. 	Cheng, Wen-Tsung and Hsu, Wen-Hung
February 24, 2022	Establishment of the "2022 Employee Stock Subscription Regulations for Cash Issue of Common Shares" and the 2022 List of Management Subscriptions of Cash Issue of Common Shares.	Cheng, Wen-Tsung and Hsu, Wen-Hung
April 7, 2022	<ol style="list-style-type: none"> 1. Proposal for 2021 director remuneration distribution of the Company. 2. The Company will provide new endorsements and guarantees for the subsidiary to obtain purchase credit line from suppliers. 3. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks. 	Cheng, Wen-Tsung, Hsu, Wen-Hung, Cheng, Ken-Yi, Sung Kao, Hsin-Ming, Cheng, Tien-Chong, Kung, Ju-Chin, and Ding, Kung-Wha
April 13, 2022	To provide associated guarantees for subsidiaries to obtain a credit line from banks.	Cheng, Wen-Tsung and Hsu, Wen-Hung
May 9, 2022	To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.	Cheng, Wen-Tsung and Hsu, Wen-Hung
May 31, 2022	<ol style="list-style-type: none"> 1. Appointment of the 5th Remuneration Committee members. 2. Appointment of members of the 2nd Risk Management Committee. 	Cheng, Wen-Tsung, Hsu, Wen-Hung, Kung, Ju-Chin, Ding, Kung-Wha, and Cheng, Tien-Chong
August 5, 2022	To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.	Cheng, Wen-Tsung and Hsu, Wen-Hung
October 6, 2022	<ol style="list-style-type: none"> 1. The Company adopts a group organization structure. The Company plans to acquire all issued shares of WT Microelectronics (Hong Kong) Limited and WT Solomon QCE Limited held by the wholly-owned subsidiary Promising Investment Limited, thereby changing the company to a wholly-owned subsidiary of the Company. 2. To provide associated endorsements and guarantees for subsidiaries to obtain a credit line from banks. 3. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks. 	Cheng, Wen-Tsung and Hsu, Wen-Hung
October 28, 2022	To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.	Cheng, Wen-Tsung and Hsu, Wen-Hung
<p>Reason for recusal: The directors recused themselves from the proposals above where they had a conflict of interest in accordance with Article 15 of the Company's "Rules of Procedure for Board of Directors' Meetings".</p> <p>Participation in voting: Directors with conflict of interest excused themselves in accordance with the law. The proposals were passed as proposed after the acting chairperson consulted with all attending directors.</p>		

III. Implementation of self-evaluations by the Company's Board of Directors and Functional Committees:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Triennially	2020.1.1-12.31 (The next external assessment is expected to be in 2023)	Board of Directors	<p>Hired an external professional institutions, Taiwan Institute of Ethical Business and Forensics, to conduct the assessment by the following methods:</p> <ol style="list-style-type: none"> 1. Review documents on board meeting minutes and on corporate governance related internal guidelines and documents. 2. All board members completed 	<p>Assessment in 4 aspects:</p> <ol style="list-style-type: none"> 1. The Board's professional competencies. 2. The Board's decision making performance. 3. The Board's attention to and oversight of internal control. 4. The Board's attitude toward CSR.

			individual self-assessment questionnaires. 3. Onsite interviews with directors. 4. Present board performance evaluation reports.	
Once a year	2022.1.1-12.31	Board of Directors	Organizer evaluation	1. Participation in the operation of the Company. 2. Improvement of the quality of the Board of Directors' decision making. 3. Composition and structure of the Board of Directors. 4. Selection and continuing education of directors. 5. Internal control.
Once a year	2022.1.1-12.31	Individual Board members	Board member self-assessment	1. Familiarity with the goals and missions of the Company. 2. Awareness of the duties of a director. 3. Participation in the operation of the company. 4. Management of internal relationship and communication. 5. Professionalism and continuing education of directors. 6. Internal control.
Once a year	2022.1.1-12.31	Individual Audit Committee members	Audit Committee member self-evaluations	1. Participation in the operation of the Company. 2. Understanding of Audit Committee responsibilities. 3. Improvement of the quality of the Audit Committee's decision making. 4. Composition and member appointment of the Audit Committee. 5. Internal control.
Once a year	2022.1.1-12.31	Individual Remuneration Committee members	Remuneration Committee member self-evaluations	1. Participation in the operation of the Company. 2. Understanding of Remuneration Committee responsibilities. 3. Improvement of the quality of the Remuneration Committee's decision making. 4. Composition and member appointment of the Remuneration Committee.

The 2022 Board of Directors and Functional Committees Performance Evaluations were reported to the Board of Directors on February 23, 2023. The average score of the overall Board of Directors performance self-evaluation was 4.94 and the average score of the Board of Directors individual member self-evaluation was 4.96 this year, which showed a great improvement compared to the average Board of Directors individual member self-evaluation score of 4.22 last year. The Directors gave favorable scores, representing the good operations of the entire Board of Directors. The average score of the individual member self-evaluations for the Audit Committee and Remuneration Committee was 5, meaning the operations of both committees are complete and both fulfill their duties.

(The scores are out of 5)

IV. Evaluation of targets to enhance the role of the board and performance in the current year and last year:

- (I) In addition to providing relevant laws and regulations to directors whenever necessary, the Company shall report the Company's current business status at the time of the board meeting, and prepare related information and assign personnel for directors' inquiry.
- (II) The Company actively provides information on various types of continuous education courses and encourages directors to participate in various corporate governance courses, or the Company irregularly holds such courses, in order to strengthen the competencies of the Board members. In 2022, 7 directors received continuing education for a total of 62 hours. Each director received an average of 8.9 hours of education.

(III) The Company adheres to the operational transparency and safeguards shareholders' equity, and actively discloses relevant information such as important resolutions of the Board of Directors on the Company's website. The Company organizes investor conferences regularly to improve company recognition among investors.

(IV) In order to implement corporate governance and enhance the function of the Board of Directors for the purpose of establishing performance targets and strengthening the efficiency of the Board of Directors, the Company completed the enactment of the "Regulations Governing the Board Performance Evaluation" on August 10, 2016. The Company amended the Regulations on August 7, 2020 to require external board evaluation be performed at least once every three years. The Company hired an external professional institutions, Taiwan Institute of Ethical Business and Forensics, to conduct the 2020 board evaluation. The institute and its experts were independent as they had no business relationship with the Company. The evaluation was performed through document review, questionnaire, and onsite interview in four aspects, the Board's professional competencies, the Board's decision making performance, the Board's attention to and oversight of internal control, and the Board's attitude toward CSR. The evaluation report was issued on February 4, 2021, and the recommendations of the report and measures to be taken were presented to the Board of Directors on February 25, 2021. The recommendations and improvement measures were as follows:

1.Strengthening communication between the board members and the management team

Recommendation: The corporate governance department could take initiative to summarize questions from individual directors and ask the management team to provide more information in order to give the directors a better understanding of the Company's operations.

Improvement measure: The Company would increase the frequency of communication between the board members and the management team in the future in order to strengthen the partnership between the Board of Directors and the management team.

2.The issue of the chairman serving concurrently as the highest level managerial officer

Recommendation: The percentage of independent directors could be raised for now in the interest of corporate oversight.

Improvement measure: The re-election of one independent director will be conducted in the 2023 Annual Shareholders' Meeting to enhance the supervisory functions of the Board of Directors.

3.The evaluation subject had installed a Risk Management Committee to ensure effective risk management.

Recommendation: Risk management mechanisms should be implemented effectively through the Risk Management Committee to ensure they would be enforced.

Improvement measure: The Risk Management Committee would be scheduled to meet at least once every six months to identify and monitor potential risks to the Company's sustainable development and to ensure normal operation of the risk management system.

4.Strengthening the Board's attention to CSR

Recommendation: The Board of Directors could conduct more discussions on CSR issues or have external consultants introduced.

Improvement measure: The ESG Sustainable Development Team shall report the implementation and results of the plan, including status of stakeholder communication, to the Board of Directors at least once a year.

The above measure is used to evaluate suggestions and formulate adopted measures. The Company's Corporate Governance Department shall compile the questions proposed by individual directors and convey them to the management team. Related managers are requested to attend the Board of Directors meeting to explain to the directors if necessary. The Company established the Risk Management Committee on November 6, 2020. A total of 1 meeting was held in 2022. Cash flow risk management was conducted and submitted to the Board of Directors for discussion. Additionally, in response to the Board of Director's emphasis on sustainable development issues (previously corporate social responsibility issues), the Company established the "ESG Sustainable Development Team" in November 2021 with the approval of the chairperson. It is mainly responsible for the proposal and execution of sustainable development strategies and systems or related management directions and specific promotion plans, the preparation of the annual sustainability report, exploration of and participation in the sustainable development of the environment, corporate governance, and giving back to society. The Chief Sustainability Officer reports the implementation performance and key discoveries to the Board of Directors regularly.

(V) The Audit Committee was established to replace supervisors and strengthen Board functions on June 21, 2019.

(II) Operation of the Audit Committee:

1. Professional qualifications and experience of Independent Directors

Independent Director \ Qualifications	Professional qualifications and experience
Cheng, Tien-Chong	Once held the positions of President of HP China, President of Texas Instruments Asia Pacific, and Vice President of Foxconn Technology Group. Possesses experience in managing international companies and has been working in the semiconductors industry for over 40 years. He is a professional manager with extensive experience in the electronics industry and has invested in the startup movement to cultivate the next generation of professional managers. He currently serves as the chairman of Aurotek Corporation.
Kung, Ju-Chin	Possesses CPA qualification in Taiwan, the United States, and China. An expert in finance and tax planning in Taiwan and China. Once held the positions of President and CFO of Cite Media Holding Group. Possesses a professional background in accounting and extensive practical experience. Currently serves as the CFO of TNL Media Group.
Ding, Kung-Wha	Once held the positions of Chairman of the Financial Supervisory Commission, Chairman of the Taipei Exchange, and Chairman of the Securities & Futures Institute and Taiwan Depository & Clearing Corporation. He possesses expertise related to securities management, finance, tax planning, and corporate governance. Currently teaching in National Chengchi University, National Yang Ming Chiao Tung University, and National Taiwan Normal University.

2. Key tasks

The Audit Committee consists of 3 Independent Directors. The mission of the Audit Committee is to assist the Board of Directors in performing its duty to oversee the accounting, audit, and financial reporting processes in the Company and the quality and integrity of its audits, in order to improve corporate governance. The Audit Committee discusses material matters related to the finances and operations of the Company with the CPA and audit personnel.

Key tasks for audits in 2022 are as follows:

- (1) Financial statement audits and financial forecast.
- (2) Review the assessment of the effectiveness of the internal control system.
- (3) Auditing plan.
- (4) Loans of funds, endorsements, or provision of guarantees of a material nature.
- (5) Asset acquisition transactions of a material nature.
- (6) Proposals involving conflicts of interest of the directors.
- (7) The offering, issuance, or private placement of any equity-type securities.
- (8) Appointment of Certifying CPAs.
- (9) Amendments to the Procedures for Acquisition or Disposal of Assets.
- (10) Amendment of the internal control system.

3. In the most recent year (2022), the Audit Committee convened 9 meetings (A), and the attendance of independent directors in the meetings is as follows:

Title	Name	Attendance in Person (B)	By proxy	Attendance rate (B/A) (%)	Notes
Independent Director	Cheng, Tien-Chong	9	0	100%	Re-elected on May 20, 2022
Independent Director	Kung, Ju-Chin	9	0	100%	Re-elected on May 20, 2022
Independent Director	Ding, Kung-Wha	9	0	100%	Re-elected on May 20, 2022

Other matters that require reporting:

- I. If one of the situations below occurs during Audit Committee operations, the Audit Committee meeting date, period, proposal content, content of objections, reserved comments or major suggestions made by Independent Directors, results of the Audit Committee resolution, and the Company's handling of the Audit Committee members' opinions should be described:

(I) Matters referred to in Article 14-5 of the Securities and Exchange Act

Term and date	Agenda
20th meeting of the 1st Committee January 6, 2022	<ol style="list-style-type: none"> List of non-managers issued with second employee stock options in 2021. Proposal to make a donation to the "WT Education Foundation". Proposal for changing CPAs. Proposed appointment of CPA and independence assessment. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.
21st meeting of the 1st Committee February 24, 2022	<ol style="list-style-type: none"> Proposal for the 2021 Business Report and Financial Statements. Proposal for the issuance of new common shares for cash to sponsor issuance of GDRs. Proposal for the 2021 internal control system effectiveness assessment and internal control system statements.
22nd meeting of the 1st Committee April 7, 2022	<ol style="list-style-type: none"> The 2021 Earnings Distribution. Amendments to the Procedures for Acquisition or Disposal of Assets. Issuance of new restricted employee shares. Issuance of new common shares for cash capital increase and/or Issuance of new common shares for cash to sponsor issuance of GDRs. Proposal to amend the Internal Control System. The Company will provide new endorsements and guarantees for the subsidiary to obtain purchase credit line from suppliers. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.
23rd meeting of the 1st Committee April 13, 2022	<ol style="list-style-type: none"> The Company's proposal to increase the cash capital of its subsidiary WT Semiconductor Holdings Pte. Ltd. The Company plans to acquire shares of Excelpoint Technology Ltd. in cash through its subsidiary in Singapore, WT Semiconductor Holdings Pte. Ltd.

	3. To provide associated guarantees for subsidiaries to obtain a credit line from banks.
24th meeting of the 1st Committee May 9, 2022	1. Consolidated Financial Statements for Q1 2022. 2. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.
1st meeting of 2nd Committee August 5, 2022	1. Consolidated Financial Statements for Q2 2022. 2. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.
2nd meeting of 2nd Committee October 6, 2022	1. Acquisition of common shares of Nichidenbo Corp. 2. The Company adopts a group organization structure. The Company plans to acquire all issued shares of WT Microelectronics (Hong Kong) Limited and WT Solomon QCE Limited held by the wholly-owned subsidiary Promising Investment Limited, thereby changing the company to a wholly-owned subsidiary of the Company. 3. To provide associated guarantees for subsidiaries to obtain a credit line from banks. 4. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.
3rd meeting of 2nd Committee October 28, 2022	1. Consolidated Financial Statements for Q3 2022. 2. Proposal to amend the Internal Control System. 3. Proposal for the 2023 audit plan. 4. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.
4th meeting of 2nd Committee December 9, 2022	Issuance of the First Unsecured Overseas Convertible Bond.
Content of objections, reserved comments or major suggestions made by Independent Directors: No such incident occurred. Audit Committee's resolution: Passed as proposed after the chairperson consulted all attending members. The Company's response to the Audit Committee's opinions: N/A.	
(II) Besides the matters above, other resolutions adopted with the approval of two-thirds or more of all Directors, without having been passed by the Audit Committee: No such incident occurred.	
II. If Independent Directors recused from themselves from an agenda item in which they have a conflict of interest, specify the name of the independent director, agenda item, reason for recusal, and participation in voting: None.	
III. Communication between Independent Directors and the internal auditing officer and CPAs (must include material matters of communication, methods, results relating to the Company's financial reports and business conditions):	
(I) Independent Directors and the internal auditing officer contacted and communicate with each other via e-mail, telephone or meetings as needed. Any material abnormal events should be reported to the Independent Directors or prompt a meeting to be convened. Communication channels are diverse and open. The Company submitted the audit report or follow-up report of the previous month	

in writing to Independent Directors for review. Independent Directors gave responses or opinions based on the necessity of the report. The auditing officer attended regularly the quarterly meetings of the Audit Committee, and reported audits performed and the results to the Independent Directors. The communication records in 2022 are summarized as follows:

Date	Communication method	Communication subject	Recommendations and results
January 6, 2022	Audit Committee	Audit report for December 2021	No opinions. Moved to be presented to the Board of Directors.
February 24, 2022	Meeting	Communication regarding the audited 2021 consolidated financial statements with the governance departments	No opinions.
	Audit Committee	1. Audit report for January to February 2022 2. 2021 internal control system effectiveness assessment and internal control system statements	1. No opinions. Moved to be presented to the Board of Directors. 2. No opinions. Submitted to the Board of Directors for discussion.
April 7, 2022	Audit Committee	1. Audit report March 2022 2. Modification of the internal control system	1. No opinions. Moved to be presented to the Board of Directors. 2. No opinions. Submitted to the Board of Directors for discussion.
April 13, 2022	Audit Committee	Audit report April 2022	No opinions. Moved to be presented to the Board of Directors.
May 9, 2022	Meeting	Communication regarding the approved 2022 Q1 consolidated financial statements with the governance departments	No opinions.
	Audit Committee	Audit report April 2022	No opinions. Moved to be presented to the Board of Directors.

	May 31, 2022	Audit Committee	Audit report May 2022	No opinions. Moved to be presented to the Board of Directors.
	August 5, 2022	Meeting	Communication regarding the approved 2022 Q2 consolidated financial statements with the governance departments	No opinions.
		Audit Committee	Audit report June - July 2022	No opinions. Moved to be presented to the Board of Directors.
	October 6, 2022	Audit Committee	Audit report August - September 2022	No opinions. Moved to be presented to the Board of Directors.
		Email	Communication regarding the 2023 internal audit plan.	No opinions.
	October 28, 2022	Meeting	Communication regarding the approved 2022 Q3 consolidated financial statements with the governance departments	No opinions.
		Audit Committee	<ol style="list-style-type: none"> 1. Audit report October 2022 2. 2023 internal audit plan 3. Modification of the internal control system 	<ol style="list-style-type: none"> 1. No opinions. Moved to be presented to the Board of Directors. 2. No opinions. Submitted to the Board of Directors for discussion. 3. No opinions. Submitted to the Board of Directors for discussion.
	December 9, 2022	Audit Committee	Audit report November 2022	No opinions. Moved to be presented to the Board of Directors.

(II) In addition to reporting to independent directors for the audit or review of financial reports, the Company's CPAs hold at least one legal advocacy briefing at the Company each year to update the financial and taxation laws and the response measures for the corresponding impacts. In normal times, independent directors

and CPAs can communicate with each other via e-mail, telephone or meeting at any time as needed. The Company's independent directors communicated well with CPAs. The communication records in 2022 are summarized as follows:

Date	Main Points of Communication	Independent Directors' Opinions
February 24, 2022	<ul style="list-style-type: none"> ● Explaining the findings and results of the audit of the 2021 consolidated and standalone financial reports and communicating key audit matters. ● Responding to and discussing the issues raised by the participants. 	Independent Directors had no opinions and suggestions.
May 9, 2022	<ul style="list-style-type: none"> ● Explaining the findings and results of the review of the 2022 Q1 consolidated financial report. ● Responding to and discussing the issues raised by the participants. 	Independent Directors had no opinions and suggestions.
August 5, 2022	<ul style="list-style-type: none"> ● Explaining the findings and results of the review of the 2022 Q2 consolidated financial report. ● Responding to and discussing the issues raised by the participants. 	Independent Directors had no opinions and suggestions.
October 28, 2022	<ul style="list-style-type: none"> ● Explaining the findings and results of the review of the 2022 Q3 consolidated financial report. ● Responding to and discussing the issues raised by the participants. 	Independent Directors had no opinions and suggestions.

(III) Corporate governance implementation status and deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons:

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Does the company establish and disclose its corporate governance principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		In order to establish a good corporate governance system, the Company's Board of Directors passed the "Corporate Governance Best Practice Principles" on December 1, 2014, and gradually revised the Principles according to the laws and regulations, as well as operational needs of the Company. The latest version of the Principles is disclosed on the Market Observation Post System and the Company's website for download by the public. (https://www.wtmec.com/corporate-governance/major-policies/)	Operations are in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
II. Shareholding structure & shareholders' rights				
(I) Does the company establish internal operating procedures for handling shareholder suggestions, questions, complaints or litigation and handled related matters accordingly?	✓		(I) In addition to the stock affairs agency, the Company also, in accordance with internal operating procedures, obliges investor relations (spokesperson or deputy spokesperson), stock affairs, legal and other relevant departments to properly handle matters such as shareholders' suggestions, doubts, disputes and litigation, and respond appropriately. In addition, the Company's website also has a stakeholder section and a shareholders contact person for shareholders/investors to make suggestions or ask questions.	No difference.
(II) Does the company have a list of major shareholders that have actual control over the Company and a list of	✓		(II) The Company keeps track of directors, executive officers and major shareholders with more than 10% shares, and keeps track of the list of major shareholders and their ultimate controllers through the previous register of shareholders as much as possible. In addition, the dedicated stock affairs and investor relation units shall maintain good interaction	No difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>ultimate owners of those major shareholders?</p> <p>(III) Does the company establish and implement risk management and firewall systems within its conglomerate structure?</p>	<p>✓</p>		<p>with major shareholders and pay attention to important issues that may cause changes in shares.</p> <p>(III) The Company clearly defines the division of authority and responsibilities between the Company and affiliated enterprises, in order to supervise affiliated enterprises in accordance with regulations such as the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", "Regulations Governing Establishment of Internal Control Systems by Public Companies", "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies " and "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", etc., the Company formulated the relevant regulations such as the Group's "Corporate Governance Best Practice Principles", "Internal Control Systems", "Procedures Governing for Loaning of Funds and Making of Endorsements/Guarantees", "Procedures for Acquisition and Disposal of Assets", "Regulations Governing Monitoring of Subsidiaries", "Regulations Governing Subsidiaries' Operations", "Procedures for Transactions between Group Enterprises, Related Parties and Specific Company", etc. The Company constructs appropriate firewalls based on risk assessment for continual implementation and control.</p> <p>We plan to propose a set of written rules and regulations governing financial transactions, including purchase and sales transactions, with related parties to the Board of Directors for approval by resolution by the end of this year.</p>	<p>No difference.</p>

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(IV) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(IV) In addition to complying with the requirements of the Securities and Exchange Act, the Company's employees, executive officers, and directors shall also follow the Company's "Code of Ethical Conduct", "Procedures for Handling Material Inside Information", "Procedures for Ethical Management and Guidelines for Conduct", etc. Relevant personnel shall not engage in insider trading using the undisclosed information they know, nor may they disclose it to others in order to prevent others from using the undisclosed information to engage in insider trading. Furthermore, the Company attaches great importance to shareholders' right to know and insider trading prevention. Therefore, the Company amended Article 10 of the "Corporate Governance Best Practice Principles" in 2022, stipulating that directors may not trade the Company's stock during the closed period within 30 days of announcing the annual financial reports and within 15 days of announcing the quarterly financial reports. The Company is using internal regulations to strengthen corporate governance, achieving the prevention of insider trading. The Company's stock affairs unit shall remind directors of this regulation before the aforementioned closed period.	No difference.
III. Composition and responsibilities of the Board of Directors (I) Have diversification policies and specific management goals been formulated and implemented by the Board of Directors?	✓		(I) The Company has established a diversification policy of board members in Article 20 of the "Corporate Governance Best Practice Principles": In addition to the requirement that no more than one third of the directors may serve concurrently as the Company's managers, an appropriate diversity policy based on the Company's business operations, operating dynamics, and development needs should be	No difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons				
	Yes	No	Summary					
			<p>formulated. It is advisable that the policy includes, without being limited to, the following two general standards:</p> <ol style="list-style-type: none"> 1. Basic requirements and values: Gender, age, nationality, culture, etc. Among the Board, female directors account for one third of all directors. 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. <p>Each board member shall have the necessary knowledge, skill, and experience to perform his/her duties. To achieve an ideal level of corporate governance, the Board of Directors should be equipped with the following abilities:</p> <ol style="list-style-type: none"> 1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to manage a business. 4. Ability to handle crisis management. 5. Industry knowledge. 6. An understanding of international markets. 7. Leadership ability. 8. Decision-making ability. <p>The current Board of Directors of the Company consists of 7 directors, including 3 independent directors, 3 female directors and 2 employees serving as directors (accounting for 43%, 43%, and 29% of the directors, respectively). The management goals for the board diversity policy and the progress are as follows:</p> <table border="1"> <thead> <tr> <th>Diversity management goal</th> <th>Progress</th> </tr> </thead> <tbody> <tr> <td>No more than one third of the directors may serve concurrently as the Company's managers</td> <td>Completed</td> </tr> </tbody> </table>	Diversity management goal	Progress	No more than one third of the directors may serve concurrently as the Company's managers	Completed	
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(II) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and Audit Committee?	✓		<p>(II) The Company has established the Remuneration Committee and the Audit Committee as required by law. In addition, the Board of Directors passed a resolution to create the Risk Management Committee on November 6, 2020. Due to the Company's full re-election of directors during the Shareholders' Meeting on May 20, 2022, the members of the second term of the committee have been appointed by the Board of Directors on May 31 in the same year. The committee consists of three independent directors, the chairman, and the CFO as committee members. Independent Director Cheng, Tien-Chong was appointed as the convener and chairperson.</p> <p>The Convener Cheng, Tien-Chong has experience in managing international corporations and has worked in the semiconductor industry for over 40 years. He is a professional manager with extensive experience in the electronics industry. The Committee Member, Independent Director Ding, Kung-Wha once served as the chairman of the Financial Supervisory Commission, chairman of the Taipei Exchange, and chairman of the Securities & Futures Institute and Taiwan Depository & Clearing Corporation. He has expertise in securities management, finance, and corporate governance. The Committee Member, Chairman Cheng, Wen-Tsung, possesses extensive industry experience and expertise in managing international corporations. The Committee Member, Independent Director Kung, Ju-Chin, possesses CPA qualifications in the Republic of China, United States, and China, and excels at financial and tax planning. The Committee Member, CFO Yang, Shing-Yu, has over a decade of professional financial manager experience.</p> <p>Committee members must exercise the care of a prudent manager to fulfill the following duties, report to the Board of Directors, and offer recommendations to the Board of Directors for discussion:</p>	No difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) Does the company establish standards and method for evaluating Board performance, conduct annual performance evaluations, submit performance evaluation results to the Board, and use the results as a basis for determining the remuneration and nomination of individual directors?	✓		<ol style="list-style-type: none"> 1. Review the risk management policy. 2. Review the suitability of the risk management structure. 3. Review management strategies for major risks, including risk appetite or tolerance. 4. Review the management report for major risk issues and supervise improvement mechanisms. 5. Regularly report the risk management implementation status to the Board of Directors. <p>The committee has assessed the management and risks of the group's cash flow needs on August 5, 2022, in response to the global economic instabilities and the impacts of the pandemic on the industry. The results were submitted to the Board of Directors for approval by resolution.</p> <p>(III) On August 10, 2016, the Board of Directors passed the "Rules for Board of Directors Performance Assessments", and amended it on August 7, 2020. The evaluation scope includes the performance evaluation of the Board of Directors, individual board members and functional committees. The evaluation method may include the internal evaluation of the Board of Directors, the self-evaluation of the board members, and entrusting external professional institutions and experts or using other appropriate methods for performance evaluation; the measurement items of the Board's performance evaluation include the following five aspects:</p> <ol style="list-style-type: none"> 1. Participation in the operation of the company. 2. Improvement of the quality of the Board of Directors' decision making. 3. Composition and structure of the Board of Directors. 4. Selection and continuing education of directors. 	No difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(IV) Does the company regularly evaluate the independence of CPAs?	✓		<p>5. Internal control. It is implemented by the Company's stock affairs unit to evaluate the internal performance of the overall Board of Directors at the end of a year, and the results will be used as a reference for future selection or nomination of directors and remuneration of directors. An external professional institution completed the board performance evaluation for the Company in 2020. The results were presented in a meeting of the Board of Directors on February 25, 2021, and improvements were implemented according to the suggestions.</p> <p>The 2022 overall board evaluation and individual director self-assessments were completed at the beginning of 2023. The evaluation results showed the operations of the Board of Directors were good, and the corporate governance criteria were met. Furthermore, the Audit Committee and Remuneration Committee have completed the individual member self-evaluations. The result of both assessments was 100%, showing that the committees are functioning perfectly. The assessment result has been reported to the Board of Directors meeting on February 23, 2023.</p> <p>(IV) The Company's accounting firm is PricewaterhouseCoopers Taiwan. The firm's independence policy requires all employees to complete the annual statement of compliance with independence and risk management policies regularly each year, and they must also self-inspect for any violation before accepting tasks. In addition, the Company has established independence evaluation items after referencing Article 47 of the Certified Public Accountant Act on independence, as well as the contents of "Integrity, Objectivity and Independence" in Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China.</p>	No difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>The Company's Auditing Committee regularly assesses the independence and suitability of CPAs regularly every year and reports the results to the Board of Directors. The most recent assessment has been approved by the Audit Committee on February 23, 2023, and submitted to the Board of Directors for resolution.</p> <p>The items of the CPA independence evaluation are as follows:</p> <ol style="list-style-type: none"> 1. The CPA and the Company's representative or manager are spouses, direct blood relatives, direct relatives by marriage, or relatives within the second degree of kinship. 2. The CPA or their spouse and minor children invest or share financial interests with the Company and/or have capital loans from the Company. 3. Is the person employed by the Company to work as a regular employee, or to receive a fixed salary or serve as a director 4. The reference audit quality indicators (AQIs) include items such as audit experience, training hours, auditor workload, audit effort, results of engagement quality control reviews (EQCR), quality control support capabilities, non-audit services, familiarity with the client, external inspection findings and sanctions, improvement plans or initiatives, and whether there are instances of auditor incompetence, sanctions, or compromising independence. <p>The assessment concludes that both Chieh-Ju, Hsu and Hsu, Yung-Chien, CPAs of PricewaterhouseCoopers Taiwan, have no financial interest or business relationship other than fees for audit and taxation services with the Company. The independence requirements have also been met by their family members. Therefore, they meet the evaluation criteria for independence and competency, and are capable of serving as the Company's auditors for financial statements. The CPAs are</p>	

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons								
	Yes	No	Summary									
			rotated after a certain period. The Company has not appointed the same CPA for five consecutive years.									
IV. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and appoint a corporate governance supervisor to be responsible for corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with the laws, organizing board meetings and annual general meetings as required by law, and compiling minutes of board meetings and annual general meetings)?	✓		<p>In order to implement corporate governance, allow the Board of Directors to play its due role, and safeguard the rights and interests of investors, the Board of Directors on May 8, 2019 approved the appointment of Senior Vice President Hsu, Wen-Hung as the Company's corporate governance supervisor, which is the highest supervisor on the corporate governance related matters, and the stock affairs unit shall directly report to her. Senior Vice President Hsu, Wen-Hung is the Company's executive officer and has over 10 years of management experience in finance, stock affairs, or meeting agenda in public companies.</p> <p>Key responsibilities:</p> <ol style="list-style-type: none"> 1. Organize board meetings and general meetings according to the law. 2. Compile board meeting and general meeting minutes. 3. Help directors take office and participate in continuing education. 4. Provide business information for directors as needed for performing their duties. 5. Assist directors with legal compliance. 6. The review results of whether the independent director's qualifications during nomination, appointment, and their term of service comply with the relevant laws and regulations are reported to the Board of Directors. 7. Handle matters related to the change of directors. 8. Other duties pursuant to the Articles of Incorporation or other contracts. <p>Status of continuing education of corporate governance supervisor in 2022, totaling 12 hours:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Organizer</th> <th>Course Name</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>2022/03/10</td> <td>Quantum</td> <td>Discuss independent</td> <td>1</td> </tr> </tbody> </table>	Date	Organizer	Course Name	Hours	2022/03/10	Quantum	Discuss independent	1	No difference.
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V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees,	✓		1. The Company continues to engage with stakeholders to establish communication and response measures for sustainability issues. The Company identifies important stakeholders through the 5 aspects of the AA1000 SES standard, which are "responsibility, impact, tension, multiple perspectives, and dependence". After evaluation and discussion by WT Microelectronics' sustainability-related functional supervisors, the Company confirms the types of important stakeholders as shareholders/banks, customers, employees, original suppliers, and other	No difference.																				

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
customers, and suppliers), and properly respond to corporate social responsibility issues of concern to the stakeholders?			<p>suppliers.</p> <p>2. The five types of stakeholders hold different meaning and engagement towards the Company's operational activities. Different departments will conduct negotiation through the various communication methods. In 2021, the various forms of communication and negotiation continued to be implemented, which produced various results.</p> <p>3. Refer to the 2021 Sustainability Report for the responsible department, negotiation method and frequency, and negotiation results of the different stakeholder types.</p> <p>4. The Company reported the communication status with the stakeholders in 2021 to the Board of Directors on October 28, 2022.</p>	
VI. Does the company designate a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed the stock transfer agency of the Grand Fortune Securities Co., Ltd. to help handle the matters of the Company's Shareholders' Meetings.	No difference.
VII. Information disclosure (I) Does the company establish a corporate website to disclose information regarding the company's financial, business and corporate governance status?	✓		(I) The Company has set up a company website (www.wtmec.com), and the Company's financial business and corporate governance status are irregularly disclosed and updated for access by investors.	No difference.
(II) Does the company	✓		(II) The Company has set up web pages in three languages: Traditional	No difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>have other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conference on company website)?</p>			<p>Chinese, Simplified Chinese and English, and provides dedicated e-mail addresses for various businesses. In addition, the Company has established the "Procedures for Handling Material Inside Information" to provide a good internal material information processing and disclosure mechanism, and implement the spokesperson system. The various responsible units shall announce material information according to the aforementioned procedures and related laws and regulations. Besides announcing the monthly consolidated revenue, the Company also regularly or periodically holds physical or online investor conferences and announces quarterly financial predictions. All of these are disclosed on the Market Observation Post System or Company's website to improve the Company's information transparency.</p>	
<p>(III) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?</p>	✓		<p>(III) The Company announces and reports annual financial statements certified by the CPA within two months after the end of each fiscal year, and announces and reports Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit.</p>	No difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		<p>(I) For employee benefits and employee care, please refer to V. Labor relations under Five. Operational highlights in the Company's 2022 annual report.</p> <p>(II) Investor relations, supplier relations, and rights of stakeholders: The Company has established the corporate social responsibilities related regulations such as "Corporate Governance Best Practice Principles", "Supplier Code of Conduct", "Sustainable Development Best Practice Principles", "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", etc., in order to implement corporate governance. Please refer to "Three. Corporate Governance Report III. Implementation of Corporate Governance (V) Implementation of sustainable development, difference with the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons" in the Company's 2022 annual report for more information.</p> <p>(III) Continuing education of directors: Continuing education courses taken by the Company's directors in 2022 are listed below and in compliance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", so that directors will fulfill their fiduciary duties and exercise the due care of a good administrator.</p>	No difference.

Title	Name	Date	Organizer	Course Name	Hours
Chairman	Cheng, Wen-Tsung	2022/09/22	Securities & Futures Institute	Global economic and industrial technology development trends	3
		2022/10/26	Securities & Futures Institute	2022 Insider Trading Compliance Seminar	3
Director	Hsu, Wen-Hung	2022/03/10	Quantum International Corp., Georgeson, and Taiwan Stock Exchange	Discuss independent director and Board of Directors supervision from an international viewpoint	1
		2022/04/22	Taiwan Institute for Sustainable Energy	Taishin 2030 Net Zero Summit Forum - Transform to Net Zero	3
		2022/05/04	Taiwan Stock Exchange, Alliance Advisors, and Taiwan Corporate	Twin-Summit Online Forum	2

				Governance Association		
			2022/06/10	Securities & Futures Institute	The 2022 Advocacy Briefing on Prevention of Insider Trading	3
			2022/09/22	Securities & Futures Institute	Global economic and industrial technology development trends	3
	Director	Lin, Che-Wei	2022/09/22	Securities & Futures Institute	Global economic and industrial technology development trends	3
			2022/11/16	Securities & Futures Institute	Technological development and business opportunities of electric vehicles and smart vehicles	3
	Director	Sung Kao, Hsin-Ming	2022/05/11	Taiwan Corporate Governance Association	Trade secret protection and non-competition restriction	3
			2022/08/25	Taiwan	What are	3

				Corporate Governance Association	Investors Thinking - Talking about the Sustainable Transformation of Enterprises from ESG Investment and Financing		
			2022/09/22	Securities & Futures Institute	Global economic and industrial technology development trends	3	
			2022/10/20	Computer Audit Association	Net Zero by 2030/2050 - Sustainability Challenges and Opportunities for Global Enterprises	3	
		Independent Director	Cheng, Tien-Chong	2022/09/22	Securities & Futures Institute	Global economic and industrial technology development trends	3
				2022/10/20	Computer Audit	Net Zero by 2030/2050 -	3

				Association	Sustainability Challenges and Opportunities for Global Enterprises	
Independent Director	Kung, Ju-Chin	2022/03/09	Taiwan Institute of Directors	Restarting in the New Reality, Leader's Academy Forum - A New Digital Taiwan	3	
		2022/07/27	Taiwan Stock Exchange and Taipei Exchange	Industry Conference for the Sustainable Development Roadmap	2	
		2022/09/22	Securities & Futures Institute	Global economic and industrial technology development trends	3	
Independent Director	Ding, Kung-Wha	2022/08/11	Taiwan Corporate Governance Association	Corporate Governance and Securities Laws and Regulations	3	
		2022/08/11	Taiwan Corporate	Discussion on the	3	

Evaluation Item	Implementation status						Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary				
						Governance Association Operational Risks and Legal Responsibilities of Directors and Supervisors under Corporate Governance	
					2022/09/22	Securities & Futures Institute Global economic and industrial technology development trends	3
					2022/10/20	Computer Audit Association Net Zero by 2030/2050 - Sustainability Challenges and Opportunities for Global Enterprises	3
			(IV) Implementation of risk management policies and risk measurement standards: 1. Risk management policy:				

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
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			<p>For the purpose of enforcing the Company's risk management mechanisms and strengthening corporate governance while reasonably assuring the Company's strategies, plans, and targets are achieved, the Board of Directors passed the risk management policy on January 5, 2021. The policy provides the top principles for risk management. The policy covers the purpose of management, the scope of risks, organizational structure and responsibilities, management procedures, risk categories, and risk management operations and implementation evaluation. Risks arising from the business activities are kept within the range of tolerance in order to achieve sustainability and stability.</p> <p>2. Implementation of risk measurement standards: The Company has established the Risk Management Committee, which is responsible for reviewing the suitability of the risk management policies and risk management framework, reviewing material risk issues and management strategies, and supervising the improvement mechanisms. All proposals involving the important business policies, major investment projects, endorsements and guarantees, loans to others, and bank loans must be evaluated and analyzed by the appropriate departments in charge and passed by the Board of Directors before execution. The Auditing Office will formulate annual audit plans based on the risk assessment results, and execute the plans accordingly to enforce oversight measures and monitor risk management practices.</p> <p>3. Risk analysis and assessment: Please refer to "F. Risk analysis and evaluation of VII. Review and analysis of the financial status, financial performance, and risk management" in the Company's 2022 annual report for details.</p> <p>(V) Customer policy implementation: The Company has established the "Ethical Corporate Management Best Practice Principles" and the</p>	

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>"Procedures for Ethical Management and Guidelines for Conduct" to comply with the business activities of ethical management practices. Please refer to "I. Business activities of Five. Operational highlights" in the Company's 2022 annual report.</p> <p>(VI) Status of purchase of liability insurance by the company for directors and supervisors: The Company purchased a liability insurance policy in the amount of US\$15 million for directors and other key persons in 2022. The policy had not expired as of publication of this report. Renewal will be completed before the policy expires, and important details of the policy will be reported in the next board meeting.</p>	

IX. Specify the improvement of corporate governance with reference to the evaluation of corporate governance by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and the measures prioritized for issues that require improvement.

Prioritized issues for improvement in the 9th Corporate Governance Evaluation Indicators		
No.	Indicator Item	Priority Matters the Require Strengthening and Measures
1.1	Has the Company reported the remuneration received by directors, including the remuneration policy, individual remunerations, and amounts, to the Regular Shareholders' Meeting?	The Company plans to report the remuneration received by directors, including the remuneration policy, individual remunerations, and amounts, to the 2023 Regular Shareholders' Meeting.
2.3	Are the chairman and president or equivalent position (highest level managerial officer) the same person, spouses, or first-degree relatives?	The Company plans to conduct a re-election of one independent director in the 2023 Regular Shareholders' Meeting to enhance the supervisory functions of the Board of Directors. Independent directors will account for more than half of the Board of Directors.
3.13	Are the individual remunerations of directors and supervisors voluntarily disclosed in the Company's Annual Report?	Individual director remuneration has been disclosed in the 2022 Annual Report.

(IV) If the company has a Remuneration Committee, disclose its composition and operations:

The Company established the Remuneration Committee and formulated its organizational charter in accordance with the "Securities and Exchange Act" and the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter". The responsibilities of the Remuneration Committee is to assess the remuneration policy and system for the Company's directors and executive officers in a professional and objective manner and make recommendations to the Board of Directors for reference.

The Company's Remuneration Committee has three members at present. All members meet the expertise and independence requirements, and were reappointed in coordination with the term of the Board of Directors on May 31, 2022. Independent Directors Kung, Ju-Chin, Ding, Kung-Wha and Cheng, Tien-Chong are serving as the members of the 5th Remuneration Committee. Among them, Independent Director Kung, Ju-Chin is serving as the convener and chairperson. The Committee shall meet at least twice a year. In 2022, the Committee convened three meetings.

1. Members of the Remuneration Committee:

April 19, 2023

Title	Qualifications	Professional qualifications and experience	Independence	Number of other public companies in which the member also serves as a member of their Remuneration Committee
	Name			
Independent Director (Convener)	Kung, Ju-Chin	Note	Note	0
Independent Director	Ding, Kung-Wha	Note	Note	0
Independent Director	Cheng, Tien-Chong	Note	Note	1

Note : For the professional qualifications and experiences, as well as independence of the Independent Directors, please refer to 3. Corporate Governance Report (II) Information on directors, supervisors, presidents, vice presidents, assistant managers, and managers of each department and branch (1) Information related to directors.

2. Operations of the Remuneration Committee:

- (1) There are three members in the Company's Remuneration Committee.
- (2) Current term of office: From May 31, 2022 to May 19, 2025. In the most recent year (2022), the Remuneration Committee met three times (A), and the members' qualifications and attendance are as follows:

Title	Name	Attendance Frequency (B)	By proxy	Attendance rate (%) (B/A)	Notes
Convener	Kung, Ju-Chin	3	0	100%	Re-appointed on May 31, 2022.
Committee Member	Lu, Huei-Chung	3	0	100%	Dismissed on May 20, 2022.
Committee Member	Ding, Kung-Wha	3	0	100%	Re-appointed on May 31, 2022.

Committee Member	Cheng, Tien-Chong	0	0	0%	<ol style="list-style-type: none"> 1. Newly appointed on May 31, 2022. 2. No meetings were held after the appointment, therefore there were no actual attendances.
Other matters that require reporting:					
<p>I. If the Board of Directors did not adopt or revised the recommendations of the Remuneration Committee, describe the date of board meeting, term of the board, agenda item, resolutions adopted by the board, and actions taken by the company in response to the opinion of the compensation committee (if the remunerations approved by the board of directors are better than those recommended by the compensation committee, describe the difference and reasons): No such incident occurred in this year.</p>					
<p>II. If with respect to any resolution of the Remuneration Committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, describe the date of committee meeting, term of the committee, agenda item, opinions of all members, and actions taken by the company in response to the opinion of members: No such incident occurred in this year.</p>					
<p>III. Proposals and resolutions of the Remuneration Committee meetings and the Company's handling of the members' opinions in the most recent year:</p>					
Term and date		Agenda			
15th meeting of the 4th Committee January 6, 2022		<ol style="list-style-type: none"> 1. Amendment of the 2021 Employee Stock Options Second Issuance and Subscription Regulations of the Company. 2. Proposal to issue second employee stock options to managers in 2021. 3. 2021 executive officers' year-end and performance bonus payment. 4. 2022 executive officers' salary compensation payment. 			
16th meeting of the 4th Committee February 24, 2022		<ol style="list-style-type: none"> 1. Proposal for the 2021 distribution of remuneration to employees and directors. 2. Establishment of the "2022 Employee Stock Subscription Regulations for Cash Issue of Common Shares" and the 2022 List of Management Subscriptions of Cash Issue of Common Shares. 			
17th meeting of the 4th Committee April 7, 2022		Proposal for 2021 director remuneration distribution of the Company.			
Resolutions of the matters above: Passed as proposed after the chairperson consulted all attending members.					
The Company's handling of member opinions: N/A.					

(V) Promotion status of sustainable development and discrepancy with industry standards in sustainable development practices and reasons

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
I. Does the Company have a governance structure for promoting sustainable developments and exclusively (or concurrently) dedicated units to be in charge of proposing and enforcing sustainable development, and let the Board of Directors entrust the high-ranking management with the implementation and supervise the status?	✓		<ol style="list-style-type: none"> 1. ESG Sustainable Development Team consists of Operation , Investor Relations, Human Resources, Finance, Auditing Office, R&D, PDC, IT, WT Foundation, and Welfare Committee personnel. The Team is supported by professional certification institutions, sustainable development guidance organizations, and ESG report editing units, in order to completely implement an ESG system in Taiwan and introduce international regulations. 2. The main tasks of ESG Development Team include the proposing and implementing sustainable development policies and systems, or related management directions and specific promotion plans, preparing the annual ESG report, following and participating in sustainable development discussions related to the environmental, corporate governance, and giving back to society of the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB). Through this, the Company aims to stay up to date with the trends. 3. Domestic and foreign competent authorities and legal person investors have emphasized corporate governance related to the promotion and practical issues of sustainable development. The status of sustainable development is reported to the Board of Directors by the Chief Sustainability Officer every year to improve the internal maintenance of consensus and communication measures of the Company. 4. On April 7, 2022, the Board of Directors passed the Company's 	No difference.

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>"Sustainability Report Preparation and Verification Operating Procedures" based on the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" of TWSE, and instructed the Sustainable Development Team to implement the procedures.</p> <p>5. The Company published the 2021 Sustainability Report in June 2022. The specific implementation plan and results can be found on the Company's website, where the Chinese/English report can be downloaded as a PDF.</p> <p>6. 2022 was the inaugural year of implementing ESG for WT Microelectronics. In order to promote the company's sustainable development concepts, the 2021 WT Microelectronics Sustainability Report was prepared according to the Global Reporting Initiative (GRI) sustainability reporting standards. The ESG Sustainable Development Team reported its performance and key findings to the Board of Directors on October 28, 2022.</p>	
II. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		<p>1. The disclosed information covers the sustainable development performance of major operating locations of the Company in 2022. The scope of the risk assessment is based on the Company's operating locations in Taiwan, supplemented by other bases.</p> <p>2. The company assesses risks associated with important issues based on the sustainable development principle of materiality, and the established risk management policies are as follows:</p>	No difference.

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies									
	Yes	No	Summary										
			<table border="1"> <thead> <tr> <th>Important issue</th> <th>Risk assessment</th> <th>Risk management policy</th> </tr> </thead> <tbody> <tr> <td>The environment</td> <td>Climate change</td> <td>The Company supported the Paris Agreement, supporting and disclosing information related to the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB). The Company is improving the transparency of sustainability information and performance year over year and is expected to complete the disclosure of financial information related to climate change by 2023. Refer to the 2021 Sustainability Report on the Company's official website for details.</td> </tr> <tr> <td>Community</td> <td>Occupational safety</td> <td>1. In order to fully implement employee health and safety protection, prevent occupational disease and injury, and reduce operational risks, the Company has established health and safety management personnel according to</td> </tr> </tbody> </table>	Important issue	Risk assessment	Risk management policy	The environment	Climate change	The Company supported the Paris Agreement, supporting and disclosing information related to the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB). The Company is improving the transparency of sustainability information and performance year over year and is expected to complete the disclosure of financial information related to climate change by 2023. Refer to the 2021 Sustainability Report on the Company's official website for details.	Community	Occupational safety	1. In order to fully implement employee health and safety protection, prevent occupational disease and injury, and reduce operational risks, the Company has established health and safety management personnel according to	
Important issue	Risk assessment	Risk management policy											
The environment	Climate change	The Company supported the Paris Agreement, supporting and disclosing information related to the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB). The Company is improving the transparency of sustainability information and performance year over year and is expected to complete the disclosure of financial information related to climate change by 2023. Refer to the 2021 Sustainability Report on the Company's official website for details.											
Community	Occupational safety	1. In order to fully implement employee health and safety protection, prevent occupational disease and injury, and reduce operational risks, the Company has established health and safety management personnel according to											

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
				<p>the law. The personnel reviews the environmental health and safety targets and management plans every year, which are implemented by the responsible units. The measures are managed and the results are reviewed to ensure continuous improvement.</p> <p>2. In 2022, the Company had no major occupational accidents and no occupational injuries occurred to contractors. The Taiwan and Hong Kong logistics centers passed ISO14001 (environmental management system).</p> <p>3. The Company regularly organizes fire drills and occupational health and safety education and training every year, in order to prepare employees for emergencies and improve their self-safety management abilities.</p> <p>4. Implementation of prevention plans for various hazards: Human hazards, abnormal workload, illegal</p>

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
				<p>infringement, labor health services plan, and maternal health protection plan.</p> <p>5. Health management offices and nursing rooms have been established. Dedicated nursing personnel are responsible for matters related to labor health services. Specialist doctors provide on-site services every month.</p>
			Corporate governance	<p>Compliance with social and economic regulations</p> <p>The Company complies with the Fair Trade Act, Foreign Trade Act, Regulations Governing Export and Import Of Strategic High-tech Commodities, Export Administration Regulations of the United States of America, and Regulations Governing Permission of Trade Between Taiwan Area and Mainland Area, and all products comply with the international safety standards, international environmental regulations and import</p>

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
				<p>and export regulations. This ensures that the business activities are environmentally friendly and complies with ethics. Internal training courses are also organized to promote laws and regulations.</p> <p>Information security The key core services are structured as clustered and multi-point services to avoid main functions falling on a single point. This way, when problems arise, the core services will not be interrupted, reducing the impact of uncontrollable factors on the system. Information security protects assets from harm through various security management measures to achieve the CIA goals. The specific actions include:</p> <ol style="list-style-type: none"> 1. Email protection: Actively intercept suspicious emails with an accuracy of 98.64%. 2. Implementing anti-virus software endpoint protection on personal

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>computers and servers. Updating the virus library and implementing regular scans and real-time monitoring software.</p> <p>3. Firewalls for the public website shall be equipped with application identification capability to integrate external information for active blocking and strengthen information security defense capabilities.</p> <p>For detailed information, please see the Company's website (https://www.wtmec.com/corporate-governance/risk-management/information-risk/)</p>	
			<p>Anti-corruption</p> <p>The Company has adopted a zero-tolerance policy for corruption and has provided an official whistleblowing mechanism, establishing free communication channels, such as the WT Microelectronics website professional ethics violation reporting section and</p>	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
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				<p>internal reporting email.</p> <p>The Company requires the implementation of internal ethics and integrity training. The Group held "Ethical Values and Business Practice Principles" training for all employees from June 10 to June 30, 2022. A total of 2,532 employees completed the training and passed the examination (100% pass rate).</p> <p>Furthermore, new employees must complete courses on important management regulations, including the "Corporate Governance Best Practice Principles", "Sustainable Development Best Practice Principles " (originally the "Corporate Social Responsibility Best Practice Principles"), "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct", "Procedures for Ethical Management ", "Guidelines for Conduct", and "Supplier Code of Conduct". Additionally, new employees</p>

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
				must complete online education and training and pass the examination for "Ethical Values and Business Practice Principles" within 7 days of orientation. The total ethical management training hours in 2022 was 1,956 hours and 3,309 employees were trained.
III. Environmental issues				
(I) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		(I) The Company's operating locations in Taiwan and logistics centers in Hong Kong and Singapore conduct greenhouse gas inventories every year according to the organizational boundaries set in ISO/14064-1:2018 and the international BCSD greenhouse gases inventory agreement. A third party, BSI Taiwan Branch, completes the verification according to ISO/14064-1 and ISO/14064-3, in order to grasp the effects of emission reductions and gradually amend the management policies. The related information is disclosed in the sustainability report and the Company's website. (https://esg.wtmec.com). The Taiwan and Hong Kong logistics centers have passed ISO 14001 Environmental Management System (EMS) certification.	No difference.
(II) Does the Company endeavor to improve	✓		(II) The Group continues to promote various energy reduction and environmental impact reduction measures, including the gradual	No difference.

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies									
	Yes	No	Summary										
energy usage efficiency and use renewable materials which have a low impact on the environment?			<p>replacement of high energy usage equipment, improvements to the recycling ratio of paper and packaging, prioritization of green product and high energy efficiency equipment procurement, and installation of energy conservation controllers for various equipment, in order to effectively use energy and natural resources.</p> <p>1. The electricity consumption per unit area in 2022 was 76.881 kWh/m², which decreased by 0.487 kWh/m² (a decrease of 0.63%) compared to 2021. Additionally, the total energy usage in 2022 increased by 1,020,093 kWh compared to 2021 because the geographical boundary of the 2022 inventory added the Hong Kong and Singapore logistics centers. In 2023, energy consumption will continue to be reduced and the goal is to reduce energy usage by 2% compared to 2022, in order to optimize energy efficiency.</p> <table border="1" data-bbox="981 1066 1865 1252"> <thead> <tr> <th>Year</th> <th>Total power consumption (kWh)</th> <th>Energy usage per unit area (kWh/m²)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>2,068,826</td> <td>77.368</td> </tr> <tr> <td>2022</td> <td>3,088,919</td> <td>76.881</td> </tr> </tbody> </table> <p>2. In 2022, 7 pieces of equipment including old water dispensers, projectors, televisions, and refrigerators were replaced with new ones that meet both environmental protection and energy-saving standards. This replacement is expected to save approximately 2,000 kWh of</p>	Year	Total power consumption (kWh)	Energy usage per unit area (kWh/m ²)	2021	2,068,826	77.368	2022	3,088,919	76.881	
Year	Total power consumption (kWh)	Energy usage per unit area (kWh/m ²)											
2021	2,068,826	77.368											
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Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
(III) Does the company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues?	✓		<p>electricity per year. The Company will continue to implement the energy-saving improvement plan by continuously replacing old equipment with new ones.</p> <p>3. In 2023, the Company plans to invest RMB1.428 million in the Shanghai operating location to install a 100kw solar power system. It will be able to generate 9,000 kWh a month, and the generated power will be used by the operating location.</p> <p>(III) The climate change risks and issues caused by global warming may create unexpected operational impacts.</p> <p>1. As an important electronic product distributor, the Company launched the Climate Change Risk Management Project in 2021 to respond to the Task Force on Climate-related Financial Disclosures (TCFD) framework initiated by the Financial Stability Board (FSB). The company aims to strengthen its resilience by establishing a mechanism for managing climate change risks and opportunities.</p> <p>2. The Company has implemented a climate change risk management project in response to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) initiated by the Financial Sustainability Board (FSB) to establish a climate change risk and opportunity management mechanism and enhance corporate resilience. The project involves bottom-up efforts to build the company's</p>	No difference.

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>awareness and recognition of climate change through cognitive establishment, risk identification, departmental discussions, and communication with senior governance levels. After identifying the risks in each department, the project's next stage is to develop response plans, which will serve as references for governance-level decision-making. Finally, the Risk Management Committee under the board of directors will report and communicate the project's results, serving as a basis for subsequent reporting to the board and ensuring top-down climate governance.</p> <p>3. The assessment results of feedback from various departments of the Company were summarized and categorized into 21 possible risk items. According to the time interval, some risks have different impacts in different time periods. There are 12 possible risks in the short term, 11 in the medium term, and 8 in the long term. After joint discussions and resolutions by the department managers at meetings, immediate physical risks and regulatory and reputational transition risks were identified as the three major climate change risks for the Company.</p> <p>4. The Company will review the risk assessment results again in 2022, and promote the planning of response measures. After reporting to the Risk Management Committee by the Chief Sustainability Officer, the plan will be included in the Board meeting agenda, and climate change governance will be officially launched.</p> <p>5. The climate change management structure is as follows:</p>	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies											
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			<table border="1"> <thead> <tr> <th>Type</th> <th>Management strategy and actions</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Governance</td> <td>Board of Directors: Supervise climate-related risk assessments and the results of response plan implementation.</td> </tr> <tr> <td>Risk Management Committee: Review the management strategies and reports related to material climate change risks. Report regularly to Board of Directors according to the risk management policies.</td> </tr> <tr> <td>Functional units: Regularly analyze and identify climate change risks and opportunities. Stipulate related response plans and implement the plans. The Chief Sustainability Officer regularly convenes the ESG Sustainable Development Team, where each functional unit reports relevant implementation results.</td> </tr> <tr> <td rowspan="2">Strategy</td> <td>In 2021, risk identification was launched. In the scenario analysis process, RCP8.5 was chosen as the scenario for physical risks and the national target was chosen as the scenario for transition risks, which acted as the basis for annual climate change risk assessments.</td> </tr> <tr> <td>The Company will consider the three major types of risks identified: Physical (immediate) and transition risks (regulatory and reputation). Response plans will be formulated and reported to the governance level as reference for operational decision-making.</td> </tr> <tr> <td>Risk</td> <td>The Company has established the Risk Management</td> </tr> </tbody> </table>	Type	Management strategy and actions	Governance	Board of Directors: Supervise climate-related risk assessments and the results of response plan implementation.	Risk Management Committee: Review the management strategies and reports related to material climate change risks. Report regularly to Board of Directors according to the risk management policies.	Functional units: Regularly analyze and identify climate change risks and opportunities. Stipulate related response plans and implement the plans. The Chief Sustainability Officer regularly convenes the ESG Sustainable Development Team, where each functional unit reports relevant implementation results.	Strategy	In 2021, risk identification was launched. In the scenario analysis process, RCP8.5 was chosen as the scenario for physical risks and the national target was chosen as the scenario for transition risks, which acted as the basis for annual climate change risk assessments.	The Company will consider the three major types of risks identified: Physical (immediate) and transition risks (regulatory and reputation). Response plans will be formulated and reported to the governance level as reference for operational decision-making.	Risk	The Company has established the Risk Management	
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Risk	The Company has established the Risk Management														

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>management</p> <p>Executive Committee in 2020 and formulated the risk management policy in 2021. The potential risks are managed according to the different levels of the risk management framework in order to achieve the purposes of sustainable development and stable operations.</p> <p>In 2021, the Company introduced the TCFD project. Climate change risk identification and management procedures are first established as independent projects. When the project introduction is completed, the risk identification methods will be reviewed and appropriate revisions will be made. The risk identification results will be included in the existing risk management procedures to implement uniform management policies against future risks.</p> <p>In the future, the Company will continue to assess international trends, the climate policies of each operating location, the concerns of stakeholders, and physical climate change trends. We will set climate-related indicators and goals to improve adaptability and reduce the impacts of climate change.</p> <p>Indicators and goals</p> <p>The risk identification results of the Company will continue to be implemented and the subject of inter-department discussion and communication during the next stage of the TCFD project in 2022. Suggestions</p>	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
(IV) Does the company compile statistics of greenhouse gas emissions, water use, and total weight of waste in the past two years, and does it establish policies for	✓		<div style="border: 1px solid black; padding: 5px;"> <p>for future response plans will be formed and reported to senior managers to confirm the future operating strategies and management solutions of WT Microelectronics.</p> <p>In the current stage, WT Microelectronics uses greenhouse gas emission intensity as an indicator of climate change risk responses, which is in line with Taiwan's Net Zero by 2050 national policy. Please refer to Greenhouse Gas Disclosures for the greenhouse gas emissions. In addition, regarding physical risks, after the completion of the second phase of the TCFD project, qualitative or quantitative indicators will be developed to assess the impact of each operating site, as well as to evaluate the feasibility of internal carbon pricing. These efforts will serve as the next stage of enhancing the management momentum for climate change adaptation at the Company.</p> </div>	No difference.

Evaluation Item	Implementation status				Discrepancy with industry standards in sustainable development practices and reasons for listed companies			
	Yes	No	Summary					
greenhouse gas emission reduction, water use reduction, and other waste management?								
			Year	Type 1 (CO2e-t)		Type 2 (CO2e-t)	Emissions per unit area (CO2e-t/m ²)	Categories 3 to 6 (CO2e-t)
			2021 (only for Taiwan)	144.6972		1,038.5507	0.0442	190.9526
				1,183.2479				
			2022 (only for Taiwan)	75.1424		1,225.3656	0.0486	212.3325
	1,300.5080							
2022 (Taiwan locations + Hong Kong and Singapore logistics centers)	103.4225	1,494.3245	0.0398	212.3325				
	1,597.7470							
<p>Notes: The geographical boundaries of the inventory in 2021 includes all operating locations in Taiwan. The logistics centers in Hong Kong and Singapore were added in 2022.</p> <p>The total category 1 and 2 greenhouse gas emissions in Taiwan in 2022 was 1,300.5080 tCO_{2e} (an increase of 9.91% compared to 2021). The intensity of emissions in Taiwan in 2022 was 0.0486 tCO_{2e}/ m² (an increase of 9.91% compared to 2021). The main reason for this increase was the implementation of work-from-home policies for about three months during Taiwan's Level 3 COVID-19 epidemic level in 2021. In 2022, measures to prevent the spread of COVID-19 were strengthened,</p>								

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>including: Regular disinfection, daily body temperature monitoring, and increased video conferencing, leading to increased power consumption.</p> <p>2. In response to the national greenhouse gas reduction policies and developments, and to achieve the sustainable development goals of energy conservation and carbon reductions, the "Greenhouse Gas Inventory Promotion Committee" was formed. Using 2018 as the baseline year, inventories are conducted for the internal greenhouse gas emissions of the Group to understand the status of emissions. Improvement measures are formulated accordingly, in order to achieve the goal of 2% annual reductions compared to the baseline year. In addition, starting from 2022, WT Microelectronics has voluntarily included its Hong Kong and Singapore logistics centers in the geographical boundary of greenhouse gas emissions inventory. As the inventory boundary is expanded, the base year for greenhouse gas emissions will be changed from 2018 to 2022. From 2023, each subsidiary's operation sites will be gradually included in the inventory to achieve the goal of inventorying and verifying greenhouse gas emissions for all operation sites of the group.</p> <p>Based on concerns related to global climate change, resource utilization, and fulfilling corporate responsibilities, systematic greenhouse gas emissions inventory, documentation, and review procedures are</p>	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies									
	Yes	No	Summary										
			<p>implemented by the Company for greenhouse gas control development trends and future greenhouse gas reductions. Effective reduction solutions for the future are provided for reference. The Company is committed to the following matters:</p> <ol style="list-style-type: none"> (1) All employees actively participate in energy conservation and carbon reduction activities. (2) Dedicated to the promotion of energy-saving and carbon reduction measures. (3) Comply with environmental protection laws and other related regulations. (4) Commit to using the most advanced international and domestic standards as the basis for self-improvement. <p>3. The main uses for water are the circular use for air conditioning in office areas and use by employees. Water usage in the most recent 2 years is as follows:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total water use (tons)</th> <th>Water use per unit area (tons/m²)</th> </tr> </thead> <tbody> <tr> <td>2021 (Taiwan)</td> <td>11,138</td> <td>0.421</td> </tr> <tr> <td>2022 (Taiwan and Hong Kong)</td> <td>12,949</td> <td>0.346</td> </tr> </tbody> </table>	Year	Total water use (tons)	Water use per unit area (tons/m ²)	2021 (Taiwan)	11,138	0.421	2022 (Taiwan and Hong Kong)	12,949	0.346	
Year	Total water use (tons)	Water use per unit area (tons/m ²)											
2021 (Taiwan)	11,138	0.421											
2022 (Taiwan and Hong Kong)	12,949	0.346											

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>Notes: The water usage scope for the 2021 inventory is limited to the Taiwan region. Starting from the 2022 inventory, the scope will include the logistics centers in Hong Kong and Singapore. However, since water usage fees in Singapore are included in the rental management fee and cannot be separated, they will not be included in the inventory.</p> <p>Total water usage intensity in 2022 was decreased by 17.92%. In order to implement water management, promote water conservation related issues, and respond to the lack of water caused by the changing environment, apart from actively focusing on water and environmental protection issues, smart water meters have been introduced in the Zhonghe park to monitor leaks in real time and implement repairs immediately. Various opportunities are utilized to promote water conservation related information and water conservation signage have been posted in the breakrooms. The Company hopes to start with reducing daily water usage to maximize the benefits of water usage. The total water usage was 12,949 metric tons, which represented a 12% or 1,811 ton increase compared to 2021. The main reasons were the implementation of approximately three months of work from home after the epidemic prevention measures escalated to level 3 in Taiwan in 2021, as well as the expansion of the boundaries of the Hong Kong</p>	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies												
	Yes	No	Summary													
			<p>logistics center.</p> <p>4. The operating locations of the Group do not manufacture products. During operations, only non-hazardous waste is generated from the daily lives of the employees. The amount of waste in the most recent 2 years is as follows:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Daily non-hazardous waste of employees</th> <th>Recycling non-hazardous waste</th> <th>Total (tons)</th> </tr> </thead> <tbody> <tr> <td>2021 Taiwan</td> <td>118.3</td> <td>0.5</td> <td>118.8</td> </tr> <tr> <td>2022 Taiwan, Hong Kong, Singapore</td> <td>143.6</td> <td>6.9</td> <td>150.5</td> </tr> </tbody> </table> <p>Notes: The scope of waste weight inventory in 2021 was limited to the Taiwan region, while in 2022, the scope of inventory was expanded to include the Hong Kong and Singapore logistics centers.</p> <p>The recycled non-hazardous waste includes consumer electronics, office equipment, paper boxes, etc. To effectively implement waste management, starting from 2022, recycled materials will only be</p>	Year	Daily non-hazardous waste of employees	Recycling non-hazardous waste	Total (tons)	2021 Taiwan	118.3	0.5	118.8	2022 Taiwan, Hong Kong, Singapore	143.6	6.9	150.5	
Year	Daily non-hazardous waste of employees	Recycling non-hazardous waste	Total (tons)													
2021 Taiwan	118.3	0.5	118.8													
2022 Taiwan, Hong Kong, Singapore	143.6	6.9	150.5													

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	Yes	No	Summary	
			<p>collected from qualified vendors and statistics will be collected through a self-developed form to ensure proper handling by waste processors. Starting from 2022, the total weight of non-hazardous waste and recycled waste generated from employees' daily life will be calculated, amounting to 150.5 tons.</p> <p>5. Starting in 2016, the Group stipulated and implemented eco-friendly waste disposal methods. Recyclable or biodegradable materials were selected for packaging materials for logistics, such as exterior boxes, paper boxes, and cardboard. The Group is actively implementing reductions at the source and recycling the empty boxes for purchased goods, reusing them for shipment packaging. Apart from implementing recycling policies, waste management has been centralized and the amount and clearing data of the waste is regularly recorded</p>	
IV. Social issues (I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of	✓		(I) The Company is dedicated to promoting a harmonious working environment, fulfilling its corporate social responsibilities, and supports and follows the Universal Declaration of Human Rights, the United Nations Global Compact, the Declaration of Fundamental Principles and Rights at Work and other principles disclosed in the International Bill of Human Rights, together with the Labor Standards Act and related laws and	No difference.

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
Human Rights?			<p>regulations, when establishing internal management regulations. The Company also established the "Social Policy and Code of Conduct" in order to protect the basic human rights of all employees, customers and stakeholders and to safeguard public interests. In addition, when signing a transaction contract with a customer, the Company is also committed to comply with the Responsible Business Alliance (RBA) Code of Conduct, ensuring a safe working environment, that employees are respected and have dignity, environmentally friendly business operations, and ethical conduct.</p> <p>In 2022, the result of the human rights risk assessment conducted by the Company's Taiwan headquarters indicated that there were no high-risk employees related to the 13 items in the following 5 categories. At the same time, WT Microelectronics continues to raise awareness of human rights issues among all employees through various educational and training mechanisms, including promoting of the concepts during new employee orientation and providing related online courses through the E-Learning platform, WT Microelectronics Academy, which employees can access anytime. The actual human rights education and training conducted in 2022 consisted of one course, which was arranged for new employees. A total of 206 people were expected to receive the training, and 206 people actually completed it.</p>	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
(II) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		<div style="border: 1px solid black; padding: 5px;"> <p>Human rights risk assessment and management process evaluation</p> <ul style="list-style-type: none"> * Provide a safe and healthy working environment * Elimination of illegal discrimination to ensure the fairness of job opportunities and remuneration * Prohibition of child labor * Prohibition of forced labor and human trafficking * Help employees maintain physical and mental health, achieve work-life balance </div> <p>(II) 1. The Group complies with the Labor Standards Act and related laws and regulations when setting salary and benefit measures, and provides better leaves and flexible hours than what is required by law. The Group also offers insurance policies and allowances, and encourage different wellness activities to attract and retain top talent.</p> <p>The Group continues to promote workplace diversity and equal opportunities for advancement, without discrimination based on gender, race, age, skin color, nationality, religion, marital status, sexual orientation, physical or mental disability, or any other reason. This promotes equal pay and promotion opportunities for all genders and ethnic groups. Through internal training and career planning, the proportion of female employees in the entire workforce is currently 42.0%, and the proportion of female supervisors in leadership positions</p>	No difference.

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies														
	Yes	No	Summary															
			<p>is also 30.1%, promoting women's empowerment in a friendly workplace.</p> <p>Proportion of supervisors (by gender)</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Female</td> <td>30.1%</td> </tr> <tr> <td>Male</td> <td>69.9%</td> </tr> </tbody> </table> <p>Proportion of supervisors (by age)</p> <table border="1"> <thead> <tr> <th>Age</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>30 years old and below</td> <td>2.3%</td> </tr> <tr> <td>31-49 years old</td> <td>73.8%</td> </tr> <tr> <td>50 years old and above</td> <td>23.9%</td> </tr> </tbody> </table> <p>In addition to a competitive fixed salary, quarterly or annual variable performance bonuses are paid according to the company's overall business performance, the extent of department specific goal achievement, and personal performance as well as the nature of an individual's role and responsibilities. The variable bonuses are management reviewed regularly for incentive and profit sharing. Long-term incentive bonuses are also made available as a means to defer rewards and create a link between executive officers and key personnel and the company's long-term performance.</p>	Gender	Percentage	Female	30.1%	Male	69.9%	Age	Percentage	30 years old and below	2.3%	31-49 years old	73.8%	50 years old and above	23.9%	
Gender	Percentage																	
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Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>Furthermore, the company has been an advocate for sustainable operations and employee stock ownership trust since September 2020. Employees (members) organize themselves and form the Employee Stock Ownership Trust Committee. Employees will contribute fixed amounts from their monthly salaries, and the company will match their contributions. All contributions will be deposited into the trust accounts, effectively allowing employees and the company to share the fruit of business growth. The system not only makes it easier for the company to retain talent, but also helps employees accumulate wealth and prepare for retirement by saving small but regular sums.</p> <p>2. Employee benefit measures of the Group:</p> <p>(1) The Company's Welfare Committee provides various benefits such as: group insurance, public liability insurance, maternity subsidy, funeral decoration subsidy, wedding and funeral allowance, monetary gifts of birthday and festivals, gifts for festivals and New Year, contracted store discount, etc.</p> <p>(2) Require suppliers to provide testing proof for the various drinks and tea bags provided to protect employee health.</p> <p>(3) Organize breakfast bars and healthy vegetarian events every month.</p> <p>(4) We provide fresh seasonal fruits from local farmers in Taiwan on the weekly Fruit Day. In 2022, we purchased a total of 16.1254 tons of fresh fruits throughout the year. Since the implementation, we have purchased 74.1839 tons of fruits, and helped 20 farmers, making efforts to support local economies and charities.</p>	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>(5) Department activities: Organize department meals for holidays, such as barbecue parties for the Mid-Autumn Festival and hotpot dinners for Christmas. The department team-building courses, such as handmade cake making and leather DIY, have been reduced in frequency due to the pandemic. However, this series has received highly positive feedback and effectively improved departmental teamwork. We will continue to promote it in the future.</p> <p>(6) Holiday activities: The "Enjoying the Mid-Autumn Festival with Fun" team building challenge and lucky wheel games were organized, with a high participation rate of 80%. To create a festive and warm atmosphere, senior executives dressed up as Santa Claus and delivered breakfast in the "Christmas Breakfast Bar" event, while also giving additional surprises and prizes. Stickers with multiple rewards were hidden in the breakfast bags, adding fun and interaction while enjoying breakfast.</p> <p>(7) Health promotion: There are multifunctional classrooms, professional sports courses, various sports clubs and competitions, national road running events, hiking point collection activities, and weight loss programs. A total of 423 people participated in the "Slim Down and Win Prizes. A Healthy Lifestyle Awaits You" weight-loss event. A total of 85 groups were formed who lost a total of 890 kilograms. Received the Sports Enterprise Certification Badge from the Sports Administration, Ministry of Education in 2021. We plan to continue participating in the Sports</p>	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
(III) Does the company provide a safe and healthy working environment and provide employees with regular safety and health training?	✓		<p>Enterprise Certification and join the CHR Healthy Corporate Citizen Initiative.</p> <p>(8) Arts and culture activities:"The World Citizen Academy and Concert", "In Tribute to Giants Concert", "WT Microelectronics and DBS Lunar New Year Music Fest", and "2222 Land of the Future, Innovative Sustainable Concept Exhibition". Furthermore, the WT Microelectronics Book Club aims to promote the habit of reading. It adds new books in various fields every month.</p> <p>(9) Green sustainability:Adopted the beaches of Shimen Baishawanh, Kite Park, and Lao Mei Green Rock Beach on the North Coast of New Taipei City. In the first wave of beach cleaning events, a total of 137 people participated, and we collected and disposed of 1,484.2 kilograms of marine waste.</p> <p>(10)TV walls have been installed on each floor to broadcast daily activity highlights, the latest previews, health and disease prevention information related to environmental safety and hygiene.</p> <p>(III) Employees are the Group's most valued asset, and creating a friendly workplace is one of the Group's primary tasks. In 2022, no disabling injuries were reported.</p> <p>1. Working environment and employee safety protection measures: Each floor is equipped with a facial recognition thermometer, a health declaration questionnaire, alcohol disinfectant spray, and medical-</p>	No difference.

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies				
	Yes	No	Summary					
			<p>grade masks for employees to use. Confirmed cases can apply for a care package to be delivered to their homes, which includes rapid screening kits, alcohol, alcohol wipes, lozenges, vitamin C, and nutritional supplements. A total of 448 boxes were sent to show concern for employees' home isolation situation. Professional cleaners are arranged to maintain daily the workplace environment, including sterilizing the work environment and cleaning air conditioners once a year. Professional technicians are hired to periodically perform safety inspections and maintenance in accordance with the law. Fire safety equipment inspections are performed monthly, and in-house fire drills are conducted semiannually. Employees are required to wear their identification cards when entering and leaving the office; visitors or guests are led by the receptionist to register their visits and may not enter the office without permission. The Company has signed a contract with a security company. The front gate is strictly monitored around the clock to maintain the safety of the office.</p> <table border="1" data-bbox="949 1190 1888 1385"> <tr> <td>Daily</td> <td> <ul style="list-style-type: none"> Review door access management, body temperature checks for visitors, and </td> <td>Monthly</td> <td> <ul style="list-style-type: none"> Onsite physician services. Vehicle safety inspections. </td> </tr> </table>	Daily	<ul style="list-style-type: none"> Review door access management, body temperature checks for visitors, and 	Monthly	<ul style="list-style-type: none"> Onsite physician services. Vehicle safety inspections. 	
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Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<ul style="list-style-type: none"> real-name registration. Cleaning and sanitation of conference rooms and public areas. Employees measure their body temperature and fill out the health questionnaire. Daily fire source inspections. Dedicated personnel for night time patrols. 	<ul style="list-style-type: none"> Emergency facilities inspections. Fire safety equipment inspection.
			Quarterly <ul style="list-style-type: none"> The Occupational Safety and Health Committee is 	Every 6 months <ul style="list-style-type: none"> Implement self-protection and fire drills.

Evaluation Item	Implementation status				Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary		
				<ul style="list-style-type: none"> convened to review the related strategies and implementation of solutions. 	<ul style="list-style-type: none"> Carpet and environment cleaning.
			Annually	<ul style="list-style-type: none"> Test, repair, and maintain various fire safety equipment. Convene occupational safety meetings to review, coordinate, and provide suggestions for employee related health and safety matters, and stipulate the annual 	Every 2 years <ul style="list-style-type: none"> Check the public safety of the buildings.

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies						
	Yes	No	Summary							
			<table border="1"> <tr> <td>health and safety plan.</td> <td></td> <td></td> </tr> <tr> <td> <ul style="list-style-type: none"> • Maintenance of air conditioning equipment. • Sterilization of the entire office area. </td> <td></td> <td></td> </tr> </table> <p>2. Implementation of health protection and management: The Company provides employees with medical check-ups and assistance every year, and has a health manager to assist employees with health inspections, consultation, and recommendations. Each office has a first aid reporting window to effectively guide emergency medical technicians when an emergency occurs. Doctors are invited to provide health consultation services at the office, and irregularly organize health seminars. The physical seminars have been changed to recordings that are uploaded to the online education and training platform for viewing by employees, thereby enhancing their medical and health care knowledge. Automatic blood pressure monitors are provided at each workplace, caring for employees' health at all times. In order for employees to work without worries, the Company also</p>	health and safety plan.			<ul style="list-style-type: none"> • Maintenance of air conditioning equipment. • Sterilization of the entire office area. 			
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	Yes	No	Summary	
			<p>values employees' family members. The Group provides self-pay health checkup preferential plans for employees and their family members. The Company arranged for free vaccinations of the "Eastern Flu Vaccine" , with a total of 323 people vaccinated.</p> <p>3. Promotion of health activities: A multi-purpose classroom is provided exclusively for employees, a variety of sports courses are arranged and offered in coordination with the sports center, encouraging employees to develop good exercise habits, while raising their health management awareness.</p> <p>4. Four major plans for labor health protection and dedicate nursing rooms:</p> <ul style="list-style-type: none"> ● Prevention plan for illness caused by abnormal workloads Require all levels of management to actively care about the labor conditions of employees. If health issues are found, they can report to the health management personnel for assistance and care. They can arrange for health consultations and abnormal load assessments during monthly doctor consultations ● Prevention plan for illegal infringement during the performance of duties At the workplace, the Company has posted relevant publicity materials and specified a complaint hotline and email address in the work rules. If a colleague encounters sexual harassment, stalking, or other illegal acts while performing their duties, they can file a 	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>complaint. To safeguard the rights of complainants, the handling of complaints is conducted in a confidential manner, and the complainant's name or other identifying information that could reveal their identity will not be disclosed. The person handling the complaint should create a written record of the handling process of the complaint, and follow the guidelines for preventing illegal infringement of job duties. The related execution records should be kept for 3 years.</p> <ul style="list-style-type: none"> ● Prevention plan for ergonomic hazards Sitting for a long time can cause chronic muscle, fascia, and intervertebral disc diseases. Adjustable standing desks can significantly reduce the risk of chronic muscle, fascia, and intervertebral disc diseases caused by prolonged sitting. Therefore, the Company provides employees with adjustable desks, chairs, and standing rest areas that can be customized to individual needs, allowing workers to work with correct posture and vision. This helps reduce the health risks associated with prolonged sitting. In addition, we have purchased seven floor-cleaning robots for use by the cleaning staff, reducing the need for repetitive manual labor. Health columns are posted on each floor to provide relevant information. Professional physical therapists are invited to provide one-on-one consultation and health education to adjust incorrect posture and perform soothing exercises to relieve discomfort. If necessary, 	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>treatment will also be provided, such as splint fixation for carpal tunnel syndrome to relieve pain.</p> <ul style="list-style-type: none"> ● Maternal health protection plan <p>Furthermore, the Company does not have work shifts or night shifts. In addition to the legal requirements for pregnancy leave, maternity leave, and parental leave, to meet the needs of female employees for both child-rearing and work, the Company provides professional health and safety consultations for the pregnancy, postpartum, and lactation periods during the maternity protection period, as well as priority parking spaces and other workplace optimization measures. We also provide related books in the reading area, such as "Mom and Baby" and "Parent-Child World" magazines for borrowing. In order to care for female employees with nursing needs, a comfortable nursing space has been created for the mothers. The space is climate controlled and access is monitored and limited to specific personnel. The entrance is equipped with surveillance equipment. Complete fire safety equipment that complies with government regulations is installed in the space. Several considerate pieces of equipment are provided, including a fridge dedicated to storing the mothers' milk, a freezer, and bottle sterilizer.</p>	
(IV) Does the company set up effective career	✓		(IV) The Group's Training & Development Roadmap was developed by dedicated units for formulating annual training programs, and courses	No difference.

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
development and training programs for its employees?			<p>developed are based on functional attributes and grades to enhance employees' professional competence and knowledge.</p> <ol style="list-style-type: none"> 1. New Employee Orientation: We assist new hires to assimilate into the new work environment through various training activities and a mentoring system, and assist them to identify with the corporate culture and management principles. 2. Functional Expertise Training: All units have developed employees' relevant professional skills and knowledge through internal and external training and OJT. 3. Leadership Development: We provide tailor-made management and leadership modules for employees at various levels to help improve management skills and foster leadership thinking among department heads. This equips employees with the necessary know-how and drives them to lead their teams in achieving the organization's goals. 	
(V) Does the Company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing, and labeling of products and services, and has it	✓		(V) The Group cares about the opinions of its customers. Besides individual visits, it also provides a contact person and e-mail addresses for products on its website. It also set up a stakeholder section on the Company's website to provide a channel for customer questions, complaints, or suggestions, which the Company handles and gives feedback based on the principle of good faith, so as to protect customers' rights and interests. WT Microelectronics continues to engage with stakeholders to establish communication and response measures for sustainability issues. The	No difference.

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
<p>established relevant consumer or customer protection policies and grievance procedures?</p> <p>(VI) Does the company have a supplier management policy, require suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights, and what is its implementation status?</p>	✓		<p>Company identifies important stakeholders through the 5 aspects of the AA1000 SES standard, which are "responsibility, impact, tension, multiple perspectives, and dependence". After evaluation and discussion by WT Microelectronics' sustainability-related functional supervisors, the Company confirms the types of important stakeholders as shareholders/banks, customers, employees, original suppliers, and other suppliers.</p> <p>(VI) The Company has established the "Supplier Code of Conduct" and "Supplier Corporate Social Responsibility Commitment" for suppliers to understand and comply with our requirements for product safety and ethical standards, as well as to enhance their social and environmental responsibilities. Starting from 2022, we will implement supplier evaluation for general suppliers with an annual transaction amount of at least NT\$1 million or 12 or more transactions per year. The evaluation criteria will include the supplier's service attitude, professional ability, product quality, and price, among others. Through the supplier evaluation mechanism, we aim to enhance the compliance of suppliers with labor rights, occupational safety and health, environmental protection, business ethics, and management systems. The Company will also implement corresponding procurement measures for suppliers at different levels of evaluation, and conduct evaluations and follow-up improvements every year to reduce the risk of business interruption and achieve the concept of sustainable</p>	No difference.

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>management.</p> <p>The Company is committed to working with our suppliers in developing and applying green and environmentally friendly technology, to jointly solve the environmental issues caused by the depletion of Earth's energy resources and achieve sustainable co-prosperity. Our vision includes hosting sustainability lectures and events for our suppliers, such as the first-ever "Global Carbon Yearbook Reading Event" in 2022. To align our sustainability vision with the growth of the company and create more opportunities for having sustainability conversations with our suppliers, we will arrange more sustainable events and increase the number of seats for our suppliers in 2023.</p> <p>When a construction unit enters the Company for construction, the unit is required sign the health and safety commitment and the construction must comply with occupational health and safety laws, in order to protect the health and safety of the contractors.</p> <p>When purchasing goods, the Group complies with environmental regulations and industry regulations, such as conflict minerals. In addition, the official website of major international suppliers that the Company deals with disclose statements that their products comply with relevant environmental regulations. To achieve sustainable development and prosperity, the Company will focus on environmental, social, and corporate governance aspects in the future. We will optimize the evaluation criteria and content, and review the supplier audit system to</p>	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			conduct key supplier evaluations.	
V. Does the Company adopt internationally widely recognized standards or guidelines when producing sustainability reports and reports disclosing the Company's non-financial information? Do the reports above obtain assurance from a third party verification unit?	✓		The main framework of the Company sustainability report is based on the Global Reporting Initiative (GRI) standards, and the core options act as the principles for disclosure. The Company will join the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) in the future. The third party verification of the Report was conducted by BSI Taiwan Branch, BSI Taiwan, according to the core options of the GRI Standards and class 1 medium guarantee of the AA1000 guarantee standards V3. It was uploaded to the Market Observation Post System and company website before September 30, 2022.	No difference.
VI. If the Company has established sustainable development principles based on Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the principles and their implementation: The Company has established the WT Microelectronics Co., Ltd. "Sustainable Development Best Practice Principles" to fulfill its social responsibilities. There is no difference between actual operations and the Company's best practice principles.				
VII. Other key information useful for explaining the status of sustainable development implementation: (I) Public interest: 1. Apart from implementing ethical management, servicing customers, caring for employees, and giving back to shareholders, the Company established the WT Education Foundation in December 2014. The current chairperson is Min-Ji Yang. In order to create a better world, WT Education Foundation promotes the two major charity themes of "diverse learning to transform education" and				

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>"caring for the disadvantaged and giving back to society". Its main operations include two major categories: (1) Sponsorship projects. (2) Voluntary charity projects. It is the Group's commitment to fulfill corporate social responsibility, in addition to expanding its operations and creating maximum value for its shareholders. We deeply believe that only by focusing on the company's profits and using them to give back to and cultivate society, can we truly achieve sustainable management.</p> <p>2. Every year, the CEO of the foundation reports the implementation status and operational effectiveness to the Board of Directors. The foundation's business execution report for 2022 was completed on December 23, 2022. The total amount of donations and self-organized activities amounted to NT\$8.437 million. The donation units and programs included the "Junyi School of Innovation Experimental Courses" by the Alliance Cultural Foundation, "KIST Public-Private Zheng-Min Elementary School" by the Cheng Zhi Education Foundation, "Comprehensive Care Plan with Love and Heart" by the Premature Baby Foundation of Taiwan, "Remote Learning Assistance Program" by Vox Nativa Taiwan, "PBL Programming Online Platform" by the Program The World Association, and "World Health Organization Developmentally Delayed Children Parenting Skills Training Taiwan Promotion Plan" by the ROC Foundation for Autistic Children and Adults in Taiwan.</p> <p>3. For information on the Company's corporate social responsibility, please refer to the Company's 2021 Sustainability Report. (Website: https://esg.wtmec.com)</p> <p>4. The Group responds to government decrees and employs people with physical and mental disabilities in accordance with the People with Disabilities Rights Protection Act.</p>	
(II)			<p>Environmental protection:</p> <p>The Group is an electronic parts supplier with no factories for manufacturing. The Group is mainly based on the promotion of environmental protection through offices and warehouses. The Taiwan and Hong Kong logistic centers have received ISO 14001 Environmental Management System certification. The effective period of the latest certification is from October 15, 2021, to October 14, 2024. The Company hopes to become a pioneer in a circular economy, and is actively recycling and reusing empty cardboard boxes, selecting packaging materials that are recyclable and degradable for logistics operations, and reducing the use of materials that are not</p>	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>environmentally friendly to protect the environment and ecology. The Company promotes paperless operations in offices, encourages employees to reduce paper use via e-mail and scanning and storing documents in electronic form, in order to accelerate the transition to paperless operations. Recyclable and reusable resources that are discarded by offices are donated to social welfare organizations or sent to legal waste processing agencies for recycling, such as office furniture, electric appliances, IT and computer equipment, avoiding resource waste and reducing the burden on the planet. Environmental resource preservation has always been a very important issue worldwide. In addition to reducing pollution at the source, the disposal of waste should not be overlooked. Starting with beach cleaning, the Company has made efforts to address environmental resource conservation, and the proper disposal of waste is especially critical in addition to reducing pollution at the source. In 2022, WT Microelectronics held two beach cleaning events, with a total of 137 employees and their families participating, clearing a total of 1,484.2 kilograms of marine debris. The Company adopted the beaches of Shimen Baishawan, Kite Park, and Lao Mei Green Rock Beach on the North Coast of New Taipei City in 2023. Beach cleaning events will be organized every month and customers and suppliers will be invited, to teach the participants the relevant knowledge and the importance of environmental sustainability.</p> <p>(III) Human rights: The Group values stakeholders' interests and set up a stakeholder section on the Company's website to provide a good communication platform, in order to understand the reasonable expectations and needs of stakeholders. Whether the internal or external issues are questions, complaints, or suggestions in the economic, social and environmental aspects, the Group shall always uphold the principle of good faith to properly handle and provide feedback or improvement plans to achieve effective communication.</p>	

(VI) Implementation of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons

Evaluation Item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
I. Establishment of ethical corporate management policy and approaches				
(I) Did the company establish an ethical corporate management policy that was approved by the Board of Directors, and declare its ethical corporate management policy and methods in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?	✓		(I) The Company's Board of Directors has stipulated and approved the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" by resolution. The information has been disclosed on the Market Observation Post System (MOPS) and the Company's website(https://www.wtmec.com/corporate-governance/major-policies/). Furthermore, the Company's 2021 Sustainability Report was published on June 30, 2022, to convey the performance and results of the Company's fulfillment of social responsibilities to stakeholders. The Group's senior management and members of the Board of Directors are committed to upholding their responsibility of supervision based on ethical concepts when performing their duties, in order to create a sustainable business environment.	No difference.
(II) Does the company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of business with	✓		(II) The Company explicitly prohibits unethical conduct such as offering and receiving bribery, providing or accepting improper interests, providing or promising facilitation payment, providing illegal political contributions, engaging in unfair competition, providing	No difference.

Evaluation Item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
<p>relatively high risk of unethical conduct, and formulate an unethical conduct prevention plan on this basis, which at least includes preventive measures for conduct specified in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(III) Did the company specify operating procedures, guidelines for conduct, punishments for violation, rules of appeal in the unethical conduct prevention plan, and does it implement and periodically review and revise the plan?</p>	✓		<p>improper charitable donations or sponsorships, disclosing trade secrets and damages to the interests of stakeholders, etc., in the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct". The Company has taken preventive measures and conducted educational advocacies to implement the ethical management policy.</p> <p>(III) The Company engages in commercial activities based on the principles of fairness, honesty, trustworthiness and transparency. In order to implement the ethical management policy, in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", the Board of Directors passed the resolution to formulate the "Procedures for Ethical Management and Guidelines for Conduct", specifying the matters the Company's personnel shall be mindful of when performing business. It includes clear operating procedures and guidelines for each program, disciplinary action for violations and grievance systems. It is applicable to all of the Group's companies and organizations such as the Company and its subsidiaries, foundations with the Company directly or indirectly contributing more than 50% of the funds, and other institutions or legal persons</p>	No difference.

Evaluation Item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
			<p>which the Company has substantial control. The Procedures and Guidelines for Conduct are promoted to new employees and on the Company's internal website. They are implemented in operations to include ethical management in the employee performance evaluations and human resources policies. Personnel of the Company who violate the ethical behaviors in a major way shall be terminated or dismissed according to the relevant laws or the Company's human resources guidelines. The Company regularly reviews and corrects the implementation of this plan.</p>	
<p>II. Implementation of ethical corporate management</p> <p>(I) Does the company evaluate the ethical records of parties it does business with and stipulate ethical conduct clauses in business contracts?</p>	✓		<p>(I) After the evaluation, the Company shall sign contracts that contain an ethics clause with transaction counterparties if necessary. The ethics clause includes not accepting or requesting improper benefits, such as bribery, gift money, gift cards, etc., and conducting all business activities based on the principles of fairness, justice, openness and honesty. When assessing customers, suppliers, and financial institutions, the Company would first understand their past ethical situations. The financial institutions for deposits and transactions are banks and securities brokers under the Banking Act or Securities and Exchange Act. The rights and obligations of both parties and the transaction</p>	No difference.

Evaluation Item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
(II) Does the company have a unit that supports ethical management practices on a full-time basis under the Board of Directors, and reports the ethical management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors and oversees the operations?	✓		<p>conditions are clearly stipulated in the account opening credit or underwriting agreement.</p> <p>(II) In order to improve the ethical corporate management, the HR, Legal and Auditing Office jointly formed an Ethical Management Team, decentralizing the formulation and supervision of ethical corporate management policies and preventive measures based on the work responsibility and scope of each unit, to ensure the implementation of the Ethical Corporate Management Best Practice Principles.</p> <p>In addition, the Ethical Management Team reports the implementation of ethical corporate management in the previous year to the Board of Directors every year, to assist the Board of Directors in assessing whether the ethical corporate management measures established by the Company is operating effectively. On January 6, 2023, the Board of Directors completed the 2022 annual reporting on the implementation of ethical management. The implementation status in 2022 is as follows:</p> <ol style="list-style-type: none"> 1. Education and training In addition to promoting ethics and integrity as the core values of the Company to all employees, the task group also provides education and training to new employees to advocate the matters which require attention when conducting business. 2. Communication channels 	No difference.

Evaluation Item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
			<p>Employees can also respond to and communicate with management and the HR unit through multiple channels (including the Company's website, internal email system, etc.).</p> <p>3. Reporting procedures and whistleblower protection There is a whistleblowing platform for any violation of the code of conduct on the Company's website, providing a channel for whistleblowers to report illegal activities of the Company's personnel. The Ethical Management Team is responsible for accepting the reported cases, forwarding these cases to the highest supervisors of the relevant units for investigation, and tracking the final result of each cases. The identity of the whistleblower and the contents of the report shall be kept confidential, and a complete record of the acceptance, investigation process and results of the case shall be retained. This year, 5 whistleblowing cases were accepted, of which 1 was found to be valid after investigation and none were major cases.</p> <p>4. Insider trading prevention The Company has amended the "Corporate Governance Best Practice Principles" in 2022, stipulating the stock trading control measures for the Company's directors after the date of becoming privy to the Company's financial statements. They include the restriction that directors may not trade the</p>	

Evaluation Item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
(III) Does the company establish policies to prevent conflict of interests, provide appropriate channels for filing related complaints and implement the policies accordingly?	✓		<p>Company's stock during the closed period within 30 days of announcing the annual financial reports and within 15 days of announcing the quarterly financial reports. Furthermore, the Company's stock affairs unit has also notified directors to follow the regulations before the aforementioned closure period.</p> <p>(III) The Company's " Ethical Corporate Management Best Practice Principles " and "Procedures for Ethical Management and Guidelines for Conduct" have clearly specified policies for preventing conflicts of interest and requires all units to implement them. Open channels are provided internally and on the Company's website for employees to present their opinions. In addition, the Company's directors recused themselves for those proposals that they have a conflict of interest in accordance with Article 15 of the Company's "Rules of Procedure for Board of Directors' Meetings" on directors' recusal due to conflict of interest.</p>	No difference.
(IV) Does the company have effective accounting system and internal control systems set up to facilitate ethical corporate management, does the internal auditing unit formulate audit plans based on unethical conduct risk assessment results, and	✓		<p>(IV) The Group has established comprehensive and effective control mechanisms in accounting and internal control systems to prevent potential business activities and operational procedures that may involve higher levels of dishonest behavior. The internal audit team also prioritizes high-risk operations for annual audit plans based on risk assessments to strengthen preventive</p>	No difference.

Evaluation Item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
<p>does it audit compliance with the unethical conduct prevention plan or commission a CPA to perform the audit?</p>			<p>measures, and reports on the actual implementation of audit plans to regular board meetings. In addition, through annual self-assessment of internal control operations, all departments and subsidiaries of the company are required to self-examine their internal control systems to ensure the effectiveness of their design and implementation.</p>	No difference.
<p>(V) Does the company regularly hold internal and external educational trainings on ethical corporate management?</p>	✓		<p>(V) 1. The "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct", and the "Code of Ethics" established by the Company are disclosed in the "Corporate Governance" section of the Company's internal website, as well as provided during training for current employees and for new employees each year, so that every employee understands and complies with the rules. Information related to "Ethical Values and Business Practice Principles" and "Insider Trading Prevention Training" is disclosed on the Company's internal website for all employees, in order to convey the ethical management ideals of the Company. In addition, relevant personnel are also appointed to participate in seminars and symposiums organized by public associations or professional organizations to strengthen the Group's ethical corporate management policy.</p>	

Evaluation Item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
			<p>2.A director of the Company participated in the "2022 Insider Trading Prevention Seminar" organized by the Securities and Futures Institute on behalf of TWSE in June 2022. The director received 3 hours of continuing education that strengthened their understanding and interpretation of insider trading laws and practical affairs.</p> <p>3.The Group held "Ethical Values and Business Practice Principles" training for all employees from June 10 to June 30, 2022. A total of 2,532 employees completed the training and passed the examination (100% pass rate). The training and examination covers self-ethics checks, intellectual property rights, data protection, clear descriptions, import and export controls, corruption and other methods of unlawful gains, competition and anti-trust, conflicts of interest, insider trading, whistleblowing, whistleblower protection from retribution, punishments, etc.</p> <p>Furthermore, new employees must complete courses on important management regulations, including the Corporate Governance Best Practice Principles, Sustainable Development Best Practice Principles (originally the Corporate Social Responsibility Best Practice Principles), Ethical Corporate Management Best Practice Principles, Code of Ethics, Procedures for Ethical Management and Guidelines for Conduct, and Supplier Code of Conduct. Additionally, new</p>	

Evaluation Item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
			<p>employees must complete online education and training and pass the examination for "Ethical Values and Business Practice Principles" within 7 days of orientation.</p> <p>The total ethical management training hours in 2022 was 1,956 hours and 3,309 employees were trained.</p>	
<p>III. Operation of whistleblowing system</p> <p>(I) Does the company establish concrete whistleblowing and reward system and have a convenient reporting channel in place, and assign an appropriate person to communicate with the accused?</p>	✓		<p>(I) In accordance with Article 23 of the Company's "Ethical Corporate Management Best Practice Principles" and Article 21 of the "Procedures for Ethical Management and Guidelines for Conduct" on the whistle-blowing system, if members of the Group suspect or discover any violations, they shall report it to independent directors, executive officers, the internal auditing officer or other suitable personnel. In addition, there is a professional ethics violation reporting channel on the Company's website for relevant personnel to report wrongdoings. The Ethical Management Team will handle the reported cases and transfer the cases to the highest supervisor of related units for investigation.</p>	No difference.
<p>(II) Does the company establish standard operating procedures for investigating reported cases, and does it take subsequent measures and implement a confidentiality mechanism after</p>	✓		<p>(II) In accordance with Article 23 of the Company's "Ethical Corporate Management Best Practice Principles" and Article 21 of the "Procedures for Ethical Management and Guidelines for Conduct", records of the whistleblower report acceptance and investigation</p>	No difference.

Evaluation Item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
(III) Does the company provide proper whistleblower protection? completing investigation?	✓		<p>process and results shall be kept and retained, and the whistleblower's identity and contents of the report shall be kept confidential. If a material violation is discovered by the investigation or the Group is at risk of sustaining significant losses, a report shall immediately be prepared and independent directors shall be notified in writing.</p> <p>(III) In accordance with Article 23 of the Company's "Ethical Corporate Management Best Practice Principles" and Article 21 of the "Procedures for Ethical Management and Guidelines for Conduct", the whistleblowers identity and contents of the report shall be kept confidential, and whistleblowers shall not be subject to improper treatment due to whistleblowing.</p>	No difference.
IV. Enhancing information disclosure Does the company disclose information regarding the company's ethical corporate management principles and implementation status on its website and the Market Observation Post System?	✓		<p>The Company has disclosed these "Ethical Corporate Management Best Practice Principles" and its implementation on the Company's website, Market Observation Post System, annual reports, sustainability reports and prospectus in accordance with Article 25 of the "Ethical Corporate Management Best Practice Principles". Integrity is the Company's most important core value and business philosophy. Employees must abide by clear ethical and character standards. The Company keeps its commitment to shareholders/banks, customers, employees, original suppliers and other suppliers, and also does its utmost to ensure the interests and rights of all stakeholders.</p>	No difference.

Evaluation Item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
V. If the company has established Ethical Corporate Management Principles in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", describe difference with the principles and implementation status: The Company established the "Ethical Corporate Management Best Practice Principles" to establish a corporate culture of ethical management and to achieve sound development. There is no deviation between actual operations and the Company's Best Practice Principles.				
VI. Other important information to facilitate a better understanding of the company's implementation of ethical corporate management: (e.g., review and amendment of the Ethical Corporate Management Best Practice Principles) The Company's "Procedures for Ethical Management and Guidelines for Conduct" was amended in response to the regulations, and passed by the Board of Directors on August 7, 2020. Furthermore, the Company shall pay attention to the development of relevant domestic and international ethical management regulations, and encourage directors, executive officers and employees to attend training and propose improvements and suggestions to enhance the Company ethical corporate management performance.				

- (VII) If the company has established corporate governance principles and related guidelines, disclose the means of accessing this information:
The Company has formulated the "Articles of Incorporation", "Rules of Procedure for Shareholders' Meetings", "Rules of Procedure for Board of Directors' Meetings", "Rules for Board of Directors Performance Assessments", "Rules of Directors Election", "Audit Committee Charter", "Remuneration Committee Charter", "Risk Management Committee Charter", "Procedures for Acquisition or Disposal of Assets", "Procedures for Lending Funds and Endorsement & Guarantee", "Corporate Governance Best Practice Principles", "Sustainable Development Best Practice Principles", "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Codes of Ethical Conduct", and "Supplier Code of Conduct". These regulations can be found on the Company's website (website: <http://www.wtmec.com>), the Market Observation Post System or the Company's annual reports.

(VIII) Other significant information which may improve the understanding of corporate governance and operation:

1. In addition to disclosing in the Corporate Governance section of the Market Observation Post System, the Company also discloses corporate governance related operations in the format of material information to investors in a timely manner, depending on the materiality.
2. The Company regularly or periodically holds investor conferences, and the relevant materials of the investor conferences are disclosed on the Company's website and the Market Observation Post System.
3. Continuing education for the Company's executive officers in 2022:

Title	Name	Date	Organizer	Course Name	Hours
President	Cheng, Wen-Tsung	2022/09/22	Securities & Futures Institute	Global economic and industrial technology development trends	3
		2022/10/26	Securities & Futures Institute	2022 Insider Trading Compliance Seminar	3
Senior Vice President	Hsu, Wen-Hung	2022/03/10	Quantum International Corp., Georgeson, and Taiwan Stock Exchange	Discuss independent director and Board of Directors supervision from an international viewpoint	1
		2022/04/22	Taiwan Institute for Sustainable Energy	Taishin 2030 Net Zero Summit Forum - Transform to Net Zero	3
		2022/05/04	Taiwan Stock Exchange, Alliance Advisors, and Taiwan Corporate Governance Association	Twin-Summit Online Forum	2
		2022/06/10	Securities & Futures Institute	The 2022 Advocacy Briefing on Prevention of Insider Trading	3
		2022/09/22	Securities & Futures Institute	Global economic and industrial technology development trends	3
Vice President and Principal Accounting Officer	Yang, Shing-Yu	2022/12/22-23	Accounting Research and Development Foundation	Ongoing Education for Securities Issuers, Securities Firms, and TWSE Chief Accounting Officer	12

- (IX) Implementation of internal control system:
1. Internal Control Statements

WT Microelectronics Co. Ltd. Internal Control System Statements

Date: February 23, 2023

Based on the findings of a self-assessment, WT Microelectronics Co., Ltd. states the following with regard to its internal control system during the year 2022.

- I. The Company acknowledges and understands that the establishment, enforcement and maintenance of the internal control system are the responsibility of the Board of Directors and management, and that the company has already established such a system. The aim of the system is to provide reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profitabilities, performance, and safeguard of asset security), reliability, timeliness, and transparency of reporting, and compliance with applicable ruling laws and regulations.
- II. Internal control systems have their inherent limitations. No matter how well they are designed, an effective internal control system can only reasonably ensure achievement of the three above objectives. In addition, an internal control system's effectiveness may change as the environment and circumstances change. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
- III. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The criteria introduced by the Regulations cover the process of management control and consist of five major elements, each representing a different stage of internal control: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communications, and 5. monitoring activities. Each of the elements in turn contains certain audit items. Please refer to the Regulations for details.
- IV. The Company has adopted the aforementioned measures for an examination of the effectiveness of the design and implementation of the internal control system.
- V. Based on the findings of the aforementioned examination, the Company believes it can reasonably assure that the design and implementation of its internal control system as of Thursday, December 31, 2022 (including supervision and management of subsidiaries), including the effectiveness and efficiency in operation, reliability in financial reporting and compliance with relevant regulatory requirements, have achieved the aforementioned objectives.
- VI. This declaration constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. If any fraudulent information, concealment or unlawful practices are discovered in the content of the aforementioned information, the Company shall be held liable under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
- VII. This statement of declaration was approved by the Board on February 23, 2023 in the presence of 7 directors, who concurred unanimously.

WT Microelectronics Co. Ltd.
Chairman and President: Cheng, Wen-Tsung **(Signature and Seal)**

2. If the company engages an accountant to examine its internal control system, disclose the CPA examination report: None.

(X) If any penalties are imposed on the Company and its personnel or punishments are imposed by the Company on personnel in violation of internal control system regulations in the past year and up to the date of report, and the results of the penalty may have a material effect on shareholders equity or stock price, specify the contents of the penalty, major deficiencies and improvement: None.

(XI) Important resolutions adopted in shareholders meeting and Board of Directors' meeting in the past year and up to the date of report:

1. Major resolutions of the Board of Directors:

Date	Major resolutions
January 6, 2022	<ol style="list-style-type: none"> 1. Passed the proposal to make a donation to the WT Education Foundation. 2. Passed the amendment of the 2021 Employee Stock Options Second Issuance and Subscription Regulations of the Company. 3. Passed the proposal of the second employee stock options issuance in 2021 and the list of eligible employees. 4. Passed the proposal for the 2021 executive officers' year-end bonuses and performance bonuses. 5. Passed the proposal for the 2022 executive officers' salary compensations. 6. Passed the proposal for the 2022 business plan. 7. Passed the proposal for changing CPAs. 8. Passed the proposal for the appointment and independence assessment of CPAs. 9. Passed the proposed capital reduction record date for stock cancellation of employee restricted awards. 10. Passed the proposal for setting the record date for capital increase by shares converted from the Company's sixth unsecured convertible corporate bonds.
January 27, 2022	<ol style="list-style-type: none"> 1. Passed the proposal for election of the 10th term Board of Directors. 2. Passed the proposal for related matters of convening the Company's 2022 annual shareholders' meeting.
February 24, 2022	<ol style="list-style-type: none"> 1. Passed the proposal for the 2021 Business Report and Financial Statements. 2. Passed the proposal for the 2022 Q1 summary consolidated financial forecast. 3. Passed the proposal for the issuance of new common shares for cash to sponsor issuance of GDRs. 4. Passed the proposal for the 2021 internal control system effectiveness assessment and internal control system statements. 5. Passed the amendment to the "Corporate Social Responsibility Best Practice Principles" (renamed to the Sustainable Development Best Practice Principles after amendment). 6. Passed the proposed amendment to the "Corporate Governance Best Practice Principles".

Date	Major resolutions
	<ol style="list-style-type: none"> 7. Passed the 2021 proposal for distribution of remuneration to employees and directors. 8. Passed the establishment of the "2022 Employee Stock Subscription Regulations for Cash Issue of Common Shares" and the 2022 List of Management Subscriptions of Cash Issue of Common Shares.
April 7, 2022	<ol style="list-style-type: none"> 1. Passed the 2021 proposal for director remuneration distribution of the Company. 2. Passed the proposal for 2021 earnings distribution. 3. Passed the 2021 earnings distribution of cash dividends. 4. Passed the proposal for the amendment to the "Articles of Incorporation". 5. Passed the proposed amendment to the "Rules of Procedure for the Shareholders' Meeting". 6. Passed the proposal for the amendment to the "Procedures for Acquisition or Disposal of Assets". 7. Passed issuance of new restricted employee shares. 8. Passed the proposal to issue common stock for cash capital increase and/or issue common stock for cash capital increase and issuance of GDRs. 9. Passed the proposal for nominating and reviewing candidates on the list for the 10th Directors and Independent Directors. 10. Passed the proposal to exempt the limitation of non-competition Directors of the Company and their representatives. 11. Passed the stipulation of the "ESG Report Preparation and Verification Operating Procedures". 12. Passed the proposed amendment to the "Internal Control System". 13. Passed the proposed capital reduction record date for stock cancellation of retired new employee restricted awards. 14. Passed the proposal for setting the record date for capital increase by shares converted from the Company's sixth unsecured convertible corporate bonds.
April 13, 2022	<ol style="list-style-type: none"> 1. Passed the Company's proposal to increase the cash capital of its subsidiary WT Semiconductor Holdings Pte. Ltd. 2. Passed the Company's plan to acquire shares of Excelpoint Technology Ltd. in cash through its subsidiary in Singapore, WT Semiconductor Holdings Pte. Ltd.
May 9, 2022	<ol style="list-style-type: none"> 1. Passed the Consolidated Financial Statements for Q1 2022. 2. Passed the proposal for the 2022 Q2 summary consolidated financial forecast.
May 20, 2022	Passed the proposal for election of the 10th Chairman.
May 31, 2022	<ol style="list-style-type: none"> 1. Passed the appointment of the 5th Remuneration Committee members. 2. Passed the appointment of the 2nd Risk Management Committee members.
August 5, 2022	<ol style="list-style-type: none"> 1. Passed the Consolidated Financial Statements for Q2 2022. 2. Passed the proposal for the 2022 Q3 summary consolidated financial forecast.

Date	Major resolutions
	<ol style="list-style-type: none"> 3. Passed the evaluation of cash flow risk management. 4. Passed the proposed amendment to the "Corporate Governance Best Practice Principles". 5. Passed the proposed capital reduction record date for stock cancellation of employee restricted awards.
October 6, 2022	<ol style="list-style-type: none"> 1. Passed the acquisition of common shares of Nichidenbo Corp. 2. Passed the Company's adoption of a group organization structure. The Company plans to acquire all issued shares of WT Microelectronics (Hong Kong) Limited and WT Solomon QCE Limited held by the wholly-owned subsidiary Promising Investment Limited, thereby changing the company to a wholly-owned subsidiary of the Company. 3. Passed the proposed capital reduction record date for stock cancellation of retired new employee restricted awards.
October 28, 2022	<ol style="list-style-type: none"> 1. Passed the Consolidated Financial Statements for Q3 2022. 2. Passed the proposal for the 2022 Q4 summary consolidated financial forecast. 3. Passed the amendments to the "Board of Directors Meeting Policy." 4. Passed the amendment to the "Company's Procedures for Handling Material Inside Information". 5. Passed the proposed amendment to the "Internal Control System". 6. Passed the proposal for the 2023 audit plan.
December 9, 2022	Passed the issuance of the first unsecured verseas convertible bond.
January 6, 2023	<ol style="list-style-type: none"> 1. Passed the proposal to make a donation to the WT Education Foundation. 2. Passed the proposal for the 2022 executive officers' year-end bonuses and performance bonuses. 3. Passed the proposal for the 2023 executive officers' salary compensations. 4. Passed the proposal for the 2023 business plan.
January 18, 2023	<ol style="list-style-type: none"> 1. Passed the proposal for electing a new independent director to fill the vacancy. 2. Passed the proposal for related matters of convening the Company's 2023 annual shareholders' meeting. 3. Passed the proposed capital reduction record date for stock cancellation of employee restricted awards.
February 23, 2023	<ol style="list-style-type: none"> 1. Passed the proposal for the 2022 Business Report and Financial Statements. 2. Passed the proposal for the 2023 Q1 summary consolidated financial forecast. 3. Passed the proposal for the appointment, remuneration, and independence and suitability assessments of CPAs. 4. Passed the list of Non-Assurance Services that accounting firms and their affiliates are allowed to provide to the Company and its subsidiaries upon prior approval. 5. Passed the Company's proposal to acquire 100% of all shares of the subsidiary, Nuvision Technology Inc. proceed with the short-form share exchange by cash consideration.

Date	Major resolutions
	<ol style="list-style-type: none"> 6. Passed the proposal for the 2022 internal control system effectiveness assessment and internal control system statements. 7. Passed the 2022 proposal for distribution of remuneration to employees and directors.
April 19, 2023	<ol style="list-style-type: none"> 1. Passed the 2022 proposal for director remuneration distribution. 2. Passed the 2022 director remunerations. 3. Passed the proposal for 2022 earnings distribution. 4. Passed the 2022 earnings distribution of cash dividends. 5. Passed the proposal for the amendment to the "Articles of Incorporation". 6. Passed the proposal for the amendment to the "Procedures for Acquisition or Disposal of Assets". 7. Passed amendments to the "Procedures for Lending Funds and Endorsement & Guarantee". 8. Passed the proposal to issue common stock for cash capital increase and/or issue common stock for cash capital increase and issuance of GDRs. 9. Passed the proposal to issue preferred shares for domestic cash capital increase. 10. Passed the proposal for nominating and reviewing candidates on the list for the 10th Independent Directors. 11. Passed the proposal for releasing the non-competition restriction on directors. 12. Passed the proposed capital reduction record date for stock cancellation of employee restricted awards. 13. Passed the proposal to establish the record date for the Company's 2021 employee stock options first issuance of common shares for capital increase.

2. Major resolutions of the shareholders' meeting and implementation:

Date	Important resolutions and implementation
May 20, 2022	<ol style="list-style-type: none"> 1. Acknowledged the proposal for the 2021 Business Report and Financial Statements. Implementation status: Resolution passed. 2. Acknowledged the 2021 earnings distribution. Implementation status: Resolution passed. The 2021 earnings distribution has been fully allocated. June 26, 2022, is set as the ex-dividend date and July 13 of the same year is set as the cash dividend payment date. The cash dividend per share for class A preferred stock is NT\$2. The cash dividend per share for common shares is NT\$5.01486689. 3. Passed the proposal for the amendment to the "Articles of Incorporation". Implementation status: Matters are being handled in accordance with the amended Articles of Incorporation, which are disclosed on the company

Date	Important resolutions and implementation
	<p>website. Approved and registered by the Ministry of Economic Affairs on June 30, 2022.</p> <p>4. Passed the proposed amendment to the "Rules of Procedure for the Shareholders' Meeting". Implementation status: Matters are being handled in accordance with the amended rules, which are disclosed on the company website and Market Observation Post System (MOPS).</p> <p>5. Passed the proposal for the amendment to the "Procedures for Acquisition or Disposal of Assets". Implementation status: Matters are being handled in accordance with the amended handling procedures, which are disclosed on the company website and Market Observation Post System (MOPS).</p> <p>6. Passed issuance of new restricted employee shares. Implementation status: Resolution passed but has not been issued as of the publication date of the Annual Report.</p> <p>7. Passed the proposal to issue common stock for cash capital increase and/or issue common stock for cash capital increase and issuance of GDRs. Implementation status: Resolution passed but has not been issued as of the publication date of the Annual Report.</p> <p>8. Election of the tenth terms of Directors. Implementation status: The list of elected directors on the 10th Board of Directors is as follows. Four directors: Cheng, Wen-Tsung, Wen You Investment Co., Ltd. (Representatives : Hsu, Wen-Hung), ASMedia Technology Inc. (Representatives : Lin, Che-Wei), Sung Kao, Hsin-Ming. Three Independent Directors: Cheng, Tien-Chong, Kung, Ju-Chin, and Ding, Kung-Wha. Approved and registered by the Ministry of Economic Affairs on June 30, 2022.</p> <p>9. Proposal to release the non-competition restriction on the newly appointed directors and their representatives. Implementation status: Resolution passed to release Cheng, Wen-Tsung, Representative of Wen You Investment Co., Ltd.: Hsu, Wen-Hung and Representatives of ASMedia Technology Inc. : Lin, Che-Wei, Sung Kao, Hsin-Ming, Cheng, Tien-Chong, and Ding, Kung-Wha from non-competition restrictions.</p>

(XII) Dissenting or qualified opinion of directors or supervisors against an important resolution passed by the Board of Directors that is on record or stated in a written statement in the past year and up to the date of report: None.

(XIII) Resignation and dismissal of managerial officers related to the financial report (including chairperson, president, chief accounting officer, chief financial officer, chief internal auditing officer, corporate governance supervisor, and R&D supervisor) in the past year and up to the date of report: None.

IV. Information on the professional fees of the attesting CPAs

(I) Information on fees to CPA:

Name of accounting firm	Name of CPA	Audit period	Audit fee	Non-audit fee	Total	Notes
Pricewaterhouse Coopers Taiwan	Chieh-Ju, Hsu	2022/1/1- 2022/12/31	NT\$7,585 thousand	NT\$14,582 thousand	NT\$22,167 thousand	(Note)
	Hsu, Yung- Chien	2022/1/1- 2022/12/31				

Note: Non-audit fee service content refers to NT\$605 thousand for providing transfer pricing analysis, NT\$770 thousand for providing the Group's master file and country-by-country report, NT\$85 thousand for article amendment and capital change registration, NT\$135 thousand for providing perennial tax consulting service, NT\$5,300 thousand for due diligence investigative services, and NT\$7,687 thousand for negotiation procedure adjustment services.

(II) If the accounting firm is changed and the audit fees paid in the year of the replacement is less than that of the previous year, the amounts of the audit fees before and after the replacement and the causes shall be disclosed: None.

(III) If the audit fees were reduced more than 10% from that of the prior year, the reduction amount, percentage and reasons for the reduction of audit fees shall be disclosed: None.

V. Information on replacement of CPA

The Company replaced the CPA due to the internal organizational adjustment of the accounting firm.

VI. The chairperson, president, financial or accounting manager of the company who had worked for the certifying accounting firm or its affiliated enterprise in the past year
None.

VII.Share transfer by directors, supervisors, managers and shareholders holding more than 10% interests and changes to share pledging by them in the past year and up to the date of report

(I) Changes in the equity of directors, supervisors, managers, and major shareholders

Unit: shares

Title	Name	2022				As of April 19, 2023			
		Common shares		Preferred shares		Common shares		Preferred shares	
		Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares
Chairman and President	Cheng, Wen-Tsung	(4,000,000)	-	-	-	290,000	-	-	-
Juristic Director	Wen You Investment Co., Ltd.	-	-	-	-	-	-	-	-
Representative of Juristic Person Director and Senior Vice President (Note)	Hsu, Wen-Hung	(3,921,349)	-	-	-	150,000	-	-	-
Representative of Juristic person Director (Note)	Cheng, Ken-Yi	-	-	-	-	-	-	-	-
Director	Sung Kao, Hsin-Ming	-	-	-	-	-	-	-	-
Juristic Director and major shareholder (Note)	ASMedia Technology Inc.	-	-	-	-	-	-	-	-
Representative of Juristic Person Director (Note)	Lin, Che-Wei	-	-	-	-	-	-	-	-
Independent Director	Cheng, Tien-Chong	-	-	-	-	-	-	-	-
Independent Director	Kung, Ju-Chin	-	-	-	-	-	-	-	-
Independent Director	Ding, Kung-Wha	-	-	-	-	-	-	-	-
Senior Vice President	Jack Yang	18,000	-	-	-	9,000	-	-	-
Senior Vice President	James Wen	18,000	-	-	-	159,000	-	-	-
Senior Vice President	Rick Chang	18,000	-	-	-	9,000	-	-	-
Vice President	Willie Sun	17,000	-	-	-	8,000	-	-	-
Vice President and Principal Accounting Officer	Yang, Shing-Yu	16,000	-	-	-	377,390	-	-	-

Title	Name	2022				As of April 19, 2023			
		Common shares		Preferred shares		Common shares		Preferred shares	
		Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares
Senior Vice President	Jerry Chang	17,000	-	-	-	8,000	-	-	-
Vice President	Tim Wu	16,000	-	-	-	8,000	-	-	-
Senior Director and Finance Supervisor	Jason Lu	6,000	-	-	-	43,000	-	-	-
Major shareholder	WPG Holdings	-	-	-	-	-	-	-	-

Note: Ms. Hsu, Wen-Hung was re-elected as the representative of Wen You Investment Co., Ltd. during the Shareholders' Meeting on May 20, 2022. The original representative, Mr. Cheng, Ken-Yi, was dismissed on the same day. The juristic person director ASMedia Technology Inc. was elected during the Shareholders' Meeting on May 20, 2022, and Mr. Lin, Che-Wei was appointed as its representative.

(II) Shares Trading with Related Parties:

Name	Reason for equity transfer	Transaction date (Book closure date)	Transaction counterparty	Relationship between the counterparty and the company, directors, supervisors, managers, and shareholders holding more than 10% of the Company's shares	Number of shares	Transaction price (Note)
Cheng, Wen-Tsung	Transfer of paid-in shares with stock to the newly established company according to Article 131 of the Company Act.	2022.11.23	Preparatory Office Representative Hsu, Wen-Hung of Shao Cheng Investment Co., Ltd.	Shares held in the name of others	4,000,000	61.9 (Note)
Hsu, Wen-Hung	Transfer of paid-in shares with stock to the newly established company according to Article 131 of the Company Act.	2022.11.23	Preparatory Office Representative Hsu, Wen-Hung of Shao Cheng Investment Co., Ltd.	Shares held in the name of others	4,000,000	61.9 (Note)
Yang, Shing-Yu	Inheritance	2023.2.7	Yang Liu, Su-Hui	Mother and daughter	244,390	58.8

Note: Calculated with the market price on the valuation date.

(III) Shares Pledge with Related Parties: None.

VIII. Information on relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree)

April 1, 2023(Book Closure Date)

Name (Note 1)	Shareholding		Shares held by spouse and underage children		Total shareholding by nominee arrangement		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree)		Notes
	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Name	Relationship	
WPG Holdings Limited Representative: Simon Huang	201,393,867 0	19.71 0	0 0	0 0	0 0	0 0	None	None	None
ASMedia Technology Inc. Representative: Shen, Zhen-Lai	179,000,000 0	17.52 0	0 0	0 0	0 0	0 0	None	None	None
Shao Yang Investment Co., Ltd. Representative: Cheng, Wen-Tsung	74,950,426 24,467,112	7.34 2.40	0 4,635,194	0 0.45	0 87,671,307	0 8.58	Cheng, Wen-Tsung Hsu, Wen-Hung	Representative Supervisor	None
Yuanta/P-shares Taiwan Dividend Plus ETF	41,475,301	4.06	0	0	0	0	None	None	None
Cheng, Wen-Tsung	24,467,112	2.40	4,635,194	0.45	87,671,307	8.58	Hsu, Wen-Hung Shao Yang Investment Co., Ltd.	Spouse Representative	None
Cibc World Markets Inc.	21,406,138	2.10	0	0	0	0	None	None	None
Finance Department of Mega International Commercial Bank Representative: Chang, Zhao-Shun	18,260,000 0	1.79 0	0 0	0 0	0 0	0 0	None	None	None
First Private High No. 5	17,789,457	1.74	0	0	0	0	None	None	None
Mercuries Life Insurance Co., Ltd. Representative: Weng, Zhao-Xi	13,000,000 0	1.27 0	0 0	0 0	0 0	0 0	None	None	None
New Labor Pension Fund	12,092,000	1.18	0	0	0	0	None	None	None

Note 1: This table discloses the top ten shareholders by including the number of preferred shares.

Note 2: The shareholding percentage was based on the total number of outstanding shares (common and preferred shares) at 1,021,526,651 shares as of April 1, 2023.

IX. The number of shares of the same invested company held by the Company, the Company's directors, supervisors, and executive officers, and the businesses controlled directly or indirectly by the Company, and the consolidated shareholding ratio

December 31, 2022/Unit: Thousand shares

Invested company	Investment by the Company		Investments from directors, supervisors, executive officers and their directly or indirectly controlled enterprises		Combined investment	
	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)
Wintech Microelectronics Holding Limited	78,753	99.65	278	0.35	79,031	100.00
Techmosa International Inc.	73,949	100.00	-	-	73,949	100.00
Nuvision Technology Inc.	28,217	99.91	-	-	28,217	99.91
Milestone Investment Co., Ltd.	4,500	100.00	-	-	4,500	100.00
SinYie Investment Co., Ltd.	2,900	100.00	-	-	2,900	100.00
Morrihan International Corp.	283,760	100.00	-	-	283,760	100.00
Maxtek Technology Co., Ltd.	70,220	100.00	-	-	70,220	100.00
Analog World Co., Ltd.	120	100.00	-	-	120	100.00
BSI Semiconductor Pte. Ltd.	7,544	100.00	-	-	7,544	100.00
MSD Holdings Pte. Ltd.	200	100.00	-	-	200	100.00
Promising Investment Limited	-	-	30,633	100.00	30,633	100.00
Wintech Investment Co., Ltd.	-	-	21,021	100.00	21,021	100.00
WT Microelectronics (Shanghai) Co., Ltd.	-	-	Note 2	100.00	Note 2	100.00
Wintech Microelectronics Ltd.	-	-	3,000	100.00	3,000	100.00
Wintech Microelectronics Limited	-	-	5	100.00	5	100.00
WT Technology Pte. Ltd.	5,000	100.00	-	-	5,000	100.00
WT Solomon QCE Limited	110,000	100.00	-	-	110,000	100.00
WT Microelectronics (Hong Kong) Limited	12,528	100.00	-	-	12,528	100.00
Nino Capital Co., Ltd.	-	-	311	100.00	311	100.00
Rich Web Ltd.	-	-	22,974	100.00	22,974	100.00
WT Technology (H.K.) Limited	1,000	100.00	-	-	1,000	100.00
WT Microelectronics Singapore Pte. Ltd.	1,500	100.00	-	-	1,500	100.00
WT Microelectronics (Malaysia) Sdn. Bhd.	-	-	500	100.00	500	100.00
WT Technology Korea Co., Ltd.	-	-	3,980	100.00	3,980	100.00
Shanghai WT Microelectronics Co., Ltd.	-	-	Note 2	100.00	Note 2	100.00
WT Microelectronics (Shenzhen) Co.,	-	-	Note 2	100.00	Note 2	100.00

Invested company	Investment by the Company		Investments from directors, supervisors, executive officers and their directly or indirectly controlled enterprises		Combined investment	
	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)
WT Microelectronics (Thailand) Limited.	-	-	300	100.00	300	100.00
WT Microelectronics India Private Limited	-	-	700	100.00	700	100.00
Asia Latest Technology Limited	-	-	1,120	100.00	1,120	100.00
Well Tech (Shanghai) Technical Services Co., Ltd.	-	-	Note 2	100.00	Note 2	100.00
JCD Optical (Cayman) Co., Ltd.	-	-	5,869	19.80	5,869	19.80
Joy Capital Ltd.	-	-	1,200	17.65	1,200	17.65
Rainbow Star Group Limited	-	-	19	24.65	19	24.65
Brillnics Inc.	-	-	49,337	61.65	49,337	61.65
Morrihan Singapore Pte. Ltd.	-	-	9,500	100.00	9,500	100.00
Wonchang Semiconductor Co., Ltd.	-	-	54	100.00	54	100.00
Hongtech Electronics Co., Ltd.	-	-	11,500	100.00	11,500	100.00
Lacewood International Corp.	-	-	30	100.00	30	100.00
Brillnics (HK) Limited	-	-	64,013	100.00	64,013	100.00
Brillnics Singapore Pte. Ltd.	-	-	750	100.00	750	100.00
Brillnics Japan Inc.	-	-	100	100.00	100	100.00
Brillnics (Taiwan) Inc.	-	-	1,669	100.00	1,669	100.00
WT Semiconductor Holdings Pte. Ltd.	96,319	80.00	-	-	96,319	80.00
Shi Hui Electronics (Shenzhen) Co., Ltd.	-	-	Note 2	100.00	Note 2	100.00
Excelpoint International Trading (Shanghai) Co., Ltd.	-	-	Note 2	100.00	Note 2	100.00
Excelpoint Technology Pte. Ltd.	-	-	120,399	100.00	120,399	100.00
Excelpoint Systems (H.K.) Limited	-	-	27,794	100.00	27,794	100.00
Excelpoint Systems (Pte) Ltd	-	-	11,000	100.00	11,000	100.00
Planetspark Pte. Ltd.	-	-	3,000	100.00	3,000	100.00
Excelpoint Systems Sdn. Bhd.	-	-	0	100.00	0	100.00
Excelpoint Systems (India) Pvt Ltd	-	-	50	100.00	50	100.00
Excelpoint Systems (USA) Inc.	-	-	1	100.00	1	100.00
Excelpoint Systems Vietnam Company Limited	-	-	Note 2	100.00	Note 2	100.00
Synergy Electronics (H.K.) Limited	-	-	100	100.00	100	100.00

Note 1: This table is based on the Company's investments accounted for using equity method.

Note 2: The invested company has not issued shares, so there are no shares held.

Chapter 4. Capital overview

I. Capital and shareholding

(I) Sources of capital:

April 19, 2023
Unit: Share/NT\$

Year/ Month	Issue price	Authorized capital		Paid-in capital		Notes		
		Number of shares	Amount	Number of shares	Amount	Sources of Share Capital	Subscriptions paid with property other than cash	Other
2022.01	10	2,000,000,000	20,000,000,000	802,794,536 common shares 135,000,000 preferred shares	9,377,945,360	Convertible corporate bonds were converted to increase share capital by NT\$51,497,820, and redeemed new restricted employee shares reduced share capital by NT\$620,000	-	2022.1.27 Jing-Shou- Shang-Zi No. 11101008180
2022.04	10	2,000,000,000	20,000,000,000	805,649,151 common shares 135,000,000 preferred shares	9,406,491,510	Convertible corporate bonds were converted to increase share capital by NT\$28,876,150, and redeemed new restricted employee shares reduced share capital by NT\$330,000	-	2022.4.15 Jing-Shou- Shang-Zi No. 11101060780
2022.06	10	2,000,000,000	20,000,000,000	883,649,151 common shares 135,000,000 preferred shares	10,186,491,510	Capital increase in cash by issuing new shares, and participating in the issuance of global depository receipts to increase share capital by \$780,000,000.	-	2022.6.23 Jing-Shou- Shang-Zi No. 11101108820
2022.08	10	2,000,000,000	20,000,000,000	883,579,151 common shares 135,000,000 preferred shares	10,185,791,510	Redeemed new restricted employee shares to decrease share capital by NT\$700,000	-	2022.8.16 Jing-Shou- Shang-Zi No. 11101155010
2022.10	10	2,000,000,000	20,000,000,000	883,529,651 common shares 135,000,000 preferred shares	10,185,296,510	Redeemed new restricted employee shares to decreased capital by NT\$495,000	-	2022.10.18 Jing-Shou- Shang-Zi No. 11101195950
2023.02	10	2,000,000,000	20,000,000,000	883,501,151 common shares 135,000,000 preferred shares	10,185,011,510	Redeemed new restricted employee shares to decrease share capital by NT\$285,000	-	2023.2.10 Jing-Shou- Shang-Zi No. 11230011660

Unit: shares

Type of stock	Authorized capital			Notes
	Shares issued and outstanding (Note)	Unissued shares	Total	
Common shares	886,526,651	978,473,349	2,000,000,000	None
Preferred shares	135,000,000			
Total	1,021,526,651			

Note: Classified as shares of listed companies. Common shares include 3,045,000 shares of employee stock options and 19,500 shares of new restricted employee shares, which were recalled and pending cancellation, that have not completed registration.

(II) Information on shelf registration: None.

(III) Shareholder structure:

1. Common shares

Record date of shareholding: April 1, 2023(Book Closure Date)

Shareholder structure Quantity	Government institutions	Financial institution	Other institutions	Individuals	Foreign institutions and foreigners	Total
Head count	1	28	358	43,519	175	44,081
Number of shares held	2,092,000	126,538,324	467,127,723	193,056,647	97,711,957	886,526,651
Shareholding percentage	0.24%	14.27%	52.69%	21.78%	11.02%	100.00%

2. Preferred shares

Record date of shareholding: April 1, 2023(Book Closure Date)

Shareholder structure Quantity	Government institutions	Financial institution	Other institutions	Individuals	Foreign institutions and foreigners	Total
Head count	1	6	60	6,061	2	6,130
Number of shares held	10,000,000	4,389,009	81,636,926	38,963,065	11,000	135,000,000
Shareholding percentage	7.41%	3.25%	60.47%	28.86%	0.01%	100.00%

(IV) Dispersion of equity ownership:

1. Distribution Profile of Common Shares Ownership:

April 1, 2023 (Book Closure Date)

Class of Shareholding	Number of shareholders	Number of shares held	Shareholding percentage
1 to 999	24,290	1,720,843	0.20%
1,000 to 5,000	15,159	30,444,299	3.43%
5,001 to 10,000	2,262	17,284,198	1.95%
10,001 to 15,000	746	9,425,231	1.06%
15,001 to 20,000	439	7,895,396	0.89%
20,001 to 30,000	406	10,204,120	1.15%
30,001 to 40,000	197	6,933,648	0.78%
40,001 to 50,000	113	5,160,126	0.58%
50,001 to 100,000	230	16,009,844	1.81%
100,001 to 200,000	104	14,270,686	1.61%
200,001 to 400,000	43	11,612,707	1.31%
400,001 to 600,000	20	10,012,825	1.13%
600,001 to 800,000	10	6,655,708	0.75%
800,001 to 1,000,000	5	4,617,410	0.52%
1,000,001 or more	57	734,279,610	82.83%
Total	44,081	886,526,651	100.00%

2. Dispersion of Preferred Share Ownership:

April 1, 2023 (Book Closure Date)

Class of Shareholding	Number of shareholders	Number of shares held	Shareholding percentage
1 to 999	1,368	331,498	0.25%
1,000 to 5,000	3,954	5,262,130	3.90%
5,001 to 10,000	333	2,717,451	2.01%
10,001 to 15,000	66	885,564	0.66%
15,001 to 20,000	72	1,368,325	1.01%
20,001 to 30,000	62	1,597,422	1.18%
30,001 to 40,000	47	1,753,436	1.30%
40,001 to 50,000	30	1,403,751	1.04%
50,001 to 100,000	86	7,127,648	5.28%
100,001 to 200,000	53	8,156,170	6.04%
200,001 to 400,000	25	7,456,729	5.52%
400,001 to 600,000	12	6,214,000	4.60%
600,001 to 800,000	2	1,447,000	1.07%
800,001 to 1,000,000	5	4,800,009	3.56%
1,000,001 or more	15	84,478,867	62.58%
Total	6,130	135,000,000	100.00%

(V) List of major shareholders (Top 10 by shareholding percentage):

Name of major shareholder	Number of shares held	Shareholding percentage
WPG Holdings Limited	201,393,867	19.71%
ASMedia Technology Inc.	179,000,000	17.52%
Shao Yang Investment Co., Ltd.	74,950,426	7.34%
Yuanta/P-shares Taiwan Dividend Plus ETF	41,475,301	4.06%
Cheng, Wen-Tsung	24,467,112	2.40%
Cibc World Markets Inc.	21,406,138	2.10%
Finance Department of Mega International Commercial Bank	18,260,000	1.79%
First Private High No. 5	17,789,457	1.74%
Mercuries Life Insurance Co., Ltd.	13,000,000	1.27%
New Labor Pension Fund	12,092,000	1.18%

Note: This list is the top ten shareholders based on the sum of common shares and preferred shares.

(VI) Stock price, net worth, earnings, dividends and related information for the previous two years:

Item	Year		2021	2022	As of April 19, 2023 (Note 9)
Stock price (Note 1)	Max		74.90	101.00	68.50
	Low		40.05	56.40	60.60
	Average		56.46	74.58	65.70
Net worth per share (Note 3)	Before distribution		57.65	53.12	-
	After distribution		52.61 (Note 2)	49.11 (Note 4)	-
Earnings per share	Weighted average number of shares (thousand shares)		789,748	855,236	-
	Diluted Earnings Per Share		9.96	8.61	-
	Adjusted Diluted Earnings Per Share (Note 5)		9.96	8.61	-
Dividends per share (Note 4)	Cash dividends		5.5	4.3	-
	Stock dividends	Earnings	-	-	-
		Capital surplus	-	-	-
	Accumulated unpaid dividend		-	-	-
Return analysis	Price-earnings ratio (Note 6)		5.58	8.17	-
	Price-dividend ratio (Note 7)		10.10	16.36	-
	Cash dividend yield (Note 8)		9.90%	6.11%	-

*If there is surplus or capital reserve to increase capital allocation, the market price and cash dividend information retrospectively adjusted based on the number of shares shall be disclosed.

Note 1: The year's high and low market prices of common stock are provided, and the average price for the year is computed based on the year's transaction amount and volume.

Note 2: Based on the distribution resolved by the Board of Directors or shareholders' meeting of the next year.

Note 3: Calculated by the total number of outstanding common and preferred shares at the end of the period.

Note 4: Actual distribution for 2022 was based on a resolution of the Board of Directors on April 19, 2023.

Note 5: Based on the weighted average number of outstanding shares in the current year and retrospectively adjusted over the increased weighted average of outstanding shares through capital increases out of earnings or capital surplus throughout the years.

Note 6: Price-earnings ratio = Year's average per share closing price / earnings per share.

Note 7: Price-dividend ratio = Year's average per share closing price / cash dividend per share.

Note 8: Cash dividend yield = Cash dividend per share / year's average per share closing price.

Note 9: For the net value per share and earnings per share, data as of the printing date of the annual report has not been certified by CPAs; for the other columns, data was for up to the printing date (April 19, 2023) of the Annual Report in the current year.

(VII) Dividend policy and implementation status:

1. Dividend policy:

The Company's dividend policy is based on the following guidelines:

The Company's dividend policy is determined by the Board of Directors based on its operational planning, investment plans, capital budgets, and internal and external environmental changes. The Company's business is currently in a growth stage, the earnings

shall be held to respond to funds required for operational growth and investments. Currently, the Company adopts the minimum cash dividends plus additional dividends. The earnings are distributed as follows:

The earning distribution is based on the principle of not less than 40% of the distributable earnings for the year. Considering future profits and growing demand on funds, for the distribution of stock dividends and cash dividends, the distribution of cash dividends shall not be less than 10% of the dividends distributed in the current year. If the total earning distribution exceeds 30% of the paid-up capital before the distribution, the cash dividend shall not be less than 20% of the dividends distributed in the current year.

2.Dividend distribution to be proposed to the shareholders' meeting:

WT Microelectronics Co. Ltd.	
Earnings distribution statement	
2022	
	Unit: NT\$
2022 after-tax net profit	\$ 7,631,122,928
Plus: Disposal of equity instruments measured at fair value through other comprehensive income	57,163,395
Plus: Expiration of restricted stock issued to employees	102,486
Less: Remeasurements of defined benefit plan	(4,597,690)
Less: Changes in ownership interests in subsidiaries	(716,716)
Current after-tax net profit plus other profit items included in undistributed earnings in the current year	7,683,074,403
Less: 10% statutory reserve	(768,307,440)
Less: Special reserve	(1,564,387,079)
Plus: Undistributed earnings from the previous year	8,964,460,516
Accumulated distributable earnings at the end of 2022	14,314,840,400
Items for distribution: (Note 1)	
Dividends on preferred shares (Note 2)	(270,000,000)
Cash dividends on ordinary shares (Note 3) (NT\$4.3 per share)	(3,812,064,600)
Undistributed earnings at the end of the period	\$ 10,232,775,800
Note 1: Earnings in 2022 are distributed first.	
Note 2: 135,000,000 class A preferred shares were issued at the price of NT\$50 on October 15, 2020; calculated at a dividend yield of 4% for preferred shares.	
Note 3: Distribution of dividends is based on 886,526,651 shares issued upon resolution of the Board of Directors on April 19, 2023.	

Chairman: Cheng, Wen-Tsung

Managerial officer: Cheng,
Wen-Tsung

Chief Accountant: Yang,
Shing-Yu

(VIII) Effect of the proposed stock dividends (to be adopted by the shareholders' meeting) on the operating performance and earnings per share:

Not applicable. There is no stock dividend distribution proposed in this shareholders' meeting.

(IX) Remuneration to Employees, Directors and Supervisors:

1. Percentage or scope of remuneration to employees, directors and supervisors provided in Company's Articles of Incorporation:

Article 19 of the Company's Articles of Incorporation

If the Company has profits (which mean profits before tax without deducting the remuneration of employees and Directors) in the fiscal year, the Company shall distribute no less than 1% of such profits to employees and no more than 3% to Directors as their remuneration; provided, however, that when the Company has accumulated losses, the profits shall be preserved to make up for losses.

The employee bonuses mentioned in the preceding paragraph shall be distributed by stock or cash to eligible employees, which may include employees of subordinate companies with certain qualifications. The remuneration of directors may only be distributed in cash.

The Board of Directors shall resolve on the matters mentioned in two preceding paragraphs and report in the Annual Shareholders' Meeting.

2. Basis for estimating the amount of compensation for employees, directors and supervisors, basis for calculating the number of shares to be distributed as stock compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:

The distribution of remuneration to directors and supervisors is subject to the requirements of the law and the Company's dividend policy. The appropriated amount is recognized as operating expenses for the current year. However, if the actual distribution amount resolved by the Board of Directors is different from the estimated amount, it is recognized as profit or loss in the following year.

3. Distribution of compensation passed by the Board of Directors:

(1) Employee and directors' remuneration will be distributed in cash or stocks.

a. Employees compensation in cash: NT\$ 87,500,000.

b. Employees compensation in stock: None.

c. Remuneration to directors: NT\$ 35,000,000.

The aforementioned amount of the proposed distribution is the same as the 2022 estimated expense.

(2) Amount of employee compensation distributed in the form of stock and as a percentage of the after-tax profit provided in this year's standalone financial statements and total employee compensation combined: None.

4. Actual distribution of employee bonus and remuneration of board directors and supervisors in the previous year (including dividend shares, amount and stock price), discrepancies if any from the amount of employees' bonus and directors and supervisors' remuneration previously recognized, and the causes and treatments for the discrepancies:

The Company's estimated employee compensation in 2021 was NT\$92,900,000, and the compensation to directors was NT\$35,000,000. There is no difference between the estimated amount and the actual amount distributed.

(X) Stock buyback: None.

II. Issuance of corporate bonds

(I) Issuance of corporate bonds:

1. The Board of Directors resolved to issue the First Unsecured Overseas Convertible Bonds on December 9, 2022, the face value per bond is US\$200 thousand or in any integral multiple thereof, the total amount issued is up to US\$250,000 thousand. The Financial Supervisory Commission (hereinafter called the "FSC") approved the First Unsecured Overseas Convertible Bonds by the letter Financial-Supervisory-Securities-Corporate-1110368025 on January 16, 2023.
2. In accordance with the Regulations Governing the Offering and Issuance of Overseas Securities by Issuers, the First Unsecured Overseas Convertible Bonds should be fully subscribed and the cash proceeds should be fully collected within 3 months from the date on which the FSC's notice of effective registration is received, that is to say, before April 15, 2023 (inclusive).
3. Considering that the international capital market has recently been impacted by the US Federal Reserve interest rate hike and the effect of inflation on the economy, the original fundraising tools and plans are no longer sufficient for the issuance conditions of the current capital market. To protect the interests of the Company and the rights of shareholders, the Company applied to the FSC to revoke the declared effective First Unsecured Overseas Convertible Bonds with the Chairman's permission on March 31, 2023 and was approved by the letter Financial-Supervisory-Securities-Corporate-1120135822 of the FSC on April 10, 2023.

(II) Information on convertible corporate bonds: Not yet issued.

(III) Information on exchange of corporate bonds: None.

(IV) Shelf registration relating to issuance of corporate bonds: None.

(V) Information on corporate bonds with options: None.

III. Issuance of preferred shares

(I) Issuance of preferred shares

Issue date	October 20, 2020 Class A preferred shares	
Par value	NT\$10	
Issue price	NT\$50	
Number of shares	135,000,000 shares	
Total amount	NT\$6,750,000,000	
Rights and Obligations	Distribution of Dividends and Bonuses	<p>1. Dividend: The dividend yield of Class A preferred share is 4% p.a. (5-year IRS rate at 0.6125% + fixed bonus rate at 3.3875%) based on the issue price per share. The 5-year IRS interest rate will be reset on the business day following the fifth anniversary of the issue date and every five years afterward. The record date for interest rate reset is the date two business days, as defined for financial institutions in Taipei, prior to the interest rate reset date. The interest rate benchmark, 5-year IRS interest rate, is reset on the record date at 11am if a business day, as defined for financial institutions in Taipei, to be the arithmetic average of PYTWDFIX and COSMOS3 5-year interest rate swaps quoted by Reuter at 11am. If the quotes above are not available on the reset record date, the Company will decide the price in good faith and based on reasonable market prices.</p> <p>2. Dividend distribution: Dividends on Class A preferred shares are paid in one lump sum cash payment each fiscal year. The chairperson is authorized by the Board of Directors or a board resolution to set the record date and the amount of dividends to be paid for the previous fiscal year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated proportionally based on the actual number of days the Class C Preferred Shares remained outstanding in that year.</p> <p>3. If the Company has earnings, the Company shall first pay all taxes and offset accumulated losses according to the law; and set aside a legal reserve, and provide or reverse special reserves as required by law. Residual earnings in the current year shall first be distributed as dividends to holders of Class A preferred shares.</p> <p>4. The Company has sole discretion on the distribution of Class A preferred share dividends. If there is no earning or insufficient earning for distributing Class A preferred share dividends in the fiscal year, or the Company has other necessary considerations, the Board may decide not to distribute Class A preferred share dividends by a board resolution, and it will not be deemed as an event of default.</p> <p>5. Class A preferred shares are non-cumulative shares. Undistributed dividends or shortfalls will not be carried over to be paid in a year with a positive surplus.</p> <p>6. Except for the dividend prescribed in Items 1 and 2, holders of Class A preferred shares are not eligible for the dividend entitlements of common shares, including earnings distribution and capital reserves distributed in cash or being reallocated as capital.</p>
	Distribution of remaining assets	Class A preferred share shareholders have priority to the company's remaining property over common share shareholders, and have the same seniority as other preferred share shareholders and second only to creditors. However, the amount is subject to a maximum limit equal to the preferred shares outstanding at issue price.

Issue date		October 20, 2020 Class A preferred shares	
	Exercise of voting right	The holders of Class A preferred shares are not entitled to any voting rights or election during general shareholders' meetings. Holders of outstanding Class A preferred shares have mandatory voting rights with respect to agendas that would affect preferred shares in preferred shareholders' meetings and in general shareholders' meetings.	
	Other	<p>1. Class A preferred shares cannot be converted into common shares.</p> <p>2. When the company makes a cash issue, Class A preferred share shareholders and common share shareholders have the same preemptive subscription rights.</p> <p>3. If any Class A preferred shares remain outstanding, except to make up for losses, share premiums of Class A preferred shares should not be capitalized into share capital.</p>	
Outstanding preferred shares		Amount recovered or converted	NT\$0
		Amount not yet recovered or converted	NT\$6,750,000,000
		Terms for recovery or conversion	<p>1. Class A preferred shares are perpetual preferred shares. Holders of Class A preferred shares have no right to request redemption of such shares by the Company. However, the Company may redeem Class A preferred shares in whole or in part at the actual issue price after the day following the fifth anniversary of issuing. The rights and obligations associated with Class A preferred shares that are not recovered will continue as provided in the terms of issuance. Holders of the outstanding Class A Preferred Shares are entitled to receive declared dividends based on the actual days in the redemption year up to the date of redemption should the Company decide to declare dividends for the redemption year.</p> <p>2. Class A preferred shares cannot be converted into common shares.</p>
Stock price	2020	Max	49.00
		Low	47.25
		Average	48.12
	2021	Max	49.35
		Low	46.20
		Average	47.99
	2022	Max	49.90
		Low	46.05
		Average	48.62
	As of April 19, 2023	Max	49.20
		Low	47.75
		Average	48.43
Other rights attached	Amount exchanged or subscribed as of the date of report	Class A preferred shares cannot be converted into common shares.	

Item	Issue date October 20, 2020 Class A preferred shares
	Issuance and conversion or subscription method Please refer to the Company's Articles of Incorporation.
Impact of the terms of issuance on preferred share shareholders' equity, possible dilution of equity, and impact on shareholders' equity	None.

(II) Information on preferred shares with warrants: None.

IV. Issuance of global depositary receipts (GDR)

Item	Issue date	April 22, 2022
Issue date	April 22, 2022	
Place of issue and trading	Luxembourg Stock Exchange	
Total issue amount	US\$190,008,000	
Unit issue price	US\$12.18 per unit	
Total number of units issued	15,600,000 unit	
List the sources of the securities	Common shares issued for cash capital increase	
List the amounts of the securities	Each unit of GDR represents 5 shares of the Company's common shares, for a total of 78,000,000 common shares	
Rights and obligations of depositary receipt holder	<p>The rights and obligations of global depositary receipt holders shall be handled in accordance with the laws of the Republic of China and with the provisions of the Depositary Agreement. The main content of the Depositary Agreement is as follows:</p> <p>(1) Exercise of voting right Unless otherwise stipulated by laws and regulations, the holders of the global depositary receipts shall exercise the right to vote attached to the original securities expressed in the global depositary receipt as stated in the Depositary Agreement and the laws of the Republic of China.</p> <p>(2) Dividend distribution, priority subscription rights for new shares, and other rights Unless otherwise stated in the Depositary Agreement, holders of global depositary receipts enjoy the same rights to cash and stock dividends as common share shareholders of the Company in principle. If the issuing company distributes stock dividends in the future, the depositary institution will, according to the provisions of the deposit agreement, issue additional overseas depositary receipts to overseas depositary receipt holders based on the proportion of original units held by them, or increase the number of ordinary shares of the issuing company represented by each unit of overseas depositary receipt, or sell the stock dividends on behalf of the overseas depositary receipt holders, and distribute the proceeds net of related expenses and taxes to overseas depositary receipt holders in proportion. When the issuing company conducts cash capital increase or other subscription of equity, overseas depositary receipt holders generally have the same priority subscription right as common shareholders of the issuing company, subject to compliance with relevant laws and regulations in the Republic of China and other applicable jurisdictions. The depositary institution shall provide overseas depositary receipt holders with such rights according to the proportion of their original holdings and the provisions of the depositary agreement, or sell such rights on behalf of overseas depositary receipt holders. After deducting relevant expenses and taxes, the proceeds shall be distributed to overseas depositary receipt holders proportionally.</p>	
Trustee	N/A	
Depositary institution	Citibank, N.A.	
Guarantor agency	Citibank Taiwan Ltd.	

Item		Issue date	April 22, 2022
Unrecalled amount		As of March 31, 2023, the total balance of outstanding Global Depositary Receipts was 48,000 units, representing a total of 240,000 common shares.	
Allocation method for the fees during the issuance and retention period		<p>(1) Expenses related to the issuance of Global Depositary Receipts Unless otherwise provided by laws or otherwise agreed between the issuing company, the overseas lead underwriter and the depositary institution, the issuance costs and expenses incurred in connection with the issuance of overseas depositary receipts, including legal fees, listing fees, financial advisory fees, underwriting fees, and any other related expenses and expenditures, shall be borne by the issuing company.</p> <p>(2) Expenses during the retention period of Global Depositary Receipts The listing fees, information disclosure expenses, and other related expenses during the depositary receipt retention period shall be paid by the issuing company unless otherwise stipulated by law or otherwise issued by the issuing company and the underwriting syndicate and the depositary institution.</p>	
Important items in the Deposit Agreement and Custody Agreement		Please refer to the Company's Prospectus.	
Market price per unit	2022	Max	USD 13.67
		Low	USD 8.87
		Average	USD 10.75
	As of April 19, 2023	Max	USD 11.20
		Low	USD 9.90
		Average	USD 10.78

V. Issuance of employee stock options

(I) Issuance of employee stock options

April 19, 2023

Employee stock options	Fifth issuance	Sixth issuance
Date of approval by competent authorities and total number of units	March 16, 2021 12,000 units	December 2, 2021 20,000 units
Issue date	March 18, 2021	January 6, 2022
Units granted	Total amount of issuance is 12,000 units	Total amount of issuance is 18,854 units
Units to be issued	0 units	0 units
Ratio of shares granted to total outstanding shares(Note)	1.1782%	1.8512%
Duration	6 years	5 years
Exercise	<p>I. The Company delivers new shares via book entry, and first issues shares before registering the change in capital in accordance with the proviso in Article 161, Paragraph 1 of the Company Act.</p> <p>II. Where the new shares are delivered to employees of overseas subsidiaries, it is delivered to the employee collective investment account opened by the overseas subsidiary at the custodial bank. The account may only sell shares obtained by employees who exercise their subscription right and receive stock dividends, and may not engage in other stock transactions.</p>	<p>I. The Company delivers new shares via book entry, and first issues shares before registering the change in capital in accordance with the proviso in Article 161, Paragraph 1 of the Company Act.</p> <p>II. Where the new shares are delivered to employees of overseas subsidiaries, it is delivered to the employee collective investment account opened by the overseas subsidiary at the custodial bank. The account may only sell shares obtained by employees who exercise their subscription right and receive stock dividends, and may not engage in other stock transactions.</p>
Vesting schedule and quota (%)	<p>Holder may follow the schedule below to exercise the warrants after two years have elapsed since the warrants are granted:</p> <p>After 2 full years: 50%</p> <p>After 3 full years: 75%</p> <p>After 4 full years: 100%</p>	<p>Holder may follow the schedule below to exercise the warrants after two years have elapsed since the warrants are granted:</p> <p>After 2 full years: 50%</p> <p>After 3 full years: 75%</p> <p>After 4 full years: 100%</p>

Units exercised (shares)	3,045,000 shares	0 shares
Amount exercised (NT\$)	NT\$124,845,000	NT\$0
Units unexercised (shares)	8,680,000 shares	18,318,000 shares
Exercise price for unexercised units (NT\$)	NT\$41.0	NT\$69.80
Units unexercised to total outstanding shares (%) (Note)	0.85223%	1.79853%
Impact on shareholders' equity	The warrants cannot be exercised until two years have elapsed since the issue date. The maximum percentage to be exercised is 50% in two years, 75% in three years, and 100% in four years. Dilution of existing shareholders' equity will take place over several years, and there is no material impact.	The warrants cannot be exercised until two years have elapsed since the issue date. The maximum percentage to be exercised is 50% in two years, 75% in three years, and 100% in four years. Dilution of existing shareholders' equity will take place over several years, and there is no material impact.

Note: Based on 1,018,501,151 current outstanding shares (common shares & preferred shares) as registered with the Ministry of Economic Affairs on February 10, 2023.

(II) Names of executive officers receiving warrants and names of Top 10 employees in entitlement, and status of exercise and subscription:

Fifth issuance	Title	Name	Units exercised	Units exercised to total outstanding shares (Note)	Exercised				Unexercised			
					Units subscribed	Subscription price	Subscription amount	Units subscribed to total outstanding shares (Note)	Units subscribed	Subscription price	Subscription amount	Units subscribed to total outstanding shares (Note)
Executive officers	President	Cheng, Wen-Tsung	2,860,000	0.28080%	755,000	41.0	30,955,000	0.07413%	2,105,000	41.0	86,305,000	0.20668%
	Senior Vice President	Hsu, Wen-Hung										
	Senior Vice President	James Wen										
	Senior Vice President	Jack Yang										
	Senior Vice President	Rick Chang										
	Vice President	Willie Sun										
	Senior Vice President	Jerry Chang										
	Vice President	Tim Wu										
	Vice President and Principal Accounting Officer	Yang, Shing-Yu										
	Senior Director and Finance Supervisor	Jason Lu										
Employee	Marketing and Sales Manager	Jerry Wang	2,550,000	0.25037%	725,000	41.0	29,725,000	0.07118%	1,825,000	41.0	74,825,000	0.17918%
	Engineering Manager	Bob Wang										
	Sales Manager	Austin Wu										
	Marketing and Sales Manager	Tom Lee										
	Sales Manager	Kevin Lin										
	Engineering Manager	Morris Lin										
	Sales Manager	Irene Shi										
	Marketing and Sales Manager	Brian Ko										
	Sales Manager	Richard Hsu										
	Logistics Supervisor	SY Chang										
	Marketing and Sales Manager	William Chen										
	Legal Officer	Sophia Tseng										
	Sales Manager	Joseph Tzou										
	Sales Manager	Jacky Liu										
	Sales Manager	Frank Liu										
Sales Manager	Jerry Su											
Head of Korean subsidiary	YOO HYUNG JIN											

Note: Based on 1,018,501,151 current outstanding shares (common shares & preferred shares) as registered with the Ministry of Economic Affairs on February 10, 2023.

Sixth issuance	Title	Name	Units exercised	Units exercised to total outstanding shares (Note)	Exercised				Unexercised			
					Units subscribed	Subscription price	Subscription amount	Units subscribed to total outstanding shares (Note)	Units subscribed	Subscription price	Subscription amount	Units subscribed to total outstanding shares (Note)
Executive officers	President	Cheng, Wen-Tsung	3,520,000	0.34561%	0	0	0	0.00000%	3,520,000	69.8	245,696,000	0.34561%
	Senior Vice President	Hsu, Wen-Hung										
	Senior Vice President	James Wen										
	Senior Vice President	Jack Yang										
	Senior Vice President	Rick Chang										
	Vice President	Willie Sun										
	Senior Vice President	Jerry Chang										
	Vice President	Tim Wu										
	Vice President and Principal Accounting Officer	Yang, Shing-Yu										
	Senior Director and Finance Supervisor	Jason Lu										
Employee	Marketing and Sales Manager	Jerry Wang	3,450,000	0.33873%	0	0	0	0.00000%	3,450,000	69.8	240,810,000	0.33873%
	Engineering Manager	Bob Wang										
	Sales Manager	Austin Wu										
	Marketing and Sales Manager	Tom Lee										
	Sales Manager	Kevin Lin										
	Engineering Manager	Morris Lin										
	Sales Manager	Irene Shi										
	Marketing and Sales Manager	Brian Ko										
	Sales Manager	Richard Hsu										
	Logistics Supervisor	SY Chang										
	Marketing and Sales Manager	William Chen										
	Legal Officer	Sophia Tseng										
	Sales Manager	Joseph Tzou										
	Sales Manager	Jacky Liu										
	Sales Manager	Frank Liu										
	Sales Manager	Jerry Su										
	Head of Korean subsidiary	YOO HYUNG JIN										
	Marketing and Sales Manager	Tony Chiang										
	Marketing and Sales Manager	Jun Wang										
	Operations Officer	Celia Wu										
Marketing and Sales Manager	Matt Lu											
Sales Manager	Tim Lin											
Marketing and Sales Manager	Johnny Ou											

Note: Based on 1,018,501,151 current outstanding shares (common shares & preferred shares) as registered with the Ministry of Economic Affairs on February 10, 2023.

VI. Issuance of new restricted employee shares

(I) Issuance of new restricted employee shares:

April 19, 2023

Category of new restricted employee shares	First issuance (2021)	Second issuance (2021)
Date of approval by competent authorities and total number of shares	July 28, 2020 3,000,000 common shares	July 27, 2021 3,000,000 common shares
Issue date	January 18, 2021	July 28, 2021
Number of outstanding new restricted employee shares	2,992,000 common shares	2,788,000 common shares
New restricted employee shares to be issued	0 common shares	0 common shares
Issue price	NT\$0 per share	NT\$0 per share
Outstanding new restricted employee shares to total outstanding shares (Note)	0.29377%	0.27374%
Vesting conditions for new restricted employee shares	<p>1. The new restricted employee shares shall be vested on the dates and in the percentages in accordance with the following schedule and subject to the employee's continuous employment with the Company from the grant date through the vesting dates:</p> <p>A. 1st anniversary of the grant date: 25% of the vesting shares.</p> <p>B. After 2 full years: 25% of the vesting shares.</p> <p>C. After 3 full years: 25% of the vesting shares.</p> <p>D. After 4 full years: 25% of the vesting shares.</p> <p>A vesting date will be moved to the preceding business day if it falls on a holiday.</p> <p>2. After the new restricted employee shares are granted to the employee, the Company shall have the right to revoke and cancel the unvested new restricted employee shares in the</p>	<p>1. The new restricted employee shares shall be vested on the dates and in the percentages in accordance with the following schedule and subject to the employee's continuous employment with the Company from the grant date through the vesting dates:</p> <p>A. 1st anniversary of the grant date: 25% of the vesting shares.</p> <p>B. After 2 full years: 25% of the vesting shares.</p> <p>C. After 3 full years: 25% of the vesting shares.</p> <p>D. After 4 full years: 25% of the vesting shares.</p> <p>A vesting date will be moved to the preceding business day if it falls on a holiday.</p> <p>2. After the new restricted employee shares are granted to the employee, the Company shall have the right to revoke and cancel the unvested new restricted employee shares in the</p>

	<p>event that the employee breaches/violates any of terms of the employment agreement, employee handbook or policies/regulations of the Company.</p>	<p>event that the employee breaches/violates any of terms of the employment agreement, employee handbook or policies/regulations of the Company.</p>
<p>Restricted rights for new restricted employee shares</p>	<ol style="list-style-type: none"> 1. Except to inherit, employees shall not sell, pledge, transfer, or gift their new restricted employee shares to others, create a pledge or dispose the shares in any way. 2. The rights to attend, submit a proposal, speak, vote, and be elected at shareholders' meetings are identical to those for outstanding common shares. The rights are exercised according to the trust agreement. 3. Other rights include but are not limited to: the right to receive interests, dividends, statutory reserve, and capital surplus and the right to subscribe to cash issues. The rights are identical to those for the outstanding common shares. The shares are not required to be kept in trusts or be subject to a vesting period. 4. If the Company reduces capital as resolved in the shareholders' meeting, this issue of new restricted employee shares shall be reduced by the percentage of shares held by the employees receiving the shares. In addition, the shares come with rights identical to those for common shares, but the payments to be returned in cash or noncash assets will have to be placed in trusts and not be given to employees until the vesting conditions are met. Where an employee fails to meet the vesting conditions, the Company will retrieve the cash or assets. 5. Regarding the period between the ex-dividend date for dividend distribution, ex-dividend date for cash dividends, ex-dividend date for cash issue 	<ol style="list-style-type: none"> 1. Except to inherit, employees shall not sell, pledge, transfer, or gift their new restricted employee shares to others, create a pledge or dispose the shares in any way. 2. The rights to attend, submit a proposal, speak, vote, and be elected at shareholders' meetings are identical to those for outstanding common shares. The rights are exercised according to the trust agreement. 3. Other rights include but are not limited to: the right to receive interests, dividends, statutory reserve, and capital surplus and the right to subscribe to cash issues. The rights are identical to those for the outstanding common shares. The shares are not required to be kept in trusts or be subject to a vesting period. 4. If the Company reduces capital as resolved in the shareholders' meeting, this issue of new restricted employee shares shall be reduced by the percentage of shares held by the employees receiving the shares. In addition, the shares come with rights identical to those for common shares, but the payments to be returned in cash or noncash assets will have to be placed in trusts and not be given to employees until the vesting conditions are met. Where an employee fails to meet the vesting conditions, the Company will retrieve the cash or assets. 5. Regarding the period between the ex-dividend date for dividend distribution, ex-dividend date for cash dividends, ex-dividend date for

	<p>subscription, ex-dividend date for shareholders' meeting in Article 165, Paragraph 3 of the Company Act, or other statutory ex-dividend date and the ex-rights date, the timing and procedure for removing restrictions for employee who meet the vesting conditions during this period will be executed according to the trust agreement or related regulations.</p> <p>6. Employees who receive new restricted employee shares and are citizens of the Republic of China shall place the shares into a trust institution designated by the Company promptly after they receive the shares. These employees shall not ask the trustee to return any of the new restricted employee shares in any way for any reason. Employees who receive new restricted employee shares and are not citizens of the Republic of China shall place the shares into a custodian bank.</p> <p>7. Handling of acquisitions and mergers: Unvested shares may be modified as specified in a merger or acquisition agreement or plan.</p>	<p>cash issue subscription, ex-dividend date for shareholders' meeting in Article 165, Paragraph 3 of the Company Act, or other statutory ex-dividend date and the ex-rights date, the timing and procedure for removing restrictions for employee who meet the vesting conditions during this period will be executed according to the trust agreement or related regulations.</p> <p>6. Employees who receive new restricted employee shares and are citizens of the Republic of China shall place the shares into a trust institution designated by the Company promptly after they receive the shares. These employees shall not ask the trustee to return any of the new restricted employee shares in any way for any reason. Employees who receive new restricted employee shares and are not citizens of the Republic of China shall place the shares into a custodian bank.</p> <p>7. Handling of acquisitions and mergers: Unvested shares may be modified as specified in a merger or acquisition agreement or plan.</p>
<p>Custody of new restricted employee shares</p>	<p>The shares will be held in trust, and the trust/custodial agreement will be entered into by the Company or a person appointed by the Company on behalf of all employees receiving shares with the trust/custody institution. The Company and the person appointed by the Company will also modify the trust/custodial agreement with full discretion on behalf of these employees.</p>	<p>The shares will be held in trust, and the trust/custodial agreement will be entered into by the Company or a person appointed by the Company on behalf of all employees receiving shares with the trust/custody institution. The Company and the person appointed by the Company will also modify the trust/custodial agreement with full discretion on behalf of these employees.</p>
<p>Handling of shares received or subscribed by employees who subsequently fail to meet the vesting</p>	<p>The Company will revoke and cancel the unvested new restricted employee shares.</p>	<p>The Company will revoke and cancel the unvested new restricted employee shares.</p>

conditions		
Revoked or bought back Number of new restricted employee shares	166,000 shares	148,500 shares
Number of new restricted shares with restrictions removed	1,427,000 shares	668,500 shares
Number of new restricted shares with restrictions not removed	1,399,000 shares	1,971,000 shares
New restricted shares with restrictions not removed to total outstanding shares (%) (Note)	0.13736%	0.19352%
Impact on shareholders' equity	Based on the number of issued common shares 805,682,151 on March 31, 2022, the dilution of the Company's EPS is estimated to be approximately in the amount of NT\$0.08 in 2021, NT\$0.04 in 2022, NT\$0.02 in 2023, and NT\$0.01 in 2024. There is a limited dilution of the Company's future EPS, and there is no material impact on existing shareholders' equity.	Based on the number of issued common shares 805,682,151 on March 31, 2022, the dilution of the Company's EPS is estimated to be approximately in the amount of NT\$0.04 in 2021, NT\$0.08 in 2022, NT\$0.04 in 2023, NT\$0.02 in 2024, and NT\$0.01 in 2025. There is a limited dilution of the Company's future EPS, and there is no material impact on existing shareholders' equity.

Note: Based on 1,018,501,151 current outstanding shares (common shares & preferred shares) as registered with the Ministry of Economic Affairs on February 10, 2023.

(II) Names of executive officers receiving new restricted employee shares and names of Top 10 employees in entitlement, and status of exercise:

First issuance	Title	Name	Number of new restricted employee shares acquired	Units of new restricted employee shares exercised to total outstanding shares (Note)	Restrictions removed			Restrictions not removed				
					Number of shares with restrictions removed	Issue price	Issue amount	Units with restrictions removed to total outstanding shares (Note)	Number of shares with restrictions not removed	Issue price	Issue amount	Units with restrictions not removed to total outstanding shares (Note)
Executive officers	Senior Vice President	Jack Yang	248,000	0.02435%	124,000	0	0	0.01217%	124,000	0	0	0.01217%
	Senior Vice President	Rick Chang										
	Senior Vice President	James Wen										
	Vice President	Willie Sun										
	Senior Vice President	Jerry Chang										
	Vice President	Tim Wu										
	Vice President and Principal Accounting Officer	Yang, Shing-Yu										
	Senior Director and Finance Supervisor	Jason Lu										
Employee	Engineering Manager	Bob Wang	376,000	0.03692%	188,000	0	0	0.01846%	188,000	0	0	0.01846%
	Marketing and Sales Manager	Tony Chiang										
	Sales Manager	Austin Wu										
	Marketing and Sales Manager	Tom Lee										
	Sales Manager	Kevin Lin										
	Engineering Manager	Morris Lin										
	Sales Manager	Irene Shi										
	Marketing and Sales Manager	Brian Ko										
	Sales Manager	Richard Hsu										
	Logistics Supervisor	SY Chang										
	Marketing and Sales Manager	William Chen										
	Legal Officer	Sophia Tseng										
	Sales Manager	Joseph Tzou										
	Sales Manager	Frank Liu										
Head of Korean subsidiary	YOO HYUNG JIN											

Note: Based on 1,018,501,151 current outstanding shares (common shares & preferred shares) as registered with the Ministry of Economic Affairs on February 10, 2023.

Second issuance	Title	Name	Number of new restricted employee shares acquired	Units of new restricted employee shares exercised to total outstanding shares (Note)	Restrictions removed			Restrictions not removed				
					Number of shares with restrictions removed	Issue price	Issue amount	Units with restrictions removed to total outstanding shares (Note)	Number of shares with restrictions not removed	Issue price	Issue amount	Units with restrictions not removed to total outstanding shares (Note)
Executive officers	Senior Vice President	Jack Yang	256,000	0.02513%	64,000	0	0	0.00628%	192,000	0	0	0.01885%
	Senior Vice President	Rick Chang										
	Senior Vice President	James Wen										
	Vice President	Willie Sun										
	Senior Vice President	Jerry Chang										
	Vice President	Tim Wu										
	Vice President and CFO	Yang, Shing-Yu										
	Senior Director and Finance Supervisor	Jason Lu										
Employee	Engineering Manager	Bob Wang	376,000	0.03692%	94,000	0	0	0.00923%	282,000	0	0	0.02769%
	Marketing and Sales Manager	Tony Chiang										
	Sales Manager	Austin Wu										
	Marketing and Sales Manager	Tom Lee										
	Sales Manager	Kevin Lin										
	Engineering Manager	Morris Lin										
	Sales Manager	Irene Shi										
	Marketing and Sales Manager	Brian Ko										
	Sales Manager	Richard Hsu										
	Logistics Supervisor	SY Chang										
	Marketing and Sales Manager	William Chen										
	Legal Officer	Sophia Tseng										
	Sales Manager	Joseph Tzou										
	Sales Manager	Frank Liu										
Sales Manager	Jacky Liu											

Note: Based on 1,018,501,151 current outstanding shares (common shares & preferred shares) as registered with the Ministry of Economic Affairs on February 10, 2023.

VII. Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies
None.

VIII. Financing plans and implementation

The Company's issuance of new common shares for cash to sponsor issuance of GDRs in 2022 has been approved by the Financial Supervisory Commission letter Jin-Guan-Zheng-Fa-Zi No. 1110335385 dated March 25, 2022. The use of the funds is as follows.

Amount	Receipt date	Project items	Implementation of financing plans	
US\$190,008 thousand	April 22, 2022	Repayment of foreign currency bank loan	NT\$90,008 thousand	Followed the original fund utilization plan to finish project items in Q2 2022.
		Purchase of materials with foreign currencies	NT\$100,000 thousand	
		Total	NT\$190,008 thousand	

Chapter 5. Business Overview

I. Business Activities

(I) Business scope:

1. Major business activities:

- (1) Processing, manufacturing, research and development, trading, and import and export of various electronic components and finished products.
- (2) Manufacturing, trading, and import and export of various telephone equipment and components.
- (3) General import and export trade business.
- (4) Agency of quotations and tenders for domestic and foreign vendors.
- (5) I301010 Software Design Services.
- (6) F218010 Retail Sale of Computer Software.
- (7) F118010 Wholesale of Computer Software.
- (8) G801010 Warehousing and Storage.
- (9) F113070 Wholesale of Telecom Instruments.
- (10) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Percentage of sales revenue:

Unit: NT\$ thousand

Product name	2022	Percentage of sales revenue
Analog IC	214,886,416	37.62%
Microcontroller	76,216,861	13.34%
Memory IC	42,712,760	7.48%
Microprocessor	41,297,666	7.23%
Application specific IC	30,789,318	5.39%
Discrete component	27,704,596	4.85%
Mixed signal IC	24,203,351	4.24%
Other	113,386,150	19.85%
Total	571,197,118	100.00%

3. The Group's current product (service) items:

(1) Semiconductor brands distributed

Ambarella, Amlogic, Ampleon, ASMedia, Analog Devices, Broadcom, Diodes, ESMT, Intel, Marvell, Maxlinear, MediaTek, Microchip, Micron, MPS, Nanya, Navitas, NXP, Nuvoton, OMNIVISION, onsemi, Osram, Qualcomm, Renesas, Realtek, Richwave, Silergy, Silicon Labs, Skyworks, Smartsens, STMicroelectronics, Synaptics, Vishay, Wolfspeed, etc.

(2) Agented semiconductor products

Analog IC, microcontrollers, memory IC, discrete components, microprocessors,

mixed signal IC, specific-application IC, and other IC.

4. New products (services) to be developed:

In response to the future product trends, the Company will focus on three research and development objectives, namely (1) AI deep learning and smart image recognition; (2) Optoelectronic system design; and (3) Motor control.

(II) Industry overview:

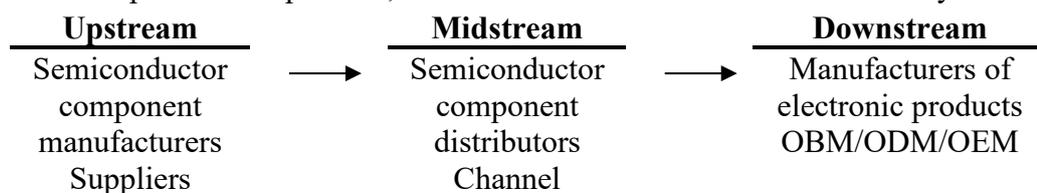
1. Current industry trends and future outlook:

Following the rapid development of the electronics industry, the scale of the global semiconductor industry has continued to grow. In order to respond to the rapid changes in the market, downstream electronics manufacturers need to continuously develop new products and reduce the product-to-market lead time, in order to seize business opportunities and become a first mover. However, upstream semiconductor integrated device manufacturers (IDM) and Fabless are more focused on improving processes and developing new products in order to save production costs and respond to rapidly-changing end markets, so they are unable to provide downstream manufacturers with comprehensive information and technical support.

In order for the semiconductor supply chain to operate effectively, semiconductor distributors are beginning to take responsibility to provide manufacturers with logistics, technical support and related product information. Upstream suppliers have moved sales and support services to semiconductor distributors, and semiconductor distributors provide downstream customers with market information and product application technical support to help shorten the time-to-market. At the same time, as downstream customers expand their production bases, semiconductor distributors also need to deploy more operating bases and warehouse facilities overseas to effectively provide services, such as customer logistics and technical support, and strive to expand the distribution territory of vendors' products to enhance international competitiveness.

Faced with the challenges of rapid industrial changes and competition in the industry, the key to the success of a semiconductor distributor is its professional service quality and speed. As the development of the semiconductor industry becomes growingly faster, the life cycle of electronic components become shorter. In addition to expanding market and serving customers, semiconductor distributors also need to play the role of sharing inventory costs and reducing payment collection pressure. For vendors, having semiconductor distributors support customers in the development of new products enables them to focus on the development of new technologies and new products, and enhance their international competitiveness. Therefore, more and more vendors have developed more market opportunities through close cooperation and effective division of labor with semiconductor distributors.

2. The relationship between upstream, midstream and downstream in the industry:



In the semiconductor distribution supply chain, upstream companies are semiconductor integrated device manufacturers (IDM) and fables, downstream companies are electronics manufacturers. Semiconductor distributors are defined as the bridge between the upstream and downstream, providing professional supply chain management for both.

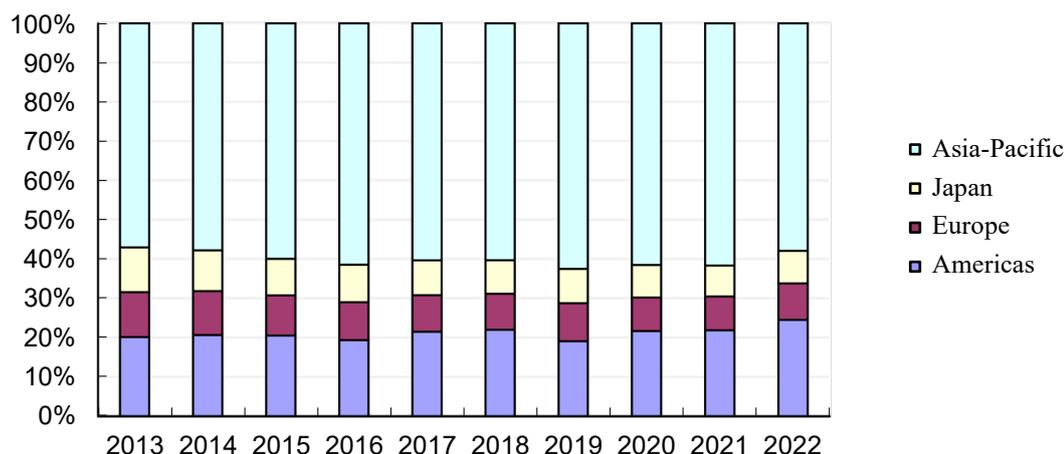
With the accelerated changes in the electronics industry, the shortened product life cycle, and the narrowing of product differentiation, upstream vendors are increasingly focused on new product development and process improvement in order to increase competitiveness, and continue to transfer their original business marketing operations, which provides product information and technical support services to customers, to semiconductor distributors. Similarly, in order to take business opportunities and shorten time to market, downstream electronics manufacturers focus on the development of new applications, and rely more on the supply chain logistics services provided by semiconductor distributors to shorten supply schedule of components and reduce inventory, while enjoying more flexible payment terms.

In recent years, as the role of semiconductor distributors in the semiconductor supply chain has been transformed from pure buy-and-sell to professional value-added service providers, services now encompass business marketing, logistics/inventory management, technical support, financial leverage, etc. Therefore, the industrial value of semiconductor distributors has increased with each passing day, regarded by vendors and customers as strategic business partners.

3. Current status of the global semiconductor market:

Asia, especially China, has become the world's major electronics production base since 2000 due to the establishment of a supply chain ecosystem, low-cost and high-quality labor, and other competitive advantages. According to statistics of the World Semiconductor Trade Statistics (WSTS), it is clear that the global semiconductor market is continuing its move to Asia. According to estimates in the November 2022 report of the WSTS, the semiconductor market scale in the Asia-Pacific region reached US\$336.2 billion in 2022, accounting for 58% of the global market. If combined with the Japanese market of US\$48.1 billion, Asia's semiconductor market accounts for nearly 70% of the global semiconductor market. Asia has become the most important market for the global semiconductor distribution industry.

Semiconductor market share by region



Source: World Semiconductor Trade Statistics (WSTS)

Global semiconductor industry sales from 2018 to 2022

Unit: 100 million USD

Region	2018		2019		2020		2021		2022	
Americas	1,030	22%	786	19%	954	22%	1,215	22%	1,421	24%
Europe	430	9%	398	10%	375	9%	478	9%	538	9%
Japan	400	9%	360	9%	365	8%	437	8%	481	8%
Asia-Pacific	2,829	60%	2,579	63%	2,710	62%	3,430	62%	3,362	58%
Global Market	4,688	100%	4,123	100%	4,404	100%	5,559	100%	5,801	100%

Note: The numbers in the table are rounded to the nearest hundred million US dollars, which may result in a slight discrepancy between the aggregated numbers by region and the total sum.

Source: World Semiconductor Trade Statistics (WSTS)

4. Product trends and competition

Breaking down product lines agented by the Group by field of application, automotive electronics account for 6.8%, industrial and instrument applications account for 11.1%, communication & network products account for 16.9%, data center and server products account for 13.4%, consumer electronics account for 8.7%, computers and peripherals account for 12.0%, and mobile phones account for 31.0%.

(1) Computers and peripherals

According to Gartner's report in January 2023, global sales of PCs (not including tablets) in 2022 totaled 287 million units, representing a decrease of 16% compared to 2021. In 2022, the total unit of tablets shipped was NT\$137 million, representing a decrease of 12% compared to 2021.

Gartner indicates that the global economic downturn, increased inflation, and rising interest rates have had a significant impact on demand for personal computers. Many consumers have already purchased relatively new computers during the pandemic, so they do not have the incentive to buy due to affordability issues. This has

led to a drop in consumer computer demand to the lowest levels in years. Meanwhile, the commercial PC market has also been affected by the economic slowdown, with corporate demand for PCs starting to decline in Q3 2022, and the market now transitioning from fatigue to deterioration. Corporate buyers are extending the lifespan of their computers and delaying purchases, meaning the commercial PC market may not recover until 2024.

Looking ahead, Gartner forecasts that the global personal computer market will experience growth rates of -6.8% and 4.7% in 2023 and 2024, respectively, while the global tablet market will see growth rates of -2.9% and 1.2%, respectively.

(2) Communications equipment

According to the 2022 H1 Global Telecom Equipment Market Report released by market research firm Dell'Oro Group in October 2022, the revenue growth of the overall telecom equipment market slowed from 7% in 2021 to 3% in the first half of 2022 (compared to the same period last year). In addition to the developmental challenges of 5G, component shortages, the strengthening of the US dollar, suppliers leaving Russia, and slowed development of wireless businesses in Japan and India are all contributing factors to the slowed growth of the global communication equipment market. Although there was a surge in demand for broadband equipment in the first half of the year, it was almost not enough to offset the lukewarm growth in the areas of RAN, optical transmission, and routers.

Despite the slowdown in growth, Dell'Oro Group predicts that global telecommunications equipment market revenue will still grow by 4% in 2022, setting the record of five consecutive years of growth.

(3) Mobile Phones

According to Gartner's statistics, global mobile phone shipments totaled 1.395 billion units in 2022, decreasing 11.0% from 2021. Among them, smart phones accounted for 1.28 billion units, decreasing 10.7% from 2021. It performed better than the overall mobile phone market, and accounted for 92% of total sales.

The increasing pressure of inflation and continued economic downturn are reducing consumers' mobile phone spending, leading to consumers holding onto their phones for longer than expected. In addition, manufacturers are passing on the rising component costs due to inflation onto users, which further suppresses demand.

Gartner predicts that the mobile phone market will shrink by 4.0% in 2023, with smartphones decreasing by 4.0%. Growth will continue in 2024.

(4) Cloud data center

AI and 5G technology continue to drive demand for cloud applications. More and more hyper-scale data centers will be built worldwide. The expansion of the data center market has created new opportunities. In terms of individuals, the expanding coverage and services of internet connected devices, as well as the stay at home economy created by the pandemic, have driven massive growth for streaming and online shopping

services. It has also increased the related construction year over year. In terms of the corporation, with the uncertainties of the pandemic, it is actively seeking and deploying data center expansion policies. The deployment is focused on hyper-scale data centers and edge data centers. In the future, the coverage of new technologies, including 5G, Internet of Vehicles, and autonomous vehicles, will continue to drive the need for cloud technologies. According to Gartner's report, the number of data centers is expected to grow to over 3.5 million by 2024, with around 7,000 enterprise data centers and over 1,800 large-scale data centers. According to the latest predictions by Gartner, the compound annual growth rate (CAGR) of semiconductor related revenue of data centers between 2022 to 2026 will reach 10.6%.

(5) Industrial control

In the field of industrial control, the security monitoring market has been growing rapidly in recent years. With the global increase of security awareness, coupled with the trend of digitalization, high image quality and networking, it will become the driving force for the continued development of the security monitoring industry.

In the future, the business opportunities of the fourth wave industrial revolution, "Industry 4.0", are highly anticipated. The basic system design architecture of "Industry 4.0" mainly integrates a large number of sensors, actuators, automatic control systems, mesh networks and multi-network architectures. With the smart production structure of the systematic design, the data from production equipment and sensing endpoint is returned to the cloud for integration, and big data is analyzed to optimize the production process and detect production problems, in order to coordinate stocking, inventory, shipping and sales to achieve the lowest cost, thus maximizing profitability. Due to the trend of "Industry 4.0", it is expected that future smart production demand will continue to optimize microcontroller and sensor design, and inject new growth momentum into the semiconductor component market with promising prospects.

According to Gartner's forecast in December 2022, the industrial semiconductor revenue will grow at a CAGR of at least 8% from 2022 to 2026. Among which, digitalization and electronication is gradually replacing the traditional model in the fields of industrial automation, testing/measurement, security monitoring, energy management, etc., providing momentum for the long-term development of industrial electronics.

(6) Automotive electronics

In recent years, under the comprehensive consideration of driving safety and humanization, the Advanced Driver Assistance System (ADAS) has gradually become a new manifestation, attracting international automakers to compete for automotive electronicization. They work with semiconductor companies to integrate automotive and electronic control technologies to launch Internet of Vehicle solutions. In addition, under the requirements of government policies in various countries, applications such as anti-lock braking system (ABS), tire-pressure monitoring system (TPMS), electronic

brake assist (EBS), lane departure warning system (LDWS), etc., have become standard equipment. Various sensors, microprocessors and control technologies have also driven the automotive semiconductor market to flourish.

In the future, automotive electronization will continue, and the semiconductor content rate on each vehicle will continue to increase. According to Gartner's report, the revenues of automotive semiconductors in 2022 exceeded US\$65.0 billion, and the compound annual growth rate (CAGR) will exceed 14% between 2022 and 2026. Growth momentum mainly comes from advanced driver assistance systems (ADAS), Automotive HPC, in-vehicle infotainment (IVI), and electric vehicles (EV). Among them, advanced driver assistance system (ADAS) will have a CAGR of 23% between 2022 and 2026. The CAGR of automotive HPC will exceed 100%. EV will also be an important driving force for future automotive semiconductors. By 2025, the penetration rate of EV will reach 25% to 30%. The CAGR will exceed 22% between 2022 and 2026.

5. Intellectual Property Management:

The Company has developed an intellectual property management plan that is integrated with our business objectives and R&D resources. Through proactive and effective management of intellectual property, we aim to protect our R&D achievements, reduce operational risks, strengthen partnerships and customer trust, create company value, and enhance our competitive advantage in the industry.

(1) Intellectual Property Management Plan and Risk Response Measures

A. Trade secret protection measures:

The Company has established a confidentiality obligation management system and introduced the issue of trade secrets and confidentiality obligations into the training of new employees. Regular company-wide education and training is conducted, and employees are required to abide by confidentiality obligations in their employment contracts. This enhances employees' awareness and understanding of the importance of protecting confidential information of the company. In addition, the Company has taken specific measures to strengthen information security, such as: maintaining the operation of information security facilities, establishing document confidentiality levels, implementing system access control management, controlling access to confidential data, and conducting regular internal audits, in order to prevent the theft, tampering, destruction, loss, or leakage of confidential information. To prevent potential intellectual property disputes, the Company rigorously reviews the confidentiality terms of various business contracts to properly safeguard our rights and responsibilities.

B. Patent protection measures:

The Company's patent management measures mainly include: Integrating

departmental resources for industry analysis and conducting patent strategy planning, strengthening patent deployment, formulating systematic patent management, etc. To maintain our patent rights, prevent disputes and respond to risks, we closely cooperate with external patent firms. We conduct patent searches and regularly monitor the latest technological developments in the industry to analyze infringement risks and plan ahead. This is to protect our own patent rights and prevent infringement of others' patent rights, as well as effectively defend against patent litigation.

C. Trademark protection measures:

Since establishment, the Company has been actively carrying out trademark deployment to obtain trademark protection. In response to market expansion, we regularly review the corresponding registration layout, and at the same time pay attention to similar trademarks and representations in the market that may cause confusion or misidentification, in order to protect the company's trademark rights.

(2) Intellectual property implementation status:

A. As of October 20, 2022, the status of the Company's trademark and patent cases are as follows:

(a) Trademark registration: 5 trademarks.

(b) Patents: A total of 6 invention patent applications have been granted. A total of 2 patent applications are under review.

B. Conducted non-periodic educational training.

C. Established contract review principles for confidentiality agreements and intellectual property right clauses .

D. Status report of the intellectual property management implementation to the Board of Directors on October 28, 2022 to ensure that the operations and results of intellectual property management are in line with the Company's expectations and plans. Mechanisms for continuous improvement are also established.

(III) Overview of Technology and R&D:

1. Future research and development plan

The Group is mainly a professional channel operator of electronic components. In response to the future product trends, the Company will focus on three research and development objectives, namely (1) AI deep learning and smart image recognition; (2) Optoelectronic system design; and (3) Motor control. At present, some relevant products have been successfully developed, further enabling customers to shorten the R&D design schedule, quickly solve and clarify problems, and assist customers in solving design and production problems.

2. R&D personnel and their education and work experience

The main work of the R&D personnel is to formulate various project plans according to the market development trend, systematically carry out product development work, and further complete testing and verification to establish technological advantages. The Group attaches great importance to the quality and professional education of R&D personnel. Most of the R&D personnel have college education or above and have worked in research and development and are familiar with the process of customers' R&D, so that product development work and specifications can meet customer needs.

3. R&D expenses in the most recent year and as of the date of this annual report

Unit: NT\$ thousand

Item	IFRSs consolidated information for 2022	IFRSs consolidated information as of March 31, 2023
Net operating revenue	571,197,118	120,103,158
R&D expenses	654,845	160,795
R&D expenses as a percentage of revenue	0.11%	0.13%

4. Successfully developed technologies and products

Product Name	Field of Application
Full HD WDR Dual Channel Car Black Box	Automotive
Full HD WDR IP Camera	Surveillance
HD Pico Projectors	Consumer/Industrial
Sensorless BLDC Motor with Six Step Square Wave / quasi-sinusoidal control	Industrial/Automotive
Sensorless BLDC Motor with vector control	Industrial/Automotive
Smart coffee machine	Consumer
Electric bicycle motor control	Industrial/Automotive
Tire-pressure monitoring system	Automotive
Digital power supply	Server power supply
Smart energy-saving power grid management system	Home Automation
WiFi mobile cloud storage system	Consumer
Electronic faucet	Home Automation
Wireless charging (including transmission (TX) and reception (RX))	Mobile device (peripherals)
Infrared remote control for smartphones and tablets	Mobile device
Smart bracelet	Consumption market
Power bank	Consumption market
SOM (System on module)	Applications of embedded system in industrial computer
E-meter (Power meter)	Server power measurement
Smart Bulb	Home Automation (HA)/ IoT
Home Gateway	Home Automation (HA)/ IoT

Product Name	Field of Application
Sensor hub for smartphones and tablets	Mobile device
Pedometer	Wearable device consumer market
Smart ECG module reference design	Mobile device
Digital power reference design for servers	Server power supply
Secondary optical lens in LED TV backlight reference design	LED TV
Personal wireless transmission sensing device and Bluetooth 5.0 broadcast reference design	Mobile device
Optical reference design for night vision illumination and time-of-flight ranging	Industrial security
High power isolated Ethernet power supply reference design	Network communication
DDR5 module reference design Reference solution for fifth generation DDR (Double Data Rate) synchronized dynamic RAM modules	Data center/high performance computing

(IV) Long-term and Short-term Business Development Plans

1.Short-term Business Development Plans

(1)Marketing strategies

A.Expanding product lines in automotive electronics, cloud data centers, AIoT , 5G related applications, industrial control, green energy, energy management, and medical instruments:

The Group's communications, networking, imaging, computers, and high-performance power application components product lines all have a considerable sales base. In addition to continuing to develop and grow in the area of traditional 3C products, the Company will continue to optimize its product portfolio, introduce new product lines that meet market demand and have high gross profit margins, strengthen product and market planning capabilities, and improve the overall market layout, such as in markets of automotive electronics, cloud data center, AIoT, 5G related applications, industrial control, green energy, energy management, medical equipment, etc. The Company will actively introduce competitive product lines, and strive to provide diverse and complete products, so as to provide the benefits of the completed channels and professional services to customers.

B.Actively developing new customers and improving customer layout in the Asia Pacific region:

In addition to continuing to support the existing customers' layout in the Asia Pacific region, the Company will also actively explore new customers, reduce customer concentration, strengthen sales power to Chinese, South Korean, Southeast Asian, and Indian customers, provide better product solutions for customers, to solve the needs of some companies lacking R&D resources, and even

obtain patent rights and form closer cooperation with customers. Continue deployment in third and fourth-tier cities in China, Southeast Asia, and India to actively expand the sales network and further improve the overall layout in the Asia-Pacific region.

C.Expanding market influence:

The Company will continue to increase investment and sales growth in China, South Korea, Southeast Asia, and India, expecting to maintain a growth rate that exceeds the market average. Automotive electronics, cloud data centers, AIoT, 5G related applications, industrial control, green energy, energy management, and medical instruments are strategic markets to focus the Company's efforts to increase sales to key customers and penetration of small- and medium sized customers.

D.Strengthening technology-oriented marketing strategies:

The short and diversified life cycle of electronic products has made the supply of components from upstream suppliers more difficult. Therefore, the Group is committed to applying engineering technology based on the professional expertise and technical capabilities accumulated through the long-term service to customers, and provides technical support solutions through professional division of labor. In the future, the Company will continue to strengthen the FAE and Design-in services, provide the best product portfolio and design according to the needs of downstream customers, and create higher product added value, becoming the communication bridge between upstream manufacturers and downstream customers.

E.Improving long-term talent reserve:

In line with the Group's long-term development strategy, it plans to recruit new top graduates, reserve talents in advance, and optimize the Group's personnel mix in terms of level, quantity and structure so that the Group will have a more overall advantage in the future competition.

F.Strengthening service quality and improving customer satisfaction:

The Company will strengthen the sales ability and service quality of business personnel, improve the support ability of logistics personnel, establish a timely and efficient service system, and establish a high-quality customer service awareness of all employees, in order to enhance existing customers' satisfaction and develop potential customers in the future.

(2)Product strategies

A.Increase technical value:

Products are heading towards the era of low profit, but the market is still fond of the new and tired of the old. It is important to develop new products quickly. Therefore, meeting the electronic products' trend of hi-mix low volume production is the key. The Company provides customers with a large number of functional improved requirements through the provision of turnkey solution, inevitably reducing the investment and deployment of system manufacturers' R&D manpower,

and creating solid added value for distributors.

B.Integration of upstream and downstream products:

Based on a deep partnership with customers, the Company will extend the agent distribution of new key components upstream and downstream to achieve the goal of providing complete technical services.

C.Application development and agent distribution for power management products:

As the need for energy conservation and carbon reduction caused by climate change continues to increase and mobile devices become more powerful, the demand for power supply is becoming more and more strict. How to strengthen power management efficiency, reduce power consumption, and increase battery life has become a consistent research and development direction for all product manufacturers. The Group's product lines are diversified, and most of them are high-performance products that meet the technical requirements. In the future, the Company will continue to expand the agent distribution layout of power management and lead the trend in designing terminal product applications.

(3)Financial strategies

As the Company is a semiconductor distributor, it has high demand on working capital. In addition to continuing to strengthen financial planning and maintain good relations with banks based on the principle of conservative financial stability, the Company will increase its working capital through capital raising plans at an appropriate time, in response to the funding needs of increasing operation scale.

2.Long-term Business Development Plans

(1)Developing complete and diversified product lines and authorized distribution regions

In line with market trends and customer needs, the Company will continue to plan and introduce new agented products, enrich product categories, and provide key components needed for domestic and international electronics industries in response to relevant application fields. The Group will strive for good prices, good specifications, complete product lines, and meet all of customers' needs in one stop. The Group also will use its existing experience to actively establish a pan-Asia Pacific service network to serve customers nearby.

(2)Professional channel marketing strategy

The Company will continue to strengthen the software and hardware development and the deployment of professional marketing personnel, in order to achieve real-time information exchange with upstream suppliers and downstream customers, and to expand marketing channels and expand the added value of agent distribution products with solid professional technology.

(3)Building long-term customer relationships and supplier relationships for collaborative development

The Company, as a distributor, plays an important role in providing

consultation to suppliers and service to customers, providing the most complete information and after-sales service for suppliers and customers.

(4) Actively cultivating talents

The Company focuses on the training of internal talents, explores high-potential talents, provides different responsibilities with the business development and growth of the Group, and customizes their development plans in accordance with their aptitude, in order to cultivate the mid- and high-level managerial talents needed for the Group's sustainable operation.

(5) Robust financial strategy

The Group's financial strategy is to expand its capital in a timely manner, taking into account the interests of shareholders and the Group's fund requirements for future development. In the future, depending on working capital needs, the Company will use the capital market to obtain lower-cost funds in order to enrich the funds needed for the operation.

II. Market, production and sales overview

(I) Market analysis:

1. Sales regions of main products

Unit: NT\$ thousand

Sales region \ Year		2021		2022	
		Sales amount	%	Sales amount	%
Exports	Asia Pacific	343,923,199	76.78	425,977,432	74.58
	Other	36,322,751	8.12	60,846,050	10.65
Subtotal		380,245,950	84.90	486,823,482	85.23
Domestic sales		67,650,167	15.10	84,373,636	14.77
Total		447,896,117	100.00	571,197,118	100.00

2. Market shares

According to Market Share Analysis: Semiconductor Distributors, Worldwide issued by Gartner in 2023, the Group ranked second among semiconductor distributors in the Asia-Pacific region, and had a 12.0% and 9.2% share of the Asia-Pacific semiconductor distribution market in 2022 and 2021, respectively. The top ten semiconductor distributors in the Asia Pacific had a combined 54.1% and 49.2% market share in 2022 and 2021, and the Group's market share among the top 10 semiconductor distributors was 22.1% and 18.8%, respectively. Due to the industry's characteristics, the premise for entering the semiconductor distribution market is "obtaining agency for manufacturers in each region". Among the top ten semiconductor distributors in the Asia Pacific, four are agents for major semiconductor manufacturers and have complete product lines, i.e., the top four distributors, namely WPG Holdings, the Group, Arrow, and Avnet. Remaining distributors are not in the same market as the four distributors above due to different business models (e.g., online

sales and B2C) or entirely different product lines (e.g., memory and diodes). For even smaller scale semiconductor distributors, it is even harder to gain agency for most international semiconductor manufacturers and compete with the four distributors above. Hence, in reality, there are only the four distributors above competing in the industry. The Group accounted for a 31.1% and 27.0% share of the market amount the top four distributors in 2022 and 2021, respectively.

3. The future supply and demand situation and growth of the market

(1) Supply side

The era of electronization and digitalization is increasingly relying on a variety of semiconductor components, motivating many semiconductor suppliers to continue to increase investment in more advanced semiconductor equipment, technology and processes to meet market demand. According to the forecast report by Semiconductor Equipment and Materials International (SEMI) in December 2022, the global sales amount of semiconductor equipment for global OEM companies will reach a new record high of US\$108.5 billion in 2022, up 5.9% from US\$102.5 billion in 2021. SEMI stated that emerging applications in many markets are driving the significant growth in the semiconductor industry, leading to the need for further investments to expand production capacity. A record number of wafer fabs are being built, pushing semiconductor production equipment sales to exceed the NT\$100 billion mark for two consecutive years. Moreover, with the driving force of the needs for advanced and mature production processes, wafer OEM and logic equipment sales increased by 16% to NT\$53 billion in 2022.

Due to the current downturn in the semiconductor industry, SEMI predicts that global semiconductor manufacturing equipment sales will likely fall below the \$100 billion mark in 2023, slipping to \$91.2 billion. However, with the push from both the front-end and back-end sectors, semiconductor manufacturing equipment sales are expected to rebound in 2024, indicating that the global semiconductor supply will continue to grow in the long term.

(2) Demand side

Due to the extensive coverage of the Group's product lines, its revenue and profitability is related to the semiconductors industry and economic development to a certain extent. With the pandemic accelerating global digitization and climate change leading to an increase of energy conservation and carbon reduction needs, global demand for semiconductors has risen more than the growth rate of the global economy. Furthermore, according to the latest World Economic Outlook released by the International Monetary Fund (IMF) in January 2023, the IMF's projection of the global economic growth rate for 2023 is 2.9%. Developed markets will grow 1.2% and emerging and developing markets will grow 4.0%. Economic growth rate estimates for

individual countries in 2023 are as follows: US 1.4%, China 5.2%, India 6.1%, Japan 1.8%, and Germany 0.1%. IMF has revised its world economic forecast by 0.2 percentage points compared to its October estimate last year. According to IMF, the shift in global economic outlook towards the positive is due to several countries' domestic factors being better than expected. For example, the US had unexpectedly strong economic growth in the third quarter of last year, with a strong labor market and steady household consumption and business investment. Europe also adapted better to the energy crisis than expected, and inflation pressure has eased. In addition, the lifting of the lockdown in China is expected to contribute to global growth, and the depreciation of the US dollar has also made the outlook brighter for emerging market countries burdened with foreign currency debt.

(3)Growth

In terms of product applications, due to the gradual adoption of 5G technology and increased energy conservation and carbon reduction requirements, markets such as automotive electronics, cloud data centers, AIoT, industrial control, energy management, and green energy will be the main growth drivers for the semiconductor industry and the Group. Taking automotive electronics as an example, technological developments have led to the intelligent upgrade of cars as in mobile phones, which will enable more semiconductor components to be adopted in cars, thereby improving vehicle safety and driving efficiency. The Group has been dedicated its efforts to the development of automotive electronics for many years. With the long-term increases in automobile sales and the semiconductor content of each vehicle, the Group's products and services in fields such as automotive lighting, body control, vehicle information, and safety systems have gradually gained recognition from vendors and customers. In terms of Internet of Things (IoT), the market demand has become increasingly apparent, and the IoT combined with artificial intelligence (AI) will cause demand to show explosive growth, such as for automated manufacturing, smart retail, smart home applications, etc. Overall, applications such as automotive electronics, cloud data centers, AIoT, industrial control, energy management, and green energy will continue to flourish and are expected to drive business opportunities in the semiconductor market. The Group views these areas as a strategic development market, which is expected to benefit greatly in the future.

In terms of regions, emerging markets in Asia will remain one of the Group's long-term growth drivers. According to the forecast of the economic growth rates in 2023 and 2024 announced by the IMF in January 2023, for the "Emerging Markets and Developing Economies" that the Group focuses on, the economic growth rates in the next two years are 4.0% and 4.2%, respectively. From a long-term perspective, emerging markets in Asia have increasing per capita income, low penetration rate of advanced electronic products, promotion of urbanization, and government policy support, which will cause future market demand in these markets to continue to grow.

In addition, the Group's end products have a wide scope of application, and include personal computers, communication network products, consumer electronics, industrial control and automotive electronics. In addition to the evolution of "efficient energy saving", "high-specification structure", and "Internet of Thing" for traditional 3C products, driven by highlights such as "Industry 4.0", "high speed network", "security monitoring", and "humanized driving", as well as a new generation of consumer audio and video entertainment, a variety of innovative key components will lead the semiconductor industry to new heights. Digital power components, MEMS components, high-performance microprocessors, image sensors, console processing chips, mobile phone chipsets, high-precision analog components, ASIC, and various customized total solutions will generate great business opportunities in the semiconductor distribution industry.

4. Competitive niche, favorable and adverse factors for long-term growth and response strategy

(1) Competitive niche

A. Complete and diversified product lines

The Group has established stable cooperative relationships with internationally renowned suppliers such as Analog Devices, Broadcom, Marvell, NXP, onsemi, Skyworks, ST Microelectronics, Renesas, etc., and has repeatedly received the excellent agent awards from suppliers. It is obvious that the Group's marketing business strength has been acknowledged by various suppliers. Together with the Group's keen market insight and ability to actively and correctly seek new product lines, the Group's product portfolio is complete and diversified, which is of great help to consolidate the protection of existing product lines and the development of new product lines.

B. Strong management team

The Group's management team is mainly consists of professionals in the information technology industry, with experienced marketing talents and skilled application engineers. The main executive officers have more than 10 years of experience in the semiconductor distribution industry. With their distribution business accumulated over the years and sensitivity to market development trends, they can contribute to the Group's business development and vision planning.

C. Professional technical support capability

The Group is convinced that in addition to its complete and diversified products, it has the professional technical support capability to conduct all-round services such as product development, design, product integration and customer problem solving at any time, so as to gain customers' trust and meet customers' design-in module. It is the only way to stably maintain customer relationships. This technical marketing-oriented technical support capability is the niche of the Group's competitiveness, and

the Group is moving towards its goal of becoming a "value-added professional distributor".

D. Dense marketing channel network

In response to the trend of electronic globalization and internationalization, the Group actively deploys overseas locations to serve customers nearby, develop new products, and grasp real-time market information. The Company has completed marketing channel networks in Hong Kong, China, Singapore, South Korea, Malaysia, Vietnam, Thailand, and India, and it hopes to achieve the Group's goal that the Group shall be wherever customers are.

(2) Favorable factors

A. The IT and electronics industries will continue to drive an increase in demand on semiconductors.

The market demand for semiconductors is due to the continuous development of electronization and digitalization of new products, coupled with the continuous evolution of existing electronic products, resulting in increasing demand for semiconductors.

B. Ever important role of distributors

Under the consideration that global electronics manufacturers reduce marketing costs and increase technical support for engineering applications, the role of the distributors in the supply chain of the electronics industry will become increasingly important. For upstream suppliers, distributors provide the functions of marketing expansion, product integration and customer service. For downstream customers, the distributors provide the functions of keeping sufficient supply, technical support, etc. At present, direct sales from semiconductor manufacturers to customers (the Direct Account) account for more than 60% of their revenues, and about 30-40% of sales are through distributors. There is still a lot of room for semiconductor manufacturers to release Direct Account. The Group's efforts and capabilities have long been recognized by customers and suppliers. With the rapid growth of AIoT, it has brought many potential customers with rapid growth. In recent years, the transfer and dispersion of production base and supply chain have accelerated. In this case, the trend of distribution through distributors will become even more significant in the future.

C. Complete and diversified products lines

The Group's products lines cover all fields of electronics, such as information, optoelectronics, telecommunications, consumer electronics, industrial supplies, automotive electronics, cloud applications, green energy, and medical care. In addition, the Group also has a separation of product markets to avoid excessive concentration of purchases. It is not only for the convenience of customers to make purchases, but can also reduce customers' inventory risks and save procurement time and costs.

D. Excellent management team

The Group's front-line marketing staff have years of experience in distribution and marketing, and the Group is proud of its professional talents for technical support management. Externally they can promote the existing products, acquire new product lines, and solve customer needs, and internally they can continuously improve the Group's financial position and business condition, which will allow the Group to take the lead in the industry.

(3) Unfavorable factors and response measures

A. Fierce product competition and declined gross profit

Response measures:

- Adding agented component lines for special applications that are irreplaceable and have high gross profit will reduce the Group's risk under price competition and highlight its own market advantage.
- For the general-purpose bulk components, adopting quantity purchase pricing to provide customers with more competitive prices while retaining reasonable profits.
- Increasing the proportion of non-3C products with higher gross profit margins such as smart Internet of Things, cloud applications, industrial control, automotive electronics, medical electronics, etc., to change the product portfolio and gradually increase the Group's overall gross profit margin.
- Providing more value-added services. In addition to providing traditional channel services, striving to provide more value-added services, such as providing more technical application design services to help customers to complete the design faster, in order to seize market opportunities and ensure high profit and market share.

B. Strategy adjustments made by suppliers and short product life cycle

Response measures:

- The Company integrates and adjusts resources in response to strategy adjustments made by suppliers, e.g., TI intends to cancel its distributors and switch to a directly supply model, in order to accelerate the growth of other suppliers and add competitive new suppliers and products to maximize the Company's benefits.
- Strengthen product market development, set the Group's new directions and opportunities for new product and market trends, introduce new agented products, and develop new markets and customers in a timely manner to seize business opportunities.
- Maintaining good interactions with upstream and downstream customers, increase the value added of products, and strengthen the product's life cycle, by integrating the characteristics of its products and developing components that meet customer needs through the strong R&D capabilities of the management team.
- Regularly hold business meetings to determine sales plans and correct sales forecasts based on the conditions of sales, orders, inventory, etc., in order to achieve accurate sales forecasts.
- Pursue product completeness and diversification to avoid market risks of a single

product.

- The Company will carry out the digital transformation of the management system, in order to improve operating performance and supply chain management to respond to the rapidly changing demand.

C.Foreign currency risk

The Group's operating sales is mainly based in Asia. It faces exchange rate risks in multiple currencies. However, the standard currency for the Group's purchases and sales is USD, therefore, exchange rate risk is mainly from the US dollar.

Response measures:

- Using the US dollar as the sales and purchase price currency reduces the exchange risks of different quotation currencies. By using the same currency in sales and purchase, the resulted foreign currency assets and liabilities can offset against each other to achieve natural hedging results.
- Using a unified accounting exchange rate set by the headquarters, the subsidiaries in different countries can apply the same exchange rate standard, reducing unnecessary exchange gains and losses due to different accounting exchange rates. The Finance Department uniformly publishes the Group's standard exchange rate accounting basis on the internal website every day for the business and procurement related departments to keep up with the latest exchange rates and obtain better exchange rate quotes for orders.
- The Finance Department updates the the net exposed position of the Group's foreign currency assets and liabilities daily, observes changes to market exchange rate information and price, and adjusts the foreign exchange exposure position and resulting exchange profit and loss through derivative trading when necessary.

(II) Key applications and production processes of main products:

1.Key applications of main products:

Main product	Use
Analog IC	PC and peripherals, mobile phones, communication networks, consumer electronics, industrial control, instruments and equipment, automotive electronics, cloud data centers, etc.
Microcontroller	PC and peripherals, mobile phones, communication networks, consumer electronics, industrial control, instruments and equipment, automotive electronics, cloud data centers, etc.
Memory IC	PC and peripherals, mobile phones, communication networks, consumer electronics, industrial control, instruments and equipment, automotive electronics, cloud data centers, etc.
Discrete component	PC and peripherals, mobile phones, communication networks, consumer electronics, industrial control, instruments and equipment, automotive electronics, cloud data centers, etc.
Microprocessor	PC and peripherals, mobile phones, communication networks, consumer electronics, industrial control, instruments and equipment, automotive electronics, cloud data centers, etc.
Mixed signal IC	PC and peripherals, mobile phones, communication networks, consumer electronics, industrial control, instruments and equipment, automotive electronics, cloud data centers, etc.
Application specific IC	PC and peripherals, mobile phones, communication networks, consumer electronics, industrial control, instruments and equipment, automotive electronics, cloud data centers, etc.
Other	PC and peripherals, mobile phones, communication networks, consumer electronics, industrial control, instruments and equipment, automotive electronics, cloud data centers, etc.

2. Production processes of main products: Not applicable (non-manufacturing industry)

(III) State of supply of main raw materials: Not applicable (non-manufacturing industry)

(IV) Names of customers who accounted for more than 10% of the sales in the last two years, and sales as a percentage of total sales

1. Suppliers that accounted for more than 10% of the total purchase in any of the past two years

Major suppliers' information for the last two years

Unit: NT\$thousand; %

Item	2021				2022			
	Name	Amount	As a percentage of total purchase (%)	Relationship with issuer	Name	Amount	As a percentage of total purchase (%)	Relationship with issuer
1	A	140,962,866	31.11	None	A	203,059,255	35.30	None
2	B	64,423,577	14.22	None	B	65,882,139	11.45	None
3	D	34,436,749	7.60	None	D	39,591,550	6.88	None
	Other	213,278,509	47.07	-	Other	266,700,209	46.37	-
	Net purchase	453,101,701	100.00	-	Net purchase	575,233,153	100.00	-

Reasons for changes: The Group has maintained good long-term relationships with major suppliers, so its inventory sources are stable. We currently act as an agent for end products including but not limited to smartphones, computers, consumer electronics, industrial products and instruments, automotive electronics, data centers, energy management, and 5G communications. Revenue grew by 27.53% in 2022, leading to an increase in purchases from suppliers in 2022 compared to 2021.

Note: List the names and procurement amounts and percentages of suppliers whose procurement accounted for more than 10% of the total procurement in the last two years. However, if the name of the supplier may not be disclosed due to the contractual agreement, or the counterparty of the transaction is an individual and a non-related party, it may be listed by using a code.

2. Customers that accounted for more than 10% of the total sales in any of the last two years

Major customers' information for the last two years

Unit: NT\$thousand; %

Item	2021				2022			
	Name	Amount	Percentage of net sales (%)	Relationship with issuer	Name	Amount	Percentage of net sales (%)	Relationship with issuer
1	BB	74,249,625	16.58	None	BB	86,666,027	15.17	None
2	Other	373,646,492	83.42	-	Other	484,531,091	84.83	-
	Net sales	447,896,117	100.00	-	Net sales	571,197,118	100.00	-

Reasons for changes: The Group has benefited from the demand for smartphones, communications and data centers, and other businesses, which have offset the impacts of inventory adjustments for consumer products and weak demand, leading to increased in revenue in 2022 compared to 2021.

Note: List the names and sales amounts and percentages of customers that accounted for more than 10% of the total sales in the last two years. However, if the name of the customer may not be disclosed due to the contractual agreement, or the counterparty of the transaction is an individual and a non-related party, it may be listed by using a code.

(V) Output volume and value during the most recent two years Not applicable (non-manufacturing industry)

(VI) Sales volume and value during most recent two years

Unit: thousand; NT\$ thousand

Main Products	Sales year	2021				2022			
		Domestic sales		Exports		Domestic sales		Exports	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Discrete component		1,499,308	2,817,935	9,620,409	29,277,355	1,259,760	3,328,684	6,736,170	24,375,912
Application specific IC		22,070	2,969,904	80,470	12,506,384	25,992	4,096,558	168,178	26,692,760
Memory IC		222,082	5,926,410	1,996,319	37,191,143	129,931	5,845,104	1,360,609	36,867,656
Microprocessor		15,554	6,607,353	181,529	22,374,156	17,095	8,932,742	154,406	32,364,924
Analog IC		1,312,759	22,557,823	6,317,129	141,357,598	1,346,373	29,597,798	7,006,766	185,288,618
Mixed signal IC		211,012	3,695,476	827,239	18,853,692	208,767	4,838,053	609,894	19,365,298
Microcontroller		81,886	4,725,105	1,167,916	43,201,962	95,475	6,523,292	1,161,889	69,693,569
Other		996,600	18,350,161	5,353,573	75,483,660	725,938	21,211,405	4,706,386	92,174,745
Total		4,361,271	67,650,167	25,544,584	380,245,950	3,809,331	84,373,636	21,904,298	486,823,482

III. Employees

The following table summarizes the company's workforce as of the printing date of the annual report:

Year		2021	2022	As of April 19, 2023
Number of employees	Sales and Marketing	1,726	2,325	2,314
	Administration	239	356	359
	R&D	599	866	864
	Total	2,564	3,547	3,537
Average age		39.0	38.9	39.0
Average years of service		6.8	6.6	6.8
Education background	Ph.D	0.70%	0.57%	0.54%
	Master's	15.87%	13.53%	13.66%
	Bachelors Degree	77.93%	80.60%	80.60%
	Senior High School	5.50%	5.30%	5.20%
	Junior High School and below	0.00%	0.00%	0.00%

IV. Information on environmental protection expenses

The Group is principally engaged in the IC distributors industry, and its main business is the trading and R&D of electronic components. Due to the non-manufacturing nature of the industry, there are no environmental pollution issues. However, the Group and its suppliers are still working together on the development and application of green environmental protection technologies, and are working hard to solve environmental problems that are gradually depleting Earth's energy. The Company has participated in the application for green procurement subsidies for private enterprises by the New Taipei City Environmental Protection Bureau. It has been recognized for three consecutive years at the "New Taipei City Private Enterprise and Group Green Procurement Excellent Performance Award Ceremony". The total declared amount at the end of 2022 was NT\$15,657,745, representing a 5% increase from last year. In the future, WT Microelectronics will continue to prioritize the procurement of green products, implement green consumption, and choose products that have less impact on the environment and human health. The Company did not sustain any losses due to environmental pollution during the most recent year and up to the annual report publication date. When purchasing goods, the Group complies with environmental regulations and industry regulations, such as conflict minerals.

V. Labor relations

(I) The Group's various employee benefit measures, education, training, retirement system and its implementation, as well as labor-management agreements and various employee rights protection measures.

1. Employee benefit measures:

The Group provides comprehensive care of its employees and strives to create a warm, safe, and friendly workplace environment.

(1) The Company's Welfare Committee provides various benefits such as: group insurance, public liability insurance, maternity subsidy, funeral decoration subsidy, wedding and funeral allowance, monetary gifts of birthday and festivals, gifts for festivals and New Year, contracted store discount, etc.

(2) Provide fresh, delicious and healthy drinks. Excellent coffee beans that have passed multiple SGS toxin tests are used in the Swiss-made, fully automatic coffee machine. The tea leaves were purchased from natural and organic tea farms in Ruisui, Hualien. Excellent dairy products that have passed FSSC 22000 (food safety management system) international certification have been chosen. The milk is checked for impurities when it is purchased and the drink by date is confirmed, in order to ensure that the employees can enjoy the safest and healthiest milk.

(3) We are committed to promoting balanced meals and the importance of breakfast, and have launched the Breakfast Bar event to provide a variety of healthy and balanced meals. With the philosophy of "less meat, more vegetables, reducing carbon and increasing health", we use vegetarian events to promote low-carbon diets, and aim to

achieve energy-saving and carbon reduction through vegetarianism, while also enjoying health and reducing the burden on the body. This year's Christmas Breakfast Bar was designed to create a festive and warm atmosphere. Senior executives of the company dressed up as Santa Claus to distribute meals to colleagues, promoting interaction among the employees while enjoying breakfast. Moreover, a fun game of finding Easter eggs was held, in which participants could find gifts, providing double the surprise for an unforgettable Christmas celebration.

- (4) Starting in 2015, Fruit Day is held every week. Since 2020, we have been collaborating with local Taiwanese farmers to provide our employees with fresh and healthy fruit, while also directly supporting the farmers. Each batch of fruit is directly delivered fresh from the local fruit farmers, ensuring safety and quality. When distributing the fruit, we also introduce the stories and messages from the farmers of the week, allowing colleagues to appreciate the farmers' dedication and care for their crops, and cherish the fruit in their hands even more. Purchasing fruits from small-scale farmers can stabilize their income, reduce exploitation by middlemen, and prevent waste from unsold produce. It can also significantly increase job opportunities in the community. By arranging appropriate delivery times for different fruit seasons, we can ensure that the hard-earned fruits of each farmer are delivered to our colleagues at the most suitable time. In 2022, we purchased a total of 16.1254 tons of fresh fruits throughout the year. Since the implementation, we have purchased 74.1839 tons of fruits, and helped 20 farmers, making efforts to support local economies and charities.
- (5) Departmental gatherings are held each year to bring the employees closer together. The barbeques for the Mid-Autumn Festival and the hotpot gathering for Christmas at the end of the year allow the employees to celebrate the holidays together and rewards them for their hard work throughout the year.
- (6) In addition to distributing year-end bonuses, the company held the "Enjoying the Mid-Autumn Festival with Fun" series of events in 2022 to enrich the festive atmosphere and bring joy to everyone. One of the events is a team-based activity where participants must complete tasks within a certain time frame, which can effectively improve teamwork and cultivate focused attention. Another activity is a lucky draw where participants can scan a QR code to spin a wheel and win a variety of public welfare products and useful household items. The abundance of prizes and convenient participation methods provide a festive surprise and increase engagement.
- (7) The new multipurpose classroom for employees is equipped with several simple exercise equipment and flexible hours. It has effectively boosted interest and participation in healthy exercise among employees. Sports clubs organize different activities and competitions every year. These events encourage employees to interact with each other and participate in outside competitions. They also raise employees' interest and participation in sports. Over the years, the Company has arranged various

health and exercise related courses and activities to actively promote regular exercise among employees. The Company has established exercise in the workplace to help employees maintain a healthy lifestyle, earning the Company the title of Certified Sports Company awarded by the Sports Administration, Ministry of Education, in 2021. We plan to continue applying for the Sports Enterprise Certification Review and join the CHR Health Enterprise Citizen Initiative promoted by the Health Magazine in 2023. We have made every effort to take care of our employees' physical, mental, and spiritual well-being, and we hope to learn from the third-party review process to identify areas for improvement and do more for our employees.

- (8) The diversity of the clubs allows employees to strengthen their bodies and minds, and increase their hobbies after work, which include:
 - A. The running club has two top-notch athletes, with club president Zhang Jia-Jun achieving an impressive 7th place in the 2022 Soochow University International Ultra Marathon, and club member Lu Shih-Miao being ranked 86th among the all-time top 100 female marathon runners in Taiwan, as well as winning the championship in the national marathon held in Sanchong District. This year there are a total of 5 marathons, including the National Marathon in Sanchong, the Alishan Cloud Run, the New Taipei City Railway Marathon Relay, the Far Eastern New Century Classic Marathon, and the Suao-Hualien Marathon. Many employees who have a long-term passion for running often participate in various races, encouraging each other to complete the races and exchanging health and exercise information. They inject a passion into their lives outside of work. The company also provides subsidies and promotions, inviting more people to participate. We aim to make the love of sports an important element of the company, which is deeply embedded in the soul of WT Microelectronics.
 - B. The Company holds the annual "WT Cup" badminton and basketball competitions, which promote communication and entertainment through sports. The Company provides prize money, trophies, medals, and a complete competition environment and equipment, allowing colleagues to experience the atmosphere of formal competitions. The Company invites customers and suppliers to form teams to compete and hopes to use sports to make friends, enhance interaction, relieve work pressure, and exchange pure enthusiasm for sports.
 - C. The brain teasing board game club regularly hosts board game events every month and will add new games from time to time, increasing the fun of playing board games. Employees and their families are invited to join the fun. Carefully selected board games allow the children of employees to develop their talents and creativity.
 - D. Besides organizing regular flower arrangement classes every month, the floral club hosts special classes every year on important holidays. The classes are based on any topic related to flowers. The unique and interesting vases increase the fun and

uniqueness of the works. The best works from each class are displayed in the office for employees to admire and to improve the atmosphere in the office.

- E. The cooking club provides Chinese, Western, exotic, and desert cooking classes. Participants work in pairs to cook the dishes. The addition of simple interactive games fills the classes with the fragrance of food and joyous laughter. Participants can learn new cooking techniques through this great channel for cooperation.
- F. The managers of the mountain climbing club include members with professional mountain climbing licenses and extensive climbing experiences. They lead the members to visit various beautiful mountain landscapes. Besides difficult mountain climbing events, easier hiking schedules have been planned for families.
- (9) The WT Microelectronics Book Club aims to promote the habit of reading. It adds new books in different fields every month to expand the knowledge of the employees. The Book Club allows the employees to improve their cultural qualities, adjust their body and mind, and expand their relevant knowledge during their spare time. A spacious, bright, and comfortable space has been established in the Company, which provide coffee and other drinks. Employees can take a break from their work, have a coffee, read a magazine, and clear their minds in this leisurely space.
- ESG has started a trend. The Company invited Xiu-Chen Wu, Editor-in-chief of the health website of Business Weekly, and Chief Sustainability Officer of the Company to host the " Global Carbon Yearbook Reading Event" to help everyone understand why the world is actively promoting sustainability and discussing carbon emissions. What is this ESG that suppliers, customers and various large companies are writing about? Why is it so important? " Carbon" will no longer just be part of the headlines, but an important issue for caring for the Earth's environment in the minds of you and me.
 - The calendar giveaway event named "PWSS Calendar" is based on the sustainability issue of "Encountering the Best of the World in Taiwan". It allows us to identify ourselves with the land we live on. Each page of the calendar is a step to deepen our understanding and connection to Taiwan's stories. Understanding Taiwan's sustainability is equal to corporate sustainability. The employees were very enthusiastic, and the 500 copies distributed did not satisfy the demand. In addition, several book-giving events were held. The Company is very committed to enriching the spiritual energy, enhancing cultural literacy, and cultivating diverse values of everyone.
- (10) TV walls have been set up on each floor, broadcasting different themes daily such as club activities, employee travel snapshots, departmental team motivation activities, festival events, latest announcements, environmental safety and health-related knowledge, health and disease prevention information to achieve the effect of promoting events and disseminating important information.

- (11) Art and cultural exhibition tickets allow employees to absorb knowledge from different perspectives and improve engagement with their family. Not only that, together with charity organizations to promote concerts, the Company is combining the fragrance of knowledge and the warmth of public welfare, and promoting cultural activities such as "The World Citizen Academy and Concert", "In Tribute to Giants Concert", "WT Microelectronics and DBS Lunar New Year Music Fest", and "2222 Land of the Future, Innovative Sustainable Concept Exhibition".
- (12) Team building courses are organized every year to provide different team motivation exercises for employees. The diverse activities include fun events and DIY and printing courses, which encourage creativity, focus, and emotional exchanges among employees. They are designed to inspire employees to practice communication, problem solving, creativity and to boost morale in the workplace. Employees will also learn new things and find new hobbies in the process. Although the pandemic has reduced the number of events, the events will continue to be planned in order to ensure effective implementation in the future.
- (13) The Company has organized a weight loss program. The 5-month-long event consists of 15 weekly challenges with point collection, health and exercise classes, and weekly prizes of healthy meals for top performers. The event includes various types of home exercise, hiking challenges, cycling trips, sports club challenges, healthy eating feedback, aerobic exercise classes, daily communication of health messages through the LINE messaging platform, and point rewards for achieving goals. The event aims to promote healthy weight loss and efficient fat reduction. To enable employees to gradually lose weight and reduce fat, professional trainers have been arranged to design exercise programs, including systematic aerobic exercise and strength training for muscle building and fat reduction. In addition, dietary recommendations and physical fitness sculpting guidance are provided based on individual body conditions. We believe that maintaining a healthy lifestyle is a long-term commitment that should extend beyond the duration of this event. Therefore, in 2023, we will launch a year-long "Persistence Award" program to reward those who maintain their healthy weight and lifestyle habits over time. The event duration and rewards are limited. Sustaining the health of every member of the Company is our ongoing pursuit. A total of 423 people and 85 teams participated in the event, accounting for 35% of the employees in Taiwan. The total weight loss was 890 kilograms, which means an average weight loss of 2.1 kilograms per participant. The effectiveness of the event highlights the importance of health to the employees and the Company's effort in promoting proper weight loss.
- (14) In 2019, we launched our first beach clean-up activity, which took place at Zhuzihu Beach in Jinshan District, New Taipei City. There were 80 participants who picked up 247.6 kilograms of marine debris. In 2022, we changed the clean-up locations to

Shimen Baishawan, Kite Park, and Lao Mei Green Rock Beach on the North Coast of New Taipei City. A total of 137 people participated, cleaning up 1,484.2 kilograms of marine waste. Starting from 2023, we will adopt these three beaches and make beach cleaning an important monthly mission. We will also invite our customers and suppliers to join us in this effort, so that everyone can learn about the importance of environmental sustainability through beach cleaning activities.

- (15) We organized a hiking point collection event to encourage employees to engage in healthy hiking activities. Employees can bring their families to appreciate the beauty of the mountains in northern Taiwan and absorb goodness of the abundant fresh air. In addition, the hiking activity also includes checkpoint missions, making the event more diverse and allowing participants to learn more about the stories of each mountain peak and trail. The employees can broaden their horizons while maintaining their health.

2. Employee training:

The corporate developments attach importance to the comprehensive development of employees, and creates a suitable working environment based on the Company's belief in talent cultivation. Our employees possess the capabilities to deal with future changes in a rapidly evolving business environment. We have a comprehensive training and development roadmap in place, allowing our employees to effectively apply what they have learned and excel in their work.

(1) Training & Development Roadmap

Based on the future development of the organization and the needs of departments, the human resources unit plans training activities suitable for each level and function each year, cooperates with the unit supervisor to implement OJT (on the job training), and gradually trains employees to have the necessary knowledge and skills.

Training & development roadmap is constructed as follows:

- a. Core Value: The Company's core value guides employees to move in the same direction as the Company does, and the Group cultivates employees to have mentality and behavior in line with core values.
- b. New Employee Orientation: We assist new hires to assimilate into the new work environment through various training activities and a mentoring system, and assist them to identify with the corporate culture and management principles.
- c. Working Skill Training: We provide periodical training for our employees to improve their soft skills and hard skills required at work, in order to enhance work efficiency.
- d. Functional Expertise Training: All units have developed employees' relevant professional skills and knowledge through internal and external training and OJT.
- e. Leadership Development: We provide tailor-made management and leadership modules for employees at various levels to help improve management skills and foster leadership thinking among department heads. This equips employees with the necessary know-how and drives them to lead their teams in achieving the

organization's goals.

- f. Language Training: We also provide our employees with foreign language training which helps them to develop excellent business communication skills, expand their global horizons and become top-notch professionals.

(2)Implementation of employee education and training in the current year:

Total number of trainees	Total training sessions	Total training hours
25,809 people	874 sessions	25,522

3.Information on the relevant licenses specified by the competent authority obtained by the Group's personnel related to financial information transparency:

- (1)International certified internal auditor: 2
(2)R.O.C. Certified Internal Auditors: 2
(3)R.O.C. CPA: 2

4.Retirement system and its implementation:

The Supervisory Committee of Business Entities' Labor Retirement Reserve was established in February 1998. It consists of 9 members, with 3 business representatives and 6 labor representatives. The members are re-elected every four years, and verify and audit the contribution amount, deposit and disbursement of workers' retirement reserve fund to ensure the rights and interests of workers. At present, the Company contributes 2% of total monthly salary to the workers' retirement reserve fund to the account in the Bank of Taiwan (formerly known as the Central Trust of China).

Since July 1, 2005, the Company established retirement regulations for the defined contribution plan, which is applicable to employees with ROC citizenship in accordance with the Labor Pension Act. The Company contributes a monthly pension of not less than 6% of the salary to individual accounts at the Bureau of Labor Insurance for employees applicable to the Act.

Employees who meet the following retirement requirements may follow the retirement procedure to apply for retirement. The plan provides support and care for employees after they retire.

Retirement eligibility:

- I. Employees who meet any one of the following criteria may apply for voluntary retirement:
- (I) Having worked in the company for more than 15 years and are 55 years old and older
 - (II) Having worked in the company for more than 25 years.
 - (III) Having worked in the company for more than 10 years and are 60 years old and older
- II. Mandatory retirement does not apply unless employees meet one of the following criteria:
- (I) 65 years old and older.

(II) Having an mental disorder or physical disability that renders the employee unable to perform his/her duties.

III. The age at retirement is determined according to the information provided by household registration, and is counted in full years from the date of birth.

Retirement procedure:

Time	Employee	Responsible unit	Description
One month before retirement	Submit a retirement application	Approve the retirement application	Retirement application shall be made by completing a retirement application form and a document and property checklist. An employee will not be able to proceed with the retirement procedure until the application is approved by a person in charge.
Before the retirement date	Complete the handover and return all company documents and property and complete related procedures		
On the retirement date	The official retirement date	Check that the retirement procedure is completed	
During the 30 days following retirement		Approve the pension payment	The company will make the pension payment within thirty days after an employee's pension application is approved. If unable to pay in a lump sum, the company may file the case for the competent authority's approval and make the payment in installments.

5. Employer-employee relations and employee rights protection measures:

The Group has always attached great importance to employees' benefits and interests, and actively promotes harmonious relationships between employees and employer. The Company has working rules and various personnel management regulations, which specifically regulate the rights and obligations of labor and employer and management matters, so employees can fully understand, abide by and protect their rights and interests. The Company also has an employee complaint channel. Through emails or the stakeholder section on the Company's official website, employees can have two-way communication about the Company's systems and regulations and problems they encountered in the workplace.

In addition, according to the Company's Articles of Association, if the Company has a profit, it shall appropriate no less than 1% as employee compensation to reward employees.

At present, employee rights have been properly protected, and both sides are expected to continue maintaining a harmonious relationship in the future with good interaction and communication.

6. Protective measures taken to ensure a safe working environment and maintain employees' personal safety:

The Group's primary goal is to provide employees with a safe, healthy and comfortable

work environment, promoting a friendly working environment with harmonious management-labor relations and mutual trust and assistance. The Group also complies with laws and regulations related to environmental protection, safety and health policies. In 2022, all operating locations in Taiwan had zero incidents of disability or injury (0 cases of occupational accidents, 0 people affected by occupational accidents, and 0% occupational accident ratio). The Company upholds the continued goal of achieving no work-related injuries.

The Group is committed to the following matters:

(1) Access security management

In addition to having security guards deployed in the industrial park, there is a 24-hour strict access control system monitoring day and night. Emergency pagers are installed in the restroom. Employees need to wear their identification cards when entering and leaving the office. Employees staying in the office at night must check in and register. The Company has also signed a contract with a security company to strengthen office and warehouse security.

(2) Regular inspection of equipment and building maintenance

The Group complies with the relevant domestic laws and regulations, such as the Occupational Safety and Health Act and fire management regulations, and requires regular maintenance of equipment, buildings and fire-fighting equipment to meet the regulatory requirements.

(3) Hazard prevention

The Company established safety and health work rules for employees to follow in order to prevent occupational disasters and protect the safety and health of employees. The Group has set category A occupational safety and health affair supervisors, category B health and safety management personnel, and several on-site emergency personnel and firefighting management personnel, and provides relevant training. In addition, the Group also organizes a fire self-prevention team, and conducts fire safety drills every six months.

(4) Environment cleaning and management

- a. The central air conditioning in the office is maintained and cleaned annually to keep air fresh in the office. The office is regularly sanitized and maintained each year, including vector disinfection and carpet cleaning, to maintain the cleanliness of the office.
- b. Automatic coffee machines are cleaned and maintained daily. The drinking water dispenser's filter is regularly changed and the water quality is tested to ensure the quality of drinking water.

(5) Health management

- a. Organize health education lectures, irregularly promote health knowledge, strengthen employees' health and safety self-management, and prevent and reduce the chance of accidents.
- b. Dedicated health managers and monthly physician consultation services, as well as

- periodic physical therapist consultations.
 - c. Regularly implement employee health checkups and health management follow-up every year.
 - d. Facial recognition temperature readers are installed on all floors to detect anyone with a fever entering the office. Forehead thermometers, ear thermometers, alcohol disinfectant sprays, and medical grade masks are made available to employees. Decontamination hand sanitizer is prepared in pantries and on sink counters in restrooms to prevent the spread of epidemic diseases and maintain employees' health.
 - e. Smoking is completely banned in the office so that employees can work in a smoke-free work environment.
- (6) Promoting sports activities
- A multi-purpose classroom is provided for sports courses, a variety of sports courses offered in coordination with the sports center, and employees are encouraged to participate in the courses to develop good exercise habits.
- (7) Educational training and promotion
- a. New employees must participate in new employee training to become familiar with the working environment and to promote employee safety.
 - b. Promote energy saving and carbon reduction, reduce waste of resources, and promote environmental protection activities in the office. The Company irregularly prepares promotion materials to educate employees to develop energy-saving and carbon-reducing habits and jointly save the Earth.
- (8) Resource recycling applications and energy conservation and carbon reduction measures
- a. Implement waste sorting and encourage recycling and reuse, in order to reduce waste and reduce the impact on the environment.
 - b. Recycle and reuse carton boxes and packaging materials.
 - c. Promote electronic information management in office, paper double-sided printing, reusing the blank back side of recycled papers, and reusing manila envelopes internally. Add photocopiers with a scanning function to reduce the printing on paper.
 - d. In the face of material ESG issues of concern to world, the Company pursues sustainability in its daily operations. The Company continues to conduct GHG inventories for sustainable development, promotes GHG emission control, and implements reduction measures according to ISO 14064 standards in order to fulfill the environmental obligations of a carbon reducing company.
 - e. Installed LED lighting in the offices.
 - f. We have reduced the use of disposable tableware, such as disposable dishes and cups, during all activities to implement waste reduction and plastic reduction.
- (II) Losses sustained due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specify the date of the penalty, letter number, article violated, provision violated, details of the penalty) in the most recent year and up to the printing date of the annual report, and disclose current and future estimated amount and

response measures; if it cannot be reasonably estimated, describe the facts that it cannot be reasonably estimate:

The Company did not sustain any losses due to employer-employee disputes in the most recent year and up to the annual report publication date.

In addition, on January 13, 2023, the labor inspection results showed a violation of Article 24 of the Labor Standards Act (Penalty letter number: New Taipei Labor Inspection No. 1124650588) due to the untimely completion of overtime applications for extended work hours. A fine of NT\$50 thousand was imposed. The Company has strengthened the promotion of fulfilling their management obligations and employee care to the managers. It has strengthened working hours management and overtime tracking to focus on the labor rights and physical and mental health protection for employees.

The Company has always attached great importance to employees' benefits and interests, and actively promotes harmonious relationships between employees and employer. The Company established work rules and management regulations in accordance with the Labor Standards Act and related laws and regulations, and also established the "Sustainable Development Best Practice Principles", which prescribes the rights and obligations of employee and employer, as well as management matters. This allows employees to fully understand and comply with and protect their lawful rights and social welfare. The Company fulfills its commitment to vendors, customers, employees, shareholders and society, and will give every effort to protect the rights and interests of all stakeholders, making WT Microelectronics Co., Ltd. a trustworthy enterprise.

The Company also provides a good communication platform, and allows all stakeholders to provide feedback on the Company's official website; internal employees may provide feedback via e-mail, telephone, or writing, and engage in two-way communication regarding issues encountered in the Company's systems and work environment, as well as issues they are concerned about. The Company can also properly handle and provide feedback or improvement plans to achieve effective communication. The Group regularly convenes supervisor meetings and related department meetings, and notifies the operational changes that may have a significant impact on employees through methods such as announcements, etc. At present, employee rights have been properly protected, there have been no major employer-employee disputes or negotiations, and both sides are expected to continue maintaining a harmonious relationship in the future with good interaction and communication.

VI.Cyber security management

(I) Information security risk management structure, information security policies, specific management solutions, and resources invested in information security management.

(1) Information security risk management framework

The Chief Information Officer acts as the team convener and assembles the information security team, which includes the strategic, technical, and audit groups. The officer is responsible for coordinating, planning, implementing, and analyzing

information security incidents. They also regularly report the compiled issues and implementation directions to the Board of Director.

(2) Information security policy

1. The strategy group is responsible for planning and implementing the information security policy, management and implementation measures, and product or service deployment plans.
2. The technical team is responsible for implementing management measures, product and service POC and introduction, and follow-up maintenance support.
3. The audit group is responsible for assisting internal independent audit units in reviewing information security policies and verifying the implementation of procedures on a quarterly basis. The group proposes improvement plans and tracks subsequent implementation based on the audit reports submitted by the audit unit.

(3) Specific management solutions

1. Implement anti-virus software protection on personal computers and servers and behavior analysis modules to protect endpoint security.
2. External Firewalls shall have application identification capabilities, intrusion protection, and advanced threat protection to enhance the defense capability against external attacks.
3. Internal Firewalls should list explicitly accessible services to prevent risk exposure.
4. The user identity module separates visitors from employees and gives different access paths.
5. Implement the advanced threat protection module against scam mail to strengthen phishing protection and prevent sensitive data theft.
6. Introduce endpoint/network detection and response (EDR/NDR) mechanisms with AI and machine learning; autonomous learning establishes the normal behavior model and identifies and blocks abnormal behavior.
7. Sign SOC/MDR with suppliers to provide 24/7 threat analysis and monitoring services.
8. The vulnerability management detection and response discover system vulnerabilities and continuous tracking and remediation.
9. Introduced two-factor authentication to reduce identity theft risks.
10. Continue to implement social engineering rehearsals and conduct training to improve information security awareness among employees.
11. Professional training for information security personnel continues to be enhanced to ensure that the operating personnel meet the information security standards.
12. Joined TWCERT/CC and other information security joint defense organizations to strengthen the information security joint defense system and threat intelligence sharing.
13. Passed and obtained ISO/IEC 27001:2013 and CNS 27001:2014 certification. The Company regularly maintains the validity of the certification. The validity period for the certification is from December 13, 2022, to October 31, 2025.

(4) Resources invested in information security management

1. The Group has assigned a total of 4 people to the information security team. The

team is responsible for investigating and responding to information security incidents, threat intelligence analysis, vulnerability management, and the assessment and introduction of new information security technologies and architectures.

2. Regularly inspect information security vulnerabilities every week, review the corrections every month, and convene management review meetings every quarter.
 3. 79,516 endpoint threat incidents were successfully intercepted with anti-virus endpoint protection and behavior analysis modules.
 4. 1,627,450 junk emails and 608,953 threat emails were successfully intercepted with junk mail protection and threat protection modules.
 4. The Company continues to hold social engineering drills and training. In 2022, 118,297 social engineering drill emails were sent. 1 session of digital education and training for the entire group and 1 enhanced training session for core system related personnel and supervisors were held.
 5. Professional training and information security certification: 7 information security-related international certificates and over 120 hours of professional training.
- (II) In the most recent year, and as of the printing date of the annual report, if the damages, possible effects, and response measures of major information security incidents cannot be reasonably estimated, the reason for being unable to provide a reasonable estimation should be explained: There were no financial losses caused by major information security incidents in the most recent year and up to the Annual Report publication date.
- (III) For the detailed content and future plans of the Group's information security management, please refer to the Group's ESG website. (<https://esg.wtmec.com/1359/>)

VII. Material contracts

(As of the annual report publication date on April 19, 2023)

Nature of contract	The Parties	Term of contract	Content	Restriction clauses
Distributor Agreement [WT Microelectronics Co., Ltd.]	ON Semiconductor Trading Sarl	2020/6/1-2025/5/31	Agent distribution of semiconductor products	Restrictions on distribution territory
	STMicroelectronics Asia Pacific Ltd.	2011/1/1-2011/12/31 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Marvell Asia Pte. Ltd.	2017/9/28-2018/9/27 Unless terminated by either party, it shall be automatically renewed monthly	Agent distribution of semiconductor products	Restrictions on distribution territory
	Ambarella Inc.	2005/10/1-2006/9/30 If contract performance continues after termination, the contract will be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	MagnaChip Semiconductor, Ltd.	2010/5/1-2011/4/30 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Micron Semiconductor Asia Pte.	Perpetually effective since 2012/1/1	Agent distribution of semiconductor products	Restrictions on distribution territory
	Nuvoton Technology Corporation	Perpetually effective since 2011/4/2	Agent distribution of semiconductor products	Restrictions on distribution territory
	U-blox AG	2010/9/6-2011/9/5 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Silicon Laboratories International Pte. Ltd.	2019/1/1-2019/12/31 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Philips Lumileds Lighting Company	2012/12/20-2013/12/19 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Sanken Electric, Co., Ltd.	2013/1/1-2016/5/31 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	NXP Semiconductors Netherlands B.V.,	2016/7/4-2017/7/3 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Silergy Corp.,	2016/3/7-2017/3/6 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	DIGITALPERSONA, INC	2019/7/1-2020/6/30 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Taiwan Semiconductor Co.	2017/6/2-2018/6/1 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Skyworks Solutions, Inc.,	2018/10/1-2019/9/30 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
Integrated Device Technology Malaysia Sdn. Bhd.	2017/10/2-2019/10/1 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory	
IDT Europe GmbH	2017/10/2-2019/10/1 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory	

Nature of contract	The Parties	Term of contract	Content	Restriction clauses
Distributor Agreement [WT Microelectronics Co., Ltd.]	Synaptics Incorporated	2021/8/11-2022/8/10 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Nuvoton Technology Corp	2018/2/1-2019/1/31 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Ams AG	Perpetually effective since 2021/10/29	Agent distribution of semiconductor products	Restrictions on distribution territory
	MPS International Ltd.	2021/3/6-2025/3/5 Renewable upon written agreement between both parties	Agent distribution of semiconductor products	Restrictions on distribution territory
	Dialog Semiconductor Operations Services Limited, Dialog Semiconductor GmbH and Dialog Semiconductor US Inc.	Perpetually effective since 2021/9/9	Agent distribution of semiconductor products	Restrictions on distribution territory
	Tyco Electronics Singapore Pte. Ltd.	2021/6/21-2023/9/30 Unless terminated by either party, it shall be automatically renewed for one year, but can only be renewed up to 2 times	Agent distribution of semiconductor products	Restrictions on distribution territory
	Qorvo International Pte. Ltd.,	Perpetually effective since 2021/9/10	Agent distribution of semiconductor products	Restrictions on distribution territory
	AP Memory Technology Corporation	2021/2/1-2023/1/31 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Nanya Technology Corporation	2022/1/1-2022/12/31 Unless terminated by either party, it shall be automatically renewed for one year, but may only be renewed once	Agent distribution of semiconductor products	Restrictions on distribution territory
	Microsemi Corporation	Perpetually effective since 2018/3/16	Agent distribution of semiconductor products	Restrictions on distribution territory
	Avago Technologies International Sales Pte. Limited	2008/1/20-2023/6/30	Agent distribution of semiconductor products	Restrictions on distribution territory
	OmniVision Technologies Singapore Pte. Ltd.	2019/7/20-2020/7/19 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Semtech (International) AG	2018/9/1-2019/8/31 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Microchip Technology Ireland	Perpetually effective since 2018/10/1	Agent distribution of semiconductor products	Restrictions on distribution territory
CREE, INC.	2019/11/26-2021/12/31 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory	
Amlogic Co., Limited	Perpetually effective since 2019/1/1	Agent distribution of semiconductor products	Restrictions on distribution territory	

Nature of contract	The Parties	Term of contract	Content	Restriction clauses
Distributor Agreement [WT Microelectronics Co., Ltd.]	Winbond Electronics Corporation	2022/1/1 -2022/12/31	Agent distribution of semiconductor products	Restrictions on distribution territory
	Qwave Technology Co., Ltd.	2019/10/1-2020/9/30 Automatically renewed	Agent distribution of semiconductor products	Restrictions on distribution territory
	Renesas Electronics Corporation	Perpetually effective since 2019/11/8	Agent distribution of semiconductor products	Restrictions on distribution territory
	Allegro MicroSystems, Inc.	Perpetually effective since 2020/5/1	Agent distribution of semiconductor products	Restrictions on distribution territory
	ASMedia Technology Inc.	2019/7/1-2024/6/30 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Elite Semiconductor Memory Technology Inc.	2019/7/1-2020/6/30 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	DIODES TAIWAN S.A R.L., TAIWAN BRANCH (LUXEMBOURG) / DIODES HONG KONG LIMITED	Perpetually effective since 2018/5/1	Agent distribution of semiconductor products	Restrictions on distribution territory
	INTEL SEMICONDUCTOR (US) LLC,	2019/3/30-2019/12/31 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	AMPLEON NETHERLANDS B.V.	2019/4/1-2019/12/31 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Efinix, Inc.	2022/4/20-2023/4/19 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	QUALCOMM TECHNOLOGIES INTERNATIONAL , LTD.	2022/5/15-2023/5/14 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Analog Devices International U.C.,	2022/7/31-2023/12/31 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	AnDAPT Technology Ltd	Perpetually effective since 2022/9/1	Agent distribution of semiconductor products	Restrictions on distribution territory
	Will Semiconductor Limited	2023/2/21-2024/2/20 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Suzhou Novosense Microelectronics Co., Ltd.	2023/1/1-2024/12/31 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	WEFORCE Co., Ltd.	2022/10/1/-2023/9/30 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
HLJ Technology Co., Ltd.	2023/1/1 to 2023/12/31 Both parties may negotiate contract renewal at the end of the period	Agent distribution of semiconductor products	Restrictions on distribution territory	
PANJIT International Inc.	2022/6/10-2023/6/9 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory	

Nature of contract	The Parties	Term of contract	Content	Restriction clauses
Distributor Agreement [WT Microelectronics Co., Ltd.]	Elevation Semiconductor Inc	Perpetually effective since 2022/6/1	Agent distribution of semiconductor products	Restrictions on distribution territory
	Richtek Technology Corporation	2022/7/1-2023/6/30	Agent distribution of semiconductor products	Restrictions on distribution territory
	Smarter Microelectronics (Guangzhou) Co., Ltd., Smarter Microelectronics (Hong Kong) Limited	2022/1/1-2025/12/31	Agent distribution of semiconductor products	Restrictions on distribution territory
Distributor Agreement [Nuvision Technology Inc.]	Realtek Semiconductor Corp,	Perpetually effective since 2017/1/1	Agent distribution of semiconductor products	Restrictions on distribution territory
Distributor Agreement [Morrihan International Corp.]	Avago Technologies International Sales Pte. Limited	2008/1/20-2023/6/30	Agent distribution of semiconductor products	Restrictions on distribution territory
	Core Semiconductor Technology Co., Ltd.	2022/1/4-2027/1/3	Agent distribution of semiconductor products	Restrictions on distribution territory
Distributor Agreement [WT Microelectronics Shenzhen]	ASR Microelectronics (Shenzhen)Co.,Ltd.	Perpetually effective since 2019/11/25	Agent distribution of semiconductor products	Restrictions on distribution territory
Distributor Agreement [WT Microelectronics Shanghai]	ASR Microelectronics Co., Ltd. 、ASR SMART TECHNOLOGY CO., LTD.	Perpetually effective since 2021/3/25	Agent distribution of semiconductor products	Restrictions on distribution territory
Distributor Agreement [Techmosa International Inc.]	Nanya Technology Corporation	2022/1/1 -2022/12/31 Unless terminated by either party, it shall be automatically renewed for one year, but may only be renewed once	Agent distribution of semiconductor products	Restrictions on distribution territory
	Smartsens Technology (Shanghai) Co., Ltd., Smartsens Technology (Hong Kong) Co., Ltd., and Kunshan Yexin Technology Co., Ltd.	2021/5/1-2022/4/30 Unless terminated by either party, it shall be automatically renewed for one year, but may only be extended for 3 years	Agent distribution of semiconductor products	Restrictions on distribution territory
Distributor Agreement [Maxtek Technology Co., Ltd.]	MPS International Ltd.,	2022/1/23-2024/1/12 Renewable upon written agreement between both parties	Agent distribution of semiconductor products	Restrictions on distribution territory
	MediaTek Inc.	Perpetually effective since 2021/9/17	Agent distribution of semiconductor products	Restrictions on distribution territory
Distributor Agreement [Hongtech Electronics Co., Ltd.]	QUALCOMM TECHNOLOGIES INTERNATIONAL , LTD.	2016/4/12-2017/4/11 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory

Nature of contract	The Parties	Term of contract	Content	Restriction clauses
Distributor Agreement [Excelpoint]	Analog Devices International U.C.	Perpetually effective since 2003/3/1	Agent distribution of semiconductor products	Restrictions on distribution territory
	Microchip Technology Ireland	Perpetually effective since 2012/1/1	Agent distribution of semiconductor products	Restrictions on distribution territory
	Qorvo International Pte. Ltd.	Perpetually effective since 2016/7/3	Agent distribution of semiconductor products	Restrictions on distribution territory
	Bourns, Ins	Perpetually effective since 2021/5/9	Agent distribution of semiconductor products	Restrictions on distribution territory
	NXP Semiconductors Netherlands B.V.	2016/7/4-2017/7/3 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Ams AG	Perpetually effective since 2021/12/15	Agent distribution of semiconductor products	Restrictions on distribution territory
	Samsung Electro-Mechanics Pte. Ltd.	2013/11/15-2014/11/14 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Xilinx, Inc.	Perpetually effective since 2016/8/17	Agent distribution of semiconductor products	Restrictions on distribution territory
	SHANGHAI SIMCOM WIRELESS SOLUTIONS LIMITED	Perpetually effective since 2017/8/9	Agent distribution of semiconductor products	Restrictions on distribution territory
	Omron Electronic Components Pte. Ltd.	2021/1/8 -2022/1/7 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	TRINAMIC Motion Control GmbH & Co. KG	2018/2/1-2019/1/31 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	TDK Singapore (Pte) Ltd.	2017/7/1-2022/6/30 Renewable for another 5 years upon agreement between both parties	Agent distribution of semiconductor products	Restrictions on distribution territory
	EPSON SINGAPORE PET LTD.	2013/1/1-2013/12/31 Automatically renewed unless terminated by either party	Agent distribution of semiconductor products	Restrictions on distribution territory
	Shanghai Anlogic Infotech Co., Ltd.	2020/8/15-2023/8/14	Agent distribution of semiconductor products	Restrictions on distribution territory
	Power Integrations International Ltd.	2015/7/1-2016/12/31 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	Rohm Semiconductor Singapore Pte. Ltd.	2015/10/19-2016/10/18 Unless terminated by either party, it shall be automatically renewed for one year	Agent distribution of semiconductor products	Restrictions on distribution territory
	STACKPOLE TECHNOLOGY, INC.	Perpetually effective since 2014/1/1	Agent distribution of semiconductor products	Restrictions on distribution territory
EGGTRONIC ENGINEERING S.p.A.	Unless terminated by either party, it shall be automatically renewed for one year from 2023/1 onwards	Agent distribution of semiconductor products	Restrictions on distribution territory	

Chapter 6. Financial Overview

I. Condensed Balance Sheet and Statement of Comprehensive Income for the past 5 fiscal years

(I) Condensed Balance Sheet and Statement of Comprehensive Income

1. Condensed Balance Sheet (Consolidated)

Unit: NT\$ thousand

Year		Financial statements for the past five years (Note 1)				
Item		2018	2019	2020	2021	2022
Current assets		88,883,516	96,159,316	111,091,657	149,136,255	183,649,584
Property, plant and equipment (Note 2)		995,294	1,010,410	1,003,193	1,004,215	974,071
Intangible assets		1,878,609	1,883,859	1,911,613	1,972,777	3,371,512
Other assets (Note 2)		2,067,389	2,313,651	17,003,135	21,236,040	12,207,003
Total assets		93,824,808	101,367,236	131,009,598	173,349,287	200,202,170
Current liabilities	Before distribution	71,284,303	75,682,313	82,612,742	110,582,313	124,816,197
	After distribution	72,672,270	77,327,424	85,202,369	115,283,345	128,898,262
Non-current liabilities		732,917	2,205,787	2,280,475	8,906,666	20,411,652
Total liabilities	Before distribution	72,017,220	77,888,100	84,893,217	119,488,979	145,227,849
	After distribution	73,405,187	79,533,211	87,482,844	124,190,011	149,309,914
Equity attributable to owners of parent		21,806,876	23,478,394	46,078,017	53,767,865	54,105,345
Share capital		5,576,106	5,914,369	9,232,317	9,378,566	10,185,297
Capital surplus		8,773,382	9,531,836	20,094,981	20,444,778	25,294,109
Retained Earnings	Before distribution	7,600,956	8,823,331	11,142,755	17,208,283	20,190,326
	After distribution	6,212,989	7,178,220	8,553,128	12,507,251	16,108,261
Other equity		(143,568)	(791,142)	5,607,964	6,736,238	(1,564,387)
Treasury shares		0	0	0	0	0
Non-controlling interest		712	742	38,364	92,443	868,976
Total equity	Before distribution	21,807,588	23,479,136	46,116,381	53,860,308	54,974,321
	After distribution	20,419,621	21,834,025	43,526,754	49,159,276	50,892,256

Note 1: The above financial statements have been audited by an independent accountant.

Note 2: No assets were reappraised in the years above.

Note 3: As of the publication date of this annual report, the 2023 Q1 financial statements have not been reviewed by independent accountants, thus the information is not disclosed in this report.

2. Condensed Balance Sheet (Parent Company Only)

Unit: NT\$ thousand

Year		Financial statements for the past five years (Note 1)				
		2018	2019	2020	2021	2022
Item						
Current assets		57,901,824	65,048,475	75,268,446	98,224,684	105,311,850
Property, plant and equipment (Note 2)		473,628	487,709	442,017	431,785	342,059
Intangible assets		228,117	254,427	202,243	274,384	257,102
Other assets (Note 2)		19,311,502	19,370,382	34,796,717	41,388,532	39,011,237
Total Assets		77,915,071	85,160,993	110,709,423	140,319,385	144,922,248
Current liabilities	Before distribution	55,601,536	59,920,804	62,788,343	78,027,227	71,173,624
	After distribution	56,989,503	61,565,915	65,377,970	82,728,259	75,255,689
Non-current liabilities		506,659	1,761,795	1,843,063	8,524,293	19,643,279
Total liabilities	Before distribution	56,108,195	61,682,599	64,631,406	86,551,520	90,816,903
	After distribution	57,496,162	63,327,710	67,221,033	91,252,552	94,898,968
Share capital		5,576,106	5,914,369	9,232,317	9,378,566	10,185,297
Capital surplus		8,773,382	9,531,836	20,094,981	20,444,778	25,294,109
Retained earnings	Before distribution	7,600,956	8,823,331	11,142,755	17,208,283	20,190,326
	After distribution	6,212,989	7,178,220	8,553,128	12,507,251	16,108,261
Other equity		(143,568)	(791,142)	5,607,964	6,736,238	(1,564,387)
Treasury shares		0	0	0	0	0
Total equity	Before distribution	21,806,876	23,478,394	46,078,017	53,767,865	54,105,345
	After distribution	20,418,909	21,833,283	43,488,390	49,066,833	50,023,280

Note 1: The above financial statements have been audited by an independent accountant.

Note 2: No assets were reappraised in the years above.

3. Condensed Statement of Comprehensive Income (Consolidated)

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

Item \ Year	Financial statements for the past five years (note 1)				
	2018	2019	2020	2021	2022
Operating revenue	273,416,485	335,187,151	353,152,195	447,896,117	571,197,118
Operating margin	10,644,948	10,800,405	10,774,422	16,986,639	19,832,155
Operating profit	5,253,715	5,253,230	5,315,969	10,557,129	11,782,617
Non-operating income and expenses	(1,632,905)	(1,944,145)	(517,200)	(377,304)	(1,871,475)
Profit before income tax	3,620,810	3,309,085	4,798,769	10,179,825	9,911,142
Profit from continuing operations	2,778,515	2,531,247	3,794,576	7,855,168	7,600,364
Profit (loss) on discontinued operations	0	0	0	0	0
Profit for the year	2,778,515	2,531,247	3,794,576	7,855,168	7,600,364
Other comprehensive income (loss) (Net amount after tax)	261,002	(568,192)	6,569,424	2,139,842	(7,069,962)
Total comprehensive income	3,039,517	1,963,055	10,364,000	9,995,010	530,402
Profit attributable to owners of the parent	2,778,229	2,530,940	3,794,178	7,923,257	7,631,123
Profit attributable to non-controlling interest	286	307	398	(68,089)	(30,759)
Comprehensive income attributable to owners of the parent	3,039,224	1,962,768	10,363,641	10,062,378	551,844
Comprehensive income (loss) attributable to non-controlling interest	293	287	359	(67,368)	(21,442)
Earnings per share (Note 2)	5.02	4.32	5.22	9.96	8.61

Note 1: The above financial statements have been audited by an independent accountant.

Note 2: Based on weighted average shares outstanding in the current year.

Note 3: As of the publication date of this annual report, the 2023 Q1 financial statements have not been reviewed by independent accountants, thus the information is not disclosed in this report.

4. Condensed Statement of Comprehensive Income (Parent Company Only)

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

Item \ Year	Financial statements for the past five years (Note 1)				
	2018	2019	2020	2021	2022
Operating revenue	213,640,619	273,996,730	288,646,964	353,800,743	419,523,201
Operating margin	4,512,445	4,744,426	5,123,566	8,508,400	8,366,441
Operating profit	2,272,517	2,308,434	2,285,528	5,522,576	4,767,477
Non-operating income and expenses	872,596	573,962	1,931,701	3,636,811	3,854,806
Profit before income tax from continuing operations	3,145,113	2,882,396	4,217,229	9,159,387	8,622,283
Profit for the year	2,778,229	2,530,940	3,794,178	7,923,257	7,631,123
Other comprehensive income (loss)	260,995	(568,172)	6,569,463	2,139,121	(7,079,279)
Total comprehensive income	3,039,224	1,962,768	10,363,641	10,062,378	551,844
Earnings per share (Note 2)	5.02	4.32	5.22	9.96	8.61

Note 1: The above financial statements have been audited by an independent accountant.

Note 2: Based on weighted average shares outstanding in the current year.

(II) Name of CPA and Auditors' Opinions for the past 5 fiscal years

Year	Name of accounting firm	Name of CPA	Audit opinion
2018 (2018.1.1-2018.12.31)	PricewaterhouseCoopers Taiwan	Hsu, Sheng-Chung and Hsu, Yung-Chien	Unqualified opinion
2019 (2019.1.1-2019.12.31)	PricewaterhouseCoopers Taiwan	Juanlu, Man-Yu, Wu, Han-Chi	Unqualified opinion
2020 (2020.1.1-2020.12.31)	PricewaterhouseCoopers Taiwan	Juanlu, Man-Yu, Wu, Han-Chi	Unqualified opinion
2021 (2021.1.1-2021.12.31)	PricewaterhouseCoopers Taiwan	Chieh-Ju, Hsu and Wu, Han-Chi	Unqualified opinion
2022 (2022.1.1-2022.12.31)	PricewaterhouseCoopers Taiwan	Chieh-Ju, Hsu and Hsu, Yung-Chien	Unqualified opinion

II. Financial analysis for the past 5 fiscal years

1. Financial Analysis (Consolidated)

Item		Financial analysis for the past 5 fiscal years (Note 1)				
		2018	2019	2020	2021	2022
Financial structure %	Debt to assets ratio	76.76	76.84	64.80	68.93	72.54
	Long-term capital to property, plant and Equipment	2,264.71	2,542.03	4,824.28	6,250.35	7,739.27
Solvency %	Current ratio	124.69	127.06	134.47	134.86	147.14
	Quick ratio	58.45	66.00	79.84	73.91	73.92
	Times interest earned	5.09	4.28	9.78	24.50	7.97
Operating performance	Average collection turnover (times)	7.71	8.04	6.57	6.50	7.08
	Average days of collection	47	45	56	56	52
	Average inventory turnover (times)	6.57	7.00	7.60	7.78	7.02
	Average payables turnover (times)	8.41	7.75	6.80	6.91	7.46
	Average days of sales	56	52	48	47	52
	Property, plant and equipment turnover (times)	306.99	334.23	350.77	446.24	577.47
	Total assets turnover (times)	3.24	3.43	3.04	2.94	3.06
Profitability	Return on assets(%)	4.13	3.42	3.64	5.39	4.68
	Return on equity (%)	13.27	11.18	10.90	15.71	13.97
	Pre-tax income to paid-in capital ratio (%)	64.93	55.95	51.98	108.54	97.31
	Net profit margin(%)	1.02	0.76	1.07	1.75	1.33
	Earnings per share (NT\$)	5.02	4.32	5.22	9.96	8.61
Cash flow	Cash flow ratio(%) (Note 2)	—	3.79	—	—	—
	Cash flow adequacy ratio(%) (Note 2)	—	—	—	—	—
	Cash reinvestment ratio(%) (Note 2)	—	5.88	—	—	—
Leverage	Operating leverage	1.91	1.93	1.91	1.55	1.66
	Financial leverage	1.20	1.24	1.11	1.04	1.14

Please provide the reasons for changes in financial ratios in the most recent two years (analysis not required if the change does not reach 20%):

1. Long-term capital to property, plant, and equipment ratio: The increase in long-term liabilities was mainly due to the continued expansion of the Company's business scale in 2022 and increase in revenue as well as new syndicated loan limits and the drawdown amount for operational needs.
2. Times interest earned: Resulted from the FED increasing interest rates and the interest costs rising in response in 2022.
3. Property, plant and equipment turnover: Due to continued expansion and rising revenue in 2022.
4. Net profit margin: The main reason is the Fed increasing interest rates and the market rates rising in response, leading to the increase in financial costs and decrease in net profit margin.

Note 1: The above financial statements have been audited by an independent accountant.

Note 2: Negative results are not listed.

Note 3: The calculation excludes cumulative effect of changes in accounting principles.

Note 4: The formulas for financial analysis calculations are as follows:

1. Financial structure:
 - (1) Debt to assets ratio = $\text{Total Liabilities} / \text{Total Assets}$
 - (2) Long-term capital to property, plant and equipment ratio = $(\text{Shareholders' Equity} + \text{Noncurrent Liabilities}) / \text{Net Property, Plant and Equipment}$
2. Solvency:
 - (1) Current ratio = $\text{Current Assets} / \text{Current Liabilities}$
 - (2) Quick ratio = $(\text{Current Assets} - \text{Inventories} - \text{Prepayments}) / \text{Current Liabilities}$
 - (3) Times interest earned = $\text{Net income before income tax and Interest expense} / \text{Current interest expense}$
3. Operating performance:
 - (1) Average collection turnover = $\text{Net Sales} / \text{Average Trade Receivables (including all accounts receivable and all notes receivable resulting from trade)}$
 - (2) Average days of collection = $365 / \text{Average Collection Turnover}$
 - (3) Average inventory turnover = $\text{Cost of goods sold} / \text{Average amount of inventory}$
 - (4) Average payables turnover = $\text{Cost of Sales} / \text{Average Trade Payables (including all Accounts payable and all notes payable resulting from trade)}$
 - (5) Average days of sales = $365 / \text{Average Inventory Turnover}$
 - (6) Property, plant and equipment turnover = $\text{Net Sales} / \text{Average Net Property, Plant and Equipment}$
 - (7) Total assets turnover = $\text{Net sales} / \text{Average total assets}$
4. Profitability:
 - (1) Return on assets = $(\text{Net Income} + \text{Interest Expenses} * (1 - \text{Effective Tax Rate})) / \text{Average Total Assets}$
 - (2) Return on equity = $\text{Net Income} / \text{Average Equity}$
 - (3) Net profit margin = $\text{Net Income} / \text{Net sales}$
 - (4) Earnings per share = $(\text{Net Income Attributable to Shareholders of the Parent} - \text{Preferred Stock Dividend}) / \text{Weighted Average Number of Shares Outstanding}$
5. Cash flow:
 - (1) Cash flow ratio = $\text{Net cash flows from operating activities} / \text{Current liabilities}$
 - (2) Cash flow adequacy ratio = $\text{Net cash flows from operating activities in the past five years} / (\text{Capital expenditure} + \text{Increase in inventory} + \text{Cash dividend}) \text{ in the past five years}$
 - (3) Cash reinvestment ratio = $(\text{Net cash flows from operating activities} - \text{Cash dividend}) / (\text{Gross margin of property, Plant and equipment} + \text{Long-term investment} + \text{Other non-current assets} + \text{Working capital})$
6. Leverage:
 - (1) Operating leverage = $(\text{Net Operating Revenue} - \text{Variable Operating Cost and Expenses}) / \text{Operating profit}$
 - (2) Financial leverage = $\text{Operating Profit} / (\text{Operating Profit} - \text{Interest Expense})$

2. Financial Analysis (Parent Company Only)

Item		Financial analysis for the past 5 fiscal years (Note 1)				
		2018	2019	2020	2021	2022
Financial structure %	Debt to assets ratio	72.01	72.43	58.38	61.68	62.67
	Long-term capital to property, plant and equipment	4,711.19	5,175.26	10,841.46	14,426.66	21,560.21
Solvency%	Current ratio	104.14	108.56	119.88	125.89	147.96
	Quick ratio	43.03	52.46	71.02	62.60	66.07
	Times interest earned	7.61	5.06	13.55	42.37	10.67
Operating performance	Average collection turnover (times)	11.78	10.36	7.77	7.78	8.99
	Average days of collection	31	35	47	47	41
	Average inventory turnover (times)	7.60	8.02	8.91	8.72	7.70
	Average payables turnover (times)	8.48	7.61	6.81	7.18	8.03
	Average days of sales	48	46	41	42	47
	Property, plant and equipment turnover (times)	473.54	570.03	620.93	809.80	1,084.26
	Total assets turnover (times)	3.21	3.36	2.95	2.82	2.94
Profitability	Return on assets (%)	4.75	3.80	4.15	6.45	5.85
	Return on equity (%)	13.27	11.18	10.91	15.87	14.15
	Pre-tax income to paid-in capital ratio (%)	56.40	48.74	45.68	97.66	84.65
	Net profit margin (%)	1.30	0.92	1.31	2.24	1.82
	Earnings per share (NT\$)	5.02	4.32	5.22	9.96	8.61
Cash flow	Cash flow ratio (%) (Note 2)	—	0.36	—	—	—
	Cash flow adequacy ratio (%) (Note 2)	—	—	—	—	—
	Cash reinvestment ratio (%) (Note 2)	—	—	—	—	—
Leverage	Operating leverage	1.81	1.87	2.05	1.48	1.78
	Financial leverage	1.26	1.44	1.17	1.04	1.23

Please provide the reasons for changes in financial ratios in the most recent two years (analysis not required if the change does not reach 20%):

1. Long-term capital to property, plant, and equipment ratio: The increase in long-term liabilities was mainly due to the continued expansion of the Company's business scale in 2022 and increase in revenue as well as new syndicated loan limits and the drawdown amount for operational needs.
2. Times interest earned: Resulted from the FED increasing interest rates and the interest costs rising in response in 2022.
3. Property, plant and equipment turnover: Due to continued expansion and rising revenue in 2022.
4. Operating leverage: In 2022, the overall operating expenditure percentage was increased due to the overall environment, and the ratio of variable operating expenditure to operating expenditure was increased.

* The formulas in this chart are the same as the consolidated financial analysis in previous page.

III. Supervisors' or Audit Committee's report for the most recent year's financial statement

(I) Supervisors' Review Report: Not applicable as the Company has an audit committee.

(II) Audit Committee's review report:

WT Microelectronics Co. Ltd.
Audit Committee's Review Report

The Board of Directors has prepared and submitted the 2022 business report and financial statements. PricewaterhouseCoopers Taiwan audited the financial statements and issued an audit report. The Business Report and financial statements mentioned above have been reviewed by the Audit Committee and determined to be correct and accurate as WT Microelectronics' business activities. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

2023 Annual Shareholders' Meeting of WT Microelectronics Co., Ltd.

Audit Committee convener: Ding, Kung-Wha

February 23, 2023

WT Microelectronics Co. Ltd. Audit Committee's Review Report

The Company's 2022 earnings distribution proposal submitted by the Board of Directors has been reviewed by the Audit Committee and determined to be correct. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report .

To

2023 Annual Shareholders' Meeting of WT Microelectronics Co., Ltd.

Audit Committee convener: Ding, Kung-Wha

April 19, 2023

IV. Financial statements for the most recent fiscal year

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of WT Microelectronics Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of WT Microelectronics Co., Ltd. and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of 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 other auditors (refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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 Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we

do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Recognition of supplier rebates

Description

Refer to Note 4(13) for accounting policies on supplier rebates.

The Group is primarily engaged in the sales of electronic and communication components. In line with industry practice, the Group has entered into rebate arrangements with its suppliers for various kinds and quantities of inventories. Under the arrangement, the Group calculates the amount of supplier rebates based on sales breakdown, and recognises it as a deduction of accounts payable to suppliers and a deduction of operating costs. The Group pays the net purchase price, after confirming that the rebate is granted and the credit memo from its suppliers has been received.

As the terms of different types of supplier rebates vary and change frequently, the calculation is complex. The Group relies on the information system to gather related transaction information, and manually matches each inventory category with its corresponding rebate term to calculate the supplier rebate that should be recognised. Since the supplier rebate is material to the financial statements and more audit effort is required to address this audit matter, the recognition of supplier rebate has been identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding and assessed the internal controls related to supplier rebates, and tested the effectiveness of relevant internal controls to verify whether major supplier rebates had been reviewed by responsible management, and the inventory cost had been correctly deducted and paid in net amount based on the credit memo approved by suppliers;
- B. Sampled supplier rebates and tested transaction data to confirm whether the transaction quantities were consistent with sales breakdown. Also, verified arrangements and calculation worksheets, and recalculated supplier rebates to ensure that the rebate recognition is consistent with contract;
- C. Sampled the supplier rebates which were recognised before the balance sheet date but have not yet been confirmed by suppliers, verified its consistency and reasonableness with subsequent credit memos approved by suppliers after the balance sheet date, and confirmed whether there were any

material differences; and

- D. Performed confirmation of selected material accounts payable, including supplier rebates which have been confirmed by suppliers, and examined the reconciliation for the differences between the amount stated in the suppliers' confirmation and the Group's records.

Assessment of inventory valuation losses

Description

Refer to Note 4(13) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(6) for details of inventory valuation. As at December 31, 2022, the Group's inventories and allowance for inventory valuation losses were NT\$91,973,960 thousand and NT\$1,426,723 thousand, respectively.

The Group is primarily engaged in the sales of various kinds of electronic components. Due to rapid technology innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk of inventory losses due from market value decline or obsolescence. For non-obsolete inventories, the net realisable value is estimated based on the estimated selling price in a certain period around the balance sheet date. The net realisable values of obsolete inventories are individually identified as obsolete or damaged, if any. Since the amount of inventory is material, inventory types vary, sources of information in calculating the net realisable value of each type of inventories are various, and the identification of obsolete and damaged inventory and its net realisable value is subject to management's judgement, we considered the assessment of inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding and evaluated the process of inventory and warehouse management, examined the annual plan and participated in stock take to assess the effectiveness of management's identification and controls on obsolete inventory;
- B. Obtained an understanding of the Group's nature of business and industry in order to assess whether the provision policies and procedures were applied consistently and reasonably during the periods, including identified as obsolete with supporting documents, and agreed to information obtained from physical inventory; and
- C. Obtained the net realisable value statement of each inventory, and tested supporting documents in

relation to sources of information in calculating the net realisable value.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$18,216,536 thousand, constituting 9.10% of the consolidated total assets as at December 31, 2022, and the operating revenue amounted to NT\$13,347,437 thousand, constituting 2.34% of the consolidated total operating revenue for the year then ended.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of WT Microelectronics Co., Ltd. as at and for the years ended December 31, 2022 and 2021.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 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 the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' 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:

- A. 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.
- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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.

- E. 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.
- F. Obtain sufficient 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.

Chieh-Ju, Hsu

Hsu, Yung-Chien

For and on behalf of PricewaterhouseCoopers, Taiwan

February 23, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 5,383,254	3	\$ 4,679,576	3
1110	Financial assets at fair value through profit or loss - current	6(2)	12,870	-	22,004	-
1170	Accounts receivable, net	6(4) and 8	84,568,116	42	75,462,083	44
1200	Other receivables	6(4)(5)	2,237,030	1	1,531,897	1
130X	Inventories	6(6)	90,547,237	45	66,524,304	38
1410	Prepayments		838,630	1	880,827	-
1470	Other current assets	6(1) and 8	62,447	-	35,564	-
11XX	Total current assets		<u>183,649,584</u>	<u>92</u>	<u>149,136,255</u>	<u>86</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	291,474	-	321,726	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	9,139,705	5	18,989,224	11
1550	Investments accounted for using equity method	6(7)	62,955	-	118,457	-
1600	Property, plant and equipment	6(8)	974,071	-	1,004,215	1
1755	Right-of-use assets	6(9)	830,030	-	699,563	-
1760	Investment property - net	6(10)	193,686	-	102,500	-
1780	Intangible assets	6(11)	3,371,512	2	1,972,777	1
1840	Deferred income tax assets	6(31)	1,078,254	1	801,911	1
1900	Other non-current assets		610,899	-	202,659	-
15XX	Total non-current assets		<u>16,552,586</u>	<u>8</u>	<u>24,213,032</u>	<u>14</u>
1XXX	Total assets		<u>\$ 200,202,170</u>	<u>100</u>	<u>\$ 173,349,287</u>	<u>100</u>

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 38,340,556	19	\$ 33,497,708	20
2110	Short-term notes and bills payable	6(13)	1,049,386	1	2,049,454	1
2120	Financial liabilities at fair value	6(2)				
	through profit or loss - current		11,372	-	14,838	-
2130	Contract liabilities - current	6(24)	904,038	1	373,803	-
2170	Accounts payable		77,996,735	39	69,808,936	40
2200	Other payables	6(14)	3,789,378	2	2,184,132	1
2230	Current income tax liabilities		1,627,567	1	1,674,704	1
2280	Lease liabilities - current		248,213	-	181,312	-
2320	Long-term liabilities, current portion	6(15)	-	-	76,635	-
2365	Refund liabilities - current	6(24)	778,605	-	658,325	1
2399	Other current liabilities		70,347	-	62,466	-
21XX	Total current liabilities		<u>124,816,197</u>	<u>63</u>	<u>110,582,313</u>	<u>64</u>
Non-current liabilities						
2540	Long-term loans	6(16)	17,786,449	9	7,750,400	5
2570	Deferred income tax liabilities	6(31)	856,757	-	741,999	-
2580	Lease liabilities - non-current		335,919	-	258,807	-
2600	Other non-current liabilities		1,432,527	1	155,460	-
25XX	Total non-current liabilities		<u>20,411,652</u>	<u>10</u>	<u>8,906,666</u>	<u>5</u>
2XXX	Total liabilities		<u>145,227,849</u>	<u>73</u>	<u>119,488,979</u>	<u>69</u>
Equity attributable to owners of parent						
	Share capital	6(19)				
3110	Common stock		8,835,297	4	7,977,068	5
3120	Preferred share		1,350,000	1	1,350,000	1
3130	Certificates of entitlement to new shares from convertible bonds		-	-	51,498	-
	Capital surplus	6(20)				
3200	Capital surplus		25,294,109	13	20,444,778	12
	Retained earnings	6(21)				
3310	Legal reserve		3,542,791	2	2,677,275	1
3350	Unappropriated retained earnings		16,647,535	8	14,531,008	8
	Other equity interest	6(22)				
3400	Other equity interest		(1,564,387)	(1)	6,736,238	4
31XX	Equity attributable to owners of the parent		<u>54,105,345</u>	<u>27</u>	<u>53,767,865</u>	<u>31</u>
36XX	Non-controlling interest	6(23)	868,976	-	92,443	-
3XXX	Total equity		<u>54,974,321</u>	<u>27</u>	<u>53,860,308</u>	<u>31</u>
	Commitments and contingent liabilities	9				
	Significant subsequent events	11				
3X2X	Total liabilities and equity		<u>\$ 200,202,170</u>	<u>100</u>	<u>\$ 173,349,287</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(24)	\$ 571,197,118	100	\$ 447,896,117	100
5000	Operating costs	6(6)	(551,364,963)	(97)	(430,909,478)	(96)
5900	Gross profit		<u>19,832,155</u>	<u>3</u>	<u>16,986,639</u>	<u>4</u>
	Operating expenses	6(29)				
6100	Selling expenses		(5,533,094)	(1)	(4,522,266)	(1)
6200	General and administrative expenses		(1,860,504)	-	(1,296,000)	(1)
6300	Research and development expenses		(654,845)	-	(608,561)	-
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(1,095)	-	(2,683)	-
6000	Total operating expenses		<u>(8,049,538)</u>	<u>(1)</u>	<u>(6,429,510)</u>	<u>(2)</u>
6900	Operating profit		<u>11,782,617</u>	<u>2</u>	<u>10,557,129</u>	<u>2</u>
	Non-operating income and expenses					
7100	Interest income	6(25)	39,036	-	6,268	-
7010	Other income	6(26)	421,482	-	339,273	-
7020	Other gains and losses	6(27)	129,302	-	(1,918)	-
7050	Finance costs	6(28)	(2,445,514)	-	(715,049)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	(15,781)	-	(5,878)	-
7000	Total non-operating income and expenses		<u>(1,871,475)</u>	<u>-</u>	<u>(377,304)</u>	<u>-</u>
7900	Profit before income tax		9,911,142	2	10,179,825	2
7950	Income tax expense	6(31)	(2,310,778)	(1)	(2,324,657)	-
8200	Profit for the year		<u>\$ 7,600,364</u>	<u>1</u>	<u>\$ 7,855,168</u>	<u>2</u>

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income (loss)						
Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8311	(Loss) gain on remeasurements of defined benefit plans	6(17)	(\$ 5,747)	-	\$ 4,735	-
8316	Unrealised (loss) gain on valuation of equity investment instruments measured at fair value through other comprehensive income (loss)	6(22)(23)	(11,414,478)	(2)	3,213,493	-
8320	Share of other comprehensive loss of associates and joint ventures accounted for using equity method	6(22)	(12,499)	-	-	-
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss	6(31)	1,150	-	(947)	-
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss		(11,431,574)	(2)	3,217,281	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	6(22)(23)	4,363,742	1	(1,078,128)	-
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method	6(22)	(2,130)	-	689	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		4,361,612	1	(1,077,439)	-
8300	Total other comprehensive (loss) income for the year		(\$ 7,069,962)	(1)	\$ 2,139,842	-
8500	Total comprehensive income for the year		\$ 530,402	-	\$ 9,995,010	2
Profit attributable to:						
8610	Owners of the parent		\$ 7,631,123	1	\$ 7,923,257	2
8620	Non-controlling interest		(30,759)	-	(68,089)	-
			\$ 7,600,364	1	\$ 7,855,168	2
Comprehensive income (loss) attributable to:						
8710	Owners of the parent		\$ 551,844	-	\$ 10,062,378	2
8720	Non-controlling interest		(21,442)	-	(67,368)	-
			\$ 530,402	-	\$ 9,995,010	2
Earnings per share (in dollars)						
9750	Basic earnings per share	6(32)	\$ 8.61		\$ 9.96	
9850	Diluted earnings per share		\$ 8.53		\$ 9.75	

The accompanying notes are an integral part of these consolidated financial statements.

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent											Non-controlling interest	Total equity
	Capital			Retained Earnings				Other Equity Interest					
	Share capital - common stock	Preferred share	Certificates of bond-to-stock conversion	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity interest	Treasury shares	Total			
2021													
Balance at January 1, 2021	\$ 7,880,260	\$ 1,350,000	\$ 2,057	\$ 20,094,981	\$ 2,280,822	\$ 791,142	\$ 8,070,791	\$ 5,607,964	\$ -	\$ 46,078,017	\$ 38,364	\$ 46,116,381	
Consolidated net income (loss)	-	-	-	-	-	-	7,923,257	-	-	7,923,257	(68,089)	7,855,168	
Other comprehensive income	6(22)(23)	-	-	-	-	-	3,788	2,135,333	-	2,139,121	721	2,139,842	
Total comprehensive income (loss)		-	-	-	-	-	7,927,045	2,135,333	-	10,062,378	(67,368)	9,995,010	
Appropriations of 2020 earnings:	6(21)												
Legal reserve		-	-	-	396,453	-	(396,453)	-	-	-	-	-	
Reversal of special reserve		-	-	-	-	(791,142)	791,142	-	-	-	-	-	
Cash dividends for common stock		-	-	-	-	-	(2,532,086)	-	-	(2,532,086)	-	(2,532,086)	
Cash dividends for preferred share		-	-	-	-	-	(57,541)	-	-	(57,541)	-	(57,541)	
Conversion of convertible bonds	6(19)(20)	64,468	-	49,441	190,166	-	-	-	-	304,075	-	304,075	
Issuance of employee restricted shares	6(19)(20)	57,800	-	-	216,366	-	-	(274,166)	-	-	-	-	
Cancellation of employee restricted shares	6(19)(20)	(520)	-	-	520	-	-	-	-	-	-	-	
Purchase of treasury shares	6(19)	-	-	-	-	-	-	-	(135,121)	(135,121)	-	(135,121)	
Retirement of treasury shares		(24,940)	-	-	(87,064)	-	-	(23,117)	-	135,121	-	-	
Changes in equity of associates accounted for using equity method	6(20)	-	-	-	3,173	-	-	-	-	3,173	-	3,173	
Changes in ownership interests in subsidiaries	4(3)	-	-	-	-	-	(78,550)	-	-	(78,550)	-	(78,550)	
Compensation cost of share-based payments	6(18)	-	-	-	26,636	-	-	96,884	-	123,520	-	123,520	
Changes in non-controlling interest	6(23)	-	-	-	-	-	-	-	-	-	121,447	121,447	
Disposal of financial assets at fair value through other comprehensive income	6(22)	-	-	-	-	-	829,777	(829,777)	-	-	-	-	
Balance at December 31, 2021		<u>\$ 7,977,068</u>	<u>\$ 1,350,000</u>	<u>\$ 51,498</u>	<u>\$ 20,444,778</u>	<u>\$ 2,677,275</u>	<u>\$ 14,531,008</u>	<u>\$ 6,736,238</u>	<u>\$ -</u>	<u>\$ 53,767,865</u>	<u>\$ 92,443</u>	<u>\$ 53,860,308</u>	
2022													
Balance at January 1, 2022		\$ 7,977,068	\$ 1,350,000	\$ 51,498	\$ 20,444,778	\$ 2,677,275	\$ 14,531,008	\$ 6,736,238	\$ -	\$ 53,767,865	\$ 92,443	\$ 53,860,308	
Consolidated net income (loss)		-	-	-	-	-	7,631,123	-	-	7,631,123	(30,759)	7,600,364	
Other comprehensive income (loss)	6(22)(23)	-	-	-	-	-	(4,597)	(7,074,682)	-	(7,079,279)	9,317	(7,069,962)	
Total comprehensive income (loss)		-	-	-	-	-	7,626,526	(7,074,682)	-	551,844	(21,442)	530,402	
Appropriations of 2021 earnings:	6(21)												
Legal reserve		-	-	-	-	865,516	(865,516)	-	-	-	-	-	
Cash dividends for common stock		-	-	-	-	-	(4,431,032)	-	-	(4,431,032)	-	(4,431,032)	
Cash dividends for preferred share		-	-	-	-	-	(270,000)	-	-	(270,000)	-	(270,000)	
Issuance of shares - Global depository receipts	6(19)(20)	780,000	-	-	4,675,260	-	-	-	-	5,455,260	-	5,455,260	
Conversion of convertible bonds	6(19)(20)	80,374	-	(51,498)	47,760	-	-	-	-	76,636	-	76,636	
Cancellation of employee restricted shares	6(19)(20)	(2,145)	-	-	2,145	-	-	-	-	-	-	-	
Changes in restricted stocks to employees	6(20)(22)	-	-	-	(3,320)	-	-	3,320	-	-	-	-	
Changes in ownership interests in subsidiaries	4(3)	-	-	-	-	-	(716)	-	-	(716)	-	(716)	
Compensation cost of share-based payments	6(18)	-	-	-	127,486	-	102	94,983	-	222,571	-	222,571	
Changes in non-controlling interest	6(23)	-	-	-	-	-	-	-	-	-	797,975	797,975	
Disposal of financial assets at fair value through other comprehensive income	6(22)	-	-	-	-	-	57,163	(57,163)	-	-	-	-	
Redemption liability recognised as other equity	6(22)	-	-	-	-	-	-	(1,267,083)	-	(1,267,083)	-	(1,267,083)	
Balance at December 31, 2022		<u>\$ 8,835,297</u>	<u>\$ 1,350,000</u>	<u>\$ -</u>	<u>\$ 25,294,109</u>	<u>\$ 3,542,791</u>	<u>\$ 16,647,535</u>	<u>(\$ 1,564,387)</u>	<u>\$ -</u>	<u>\$ 54,105,345</u>	<u>\$ 868,976</u>	<u>\$ 54,974,321</u>	

The accompanying notes are an integral part of these consolidated financial statements.

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 9,911,142	\$ 10,179,825
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(29)	380,125	348,451
Amortisation	6(29)	57,888	28,212
Impairment loss determined in accordance with IFRS 9	12(2)	1,095	2,683
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	6(27)	(598,787)	189,235
Share-based payments	6(18)	222,571	123,520
Share of loss of associates and joint ventures accounted for using equity method	6(7)	15,781	5,878
Loss on disposal of property, plant and equipment, net		1,517	485
Loss on disposal of intangible assets, net	6(27)	15,487	-
Loss on disposal of investments accounted for using equity method	6(7)	2,009	-
Impairment loss		7,836	-
Interest expense	6(28)	1,436,773	452,638
Interest income	6(25)	(39,036)	(6,268)
Dividend income	6(26)	(339,705)	(276,153)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		2,953,585	(16,265,797)
Other receivables		(269,823)	(498,588)
Inventories		(8,380,057)	(23,574,228)
Prepayments		119,768	(71,547)
Other current assets		15,422	(2,074)
Changes in operating liabilities			
Financial assets and liabilities at fair value through profit or loss		650,239	(196,431)
Contract liabilities		131,703	(124,964)
Accounts payable		(9,233,288)	17,383,261
Other payables		94,661	412,197
Other current liabilities (including refund liabilities)		123,970	200,380
Net defined benefit liability		5,026	(2,715)
Cash outflow generated from operations		(2,714,098)	(11,692,000)
Interest received		39,036	6,268
Dividends received		339,705	276,153
Interest paid		(1,327,929)	(437,421)
Income taxes paid		(2,375,623)	(1,133,036)
Net cash flows used in operating activities		(6,038,909)	(12,980,036)

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WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 7,200)	(\$ 166,558)
Proceeds from disposal of financial assets at fair value through profit or loss		1,306	9,734
Acquisition of financial assets at fair value through other comprehensive income		(1,511,910)	(1,568,225)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	99,295	940,603
Increase in other financial assets		(39,157)	(14,673)
Acquisition of property, plant and equipment	6(34)	(310,452)	(170,544)
Proceeds from disposal of property, plant and equipment		91	99
Acquisition of intangible assets	6(11)	(10,449)	(4,436)
Increase in guarantee deposits		(195,409)	(15,970)
Decrease in guarantee deposits		11,248	7,279
Net cash payments for business combination	6(34)	(3,041,127)	(55,885)
Decrease in other non-current assets		17,673	45,708
Proceeds from disposal of investments accounted for using equity method		31,346	-
Net cash flows used in investing activities		(4,954,745)	(992,868)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(35)	850,651,375	455,301,446
Decrease in short-term borrowings	6(35)	(850,595,048)	(445,067,941)
(Decrease) increase in short-term notes and bills payable	6(35)	(1,010,053)	1,293,979
Proceeds from long-term borrowings	6(35)	91,962,000	7,786,800
Repayments of long-term loans	6(35)	(82,898,034)	(836,400)
Payment of lease liabilities	6(35)	(235,467)	(193,030)
Increase (decrease) in other non-current liabilities		4,331	(4,900)
Issuance of shares - Global depository receipts	6(19)	5,549,184	-
Issuance of shares - direct costs of Global depository receipts		(93,924)	-
Acquisition of treasury shares		-	(135,121)
Cash dividends paid	6(21)	(4,701,032)	(2,589,627)
Cash dividends paid to non-controlling interest	6(23)	(588)	(366)
Increase in non-controlling interest		-	45,623
Net cash flows from financing activities		8,632,744	15,600,463
Effect of exchange rate changes on cash and cash equivalents		3,064,588	(575,095)
Net increase in cash and cash equivalents		703,678	1,052,464
Cash and cash equivalents at beginning of year		4,679,576	3,627,112
Cash and cash equivalents at end of year		<u>\$ 5,383,254</u>	<u>\$ 4,679,576</u>

The accompanying notes are an integral part of these consolidated financial statements.

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

WT Microelectronics Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the development and sales of electronic and communication components.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were reported to the Board of Directors on February 23, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International

Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effects as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit assets (liabilities) recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
 - (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial

recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2022	December 31, 2021	
WT Microelectronics Co., Ltd.	Wintech Microelectronics Holding Limited	Investment Company	99.65	99.65	
WT Microelectronics Co., Ltd.	Morrihan International Corp.	Trading Company	100	100	
WT Microelectronics Co., Ltd.	BSI Semiconductor Pte. Ltd.	Trading Company	100	100	
WT Microelectronics Co., Ltd.	Nuvision Technology Inc.	Trading Company	99.91	99.91	
WT Microelectronics Co., Ltd.	Milestone Investment Co., Ltd.	Investment Company	100	100	
WT Microelectronics Co., Ltd.	SinYie Investment Co., Ltd.	Investment Company	100	100	
WT Microelectronics Co., Ltd.	Techmosa International Inc.	Trading Company	100	100	
WT Microelectronics Co., Ltd.	MSD Holdings Pte. Ltd.	Trading Company	100	100	
WT Microelectronics Co., Ltd.	Maxtek Technology Co., Ltd.	Trading Company	100	100	
WT Microelectronics Co., Ltd.	Analog World Co., Ltd.	Trading Company	100	100	
WT Microelectronics Co., Ltd.	WT Semiconductor Holdings Pte. Ltd.	Investment Company	80	-	(a) (h)
WT Microelectronics Co., Ltd.	WT Solomon QCE Ltd.	Trading Company	100	-	(g)
WT Microelectronics Co., Ltd.	WT Microelectronics (Hong Kong) Limited	Trading Company	100	-	(g)
WT Microelectronics Co., Ltd.	WT Technology (H.K.) Limited	Trading Company	100	-	(g)
WT Microelectronics Co., Ltd.	WT Microelectronics Singapore Pte. Ltd.	Trading Company	100	-	(g)
WT Microelectronics Co., Ltd.	WT Technology Pte. Ltd.	Trading Company	100	-	(g)

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2022	December 31, 2021	
Wintech Microelectronics Holding Limited	WT Microelectronics (Shanghai) Co., Ltd.	Trading Company	100	100	
Wintech Microelectronics Holding Limited	Promising Investment Limited	Investment Company	100	100	
Wintech Microelectronics Holding Limited	Wintech Microelectronics Ltd.	Trading Company	100	100	
Wintech Microelectronics Holding Limited	Wintech Microelectronics Limited	Investment Company	100	100	
Wintech Microelectronics Holding Limited	WT Technology Pte. Ltd.	Trading Company	-	100	(g)
Wintech Microelectronics Holding Limited	Wintech Investment Co., Ltd.	Investment Company	100	100	
Wintech Microelectronics Holding Limited	Anius Enterprise Co., Ltd.	Trading Company	-	100	(d)
Wintech Microelectronics Holding Limited	Mega Source Co., Ltd.	Trading Company	-	100	(e)
Wintech Microelectronics Holding Limited	Brillnics Inc.	Investment Company	61.65	62.03	(f)
BSI Semiconductor Pte. Ltd.	Wonchang Semiconductor Co., Ltd.	Trading Company	100	100	
BSI Semiconductor Pte. Ltd.	WT Technology Korea Co., Ltd.	Trading Company	4.53	4.53	
Morrihan International Corp.	Asia Latest Technology Limited	Investment Company	100	100	
Promising Investment Limited	WT Solomon QCE Ltd.	Trading Company	-	100	(g)
Promising Investment Limited	WT Microelectronics (Hong Kong) Limited	Trading Company	-	100	(g)
Promising Investment Limited	WT Technology (H.K.) Limited	Trading Company	-	100	(g)
Promising Investment Limited	Nino Capital Co., Ltd.	Investment Company	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2022	December 31, 2021	
Promising Investment Limited	Rich Web Ltd.	Investment Company	100	100	
Wintech Investment Co., Ltd.	WT Microelectronics Singapore Pte. Ltd.	Trading Company	-	100	(g)
Wintech Investment Co., Ltd.	WT Microelectronics (Malaysia) Sdn. Bhd.	Trading Company	100	100	
Wintech Investment Co., Ltd.	WT Technology Korea Co., Ltd.	Trading Company	95.47	95.47	
Nino Capital Co., Ltd.	Shanghai WT Microelectronics Co., Ltd.	Trading Company	100	100	
Rich Web Ltd.	WT Microelectronics (Shenzhen) Co., Ltd.	Trading Company	100	100	
WT Microelectronics Singapore Pte. Ltd.	WT Microelectronics (Thailand) Co., Limited	Trading Company	100	100	
WT Microelectronics Singapore Pte. Ltd.	WT Microelectronics India Private Limited	Trading Company	100	100	
SinYie Investment Co., Ltd.	Wintech Microelectronics Holding Limited	Investment Company	0.35	0.35	
Asia Latest Technology Limited	WT Microelectronics (Shanghai) Technology Co., Ltd.	Selling and Technology Servicing	100	100	(j)
Techmosa International Inc.	Morrihan Singapore Pte. Ltd.	Trading Company	100	100	
Maxtek Technology Co., Ltd.	HongTech Electronics Co., Ltd.	Trading Company	100	100	
Maxtek Technology Co., Ltd.	Lacewood International Corp.	Trading Company	100	100	
Maxtek Technology Co., Ltd.	Best Winner International Development Ltd.	Investment Company	-	100	(b)
Best Winner International Development Ltd.	Maxtek International (HK) Limited.	Trading Company	-	100	(c)
Brillnics Inc.	Brillnics (HK) Limited	Selling and Technology Servicing	100	100	
Brillnics Inc.	Brillnics Singapore Pte. Ltd.	Trading Company	100	100	
Brillnics (HK) Limited	Brillnics Japan Inc.	Research and Development Company	100	100	
Brillnics (HK) Limited	Brillnics (Taiwan) Inc.	Research and Development Company	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2022	December 31, 2021	
WT Semiconductor Holdings Pte. Ltd.	Excelpoint Technology Pte. Ltd.	Trading Company	100	-	(h)
Excelpoint Technology Pte. Ltd.	Excelpoint Systems (Pte) Ltd.	Trading Company	100	-	(h)
Excelpoint Technology Pte. Ltd.	Excelpoint Systems (H.K.) Limited	Trading Company	100	-	(h)
Excelpoint Technology Pte. Ltd.	Planetspark Pte. Ltd.	R&D and Investment Company	100	-	(h)
Excelpoint Systems (Pte) Ltd.	Excelpoint Systems Sdn. Bhd.	Trading Company	100	-	(h)
Excelpoint Systems (Pte) Ltd.	Excelpoint Systems (India) Private Limited	Selling and Technology Servicing	100	-	(h)
Excelpoint Systems (Pte) Ltd.	Excelpoint Systems (USA) Inc.	Selling and Technology Servicing	100	-	(h)
Excelpoint Systems (Pte) Ltd.	Excelpoint Systems Vietnam Company Limited	Trading Company	100	-	(i)
Excelpoint Systems (H.K.) Limited	Excelpoint International Trading (Shanghai) Co., Ltd.	Trading Company	100	-	(h)
Excelpoint Systems (H.K.) Limited	Synergy Electronics (H.K.) Limited	Trading Company	100	-	(h)
Excelpoint Systems (H.K.) Limited	Synergy Electronics (Shenzhen) Co., Ltd.	Trading Company	100	-	(h)

- (a) The Company established a wholly-owned subsidiary, WT Semiconductor Holdings Pte. Ltd., on February 23, 2022. The Company increased its investment by USD7,200 thousand and USD125,391 thousand in March and September 2022, respectively.
- (b) In April 2022, Best Winner International Development Ltd. has been dissolved and liquidated.
- (c) In May 2022, Maxtek International (HK) Limited has been dissolved and liquidated.
- (d) In May 2022, Anius Enterprise Co., Ltd. has been dissolved and liquidated.
- (e) In May 2022, Mega Source Co., Ltd. has been dissolved and liquidated.
- (f) The Group increased its investment in the newly issued preferred shares of Brillnics Inc. at USD 10,352 thousand on April 8, 2021 and accordingly, the shareholder ratio increased to 62.16%, retained earnings decreased by \$78,247 and non-controlling interest increased by \$122,199. Further, employees of Brillnics Inc. exercised employee stock options in installments for the years ended December 31, 2022 and 2021 and accordingly, the shareholder ratio decreased to 61.65% and 62.03%, respectively.
- (g) In 2022, the Company directly held all the equity interest in WT Technology (H.K.) Limited,

WT Solomon QCE Ltd., WT Technology Pte. Ltd., WT Microelectronics Singapore Pte. Ltd. and WT Microelectronics (Hong Kong) Limited in response to the adjustment of the Group's organisational structure.

- (h) In September 2022, the Group used cash to acquire all the equity interest in Excelpoint Technology Ltd., which became a wholly-owned subsidiary of the Group and has been included in the consolidated financial statements since the date of acquisition. Further, the CEO of Excelpoint Technology Ltd., Mr. Albert Pthuy, sold his shares held in Excelpoint Technology Ltd. and acquired a 20% equity interest in WT Semiconductor Holding Pte. Ltd., which resulted in a change of the Group's shareholder ratio in WT Semiconductor Holding Pte. Ltd. to 80% and an increase in the non-controlling interest by \$791,053. Further, Excelpoint Technology Ltd. was renamed as Excelpoint Technology Pte. Ltd. in October 2022.
- (i) The Company's subsidiary, Excelpoint Systems (PTE) Ltd., established Excelpoint Systems Vietnam Company Limited in November 2022.
- (j) In December 2022, Morrihan International Trading (Shanghai) Co., Ltd. was renamed as WT Microelectronics (Shanghai) Technology Co., Ltd.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

Name of Subsidiary	Main business activities	Non-controlling interest		Note
		Amount	Ownership (%)	
WT Semiconductor Holdings Pte. Ltd.	Singapore	\$ 805,586	80%	

Summarised financial information of WT Semiconductor Holdings Pte. Ltd.:

Balance Sheet

	December 31, 2022
Current assets	\$ 17,820,321
Non-current assets	1,731,241
Current liabilities	(14,398,953)
Non-current liabilities	(241,240)
Total net assets	\$ 4,911,369

Statement of comprehensive income

	Year ended December 31, 2022
Revenue	\$ 13,347,437
Income for the year from continuing operations	42,054
Other comprehensive income, net of tax	825
Total comprehensive income for the year	\$ 42,879
Comprehensive income attributable to non-controlling interest	\$ 8,309
Dividends paid to non-controlling interest	\$ -

Statement of cash flows

	Year ended December 31, 2022
Net cash flows used in operating activities	(\$ 23,418)
Net cash flows used in investing activities	(3,907,098)
Net cash flows provided by financing activities	4,708,029
Effect of exchange rate changes on cash and cash equivalents	(11,606)
Net increase in cash and cash equivalents	765,907
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	\$ 765,907

The summarised financial information of the subsidiaries stated above were based on each subgroup's consolidated balance sheets, consolidated statements of comprehensive income and consolidated statements of cash flows in their respective presentation currencies and translated into New Taiwan Dollars at the closing exchange rate at the corresponding balance sheet date and average exchange rate for the current period, respectively.

(4) Foreign currency translation

- A. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.
- B. Foreign currency transactions and balances
- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
 - (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
 - (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value

through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses.'

C. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realised, or are intended to be

sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

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

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets (liabilities) at fair value through profit or loss

A. These are financial assets that are not measured at amortised cost or at fair value through other comprehensive income and are held for trading if acquired principally for the purpose of repurchasing in the short term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. On a regular way purchase or sale basis, financial assets and liabilities at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive

income are recognised and derecognised using trade date accounting.

- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition relating to the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are initially recognised and subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- C. The Group's operating pattern of accounts receivable that are expected to be factored is for the purpose of receiving contract cash flow and selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in other comprehensive income.

(10) Impairment of financial assets

For financial assets at amortised cost at each reporting date, the Group recognises the impairment provision for twelve months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred, however, the Group has not retained control of the financial asset.

(12) Leasing arrangements (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

- A. The cost of inventories includes the purchase price, import duties and other costs directly attributable to the acquisition of goods. The discount, allowance and others alike should be

deducted from the cost.

- B. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(14) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss. If it retains significant influence over this associate,

the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	26 ~ 55 years
Office equipment	2 ~ 9 years
Other assets	2 ~ 12 years

(16) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the Group's incremental borrowing interest rate. Lease payments are comprised of the following:
 - (a) Fixed payments, less any lease incentives receivable; and
 - (b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date; and
- (c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 26 ~ 55 years.

(18) Intangible assets

- A. Goodwill arises in a business combination accounted for by applying the acquisition method.
- B. Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 ~ 5 years.
- C. Other intangible assets, mainly customer relationship, are recorded at cost and amortised on a straight-line basis over the estimated useful life of 5 ~ 8 years.

(19) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amount of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the

following years.

- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are initially recognised and subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs.

(22) Convertible bonds payable

Convertible corporate bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares). The Group classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial liability or an equity instrument ('capital surplus—share options') in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument. Convertible corporate bonds are accounted for as follows:

- A. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- B. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of bonds payable as stated above. Conversion options are not subsequently remeasured.
- C. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

D. When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable') shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the abovementioned liability component plus the book value of capital surplus – share options.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(24) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The

fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

B. The grant date of cash capital increase reserved for employee preemption is the date at which the entity and the employee agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement.

C. Restricted stocks:

(a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date and are recognised as compensation cost over the vesting period.

(b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(c) For restricted stocks where employees do not need to pay to acquire those stocks, if the employees resign during the vesting period, the restricted stocks will be redeemed and retired by the Group without further consideration and recognised as deduction of share capital and additional paid-in capital, in accordance with the terms of restricted stocks.

(25) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction, affects neither accounting profit nor taxable profit

(tax loss). Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(26) Share capital

- A. Ordinary shares are classified as equity. The classification of preferred shares is determined according to the special rights attached to the preferred shares based on the substance of the contract and the definition of financial liabilities and equity instruments. Preferred shares are classified as liabilities when they have the fundamental characteristic of financial liabilities; otherwise, they are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(27) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders or Board of Directors. Cash dividends are recorded as liabilities.

(28) Revenue recognition

A. Sales of goods

- (a) The Group sells electronic components. Sales are recognised when the control of the products has been transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) The goods are often sold with discounts based on aggregate sales. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales discounts and allowances. Accumulated experience is used to estimate and provide for the sales discounts and allowances, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected discounts payable to customers in relation to sales made until the end of the reporting period. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The customer pays at the time specified in the payment schedule. If the payments exceed the merchandise provided, a contract liability is recognised.

B. Services

- (a) The Group provides semiconductor development services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided at the end of the reporting period in a proportion to the total services to be provided. This is determined based on the contract costs incurred for services performed to the estimated total cost for the service contract. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- (b) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(29) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(30) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Revenue recognition on a net/gross basis

The Group determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for the other party to provide those goods or services (i.e. the Group is an agent) based on the transaction model and its economic substance. The Group is a principal if it controls a promised good or service before it transfers the

good or service to a customer. The Group recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Group recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Group controls the goods or services before it is provided to a customer include the following:

- A. The Group is primarily responsible for the provision of goods or services;
- B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.
- C. The Group has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Refer to Note 6(11) for the information on goodwill impairment as of December 31, 2022.

B. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the estimated selling price in the ordinary course of business within the specified period before the balance sheet date. Therefore, there might be material changes to the evaluation. Refer to Note 6(6) for the carrying amount of inventory as of December 31, 2022.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and revolving funds	\$ 2,532	\$ 1,725
Checking accounts and demand deposits	5,291,663	4,677,851
Time deposits	89,059	-
	<u>\$ 5,383,254</u>	<u>\$ 4,679,576</u>

A. The Group transacts with a variety of financial institutions all with good credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group's deposits with banks that have been pledged as collateral were classified as 'other current assets.' Refer to Note 8 for details. As of December 31, 2022 and 2021, the time deposits with maturity date over 3 months of \$56,108 and \$14,673, respectively, are recorded as 'other current assets.'

(2) Financial assets and liabilities at fair value through profit or loss

<u>Assets</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Beneficiary certificates	\$ 8,369	\$ 11,743
Equity instruments	4,501	9,806
Derivatives	-	455
	<u>\$ 12,870</u>	<u>\$ 22,004</u>
Non-current items:		
Beneficiary certificates	\$ 218,573	\$ 255,946
Debt instruments	72,901	65,780
	<u>\$ 291,474</u>	<u>\$ 321,726</u>
<u>Liabilities</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Derivatives	<u>\$ 11,372</u>	<u>\$ 14,838</u>

A. Amounts recognised in profit or loss in relation to financial assets and liabilities measured at fair value through profit or loss are as follows:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Derivatives	\$ 653,231	(\$ 208,532)
Beneficiary certificates	(50,367)	14,986
Equity instruments	(3,999)	4,329
Debt instruments	(78)	(18)
	<u>\$ 598,787</u>	<u>(\$ 189,235)</u>

B. The non-hedging derivative financial assets and liabilities and contract information are as follows:

	December 31, 2022		
	Contract amount (Notional principal)		Contract period
<u>Derivative financial liabilities</u>	<u>(In thousands)</u>		<u>Contract period</u>
Current items:			
Forward foreign exchange contracts	USD (BUY)	245,000	2022.12.28~2023.2.24
			December 31, 2021
	Contract amount (Notional principal)		Contract period
<u>Derivative financial assets</u>	<u>(In thousands)</u>		<u>Contract period</u>
Current items:			
Forward foreign exchange contracts	USD (BUY)	25,000	2021.12.30~2022.2.9
<u>Derivative financial liabilities</u>	<u>(In thousands)</u>		<u>Contract period</u>
Current items:			
Forward foreign exchange contracts	USD (BUY)	190,000	2021.11.30~2022.1.4

The Group entered into forward foreign exchange contracts to sell USD to hedge exchange rate risk of foreign currency. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. For the derivative transactions, the Group deals with a variety of financial institutions all with high credit quality, so it expects that the probability of counterparty default is remote.

D. The Group has no financial assets measured at fair value through profit or loss pledged to others.

(3) Financial assets at fair value through other comprehensive income

<u>Items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Non-current items:		
Equity instruments	<u>\$ 9,139,705</u>	<u>\$ 18,989,224</u>

A. The Group has elected to classify certain strategic investments in the aforementioned equity instruments, including publicly listed and privately held companies, as financial assets measured at fair value through other comprehensive income.

B. Aiming to satisfy its operating capital needs, the Group sold \$99,295 and \$940,603 of listed and unlisted shares at fair value which resulted in a cumulative gain on disposal of \$57,163 and \$829,802 during the years ended December 31, 2022 and 2021, respectively.

C. Refer to Note 6(22) for information on changes in fair value recognised in other comprehensive income for the years ended December 31, 2022 and 2021.

D. The Group has no financial assets measured at fair value through other comprehensive income pledged to others as of December 31, 2022 and 2021.

(4) Notes and accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 4,864,044	\$ 3,522,996
Accounts receivable	79,870,916	72,147,379
Less: Allowance for uncollectible accounts	(166,844)	(208,292)
Notes and accounts receivable, net	<u>84,568,116</u>	<u>75,462,083</u>
Overdue receivables	558,035	492,607
Less: Allowance for uncollectible accounts	(558,035)	(492,607)
Overdue receivables, net (shown as 'other non-current assets')	<u>-</u>	<u>-</u>
	<u>\$ 84,568,116</u>	<u>\$ 75,462,083</u>

A. As of December 31, 2022 and 2021, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2021, the balance of accounts receivable and notes receivable amounted to \$61,555,637.

B. Transferred financial assets that are derecognised in their entirety

(a) As of December 31, 2022 and 2021, the Group had outstanding discounted notes receivable amounting to \$3,469,692 and \$2,953,255, respectively. However, as the notes receivable are bank's acceptance bills and are discounted without right of recourse, those discounted notes receivable were deducted directly from notes receivable.

(b) The Group entered into factoring agreements with domestic financial institutions to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable, and the related information is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable transferred		
(Amount derecognised)	<u>\$ 45,250,313</u>	<u>\$ 34,289,747</u>
Amount advanced	<u>\$ 44,041,088</u>	<u>\$ 33,360,580</u>
Amount retained (shown as 'other receivables')	<u>\$ 1,209,225</u>	<u>\$ 929,167</u>

(c) The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

C. Transferred financial assets that are not derecognised in their entirety

(a) The Group entered into factoring agreements with domestic financial institutions to sell its accounts receivable. Under the agreement, the Group can transfer non-L/C accounts receivable financing to financial institutions, and the banks have the right of recourse to the transferred accounts receivable. For accounts receivable that will not be recovered in the specific period, the Group will retain risk and returns of such accounts receivable. Accordingly, the Group did

not derecognise the accounts receivable where the banks have the right of recourse, and related advance payments were listed in ‘short-term borrowings.’

- (b) The information on transferred accounts receivable continued to be recognised by the Group as of December 31, 2022 and 2021 is as follows. In addition, total carrying amount of the original assets before the transfer (same as carrying amount of the assets that the entity continues to recognise) of transferred accounts receivable continued to be recognised by the Group to the extent of its continuing involvement is in line with the carrying amount of the associated liabilities, fair value of transferred accounts receivable and fair value of advance payments.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of transferred accounts receivable (that is, fair value)	\$ -	\$ 338,931
Carrying amount of advance payments (that is, fair value)	-	(305,038)
Net amount	<u>\$ -</u>	<u>\$ 33,893</u>

- D. As of December 31, 2022 and 2021, the interest rates for amounts advanced ranged between 0.98%~6.184% and 0.31%~1.29%, respectively.
- E. As of December 31, 2022 and 2021, the total limits of the accounts receivable factoring were \$109,611,520 and \$91,334,573, respectively.
- F. As of December 31, 2022 and 2021, the Group has issued a promissory note of \$196,404,956 and \$174,886,486, respectively, as performance guarantee against any business dispute.
- G. Refer to Note 6(28) for information on financing charges on accounts receivable factoring for the years ended December 31, 2022 and 2021.
- H. As of December 31, 2022 and 2021, the Group’s accounts receivable that are expected to be factored were classified as financial assets at fair value through other comprehensive income in the amounts of \$29,602,714 and \$16,784,917, respectively, and recorded as ‘accounts receivable.’
- I. The Group took out a credit insurance on the accounts receivable from certain main customers, whereby 75%~90% of the receivable amount can be covered when the receivables are uncollectible. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group’s notes and accounts receivable was the carrying amount of the notes and accounts receivable.
- J. Refer to Note 8 for details of accounts receivable pledged as security.
- K. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Other receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Amounts retained for accounts receivable factoring	\$ 1,209,225	\$ 929,167
VAT refund receivable	356,761	412,466
Input tax	331,571	126,302
Others	<u>339,473</u>	<u>63,962</u>
	<u>\$ 2,237,030</u>	<u>\$ 1,531,897</u>

(6) Inventories

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Merchandise inventory	\$ 91,966,231	\$ 67,586,646
Less: Allowance for inventory obsolescence and market value decline	(<u>1,418,994</u>)	(<u>1,062,342</u>)
	<u>\$ 90,547,237</u>	<u>\$ 66,524,304</u>

The cost recognised as expense for the year:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Cost of inventories sold	\$ 550,307,436	\$ 430,548,497
Services cost	429,098	285,002
Loss on decline in market value	194,947	47,797
Loss on disposal of inventory	432,670	28,069
Loss on physical inventory	<u>812</u>	<u>113</u>
	<u>\$ 551,364,963</u>	<u>\$ 430,909,478</u>

(7) Investments accounted for using equity method

	<u>2022</u>	<u>2021</u>
At January 1	\$ 118,457	\$ 122,906
Disposal of investments accounted for using equity method	(33,355)	-
Share of loss of investments accounted for using equity method	(15,781)	(5,878)
Changes in capital surplus	-	3,173
Changes in other equity items	<u>(6,366)</u>	<u>(1,744)</u>
At December 31	<u>\$ 62,955</u>	<u>\$ 118,457</u>

A. JCD Optical (Cayman) Co., Ltd. increased its capital by \$41,925 in July 2021. The Company did not acquire shares proportionally to its interest. As a result, the shareholder ratio changed to 19.8% and capital surplus increased by \$3,173.

B. In August 2022, the Company sold its equity interest in Qwave Technology Co., Ltd. for a consideration of \$31,346 resulting to a disposal loss of \$2,009.

C. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

	Years ended December 31,	
	2022	2021
Loss for the year from continuing operations	(\$ 15,781)	(\$ 5,878)
Other comprehensive (loss) income, net of tax	(14,629)	689
Total comprehensive loss	(\$ 30,410)	(\$ 5,189)

(8) Property, plant and equipment

	Land	Buildings	Office equipment	Others	Total
<u>At January 1, 2022</u>					
Cost	\$ 225,459	\$ 650,916	\$ 453,117	\$ 526,007	\$ 1,855,499
Accumulated depreciation and impairment	-	(142,715)	(342,981)	(365,588)	(851,284)
	<u>\$ 225,459</u>	<u>\$ 508,201</u>	<u>\$ 110,136</u>	<u>\$ 160,419</u>	<u>\$ 1,004,215</u>
<u>2022</u>					
Opening net book amount	\$ 225,459	\$ 508,201	\$ 110,136	\$ 160,419	\$ 1,004,215
Acquired from business combinations	-	-	23,089	68,472	91,561
Additions	-	-	45,467	53,923	99,390
Disposals	-	-	(1,493)	(115)	(1,608)
Reclassifications	(62,411)	(31,079)	2,541	(2,541)	(93,490)
Depreciation charge	-	(13,822)	(56,676)	(63,648)	(134,146)
Net exchange differences	-	6,255	1,346	548	8,149
Closing net book amount	<u>\$ 163,048</u>	<u>\$ 469,555</u>	<u>\$ 124,410</u>	<u>\$ 217,058</u>	<u>\$ 974,071</u>
<u>At December 31, 2022</u>					
Cost	\$ 163,048	\$ 588,709	\$ 685,819	\$ 743,025	\$ 2,180,601
Accumulated depreciation and impairment	-	(119,154)	(561,409)	(525,967)	(1,206,530)
	<u>\$ 163,048</u>	<u>\$ 469,555</u>	<u>\$ 124,410</u>	<u>\$ 217,058</u>	<u>\$ 974,071</u>

	<u>Land</u>	<u>Buildings</u>	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2021</u>					
Cost	\$ 225,459	\$ 652,172	\$ 438,688	\$ 432,193	\$ 1,748,512
Accumulated depreciation and impairment	<u>-</u>	<u>(127,635)</u>	<u>(308,044)</u>	<u>(309,640)</u>	<u>(745,319)</u>
	<u>\$ 225,459</u>	<u>\$ 524,537</u>	<u>\$ 130,644</u>	<u>\$ 122,553</u>	<u>\$ 1,003,193</u>
<u>2021</u>					
Opening net book amount	\$ 225,459	\$ 524,537	\$ 130,644	\$ 122,553	\$ 1,003,193
Additions	-	5,170	45,409	104,832	155,411
Disposals	-	-	(479)	(105)	(584)
Depreciation charge	-	(15,148)	(58,188)	(63,353)	(136,689)
Net exchange differences	<u>-</u>	<u>(6,358)</u>	<u>(7,250)</u>	<u>(3,508)</u>	<u>(17,116)</u>
Closing net book amount	<u>\$ 225,459</u>	<u>\$ 508,201</u>	<u>\$ 110,136</u>	<u>\$ 160,419</u>	<u>\$ 1,004,215</u>
<u>At December 31, 2021</u>					
Cost	\$ 225,459	\$ 650,916	\$ 453,117	\$ 526,007	\$ 1,855,499
Accumulated depreciation and impairment	<u>-</u>	<u>(142,715)</u>	<u>(342,981)</u>	<u>(365,588)</u>	<u>(851,284)</u>
	<u>\$ 225,459</u>	<u>\$ 508,201</u>	<u>\$ 110,136</u>	<u>\$ 160,419</u>	<u>\$ 1,004,215</u>

Refer to Note 6(33) for the details of the Group's property, plant and equipment arising from business combinations for the year ended December 31, 2022.

(9) Leasing arrangements - lessee

- A. The Group leases various assets including land, office and warehouse. Except for right-of-use of land for periods of 20 to 50 years, the rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of twelve months or less comprise certain offices, business vehicles, parking space and printers.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 280,462	\$ 282,147
Buildings and structures	<u>549,568</u>	<u>417,416</u>
	<u>\$ 830,030</u>	<u>\$ 699,563</u>

	Years ended December 31,	
	2022	2021
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 6,106	\$ 5,940
Buildings and structures	<u>237,569</u>	<u>205,008</u>
	<u>\$ 243,675</u>	<u>\$ 210,948</u>

D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets (including the amounts acquired through business combinations) were \$356,912 and \$145,810, respectively. Refer to Note 6(33) for the details of additions to the Group's right-of-use assets arising from business combinations for the year ended December 31, 2022.

E. The information on income or expense accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2022	2021
	<u>Items affecting profit or loss</u>	
Interest expense on lease liabilities	\$ 15,393	\$ 15,907
Expense on short-term lease contracts	111,760	80,226

F. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were \$362,620 and \$289,163, respectively.

(10) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2022</u>			
Cost	\$ 84,736	\$ 37,099	\$ 121,835
Accumulated depreciation and impairment	(1,897)	(17,438)	(19,335)
	<u>\$ 82,839</u>	<u>\$ 19,661</u>	<u>\$ 102,500</u>
<u>2022</u>			
Opening net book amount	\$ 82,839	\$ 19,661	\$ 102,500
Reclassifications	62,411	31,079	93,490
Depreciation charge	<u>-</u>	<u>(2,304)</u>	<u>(2,304)</u>
Closing net book amount	<u>\$ 145,250</u>	<u>\$ 48,436</u>	<u>\$ 193,686</u>
<u>At December 31, 2022</u>			
Cost	\$ 147,148	\$ 106,068	\$ 253,216
Accumulated depreciation and impairment	(1,897)	(57,633)	(59,530)
	<u>\$ 145,251</u>	<u>\$ 48,435</u>	<u>\$ 193,686</u>

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2021</u>			
Cost	\$ 84,736	\$ 37,099	\$ 121,835
Accumulated depreciation and impairment	(1,897)	(16,624)	(18,521)
	<u>\$ 82,839</u>	<u>\$ 20,475</u>	<u>\$ 103,314</u>
<u>2021</u>			
Opening net book amount	\$ 82,839	\$ 20,475	\$ 103,314
Depreciation charge	-	(814)	(814)
Closing net book amount	<u>\$ 82,839</u>	<u>\$ 19,661</u>	<u>\$ 102,500</u>
<u>At December 31, 2021</u>			
Cost	\$ 84,736	\$ 37,099	\$ 121,835
Accumulated depreciation and impairment	(1,897)	(17,438)	(19,335)
	<u>\$ 82,839</u>	<u>\$ 19,661</u>	<u>\$ 102,500</u>

A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Rental income from the lease of the investment property	<u>\$ 13,635</u>	<u>\$ 2,627</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 2,304</u>	<u>\$ 814</u>

B. The fair values of the investment property held by the Group as at December 31, 2022 and 2021 were \$722,953 and \$179,635, respectively, which were based on the valuation of market prices estimated using comparison approach and is categorised within Level 3 in the fair value hierarchy.

(11) Intangible assets

	<u>Goodwill</u>	<u>Software</u>	<u>Customer relationship</u>	<u>Total</u>
<u>At January 1, 2022</u>				
Cost	\$ 2,033,017	\$ 111,896	\$ 167,485	\$ 2,312,398
Accumulated amortisation and impairment	(220,132)	(96,311)	(23,178)	(339,621)
	<u>\$ 1,812,885</u>	<u>\$ 15,585</u>	<u>\$ 144,307</u>	<u>\$ 1,972,777</u>
<u>2022</u>				
Opening net book amount	\$ 1,812,885	\$ 15,585	\$ 144,307	\$ 1,972,777
Additions	-	10,449	-	10,449
Disposal	-	(15,487)	-	(15,487)
Acquired from business combinations	875,175	20,182	468,846	1,364,203
Amortisation charge (shown as 'general and administrative expenses')	-	(10,057)	(47,831)	(57,888)
Impairment loss	(7,836)	-	-	(7,836)
Net exchange differences	100,665	468	4,161	105,294
Closing net book amount	<u>\$ 2,780,889</u>	<u>\$ 21,140</u>	<u>\$ 569,483</u>	<u>\$ 3,371,512</u>
<u>At December 31, 2022</u>				
Cost	\$ 3,008,857	\$ 151,583	\$ 640,149	\$ 3,800,589
Accumulated amortisation and impairment	(227,968)	(130,443)	(70,666)	(429,077)
	<u>\$ 2,780,889</u>	<u>\$ 21,140</u>	<u>\$ 569,483</u>	<u>\$ 3,371,512</u>
	<u>Goodwill</u>	<u>Software</u>	<u>Customer relationship</u>	<u>Total</u>
<u>At January 1, 2021</u>				
Cost	\$ 2,046,410	\$ 107,496	\$ 69,152	\$ 2,223,058
Accumulated amortisation and impairment	(220,132)	(88,076)	(3,237)	(311,445)
	<u>\$ 1,826,278</u>	<u>\$ 19,420</u>	<u>\$ 65,915</u>	<u>\$ 1,911,613</u>
<u>2021</u>				
Opening net book amount	\$ 1,826,278	\$ 19,420	\$ 65,915	\$ 1,911,613
Additions	13,686	4,436	96,906	115,028
Amortisation charge (shown as 'general and administrative expenses')	-	(8,271)	(19,941)	(28,212)
Net exchange differences	(27,079)	-	1,427	(25,652)
Closing net book amount	<u>\$ 1,812,885</u>	<u>\$ 15,585</u>	<u>\$ 144,307</u>	<u>\$ 1,972,777</u>
<u>At December 31, 2021</u>				
Cost	\$ 2,033,017	\$ 111,896	\$ 167,485	\$ 2,312,398
Accumulated amortisation and impairment	(220,132)	(96,311)	(23,178)	(339,621)
	<u>\$ 1,812,885</u>	<u>\$ 15,585</u>	<u>\$ 144,307</u>	<u>\$ 1,972,777</u>

A. Refer to Note 6(33) for the details of additions to the Group's intangible assets arising from business combinations for the years ended December 31, 2022 and 2021.

B. Goodwill is allocated to the Group's cash-generating units identified according to operating segment as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Greater China Region	\$ 1,187,421	\$ 1,165,339
All other segments	<u>1,593,468</u>	<u>647,546</u>
	<u>\$ 2,780,889</u>	<u>\$ 1,812,885</u>

C. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

The future cash flows were estimated based on the annual revenue, gross profit and other operating expenses in the future. Management determined budgeted gross profit based on past performance and their expectations of market development. The Group's accrued average annual revenue growth rate for the years ended December 31, 2022 and 2021 was both 0%~5%; the assumption used for discount rate is the weighted average capital cost of the Group. As of December 31, 2022 and 2021, the key valuations used for pre-tax discount rate to reflect risk of related cash-generating units were 7.02%~10.02% and 5.32%~9.80%, respectively. Based on the aforementioned assessment, impairment loss on goodwill of \$7,836 and \$0 was recognised for the years ended December 31, 2022 and 2021, respectively.

D. There were no intangible assets that were pledged to others.

(12) Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Credit loans	\$ 38,340,556	\$ 33,192,670
Secured borrowings (note)	<u>-</u>	<u>305,038</u>
	<u>\$ 38,340,556</u>	<u>\$ 33,497,708</u>
Interest rates per annum	<u>1.4917%~5.97%</u>	<u>0.5195%~3.55%</u>

Note: The above borrowings were secured by accounts receivable.

As of December 31, 2022 and 2021, information on the collateral provided by the Group is provided in Note 8.

(13) Short-term notes and bills payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commercial paper	\$ 1,050,000	\$ 2,050,000
Amortisation of discount	(<u>614</u>)	(<u>546</u>)
	<u>\$ 1,049,386</u>	<u>\$ 2,049,454</u>
Coupon rate	<u>1.3%~1.84%</u>	<u>0.44%~0.742%</u>

The notes and bills were issued under securities and acceptance offered by the financial institutions to fund short-term capital. The issuance period is within 90 days.

(14) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Salaries and bonuses payable	\$ 1,806,626	\$ 1,329,638
Accrued VAT payable	433,968	167,454
Finance costs payable	297,358	51,201
Freight payable	179,947	165,500
Services payable	97,051	31,368
Technical service fees payable	93,583	143,614
Insurance expense payable	88,595	80,654
Others	792,250	214,703
	<u>\$ 3,789,378</u>	<u>\$ 2,184,132</u>

(15) Bonds payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bonds payable	\$ -	\$ 77,100
Less: Discount on bonds payable	-	(465)
	-	76,635
Less: Bonds payable, current portion (Shown as 'Long-term liabilities, current portion')	-	(76,635)
	<u>\$ -</u>	<u>\$ -</u>

A. Sixth unsecured convertible bonds of 2019

(a) The terms of the sixth domestic unsecured convertible bonds issued by the Company are as follows:

- i. The Company issued \$1,200,000, 0%, sixth domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (July 1, 2019 ~July 1, 2022) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 1, 2019.
- ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- iii. The conversion price of the bonds is set up based on the pricing model as specified in the terms of the bonds (with the conversion price at NT\$40 per share) and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. On March 31, 2022, the conversion price was NT\$26.7 per share.

iv. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from securities trading markets), matured and converted are retired and not to be resold or re-issued; the convertible rights attached to the bonds are also extinguished.

(b) Regarding the issuance of convertible bonds, the equity conversion options amounting to \$37,762 were separated from the liability component in accordance with IAS 32.

(c) As of December 31, 2022, the convertible bonds converted into 41,174 thousand common shares totaled \$1,200,000 at par value.

B. For the years ended December 31, 2022 and 2021, the amortised discount of bonds payable was \$1 and \$3,516, respectively.

(16) Long-term loans

		December 31, 2022		
Type of loans	Period	Credit line	Interest rate	Amount
Mid-term syndicated loans (note A)	2021.7.29 ~2026.7.29	\$ 12,000,000	1.8317% ~1.9543%	\$ 6,400,000
Mid-term syndicated loans (note A)	2022.6.27 ~2027.6.27	24,000,000	1.8541% ~5.3594%	11,213,000
Mid-term borrowings (United Overseas Bank)	2020.4.28 ~2025.4.27	91,520	2%	31,525
Mid-term borrowings (United Overseas Bank)	2020.5.27 ~2025.5.26	114,400	2%	65,580
Mid-term borrowings (DBS Bank Ltd.)	2020.6.24 ~2025.6.23	22,880	2%	8,841
Mid-term borrowings (United Overseas Bank)	2021.4.5 ~2026.4.4	114,400	2%	67,503
				<u>\$ 17,786,449</u>
		December 31, 2021		
Type of loans	Period	Credit line	Interest rate	Amount
Mid-term syndicated loans (note A)	2021.7.29 ~2026.7.29	\$ 12,000,000	0.95%	<u>\$ 7,750,400</u>

A. As stipulated in the syndicated loan agreement:

(a) Credit period: 5 years after the date of first drawdown of any credit line.

(b) Drawdown period: The day before 5 years after the date of first drawdown. However, maturity date of each borrowing shall not exceed the credit period. The borrower may apply for re-utilisation within the credit period 5 years after the date of first drawdown according to the capital situation. However, each drawdown must be fully repaid before the expiry of the credit period.

(c) Financial commitment: The borrower's consolidated financial statements shall maintain the following financial ratios and regulations:

i. Liquidity ratio: Shall be at least 100%.

- ii. Net debt ratio: Shall be no more than 250%.
- iii. Interest coverage ratio shall be at least 200%.

The abovementioned financial ratios are reviewed semi-annually.

B. The Group's financial ratios in the consolidated financial statements for the years ended December 31, 2022 and 2021 have met the required covenants under the abovementioned borrowing contract.

C. The Group's liquidity risk is provided in Note 12.

(17) Pensions

A. Defined benefit pension plan

(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Group would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	\$ 219,430	\$ 205,472
Fair value of plan assets	(160,589)	(149,497)
Net defined benefit liability	<u>\$ 58,841</u>	<u>\$ 55,975</u>
Shown as 'other non-current assets'	<u>\$ 7,395</u>	<u>\$ 5,592</u>
Shown as 'other non-current liabilities'	<u>\$ 66,236</u>	<u>\$ 61,567</u>

(c) Movements in net defined benefit liabilities (assets) are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2022			
Balance at January 1	\$ 205,472	\$ 149,497	\$ 55,975
Current service cost	1,237	-	1,237
Interest (expense) income	<u>1,437</u>	<u>1,046</u>	<u>391</u>
	<u>208,146</u>	<u>150,543</u>	<u>57,603</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	11,092	(11,092)
Change in financial assumptions	(12,035)	-	(12,035)
Experience adjustments	<u>28,874</u>	<u>-</u>	<u>28,874</u>
	<u>16,839</u>	<u>11,092</u>	<u>5,747</u>
Pension fund contribution	-	4,509	(4,509)
Paid pension	(5,555)	(5,555)	<u>-</u>
Balance at December 31	<u>\$ 219,430</u>	<u>\$ 160,589</u>	<u>\$ 58,841</u>
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2021			
Balance at January 1	\$ 206,193	\$ 142,768	\$ 63,425
Current service cost	1,243	-	1,243
Interest (expense) income	<u>671</u>	<u>462</u>	<u>209</u>
	<u>208,107</u>	<u>143,230</u>	<u>64,877</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	2,100	(2,100)
Change in demographic assumptions	204	-	204
Change in financial assumptions	(8,041)	-	(8,041)
Experience adjustments	<u>5,202</u>	<u>-</u>	<u>5,202</u>
	<u>(2,635)</u>	<u>2,100</u>	<u>(4,735)</u>
Pension fund contribution	<u>-</u>	<u>4,167</u>	<u>(4,167)</u>
Balance at December 31	<u>\$ 205,472</u>	<u>\$ 149,497</u>	<u>\$ 55,975</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being approved by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund, hence, the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.
- (e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2022	2021
Discount rate	1.3%~1.4%	0.7%
Future salary increases	3%	3%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 4,573)	\$ 4,714	\$ 4,083	(\$ 3,987)
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 5,075)	\$ 5,248	\$ 4,607	(\$ 4,487)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plan of the Group for the year ending December 31, 2023 amount to \$4,570.
- (g) As of December 31, 2022, the weighted average duration of the retirement plan is 8 ~ 12 years.

B. Defined contribution pension plan

- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company’s subsidiaries in Mainland China have a defined contribution plan in accordance with the pension regulations in the People’s Republic of China (PRC). These companies contribute monthly an amount based on 15%~16% of the employees’ monthly salaries based on the employees’ domiciles to their independent funds administered by the government. For the subsidiaries in Hong Kong, these companies and its employees each contribute monthly an amount equal to 5% of the employees’ monthly salaries pursuant to the legislation in Hong Kong. Each fund is managed by the government. Except for the monthly contribution, these companies have no other obligation.
- (c) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2022 and 2021 were \$317,922 and \$238,995, respectively.

(18) Share-based payment

- A. For the years ended December 31, 2022 and 2021, the Group’s share-based payment arrangements are as follows:

Type of arrangement	Grant date	Quantity granted	Vesting conditions
Restricted stocks to employees	2021.1.13	2,992 thousand shares	(a) and (b)
Employee stock options	2021.3.18	12,000 thousand shares	(c)
Restricted stocks to employees	2021.7.28	2,788 thousand shares	(a) and (b)
Employee stock options	2022.1.6	18,854 thousand shares	(c)

- (a) The vesting percentage for the employee who has rendered service to the Company since the grant date and achieves the performance condition is 25% each year.

(b) The issued employee restricted shares before meeting the vesting conditions are subject to certain restrictions as follows:

- i. Employee restricted shares cannot be sold, pledged, transferred, donated to others, set purposes or disposed in any other ways, except for inheritance.
- ii. The rights to attend, propose, speak and vote at the shareholders meeting are the same as the issued ordinary shares of the Company and are implemented in accordance with the trust custody contract.
- iii. Other rights including but not limited to dividends, distribution rights of legal reserve and capital surplus and share options of cash capital increase, etc. are the same as the Company's issued ordinary shares, do not need to be kept in trust and are not restricted by the vesting period. Employees are required to return the unvested stocks but not required to return the dividends received if they resign during the vesting period.

(c) Employees can exercise 50%, 25% and 25% of their option after 2 years, 3 years and 4 years from the grant date of employee stock options, respectively.

B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected		Expected dividends	Risk-free interest rate (%)	Fair value per unit (in dollars)
				price volatility (%)	option life (years)			
Restricted stocks to employees	2021.1.13	\$ 42.05	\$ -	-	4	-	-	\$ 42.05
Employee stock options	2021.3.18	\$ 46.80	\$ 46.80	18.44~ 18.46	4~5	-	0.31~ 0.34	\$7.0985~ \$8.1307
Restricted stocks to employees	2021.7.28	\$ 61.20	\$ -	-	4	-	-	\$ 58.0011
Employee stock options	2022.1.6	\$ 75.40	\$ 75.40	21.06~ 22.66	3.5~4.5	-	0.55~ 0.62	\$13.2673~ \$14.2005

C. Details of the stock options for the years ended December 31, 2022 and 2021 are disclosed as follows:

	2022		
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	Weighted-average remaining contractual period
Options outstanding at January 1	11,940	\$ 46.80	
Options granted	18,854	75.40	
Options forfeited	(646)	62.22	
Options outstanding at December 31	<u>30,148</u>	58.58	4.09 years
	2021		
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	Weighted-average remaining contractual period
Options outstanding at January 1	-	\$ -	
Options granted	12,000	46.80	
Options forfeited	(60)	45.55	
Options outstanding at December 31	<u>11,940</u>	44.30	5.46 years

D. As of December 31, 2022, the Group had no exercisable stock options at the end of the year.

E. Details of the employee restricted shares for the years ended December 31, 2022 and 2021 are disclosed as follows:

	2022	2021
	No. of shares (in thousands)	No. of shares (in thousands)
Shares outstanding at January 1	5,666	-
Shares redeemed at beginning of year but not yet retired	62	-
Shares granted	-	5,780
Shares vested	(1,395)	-
Shares forfeited	(214)	(52)
Shares redeemed, not yet forfeited	(29)	(62)
Shares outstanding at December 31	<u>4,090</u>	<u>5,666</u>

F. Compensation cost of share-based payment of \$222,571 and \$123,520 was recognised for the years ended December 31, 2022 and 2021, respectively.

(19) Share capital

As of December 31, 2022, the Company's authorised capital was \$20,000,000, including partial preferred shares, consisting of 2 billion shares (including 300 million shares reserved for employee stock options), and the paid-in capital was \$10,185,297 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Common stock

A. Movements in the number of the Company's ordinary shares (including certificate of entitlement to new shares from convertible bonds) outstanding are as follows:

	<u>2022</u>	<u>2021</u>
	<u>Shares (in thousands)</u>	<u>Shares (in thousands)</u>
At January 1	802,857	788,232
Issuance of shares - Global depository receipts	78,000	-
Issuance of employee restricted shares	-	5,780
Cancellation of employee restricted shares	(214)	(52)
Shares converted from bonds	2,887	11,391
Retirement of treasury shares	-	(2,494)
At December 31	<u>883,530</u>	<u>802,857</u>

B. For year ended December 31, 2022, all convertible bonds of the Company have been converted into 41,174 thousand ordinary shares. Convertible bonds amounting to \$77,100 in total par value have been requested for conversion into 2,887 thousand ordinary shares. For the year ended December 31, 2021, convertible bonds of the the Company have been converted into 11,391 thousand ordinary shares. Convertible bonds amounting to \$137,500 in total par value had been requested for conversion into 5,150 thousand ordinary shares. The amount was recorded under 'certificate of entitlement to new shares from convertible bonds' because the change in registration has not yet been completed.

C. On March 27, 2020, the shareholders resolved the issuance of 3,000 thousand employee restricted shares with a par value of \$10 (in dollars) per share. The issuance can be granted several times within a year. A total of 2,992 thousand shares were issued for the first time and the effective date was set on January 18, 2021.

D. On July 12, 2021, the shareholders resolved the issuance of 3,000 thousand employee restricted shares with a par value of \$10 (in dollars) per share. The issuance can be granted several times within a year. A total of 2,788 thousand shares were issued for the first time and the effective date was set on July 28, 2021.

E. For the years ended December 31, 2022 and 2021, the Company has retrieved 214 thousand and 52 thousand of employee restricted shares, respectively, for not satisfying vesting conditions, and the Company cancelled and retired the shares in accordance with the regulations.

F. Treasury shares

On May 17, 2021, the Company's Board of Directors resolved to buy back 2,494 thousand shares

to enhance the Company's credit rating and the shareholders' equity. On November 5, 2021, the Company's Board of Directors resolved to retire shares and the registration for the change was completed on November 19, 2021.

Global depositary receipts

On February 24, 2022, the Company's Board of Directors resolved to increase capital by issuing common shares to participate in the issuance of the global depositary receipts for the repayment of the principal of bank borrowing in foreign currency and overseas procurement. The capital increase was approved by the Financial Supervisory Committee on March 25, 2022 and 15,600 thousand units of global depositary receipts were issued at the Luxembourg Stock Exchange on April 22, 2022 at a price of USD12.18 (in dollars) per unit. The global depositary receipts represented 78,000 thousand shares of the Company's common stock. The amount after deducting issuance cost was USD186,792 thousand (NT\$5,455,260 thousand). Each unit of the global depositary receipts represents 5 shares of the Company's common stocks. As of December 31, 2022, there were 248 thousand units of global depositary receipts outstanding which represented 1,240 thousand shares of the Company's common stock.

Preferred shares

On July 2, 2020, the Board of Directors resolved to increase the Company's capital in the amount of \$6,750,000 by issuing 135 million shares of Class A preferred shares with a par value of \$10 (in dollars) per share issued at \$50 (in dollars) per share. The capital injection was approved by the Financial Supervisory Commission on July 29, 2020, and the effective date was set on October 15, 2020. The rights and obligations of these outstanding preferred shares are as follows:

- A. Expiration date: The Company's Class A preferred shares are perpetual. The shareholders of Class A preferred shares cannot request the Company to retire the preferred shares they hold but all or certain parts are callable at any time from the next day of five years after issuance at the actual issue price. The outstanding Class A preferred shares sustained all the rights and obligations specified in the issuance terms. Dividends payable as of the redemption date shall be calculated based on the actual outstanding days if the Board of Directors resolved to distribute the current year's dividends.
- B. Dividends: Dividends are calculated at 4% per annum, consisting of five-year IRS rate of 0.6125% on pricing effective date (August 17, 2020) and specific markup of 3.3875%, based on the issue price per share. The five-year IRS rate will be reset on the next business day of five years since issuance and every subsequent five years and the pricing effective date for rate reset is two business days in Taipei financial industry prior to the IRS rate reset date. The rate index, five-year IRS rate, is the arithmetic mean of five-year IRS rates appearing on Refinitiv pages "PYTWDFIX" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant pricing effective date of rate reset. If such rate cannot be obtained, the Company will determine the rate based on the reasonable market price with good faith.

C. Dividend distribution: Dividends of Class A preferred shares are distributed once per year in the form of cash. The effective date for distributing previous year's distributable dividends will be set by the Board of Directors or the chairman who is authorised by the Board of Directors. Dividend distributions in the years of issuance and redemption are calculated based on the actual outstanding days. The current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating deficit and then set aside as legal reserve. Special reserve shall be set aside or reversed as required by regulations or the Competent Authority when necessary. The remainder, if any in the current year, can be distributed as dividends of preferred shares in first priority.

The Company has discretion in dividend distribution of Class A preferred shares. The Company could choose not to distribute dividends of preferred shares when resolved by the Board of Directors, which would not lead to default if the Company has no or has insufficient current year's earnings for distribution or has other considerations. In addition, the amounts of undistributed dividends or insufficient distributed dividends will not be deferred to future years when the Company has earnings.

D. Excess dividend distribution: Besides the aforementioned dividends, the shareholders of Class A preferred shares could not participate in the distribution of cash and capitalised assets for common shares derived from earnings and capital surplus.

E. Residual property distribution: The shareholders of Class A preferred shares have priority over shareholders of common stocks in distributing the Company's residual properties and have the same priority with other preferred shareholders of the Company, but behind the general creditor. In addition, the limit is the amount calculated by shares of outstanding preferred shares issued and the issue price when distributing.

F. Right to vote and be elected: The shareholders of Class A preferred shares have no right to vote and be elected as directors in the ordinary shareholders' meeting of the Company but have the right to vote in the shareholders' meeting only when there are unfavourable matters to rights and obligations of shareholders of Class A preferred shares.

G. Conversion to common shares: Class A preferred shares could not be converted to common shares.

H. The preemptive rights for shareholders of Class A preferred shares are the same as of common shareholders when the Company increases its capital by issuing new shares.

I. Capital surplus arising from premium issuance of Class A preferred shares can be used to offset against accumulated deficit but cannot be capitalised during the issuance period.

(20) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further to the above considerations, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient. Changes in capital surplus are as follows:

	2022					
	<u>Share premium</u>	<u>Employee stock options</u>	<u>Stock options</u>	<u>Restricted stocks to employees</u>	<u>Net change in equity of associates</u>	<u>Total</u>
At January 1	\$ 20,187,420	\$ 26,636	\$ 2,426	\$ 216,886	\$ 11,410	\$ 20,444,778
Issuance of shares - Global depository receipts	4,675,260	-	-	-	-	4,675,260
Conversion of convertible bonds	50,186	-	(2,426)	-	-	47,760
Vesting of employee restricted shares	55,357	-	-	(55,357)	-	-
Cancellation of employee restricted shares	-	-	-	2,145	-	2,145
Changes in restricted stocks to employees	-	-	-	(3,320)	-	(3,320)
Compensation cost of share-based payments	-	127,486	-	-	-	127,486
At December 31	<u>\$ 24,968,223</u>	<u>\$ 154,122</u>	<u>\$ -</u>	<u>\$ 160,354</u>	<u>\$ 11,410</u>	<u>\$ 25,294,109</u>

	2021						
	<u>Share premium</u>	<u>Treasury share transactions</u>	<u>Employee stock options</u>	<u>Stock options</u>	<u>Restricted stocks to employees</u>	<u>Net change in equity of associates</u>	<u>Total</u>
At January 1	\$20,033,915	\$40,742	\$ -	\$12,087	\$ -	\$ 8,237	\$20,094,981
Conversion of convertible bonds	199,827	-	-	(9,661)	-	-	190,166
Issuance of employee restricted shares	-	-	-	-	216,366	-	216,366
Cancellation of employee restricted shares	-	-	-	-	520	-	520
Retirement of treasury shares	(46,322)	(40,742)	-	-	-	-	(87,064)
Compensation cost of share-based payments	-	-	26,636	-	-	-	26,636
Changes in equity of associates accounted for using the equity method	-	-	-	-	-	3,173	3,173
At December 31	<u>\$20,187,420</u>	<u>\$ -</u>	<u>\$26,636</u>	<u>\$ 2,426</u>	<u>\$216,886</u>	<u>\$ 11,410</u>	<u>\$20,444,778</u>

B. For the information relating to capital surplus-share options, refer to Note 6(15).

(21) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first pay taxes and offset accumulated losses; and set aside a legal reserve at 10% of such remaining earnings, until the accumulated legal reserve has equaled the total paid-in capital of the Company; then, set aside a special reserve in accordance with applicable laws or regulations of the competent authority. Residual earnings (distributable earnings in the current year) plus undistributed earnings at the beginning of the period is the accumulated retained earnings, which shall first be distributed as dividends to holders of Preferred Shares, and distribution of such earnings shall submitted by the Board of Directors to the shareholders' meeting for approval.
- B. In accordance with Article 240 of the Company Act, the Board of Directors is authorised, upon resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, to distribute dividends and bonus of all or part of the legal reserve and capital surplus in the form of cash based on the regulations specified in Article 241 of the Company Act which shall be reported to the shareholders during their meeting. Said distribution is not subject to the regulation which requires that the distribution shall be resolved by the shareholders during their meeting.
- C. The Company's dividend policy is regulated by the Board of Directors taking into consideration the Company's operations, future investment plans, capital budget and internal/external situations. As the Company is in the growth stage, most of retained earnings will be used to

support business development and investment requirements and consequently, the minimum cash dividend and extra dividend policy is adopted by the Company. The Company's dividend policy is summarised below:

At least 40% of the Company's earnings shall be appropriated as stock dividends and cash dividends, taking into account profits in the future and capital needs, and cash dividends shall account for at least 10% of the total dividends distributed. In the event the total earnings appropriation exceeds 30% of the Company's paid-in capital before appropriation, cash dividends shall account for at least 20% of the total dividends distributed.

- D. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- E. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- F. According to the resolutions adopted by the shareholders during their meetings in May 2022 and July 2021, the distribution information of the Company's 2021 and 2020 earnings, respectively, is as follows:

	Years ended December 31,			
	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 865,516		\$ 396,453	
Special reserve	-		(791,142)	
Dividends on preferred share	270,000	\$ 2.000	57,541	\$ 0.426
Cash dividends of ordinary shareholders	<u>4,431,032</u>	5.500	<u>2,532,086</u>	3.200
	<u>\$ 5,566,548</u>		<u>\$ 2,194,938</u>	

Information on the appropriation of the Company's earnings as approved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Other equity items

	Unrealised gains (losses) on valuation	Currency translation	Others	Total
At January 1, 2022	\$ 10,591,772	(\$ 3,678,252)	(\$ 177,282)	\$ 6,736,238
Valuation adjustment on equity instruments:				
– Group	(11,413,891)	-	-	(11,413,891)
– Associates	(12,499)	-	-	(12,499)
Disposals reclassified as retained earnings	(57,163)	-	-	(57,163)
Currency translation differences:				
– Group	-	4,353,838	-	4,353,838
– Associates	-	(2,130)	-	(2,130)
Issuance of employee restricted shares	-	-	3,320	3,320
Redemption liability recognised as other equity	-	-	(1,267,083)	(1,267,083)
Compensation cost of share-based payments	-	-	94,983	94,983
At December 31, 2022	<u>(\$ 891,781)</u>	<u>\$ 673,456</u>	<u>(\$ 1,346,062)</u>	<u>(\$ 1,564,387)</u>
	Unrealised gains (losses) on valuation	Currency translation	Others	Total
At January 1, 2021	\$ 8,208,070	(\$ 2,600,106)	\$ -	\$ 5,607,964
Valuation adjustment on equity instruments	3,213,479	-	-	3,213,479
Disposals reclassified as retained earnings	(829,777)	-	-	(829,777)
Currency translation differences:				
– Group	-	(1,078,835)	-	(1,078,835)
– Associates	-	689	-	689
Issuance of employee restricted shares	-	-	(274,166)	(274,166)
Compensation cost of share-based payments	-	-	96,884	96,884
At December 31, 2021	<u>\$ 10,591,772</u>	<u>(\$ 3,678,252)</u>	<u>(\$ 177,282)</u>	<u>\$ 6,736,238</u>

(23) Non-controlling interests

	<u>2022</u>	<u>2021</u>
At January 1	\$ 92,443	\$ 38,364
Share attributable to non-controlling interest:		
Loss for the year	(30,759)	(68,089)
Increase in non-controlling interests	798,563	121,813
Cash dividends paid	(588)	(366)
Comprehensive income for the year:		
Exchange differences on translation of foreign financial statements	9,904	707
Unrealised loss from financial assets at fair value through other comprehensive income	(587)	(11)
Disposal of financial assets at fair value through other comprehensive income reclassified as retained earnings	-	25
At December 31	<u>\$ 868,976</u>	<u>\$ 92,443</u>

A. The Company's subsidiary, Brillnics Inc., increased its capital and employees of Brillnics Inc. exercised employee stock options for the years ended December 31, 2022 and 2021, which resulted to an increase in the non-controlling interest. Refer to Note 4(3) for details.

B. Refer to Note 4(3) for the details of the increase in non-controlling interest resulting from the capital increase of the Company's subsidiary, WT Semiconductor Holdings Pte. Ltd., in September 2022.

(24) Operating revenue

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Contract revenue		
Sales of electronic components	\$ 570,475,062	\$ 447,344,160
Services revenue	525,422	349,138
Other operating revenue	196,634	202,819
	<u>\$ 571,197,118</u>	<u>\$ 447,896,117</u>

A. The Group derives revenue from the transfer of goods at a point in time and services over time in the following major product lines:

	Year ended December 31, 2022		
	Greater China Region	Others	Total
Timing of revenue			
At a point in time			
Analog IC	\$ 208,122,244	\$ 6,764,172	\$ 214,886,416
Microcontroller	48,874,127	27,342,734	76,216,861
Memory IC	38,955,561	3,757,199	42,712,760
Microprocessor	25,534,416	15,763,250	41,297,666
Application Specific IC	29,420,351	1,368,967	30,789,318
Discrete Component	25,156,213	2,548,383	27,704,596
Mixed Signal IC	23,619,943	583,408	24,203,351
Others	105,475,424	7,385,304	112,860,728
Over time			
Services	525,422	-	525,422
	<u>\$ 505,683,701</u>	<u>\$ 65,513,417</u>	<u>\$ 571,197,118</u>

	Year ended December 31, 2021		
	Greater China Region	Others	Total
Timing of revenue			
At a point in time			
Analog IC	\$ 160,035,399	\$ 3,880,022	\$ 163,915,421
Microcontroller	32,680,528	15,246,539	47,927,067
Memory IC	42,043,007	1,074,546	43,117,553
Discrete Component	29,657,596	2,437,694	32,095,290
Microprocessor	17,203,501	11,778,008	28,981,509
Mixed Signal IC	22,100,935	448,233	22,549,168
Application Specific IC	14,664,465	811,823	15,476,288
Others	88,019,841	5,464,842	93,484,683
Over time			
Services	349,138	-	349,138
	<u>\$ 406,754,410</u>	<u>\$ 41,141,707</u>	<u>\$ 447,896,117</u>

B. The Group has recognised the following revenue-related contract liabilities provisions for estimated sales discounts:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Refund liabilities			
-sales discounts and returns	\$ <u>778,605</u>	\$ <u>658,325</u>	\$ <u>459,101</u>
Contract liabilities			
-advance sales receipts	\$ <u>904,038</u>	\$ <u>373,803</u>	\$ <u>506,379</u>

C. Revenue recognised that was included in the contract liability balance at the beginning of the year:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year	\$ <u>207,554</u>	\$ <u>325,427</u>

(25) Interest income

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Interest income from bank deposits	\$ 38,772	\$ 5,967
Other interest income	<u>264</u>	<u>301</u>
	\$ <u>39,036</u>	\$ <u>6,268</u>

(26) Other income

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Dividend income	\$ 339,705	\$ 276,153
Grant revenue	52,488	29,558
Other income	<u>29,289</u>	<u>33,562</u>
	\$ <u>421,482</u>	\$ <u>339,273</u>

(27) Other gains and losses

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Loss on disposal of intangible assets	(\$ 15,487)	\$ -
Foreign exchange (loss) gain, net	(413,746)	196,658
Gain (loss) on financial assets and liabilities at fair value through profit or loss	598,787	(189,235)
Other losses	<u>(40,252)</u>	<u>(9,341)</u>
	\$ <u>129,302</u>	(\$ <u>1,918</u>)

(28) Finance costs

	Years ended December 31,	
	2022	2021
Interest expense:		
Bank borrowings	\$ 1,411,394	\$ 425,383
Others	25,379	27,255
Financing charges on accounts receivable factoring	949,356	229,061
Other finance costs	59,385	33,350
	<u>\$ 2,445,514</u>	<u>\$ 715,049</u>

(29) Expenses by nature

	Years ended December 31,	
	2022	2021
Employee benefit expense	<u>\$ 5,023,129</u>	<u>\$ 4,040,421</u>
Depreciation	<u>\$ 380,125</u>	<u>\$ 348,451</u>
Amortisation	<u>\$ 57,888</u>	<u>\$ 28,212</u>

(30) Employee benefit expense

	Years ended December 31,	
	2022	2021
Employee benefit expense		
Wages and salaries	\$ 4,249,899	\$ 3,426,770
Labour and health insurance fees	146,734	128,580
Pension costs	319,550	240,447
Other personnel expenses	<u>306,946</u>	<u>244,624</u>
Total (shown as 'Operating expenses')	<u>\$ 5,023,129</u>	<u>\$ 4,040,421</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 3% for directors' remuneration.

B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at \$87,500 and \$92,900, respectively; while directors' remuneration was accrued at \$35,000 and \$35,000, respectively. The aforementioned amounts were recognised in salary expenses.

Employees' compensation and directors' remuneration for 2022 and 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in profit or loss for 2022 and 2021, respectively.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2022	2021
Current tax:		
Current tax on profit for the year	\$ 2,313,558	\$ 2,087,264
Tax on undistributed surplus earnings	154,694	88,480
Prior year income tax (over) under estimation	(602)	15,902
Total current tax	<u>2,467,650</u>	<u>2,191,646</u>
Deferred tax:		
Origination and reversal of temporary differences	(156,872)	133,011
Total deferred tax	(156,872)	133,011
Income tax expense	<u>\$ 2,310,778</u>	<u>\$ 2,324,657</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	2022	2021
Remeasurement of defined benefit obligations	<u>\$ 1,150</u>	<u>(\$ 947)</u>

B. Reconciliation between income tax expense and accounting profit

	2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$ 3,065,295	\$ 2,933,096
Expenses disallowed by tax regulation	(908,609)	(712,821)
Tax on undistributed earnings	154,694	88,480
Prior year income tax (over) under estimation	(602)	15,902
Income tax expense	<u>\$ 2,310,778</u>	<u>\$ 2,324,657</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	Year ended December 31, 2022					December 31
	January 1	Acquisition from business combination	Recognised in profit or loss	Recognised in other comprehensive income	Effect of exchange rate	
– Deferred tax assets:						
Allowance for sales returns and discounts	\$ 485,508	\$ -	\$ 20,930	\$ -	\$ 15	\$ 506,453
Allowance for doubtful accounts	27,666	-	3,641	-	99	31,406
Reserve for inventory obsolescence and market price decline	225,169	-	41,824	-	52	267,045
Others	<u>63,568</u>	<u>2,787</u>	<u>203,889</u>	<u>2,496</u>	<u>610</u>	<u>273,350</u>
	<u>\$ 801,911</u>	<u>\$ 2,787</u>	<u>\$ 270,284</u>	<u>\$ 2,496</u>	<u>\$ 776</u>	<u>\$1,078,254</u>
– Deferred tax liabilities:						
Foreign investment income using equity method	(\$ 660,794)	\$ -	(\$ 175,444)	\$ -	\$ -	(\$ 836,238)
Others	(81,205)	-	62,032	(1,346)	-	(20,519)
	<u>(\$ 741,999)</u>	<u>\$ -</u>	<u>(\$ 113,412)</u>	<u>(\$ 1,346)</u>	<u>\$ -</u>	<u>(\$ 856,757)</u>
	Year ended December 31, 2021					
	January 1	Acquisition from business combination	Recognised in profit or loss	Recognised in other comprehensive income	Effect of exchange rate	December 31
– Deferred tax assets:						
Allowance for sales returns and discounts	\$ 422,601	\$ -	\$ 62,907	\$ -	\$ -	\$ 485,508
Allowance for doubtful accounts	52,511	-	(24,068)	-	(777)	27,666
Reserve for inventory obsolescence and market price decline	214,269	-	11,128	-	(228)	225,169
Others	<u>130,169</u>	<u>-</u>	<u>(65,522)</u>	<u>(502)</u>	<u>(577)</u>	<u>63,568</u>
	<u>\$ 819,550</u>	<u>\$ -</u>	<u>(\$ 15,555)</u>	<u>(\$ 502)</u>	<u>(\$ 1,582)</u>	<u>\$ 801,911</u>
– Deferred tax liabilities:						
Foreign investment income using equity method	(\$ 599,649)	\$ -	(\$ 61,145)	\$ -	\$ -	(\$ 660,794)
Others	(5,329)	(19,122)	(56,311)	(445)	2	(81,205)
	<u>(\$ 604,978)</u>	<u>(\$ 19,122)</u>	<u>(\$ 117,456)</u>	<u>(\$ 445)</u>	<u>\$ 2</u>	<u>(\$ 741,999)</u>

The information on deferred tax assets acquired through business combinations for the year ended December 31, 2022 is provided in Note 6(33).

D. The Company has assessed that the taxable temporary differences arising on investments in subsidiaries will not reverse in the foreseeable future. Accordingly, the Company did not recognise the full amount as deferred tax liabilities. As of December 31, 2022 and 2021, the temporary differences of unrecognised deferred tax liabilities were \$3,856,689 and \$3,646,012, respectively.

E. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(32) Earnings per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 7,631,123		
Less: Dividends of preferred share	(270,000)		
Profit used to calculate basic earnings per share	\$ 7,361,123	855,236	\$ 8.61
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 7,631,123		
Less: Dividends of preferred share	(270,000)		
Profit used to calculate diluted earnings per share	7,361,123	855,236	
Assumed conversion of all dilutive potential ordinary shares:			
Conversion of convertible bonds	1	41	
Restricted stocks to employees	-	3,255	
Employee stock options	-	2,426	
Employees' compensation	-	1,589	
Profit used to calculate diluted earnings per share attributable to shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 7,361,124	862,547	\$ 8.53

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 7,923,257		
Less: Dividends of preferred share	(57,541)		
Profit used to calculate basic earnings per share	<u>\$ 7,865,716</u>	<u>789,748</u>	<u>\$ 9.96</u>
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of the parent	7,923,257		
Less: Dividends of preferred share	(57,541)		
Profit used to calculate diluted earnings per share	7,865,716	789,748	
Assumed conversion of all dilutive potential ordinary shares:			
Conversion of convertible bonds	3,516	11,413	
Restricted stocks to employees	-	1,943	
Employees stock options	-	2,473	
Employees' compensation	-	<u>1,407</u>	
Profit used to calculate diluted earnings per share attributable to shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 7,869,232</u>	<u>806,984</u>	<u>\$ 9.75</u>

(33) Business combination

As of December 31, 2022 and 2021, the Group's mergers are as follows:

A. The Group acquired all the equity interest of Excelpoint Technology Ltd. ("EXCELPOINT Company"):

- (a) The Company's subsidiary, WT Semiconductor Holdings Pte. Ltd. ("WT SEMICONDUCTOR") acquired all the equity interest of EXCELPOINT Company in cash in the amount of \$4,039,385 thousand (US\$132,591 thousand) in April 2022. Further, the CEO of EXCELPOINT Company, Mr. Albert Pthuay, sold his shares held in EXCELPOINT Company and acquired 20% equity interest in WT SEMICONDUCTOR. After the acquisition, the Company and Mr. Albert Pthuay held 80% and 20% equity interest in WT SEMICONDUCTOR, respectively, and the effective date for the share conversion was set on September 6, 2022.
- (b) EXCELPOINT Company is primarily engaged in the distribution and sales of various electronic components. The purpose of the combination is to strengthen the expansion of the business through the complementary product lines of the two parties, provide customers with a wider range of product solutions and technical support services and enhance the Group's distribution capabilities in the Asia-Pacific region.

(c) The following table summarises the consideration paid for EXCELPOINT Company and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>September 6, 2022</u>
Purchase consideration	
Cash	4,039,385
Fair values of non-controlling interests	791,053
Fair value of the identifiable assets and liabilities	
Cash	1,006,354
Accounts receivable	6,353,669
Other receivables	92,040
Inventories	8,732,481
Other current assets	13,806
Financial assets at fair value through other comprehensive income	147,435
Property, plant and equipment	91,561
Right-of-use assets	151,445
Intangible assets	20,182
Deferred income tax assets	2,787
Other non-current assets	22,907
Short-term borrowings	(4,760,586)
Contract liabilities	(369,522)
Accounts payable	(6,674,542)
Other payables	(762,407)
Current income tax liabilities	(159,537)
Lease liabilities - current	(82,481)
Refund liabilities	(90,309)
Long-term loans	(171,128)
Lease liabilities -non-current	(77,738)
Total identifiable net assets	3,486,417
Fair value of the identifiable net assets-customer relationship	<u>468,846</u>
Goodwill	<u>\$ 875,175</u>

(d) The operating revenue and loss before income tax included in the consolidated statement of comprehensive income since September 6, 2022 contributed by EXCELPOINT Company was \$13,347,437 and \$110,730, respectively. Had EXCELPOINT Company been consolidated from January 1, 2022, the consolidated statement of comprehensive income would show operating revenue of \$604,229,581 and profit before income tax of \$10,376,556.

(e) As of December 31, 2022, the allocation of the purchase price of the combination is still in process, and the Company has hired experts to assess the fair value of the identifiable assets.

B. The Company acquired part of the electronic component distribution business of Shenzhen Anfuhua Technology Co., Ltd. and LIONEX TECHNOLOGY (HK) LIMITED:

(a) In August 2020, the Group signed a business transfer agreement with Shenzhen Anfuhua Technology Co., Ltd. and LIONEX TECHNOLOGY (HK) LIMITED, acquiring part of the

company's electronic component distribution business amounting to \$42,673 and \$42,697 (\$14,743 and \$14,742 of the aforementioned amounts have been paid in August 2020 and shown as 'other non-current assets'), respectively. The record date of the transfer was May 31, 2021.

(b) Shenzhen Anfuhua Technology Co., Ltd. and LIONEX TECHNOLOGY (HK) LIMITED are distributors of electronic components with the China region as its primary market.

(c) Information on the acquisition of the distribution business is as follows:

	<u>May 31, 2021</u>
Purchase consideration - cash	\$ 85,370
Less: Fair value of the identifiable net assets-customer relationship	(85,370)
Goodwill	<u>\$ -</u>

(34) Supplemental cash flow information

A. Cash paid for property, plant and equipment:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Purchase of property, plant and equipment	\$ 99,390	\$ 155,411
Add: Opening balance of payable on equipment	24,780	3,456
Ending balance of prepayments for business facilities	223,501	36,457
Less: Ending balance of payable on equipment	(770)	(24,780)
Opening balance of prepayments for business facilities	(36,457)	-
Effect of foreign exchange	8	-
Cash paid during the year	<u>\$ 310,452</u>	<u>\$ 170,544</u>

B. Cash paid for business combinations:

	Years ended December 31,	
	2022	2021
Current assets	\$ 16,198,350	\$ -
Property, plant and equipment	91,561	-
Goodwill	875,175	13,686
Acquired identifiable intangible assets	489,028	96,906
Other non-current assets	324,574	-
Current liabilities	(12,899,384)	-
Non-current liabilities	(248,866)	(19,122)
Fair value of assets acquired and liabilities assumed	4,830,438	91,470
Adjustment of contingent consideration	1,996	-
Add: Opening balance of payable for investment	6,100	-
Less: Ending balance of payable for investment	-	(6,100)
Opening balance of prepayment for investment	-	(29,485)
Acquired cash from business combinations	(1,006,354)	-
Non-controlling interests	(791,053)	-
Cash paid during the year	<u>\$ 3,041,127</u>	<u>\$ 55,885</u>

C. Financing activities with no cash flow effects

(a) Convertible bonds payable

	Years ended December 31,	
	2022	2021
Conversion of bonds payable	\$ 28,876	\$ 113,909
Capital surplus of bonds payable conversion	47,760	190,166
Conversion of convertible bonds payable	(76,636)	(304,075)
Cash paid during the year	<u>\$ -</u>	<u>\$ -</u>

(35) Changes in liabilities from financing activities

	Long-term and short-term borrowings (Note)	Short-term notes and bills payable	Bonds payable (Note)	Lease liability	Liabilities from financing activities-gross
At January 1, 2022	\$ 41,248,108	\$ 2,049,454	\$ 76,635	\$ 440,119	\$ 43,814,316
Changes in cash flow from financing activities	9,120,293	(1,010,053)	-	(235,467)	7,874,773
Impact of changes in foreign exchange rate	826,890	-	-	13,794	840,684
Interest expense from amortisation	-	9,985	1	-	9,986
Conversion of convertible bonds	-	-	(76,636)	-	(76,636)
Acquired from business combinations	4,931,714	-	-	160,219	5,091,933
Increase in lease liability	-	-	-	205,467	205,467
At December 31, 2022	<u>\$ 56,127,005</u>	<u>\$ 1,049,386</u>	<u>\$ -</u>	<u>\$ 584,132</u>	<u>\$ 57,760,523</u>
	Long-term and short-term borrowings (Note)	Short-term notes and bills payable	Bonds payable	Lease liability	Liabilities from financing activities-gross
At January 1, 2021	\$ 24,114,455	\$ 747,643	\$ 377,194	\$ 499,922	\$ 25,739,214
Changes in cash flow from financing activities	17,183,905	1,293,979	-	(193,030)	18,284,854
Impact of changes in foreign exchange rate	(50,252)	-	-	(12,583)	(62,835)
Interest expense from amortisation	-	7,832	3,516	-	11,348
Conversion of convertible bonds	-	-	(304,075)	-	(304,075)
Increase in lease liability	-	-	-	145,810	145,810
At December 31, 2021	<u>\$ 41,248,108</u>	<u>\$ 2,049,454</u>	<u>\$ 76,635</u>	<u>\$ 440,119</u>	<u>\$ 43,814,316</u>

Note: Including current portion of long-term loans and bonds payable.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
JCD Optical Corporation Limited	Associate
Qwave Technology Co., Ltd.	Associate
Shao Yang Investment Co., Ltd.	Other related party
Wen-You Investment Co., Ltd.	Other related party
Tang Ye Investment Co., Ltd.	Other related party
WPG Holdings Limited and Subsidiaries	Entity with significant influence over the Group
ASUSTeK Computer Inc. and Subsidiaries	Entity with significant influence over the Group

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2022	2021
Sales of goods:		
- Entity with significant influence over the Group	\$ 4,938,756	\$ 4,413,939
- Associates	1,841	1,578
	\$ 4,940,597	\$ 4,415,517

The collection terms with related parties were 30 to 120 days and the products were categorised and priced taking into consideration the inventory cost, market and other conditions.

B. Purchases

	Years ended December 31,	
	2022	2021
Purchases of goods:		
- Entity with significant influence over the Group	\$ 1,675,354	\$ 1,260,294
- Associates	6,585	21,130
	\$ 1,681,939	\$ 1,281,424

The credit term to related parties is 30 to 45 days and the purchase prices were categorised and priced taking into consideration the market prices and other conditions.

C. Receivables from related parties

	December 31, 2022	December 31, 2021
Accounts receivable:		
- Entity with significant influence over the Group	\$ 533,247	\$ 579,475
- Associates	871	713
	\$ 534,118	\$ 580,188

D. Payables to related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
- Entity with significant influence over the Group	\$ 164,955	\$ 93,045
- Associates	-	1,105
	<u>\$ 164,955</u>	<u>\$ 94,150</u>

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Salaries and other short-term employee benefits	\$ 185,380	\$ 191,193
Post-employment benefits	1,044	574
Share-based payment	33,132	11,523
	<u>\$ 219,556</u>	<u>\$ 203,290</u>

8. PLEDGED ASSETS

The details of the Group's assets pledged as collateral are as follows:

<u>Pledged asset</u>	<u>Purpose</u>	<u>Book value</u>	
		<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable, net:			
Pledged accounts receivable	Bank loan	\$ -	\$ 338,931
Other current assets:			
Bank deposits	Bid bond	2,979	2,685
		<u>\$ 2,979</u>	<u>\$ 341,616</u>

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Outstanding letters of credit

The outstanding letters of credit for the purchase of inventories by the Group are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Outstanding letters of credit	\$ 7,542,994	\$ 10,069,926

B. Guarantee for customs duties

The total guarantee for customs duties is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Customs duties guarantee	\$ 45,000	\$ 32,000

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On February 23, 2023, the Company's board of directors resolved to acquire the non-controlling interest in its subsidiary, Nuvision Technology Inc., for a cash consideration thereby increasing the Company's equity interest to 100%.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the financial debt ratio. This ratio is calculated as total liabilities with interests divided by total net assets. Total liabilities with interest is calculated as total amount of long-term and short-term borrowings, short-term bills payable and corporate bonds payable in the consolidated balance sheet. Total equity is calculated as the 'equity' in the consolidated balance sheet.

In 2022 and 2021, the Group's strategy was to maintain the financial debt ratio below 250%.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 299,843	\$ 333,924
Financial assets designated as at fair value through profit or loss on initial recognition	<u>4,501</u>	<u>9,806</u>
	<u>\$ 304,344</u>	<u>\$ 343,730</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	\$ 9,139,705	\$ 18,989,224
Qualifying debt instruments	<u>29,602,714</u>	<u>16,784,917</u>
	<u>\$ 38,742,419</u>	<u>\$ 35,774,141</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 5,383,254	\$ 4,679,576
Accounts receivable	54,965,402	58,677,166
Other receivables	2,237,030	1,531,897
Other financial assets (shown as ‘other current assets’)	59,087	17,358
Guarantee deposits paid (shown as ‘other non-current assets’)	<u>318,260</u>	<u>123,041</u>
	<u>\$ 62,963,033</u>	<u>\$ 65,029,038</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	<u>\$ 11,372</u>	<u>\$ 14,838</u>
Financial liabilities at amortised cost		
Short-term borrowings	\$ 38,340,556	\$ 33,497,708
Short-term notes and bills payable	1,049,386	2,049,454
Accounts payable	77,996,735	69,808,936
Other accounts payable	3,789,378	2,184,132
Corporate bonds payable (including current portion)	-	76,635
Long-term borrowings	17,786,449	7,750,400
Guarantee deposits received (shown as ‘other non-current liabilities’)	<u>7,586</u>	<u>1,143</u>
	<u>\$ 138,970,090</u>	<u>\$ 115,368,408</u>
Lease liability	<u>\$ 584,132</u>	<u>\$ 440,119</u>

B. Financial risk management policies

- (a) The Group’s activities expose it to a variety of financial risks: market risks (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts, are used to hedge certain exchange rate risk. In addition, foreign exchange risk is managed by matching the payment periods of foreign currency assets and liabilities.

- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.
 - (c) Information about derivative financial instruments that are used to hedge certain exchange rate risk is provided in Note 6(2).
- C. Significant financial risks and degrees of financial risks
- (a) Market risk
 - Foreign exchange risk
 - i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
 - ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.
 - iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).
 - iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other subsidiaries' functional currency: RMB and KRW). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2022

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis	
				Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 2,433,988	30.710	\$74,747,771	1%	\$ 747,478
USD:KRW	15,021	1,267.3	461,295	1%	4,613
USD:RMB	10,124	6.9590	310,908	1%	3,109
RMB:USD	34,948	0.144	154,233	1%	1,542
<u>Foreign operations</u>					
USD:NTD	598,522	30.710	18,392,052		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	2,378,905	30.710	73,056,173	1%	730,562
USD:RMB	238,103	6.9590	7,312,143	1%	73,121
USD:KRW	27,018	1,267.3	829,723	1%	8,297

December 31, 2021

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis	
				Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 2,855,524	27.680	\$79,040,904	1%	\$ 790,409
USD:RMB	1,179	6.3700	32,635	1%	326
USD:KRW	14,305	1,186.5	395,962	1%	3,960
<u>Non-monetary items</u>					
USD:NTD	3,215	27.680	88,991		
<u>Foreign operations</u>					
USD:NTD	433,994	27.680	12,017,873		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	2,849,288	27.680	78,868,292	1%	788,683
USD:RMB	171,134	6.3700	4,736,989	1%	47,370
USD:KRW	19,018	1,186.5	526,418	1%	5,264

- v. The total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021 amounted to (\$413,746) and \$196,658, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is performed in accordance with the limits set by the Group.
- ii. The Group's investments comprise shares and beneficiary certificates issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$2,435 and \$2,746, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$91,397 and \$189,892, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from bank borrowings with variable rates and advance receipt of factoring accounts receivable, which expose the Group to cash flow interest rate risk. During the years ended December 31, 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in US Dollars.
- ii. The Group's borrowings are measured at amortised cost. According to the contract, the borrowings are periodically reset. Therefore, the Group is exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 25 basis point with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have decreased/increased by \$118,615 and \$86,576, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

- ii. The Group manages its credit risk from the group's perspective. For banks and financial institutions, only approved by FSC are accepted to be transaction parties. According to the credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. The Group assesses the credit quality of the customers, taking into account their financial position, past experience and other factors through internal risk control. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. If the contract payments were past due over 90 days based on the terms, the Group considers that there has been a significant increase in credit risk on that instrument since initial recognition. The Group considers that the default occurs when the contract payments are past due over 180 days.
- iv. The ageing analysis of accounts receivable (including overdue receivables) and notes receivable is as follows:

	<u>Notes and accounts receivable</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due	\$ 79,260,707	\$ 70,985,709
Up to 90 days	5,342,232	4,544,103
91 to 180 days	94,466	31,687
Over 180 days	<u>595,590</u>	<u>601,483</u>
	<u>\$ 85,292,995</u>	<u>\$ 76,162,982</u>

- (i) The above ageing analysis was based on days past due.
 - (ii) Abovementioned notes receivable are not past due.
- After the recourse procedure, the Group will write off the amount of financial assets that cannot reasonably be expected to be recovered, however the Group will continue to carry out recourse legal procedures to preserve the creditor's rights.
- v. The Group assesses the expected credit losses of its accounts receivable as follows:
 - (i) Accounts receivable that are significantly past due are assessed individually for their expected credit losses;
 - (ii) The remaining receivables are segmented according to the Group's credit ratings of its customers. Different loss rates or provision matrices are applied to the different segments when estimating expected credit losses;
 - (iii) Loss rates, calculated from historical and current information, are adjusted according to forward-looking information such as the business indicators published by the National Development Council.

(iv) As of December 31, 2022 and 2021, loss allowances of accounts receivable and notes receivable calculated from individual assessment or using the loss rate methodology and provision matrix are as follows:

<u>December 31, 2022</u>	<u>Individual</u>	<u>Group A & B</u>	<u>Group C</u>	<u>Group D</u>	<u>Total</u>
Expected loss rate	91.40%	0.05%	0.10%~77.97%	0.05%~89.18%	
Total book value	<u>\$ 563,060</u>	<u>\$ 50,346,863</u>	<u>\$ 30,043,142</u>	<u>\$ 4,339,930</u>	<u>\$85,292,995</u>
Loss allowance	<u>\$ 514,641</u>	<u>\$ 26,432</u>	<u>\$ 95,927</u>	<u>\$ 87,879</u>	<u>\$ 724,879</u>
<u>December 31, 2021</u>	<u>Individual</u>	<u>Group A & B</u>	<u>Group C</u>	<u>Group D</u>	<u>Total</u>
Expected loss rate	99.71%	0.03%	0.03%~30.69%	2.40%~9.26%	
Total book value	<u>\$ 572,029</u>	<u>\$ 48,257,984</u>	<u>\$ 24,048,695</u>	<u>\$ 3,284,274</u>	<u>\$76,162,982</u>
Loss allowance	<u>\$ 570,373</u>	<u>\$ 14,477</u>	<u>\$ 37,118</u>	<u>\$ 78,931</u>	<u>\$ 700,899</u>

Group A: Customers with excellent credit rating

Group B: Customers with fine credit rating

Group C: Customers with normal credit rating

Group D: Rated as other than A, B and C

vi. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable (including overdue receivables) are as follows:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
At January 1	\$ 700,899	\$ 705,345
Provision for impairment	1,095	2,683
Effect of exchange rate changes	<u>22,885</u>	<u>(7,129)</u>
At December 31	<u>\$ 724,879</u>	<u>\$ 700,899</u>

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 6(16)) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internally assessed financial ratio targets and, if applicable, external regulatory or legal requirements.

- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. The Group treasury invests surplus cash in interest bearing demand deposits, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts, and expects to readily generate cash inflows for managing liquidity risk.
- iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the due date at the balance sheet date. Non-derivative financial liabilities are analysed by remaining periods from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2022

	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Short-term borrowings (Note)	\$ 38,725,148	\$ -	\$ -	\$38,725,148
Lease liability	256,493	350,381	7,182	614,056
Long-term loans (Note)	<u>620,781</u>	<u>23,444,478</u>	<u>-</u>	<u>24,065,259</u>
	<u>\$ 39,602,422</u>	<u>\$ 23,794,859</u>	<u>\$ 7,182</u>	<u>\$63,404,463</u>

December 31, 2021

	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Short-term borrowings (Note)	\$ 33,260,543	\$ -	\$ -	\$33,260,543
Lease liability	186,302	249,154	33,716	469,172
Long-term loans (Note)	73,629	8,020,372	-	8,094,001
Bonds payable	<u>77,100</u>	<u>-</u>	<u>-</u>	<u>77,100</u>
	<u>\$ 33,597,574</u>	<u>\$ 8,269,526</u>	<u>\$ 33,716</u>	<u>\$41,900,816</u>

Note: Including imputed interest payable.

Except for the above, the Group's non-derivative financial liabilities are due in one year.

Derivative financial liabilities

As of December 31, 2022 and 2021, all derivative financial liabilities of the Group are due in one year.

- iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, open-end funds and overseas bonds is included in level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market, debt instrument and private equity fund is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(10).

C. The carrying amounts of financial instruments not measured at fair value, including cash and cash equivalents, notes and accounts receivable, other receivables, other current assets, short-term borrowings, short-term notes and bills payable, accounts payable, other payables, corporate bonds payable and long-term loans, are approximate to their fair values.

D. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 30,689	\$ -	\$ 196,253	\$ 226,942
Equity securities	4,501	-	-	4,501
Debt instruments	276	-	72,625	72,901
Financial assets at fair value through other comprehensive income				
Equity securities	8,972,484	-	167,221	9,139,705
Accounts receivable that are expected to be factored	-	-	29,602,714	29,602,714
	<u>\$ 9,007,950</u>	<u>\$ -</u>	<u>\$ 30,038,813</u>	<u>\$39,046,763</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instrument	<u>\$ -</u>	<u>\$ 11,372</u>	<u>\$ -</u>	<u>\$ 11,372</u>

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 49,603	\$ -	\$ 218,086	\$ 267,689
Equity securities	9,806	-	-	9,806
Debt instruments	321	-	65,459	65,780
Derivative instrument	-	455	-	455
Financial assets at fair value through other comprehensive income				
Equity securities	18,937,673	-	51,551	18,989,224
Accounts receivable that are expected to be factored	-	-	<u>16,784,917</u>	<u>16,784,917</u>
	<u>\$18,997,403</u>	<u>\$ 455</u>	<u>\$ 17,120,013</u>	<u>\$36,117,871</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instrument	<u>\$ -</u>	<u>\$ 14,838</u>	<u>\$ -</u>	<u>\$ 14,838</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Open-end fund</u>	<u>Corporate bonds</u>
Market quoted price	Closing price	Net assets value	Weighted average quoted price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

- iii. When assessing non-standard and low-complexity financial instruments, for example, cross currency swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	<u>Equity securities and beneficiary certificates</u>	
	<u>2022</u>	<u>2021</u>
At January 1	\$ 17,120,013	\$ 14,486,546
Acquired during the year	25,002	128,011
Acquired from business combinations	106,147	-
(Losses) gains recognised in profit or loss	(31,452)	4,135
(Losses) gains recognised in other comprehensive income	(9,766)	6,803
Increase in accounts receivable that are expected to be factored	19,727,162	7,903,166
Decrease in accounts receivable that are expected to be factored	(6,909,365)	(5,406,415)
Effect of exchange rate changes	<u>11,072</u>	<u>(2,233)</u>
At December 31	<u>\$ 30,038,813</u>	<u>\$ 17,120,013</u>

(a) Refer to Note 6(33) for the details of increase in the Group's financial instruments arising

from business combinations for the year ended December 31, 2022.

(b) For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level 3.

G. The following is the qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Unlisted shares	\$ 6,056	Market comparable companies	Price to earnings ratio multiple	1.18~1.43 (1.3)	The higher the multiple, the higher the fair value
	18,426	Most recent non-active market price	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted preferred shares	26,560	Discounted cash flow method	Not applicable	-	Not applicable
	46,065	Most recent non-active market price	Weighted average cost of capital	11.51%	The higher the weighted average cost of capital and discount for lack of marketability, the lower the fair value
	107,300	Most recent non-active market price	Discount for lack of marketability	30%	Not applicable
Venture capital shares	35,439	Net asset value	Not applicable	-	Not applicable
Private equity fund	196,253	Net asset value	Not applicable	-	Not applicable

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Unlisted shares	\$ 16,543	Market comparable companies	Price to earnings ratio multiple	2.93~3.34 (3.19)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted preferred shares	23,939	Discounted cash flow method	Weighted average cost of capital	11.51%	The higher the weighted average cost of capital and discount for lack of marketability, the lower the fair value
	41,520	Most recent non- active market price	Not applicable	-	Not applicable
Venture capital shares	35,008	Net asset value	Not applicable	-	Not applicable
Private equity fund	218,086	Net asset value	Not applicable	-	Not applicable

(4) Other matter

The Group has adopted relevant prevention measures in response to the Covid-19 pandemic and the government's multiple pandemic prevention programs. The pandemic had no significant impact on the Group's operations and business as of and for the years ended December 31, 2022 and 2021.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2).
- J. Significant inter-company transactions during the reporting periods: Refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to Note 13(1).

(4) Major shareholders information

Major shareholders information: Refer to table 10.

14. SEGMENT INFORMATION

(1) General information

The Group is engaged in the development and sales of electronic and communication components. The chief operating decision maker considered the business and determined to separate segments from a perspective of sales region, which are mainly divided into Greater China, South Asia and North Asia. The Group has identified the Greater China shall be a reportable operating segment, and for other segments which have not met the quantitative threshold are not disclosed individually.

The Group's operating segment information is prepared in accordance with the Group's accounting policies. The chief operating decision maker allocates resources and assesses performance of the operating segments primarily based on the operating revenue and profit (loss) before tax of individual operating segment.

(2) Financial information of reportable segment

The financial information on reportable segment provided to the chief operating decision maker is as follows:

	<u>Greater China Region</u>	
	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Revenue from external customers	<u>\$ 505,683,701</u>	<u>\$ 406,754,410</u>
Segment income	<u>\$ 9,024,316</u>	<u>\$ 9,338,808</u>
Segment assets (Note)	<u>\$ -</u>	<u>\$ -</u>
Depreciation and amortisation	<u>\$ 320,578</u>	<u>\$ 337,990</u>
Finance costs	<u>\$ 2,281,585</u>	<u>\$ 675,886</u>

Note: The chief operating decision maker does not use the measured amount of the assets as a measurement indicator; therefore, the measured amount of the Group's assets shall be disclosed as zero.

(3) Reconciliation information on reportable segment revenue and profit (loss)

A reconciliation of reportable segment income or loss to the income / (loss) before tax from continuing operations is as follows:

	Years ended December 31,	
	2022	2021
<u>Operating revenue</u>		
Total reported segment revenue	\$ 505,683,701	\$ 406,754,410
Other operating segment revenue	65,513,417	41,141,707
Total operating revenue	<u>\$ 571,197,118</u>	<u>\$ 447,896,117</u>
<u>Profit and loss</u>		
Income of reported segment	\$ 9,024,316	\$ 9,338,808
Income of other operating segments	886,826	841,017
Income before income tax from continuing operations	<u>\$ 9,911,142</u>	<u>\$ 10,179,825</u>

(4) Information on products and services

Refer to Note 6(24) for the related information.

(5) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 84,373,636	\$ 3,583,399	\$ 67,650,167	\$ 2,339,649
China	361,370,198	1,265,512	307,763,305	957,029
Others	125,453,284	806,452	72,482,645	561,988
	<u>\$ 571,197,118</u>	<u>\$ 5,655,363</u>	<u>\$ 447,896,117</u>	<u>\$ 3,858,666</u>

The above revenue by geographic area is calculated based on sales to external customers at the location of its registered office.

(6) Major customer information

	Years ended December 31,	
	2022	2021
Customer B	<u>\$ 86,666,027</u>	<u>\$ 74,249,625</u>

WT Microelectronics Co., Ltd. and subsidiaries

Loans to others

Year ended December 31, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during	Balance at	Actual amount	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					the year ended December 31, 2022	December 31, 2022	drawn down						Item	Value			
1	WT TECHNOLOGY (H.K.) LIMITED	WT MICROELECTRONICS (HONG KONG) LIMITED	Other receivables - related parties	Y	\$ 84,075	\$ -	\$ -	0.75%	Short-term financing	\$ -	Business Operation	\$ -	-	\$ -	\$ 4,891	\$ 4,891	Note 2
2	WINTech MICROELECTRONICS HOLDING LIMITED	BRILLNICS (HK) LIMITED	Other receivables - related parties	Y	64,300	61,420	-	1.00%	Short-term financing	-	Business Operation	-	-	-	1,022,477	4,089,910	Note 2
2	WINTech MICROELECTRONICS HOLDING LIMITED	WINTech MICROELECTRONICS LTD.	Other receivables - related parties	Y	7,425,600	7,370,400	6,142,000	3.65%~5.55%	Short-term financing	-	Business Operation	-	-	-	10,224,773	10,224,773	Note 2
3	BSI SEMICONDUCTOR PTE. LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Other receivables - related parties	Y	318,285	304,029	304,029	2.70%~6.25%	Short-term financing	-	Business Operation	-	-	-	569,991	569,991	Note 2
4	MSD HOLDING PTE. LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Other receivables - related parties	Y	90,020	85,988	85,988	2.40%	Short-term financing	-	Business Operation	-	-	-	97,705	97,705	Note 2
5	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	Other receivables - related parties	Y	289,350	270,248	270,248	1.90%	Short-term financing	-	Business Operation	-	-	-	499,174	499,174	Note 3
5	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	Other receivables	Y	48,225	46,065	46,065	3.03%	Short-term financing	-	Business Operation	-	-	-	499,174	499,174	Note 3
6	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	SHANGHAI UQ IOT TECH., INC.	Other receivables - related parties	N	6,652	-	-	3.50%	Short-term financing	-	Providing short-term financing to strategic partners	-	-	-	154,040	616,159	Note 1
7	PROMISING INVESTMENT LIMITED	WINTech MICROELECTRONICS HOLDING LIMITED	Other receivables - related parties	Y	861,620	-	-	4.82%	Short-term financing	-	Business Operation	-	-	-	986,867	986,867	Note 2
8	WINTech INVESTMENT CO., LTD.	WINTech MICROELECTRONICS LTD.	Other receivables - related parties	Y	122,840	122,840	122,840	5.73%	Short-term financing	-	Business Operation	-	-	-	988,728	988,728	Note 2

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: The policy for loans granted mutually between overseas subsidiaries of which the Company directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an overseas subsidiary to all overseas subsidiaries and limit on loans granted by an overseas subsidiary to a single overseas subsidiary are the Creditor's net assets.

Note 3: The policy for loans between the Company and subsidiaries is as follows: limit on loans granted by subsidiary to a single party is 10% of the subsidiary's net assets, based on the most recent audited financial statements of the company; ceiling on total loans granted by an subsidiary is 40% of the subsidiary's net assets.

Note 4: The policy for loans between the Company and subsidiaries and companies with short-term capital needs is as follows: limit on loans granted by the Company and subsidiaries to a single party is 30% of the company's net assets, based on the most recent audited financial statements of the company; ceiling on total loans granted by an company is 40% of the company's net assets.

Note 5: The net assets referred to above are based on the latest audited or reviewed financial statements.

WT Microelectronics Co., Ltd. and subsidiaries
Provision of endorsements and guarantees to others
Year ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements / guarantees provided for a single party (Note 3)	Maximum outstanding endorsement / guarantee amount as of December 31, 2022	Outstanding endorsement / guarantee amount at December 31, 2022	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements / guarantees provided (Note 3)	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
		Relationship with the endorser / guarantor (Note 2)	Company name											
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	2	\$ 43,284,276	800,000	\$ 800,000	\$ 800,000	-	1.44%	\$ 43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	2	43,284,276	160,750	153,550	109,793	-	0.28%	43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	2	43,284,276	1,286,000	1,228,400	921,300	-	2.22%	43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	2	43,284,276	2,411,250	2,303,250	1,842,600	-	4.16%	43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	2	43,284,276	67,515	64,491	4,422	-	0.12%	43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	2	43,284,276	1,608	1,536	190	-	0.00%	43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN SINGAPORE PTE. LTD.	2	43,284,276	321,500	307,100	-	-	0.55%	43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	2	43,284,276	6,069,340	5,941,606	1,235,696	-	10.73%	43,284,276	Y	N	Y	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	2	43,284,276	1,956,243	1,956,243	264,792	-	3.53%	43,284,276	Y	N	Y	
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	2	43,284,276	1,805,948	1,729,134	1,415,599	-	3.12%	43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT SEMICONDUCTOR HOLDINGS PTE. LTD.	2	43,284,276	4,569,750	-	-	-	0.00%	43,284,276	Y	N	N	
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	2	18,719,010	5,256,525	5,021,085	2,161,137	-	402.35%	18,719,010	N	N	N	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	2	18,719,010	64,300	61,420	-	-	4.92%	18,719,010	N	N	Y	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	2	18,719,010	32,150	30,710	-	-	2.46%	18,719,010	N	N	Y	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	2	18,719,010	5,853,129	5,130,317	2,375,914	-	411.10%	18,719,010	N	N	N	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	PLANETSPARK PTE. LTD.	2	18,719,010	116,655	111,430	95,484	-	8.93%	18,719,010	N	N	N	Note 4
2	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	2	38,128,740	64,300	61,420	-	-	2.42%	38,128,740	N	N	Y	Note 4
2	EXCELPOINT SYSTEMS (H.K.) LIMITED	SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	2	38,128,740	32,150	30,710	-	-	1.21%	38,128,740	N	N	Y	Note 4
2	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT SYSTEMS (PTE) LTD	2	38,128,740	482,250	-	-	-	0.00%	38,128,740	N	N	N	Note 4

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following three categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

Note 3: The total endorsements and guarantees of the Company to others or mutually between subsidiaries should not be in excess of 80% of the endorser/ guarantor's net assets, and for a single party the Company and its subsidiaries hold more than 50% of common shares should not be in excess of 80% of the Company's net assets. The net assets referred to above are based on the latest audited or reviewed financial statements.

Note 4: The limit of endorsement guarantees by Excelpoint Technology Pte. Ltd. and Excelpoint Systems (H.K.) Limited for a single enterprise and the total limit of endorsement guarantees should not be in excess of 15 times the Company's net assets.

WT Microelectronics Co., Ltd. and subsidiaries

Holding of marketable securities (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Type of securities	Name of securities	Relationship with the securities issuer	General ledger account (Note)	As of December 31, 2022				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
WT MICROELECTRONICS CO., LTD.	Common stock	TERAWINS, INC.	None	2	666,248	\$ 6,056	2.19	\$ 6,056	
WT MICROELECTRONICS CO., LTD.	Common stock	AIPTEK INTERNATIONAL INC.	None	2	48,778	-	0.18	-	
WT MICROELECTRONICS CO., LTD.	Common stock	SANJET TECHNOLOGY CORP.	None	2	43,588	-	0.14	-	
WT MICROELECTRONICS CO., LTD.	Common stock	CORERIVER SEMICONDUCTOR CO., LTD.	None	2	28,570	-	0.70	-	
WT MICROELECTRONICS CO., LTD.	Limited Partnership	FORYOU VENTURE CAPITAL LIMITED PARTNERSHIP	None	2	-	35,439	6.73	35,439	
WT MICROELECTRONICS CO., LTD.	Common stock	ASMEDIA TECHNOLOGY INC.	None	2	9,000,000	6,030,000	12.97	6,030,000	
WT MICROELECTRONICS CO., LTD.	Funds	YUANTA GLOBAL NEXGEN COMMUNICATION INNOVATIVE TCHNOLOGY ETF	None	3	350,000	8,369	-	8,369	
WT MICROELECTRONICS CO., LTD.	Private equity funds	FUH HWA ENERGY - EFFICIENT FUND	None	4	9,443,802	96,988	-	9,698	
WT MICROELECTRONICS CO., LTD.	Funds	FUH HWA TAIWAN GOOD INCOME FUND TWD	None	4	3,000,000	22,320	-	22,320	
WT MICROELECTRONICS CO., LTD.	Common stock	SINO-AMERICAN SILICON PRODUCTS INC.	None	2	7,889,000	1,100,516	1.35	1,100,516	
WT MICROELECTRONICS CO., LTD.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	1,043,000	41,720	0.85	41,720	
WT MICROELECTRONICS CO., LTD.	Private equity funds	FUH HWA GLOBAL IOT AND TECH FUND	None	4	10,010,010	77,577	-	77,577	
WT MICROELECTRONICS CO., LTD.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	260,000	60,840	0.47	60,840	
WT MICROELECTRONICS CO., LTD.	Common stock	NICHIDENBO CORPORATION	None	2	1,000,000	52,600	0.47	52,600	
WT MICROELECTRONICS CO., LTD.	Ordinary shares raised through the private placement	NICHIDENBO CORPORATION	None	2	30,000,000	1,388,640	14.11	1,388,640	
NUVISION TECHNOLOGY INC.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	196,000	7,840	0.16	7,840	
NUVISION TECHNOLOGY INC.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	307,000	71,838	0.56	71,838	
MORRIHAN INTERNATIONAL CORP.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	688,000	27,520	0.56	27,520	
MORRIHAN INTERNATIONAL CORP.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	329,000	76,986	0.60	76,986	
WINTech MICROELECTRONICS HOLDING LTD.	Preferred shares	LIFEMAX HEALTHCARE INTERNATIONAL CORPORATION	None	4	2,702,703	26,560	0.79	26,560	
WINTech MICROELECTRONICS HOLDING LTD.	Bonds	EXXON MOBIL CORPORATION	None	4	100	276	-	276	
WINTech MICROELECTRONICS HOLDING LTD.	Private equity funds	CATHAY PRIVATE EQUITY ECOLOGY LIMITED PARTNERSHIP	None	4	-	21,688	-	21,688	
WINTech MICROELECTRONICS HOLDING LTD.	Preferred shares	AVIVA TECHNOLOGY HOLDING	None	4	659,034	46,065	1.65	46,065	

Securities held by	Type of securities	Name of securities	Relationship with the securities issuer	General ledger account (Note)	As of December 31, 2022				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
WINTECH MICROELECTRONICS HOLDING LTD.	Common stock	DRAGON YI INVESTMENT LTD.	None	2	600,000	\$ 18,426	19.35	\$ 18,426	
MILESTONE INVESTMENT CO., LTD.	Common stock	GRAND FORTUNE SECURITIES CO., LTD.	None	3	447,871	4,501	0.12	4,501	
MILESTONE INVESTMENT CO., LTD.	Common stock	GRAND FORTUNE SECURITIES CO., LTD.	None	2	7,140,443	71,761	1.98	71,761	
EXCELPOINT TECHNOLOGY PTE. LTD.	Common stock	ANSWER TECHNOLOGY CO., LTD.	None	2	498,169	25,149	0.80	25,149	
EXCELPOINT TECHNOLOGY PTE. LTD.	Common stock	IWOW TECHNOLOGY LTD.	None	2	3,000,000	17,074	1.30	17,074	
PLANETSPARK PTE. LTD.	Preferred shares	MERIDIAN INNOVATION PTE LTD.	None	2	1,307,790	100,470	-	100,470	
PLANETSPARK PTE. LTD.	Preferred shares	SPACEAGE LABS PTE LTD.	None	2	336,700	6,830	-	6,830	

Note : Code of general ledger accounts: 1- Financial assets at fair value through other comprehensive income - current

2- Financial assets at fair value through other comprehensive income - non-current

3- Financial assets at fair value through profit or loss - current

4- Financial assets at fair value through profit or loss - non-current

WT Microelectronics Co., Ltd. and subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the counterparty	Balance as at January 1, 2021 (Note 1)		Addition		Disposal			Balance as at December 31, 2022 (Note 2)		
					No. of shares	Amount	No. of shares	Amount	No. of shares	Selling price	Book value	Gain (loss) on disposal	No. of shares	Amount
WT MICROELECTRONICS CO., LTD.	NICHIDENBO CORPORATION	Financial assets at fair value through other comprehensive income - non-current	-	-	-	-	31,000,000	\$ 1,373,511	-	\$ -	\$ -	\$ -	31,000,000	\$ 1,441,240

Note 1 : The balance as at January 1, 2022 and addition amount are presented in initial investment amount.

Note 2 : The balance as at December 31, 2022 includes the unrealised gain (loss) from financial assets measured at fair value.

WT Microelectronics Co., Ltd. and subsidiaries
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Sales	\$ 120,584,047	29	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	\$ 8,931,307	20	
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	42,469,991	10	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	6,232,757	14	
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Sales	15,077,816	4	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	2,126,174	5	
WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	17,275,404	4	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	609,686	1	
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	7,796,382	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	1,304,568	3	
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	7,512,083	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	1,433,444	3	
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Sales	3,220,119	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	369,791	-	
WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	391,878	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	27,240	-	
WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Sales	143,482	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	-	-	
WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	Affiliates	Sales	599,864	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	18,175	-	
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Purchases	4,390,698	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	-	-	
WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Purchases	5,508,957	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(819,287)	(2)	
WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Purchases	1,221,171	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(77,378)	-	
WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Purchases	201,148	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(72,827)	-	
WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Purchases	336,387	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	-	-	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	\$ 3,355,798	14	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	\$ 512,769	13	
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	3,247,542	14	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	663,488	17	
NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Sales	1,045,128	4	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	390,303	10	
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	361,848	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	26,024	1	
NUVISION TECHNOLOGY INC.	WINTech MICROELECTRONICS LTD.	Affiliates	Sales	792,884	3	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	49,834	1	
MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Sales	43,870,758	20	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	2,517,475	11	
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	887,173	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	323,068	1	
MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Sales	1,364,185	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	157,903	1	
MORRIHAN INTERNATIONAL CORP.	WINTech MICROELECTRONICS LTD.	Affiliates	Sales	897,150	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	159,786	1	
MORRIHAN INTERNATIONAL CORP.	WT SOLOMON QCE LIMITED	Affiliates	Sales	276,144	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	101,996	-	
MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	310,089	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	45,980	-	
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	713,795	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	335,781	27	
TECHMOSA INTERNATIONAL INC.	WINTech MICROELECTRONICS LTD.	Affiliates	Sales	105,004	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	17,798	1	
HONGTECH ELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	3,019,201	39	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(67,513) (8)	
WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	13,045,069	68	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	4,789,014	67	
WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	6,265,076	32	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	2,398,015	33	
MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Sales	141,871	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	36,020	3	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)
WT MICROELECTRONICS (SHENZHEN) CO., LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	\$ 180,132	2	Closes its accounts 90 days after the end of each month	90	Based on product, market price of inventory cost and other trading conditions	No material difference	\$ 117,902	4
EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Sales	290,602	2	Closes its accounts 90 days after the end of each month	90	Based on product, market price of inventory cost and other trading conditions	No material difference	1,344,988	23

WT Microelectronics Co., Ltd. and subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
December 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	\$ 8,931,307	11.30	\$ -		\$ 1,097,158	\$ -
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	6,232,757	7.45	-		374,948	-
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	2,126,174	6.19	-		-	-
WT MICROELECTRONICS CO., LTD.	WINTech MICROELECTRONICS LTD.	Affiliates	609,686	9.01	-		-	-
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	1,304,568	7.43	-		275,502	-
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	1,433,444	7.00	-		339,138	-
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	369,791	11.76	-		-	-
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS CO., LTD.	Affiliates	819,287	7.58	-		476,564	-
NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	512,769	8.59	-		76,777	-
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	663,488	3.60	-		370,072	-
NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	390,303	4.53	-		-	-
MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	2,517,475	18.82	-		1,044,364	-
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	323,068	2.92	-		123,735	-
MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	157,903	11.60	-		-	-
MORRIHAN INTERNATIONAL CORP.	WT SOLOMON QCE LIMITED	Affiliates	101,996	4.94	-		-	-
MORRIHAN INTERNATIONAL CORP.	WINTech MICROELECTRONICS LTD.	Affiliates	159,786	4.37	-		-	-
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	335,781	3.17	-		-	-
WT MICROELECTRONICS (SHENZHEN) CO., LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	117,902	2.42	-		-	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	\$ 4,789,014	3.16	\$ -		\$ 363,287	\$ -
WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	2,398,015	3.50	-		136,573	-
EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	1,344,988	0.43	-		-	-

Note: For information on loans between the Company and subsidiaries, refer to table 1.

WT Microelectronics Co., Ltd. and subsidiaries
 Significant inter-company transactions during the reporting period
 Year ended December 31, 2022

Table 7

Expressed in thousands of NTD
 (Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4)		Transaction terms	Percentage of total operating revenues or total assets (Note 5)
				General ledger account	Amount		
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Sales	\$ 120,584,047	(Note 3)	21
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Accounts receivable	8,931,307	(Note 3)	4
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	42,469,991	(Note 3)	7
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	6,232,757	(Note 3)	3
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Sales	15,077,816	(Note 3)	3
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Accounts receivable	2,126,174	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	17,275,404	(Note 3)	3
0	WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	Accounts receivable	609,686	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	7,796,382	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	1,304,568	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	7,512,083	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	1,433,444	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Sales	3,220,119	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Accounts receivable	369,791	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	391,878	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	Affiliates	Sales	599,864	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Sales	143,482	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Purchases	4,390,698	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Purchases	5,508,957	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Accounts payable	819,287	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Purchases	1,221,171	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Purchases	201,148	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Purchases	336,387	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	3,355,798	(Note 3)	1
1	NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	512,769	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	3,247,542	(Note 3)	1
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	663,488	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Sales	1,045,128	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Accounts receivable	390,303	(Note 3)	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4)		Transaction terms	Percentage of total operating revenues or total assets (Note 5)
				General ledger account	Amount		
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	\$ 361,848	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WINTech MICROELECTRONICS LTD.	Affiliates	Sales	792,884	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Sales	43,870,758	(Note 3)	8
2	MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	2,517,475	(Note 3)	1
2	MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	887,173	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	323,068	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT SOLOMON QCE LIMITED	Affiliates	Sales	276,144	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT SOLOMON QCE LIMITED	Affiliates	Accounts receivable	101,996	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Sales	1,364,185	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Accounts receivable	157,903	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WINTech MICROELECTRONICS LTD.	Affiliates	Sales	897,150	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WINTech MICROELECTRONICS LTD.	Affiliates	Accounts receivable	159,786	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	310,089	(Note 3)	-
3	TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	713,795	(Note 3)	-
3	TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	335,781	(Note 3)	-
3	TECHMOSA INTERNATIONAL INC.	WINTech MICROELECTRONICS LTD.	Affiliates	Sales	105,004	(Note 3)	-
4	HONGTECH ELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	3,019,201	(Note 3)	1
5	WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	13,045,069	(Note 3)	2
5	WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	4,789,014	(Note 3)	2
5	WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	6,265,076	(Note 3)	1
5	WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Accounts receivable	2,398,015	(Note 3)	1
6	MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Sales	141,871	(Note 3)	-
7	WT MICROELECTRONICS (SHENZHEN) CO.,	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	117,902	(Note 3)	-
7	WT MICROELECTRONICS (SHENZHEN) CO.,	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	180,132	(Note 3)	-
8	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Sales	290,602	(Note 3)	-
8	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	1,344,988	(Note 3)	1

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in "Number" column.

- (1) Number 0 represents the Company.
- (2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with the counterparties are as follows:

- (1) The Company to the consolidated subsidiary.
- (2) The consolidated subsidiary to the Company.
- (3) The consolidated subsidiary to another consolidated subsidiary.

Note 3: The prices and terms to related parties were similar to third parties. The credit term is 90 days after the end of each month.

Note 4: For sales, purchases and accounts receivable, transactions reaching NT\$100 million or 20% of paid-in capital or more should be disclosed.

Note 5: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note 6: Information of loans between the Company and subsidiaries, please refer to table 1.

WT Microelectronics Co., Ltd. and subsidiaries

Names, locations and other information of investee companies (not including investees in Mainland China)

Year ended December 31, 2022

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance at December 31, 2022	Balance at December 31, 2021	Number of shares	Ownership (%)	Book value			
WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS HOLDING LIMITED	British Virgin Islands	Holding company	\$ 2,520,875	\$ 3,644,147	78,752,905	99.65	\$ 10,181,859	\$ 511,759	\$ 511,759	Subsidiary
WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Taiwan	Sales of electronic components	1,781,829	1,781,829	73,949,070	100.00	2,661,565	726,032	726,032	Subsidiary
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Taiwan	Sales of electronic components	3,106,620	3,106,620	283,760,000	100.00	5,790,209	2,170,941	2,170,941	Subsidiary
WT MICROELECTRONICS CO., LTD.	BSI SEMICONDUCTOR PTE. LTD.	Singapore	Sales of electronic components	486,289	486,289	7,544,002	100.00	804,407	13,703	13,703	Subsidiary
WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Taiwan	Sales of electronic components	323,030	323,030	28,216,904	99.91	1,250,701	463,229	462,812	Subsidiary
WT MICROELECTRONICS CO., LTD.	MILESTONE INVESTMENT CO., LTD.	Taiwan	General investment	61,985	61,985	4,500,000	100.00	92,442	4,057	3,799	Subsidiary
WT MICROELECTRONICS CO., LTD.	SINYIE INVESTMENT CO., LTD.	Taiwan	General investment	52,000	52,000	2,900,000	100.00	35,323	(46)	(46)	Subsidiary
WT MICROELECTRONICS CO., LTD.	MSD HOLDINGS PTE. LTD.	Singapore	Sales of electronic components	215,559	215,559	200,001	100.00	229,256	713	713	Subsidiary
WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Taiwan	Sales of electronic components	1,895,949	1,895,949	70,220,331	100.00	2,072,091	451,318	451,318	Subsidiary
WT MICROELECTRONICS CO., LTD.	ANALOG WORLD CO., LTD.	South Korea	Sales of electronic components	397,230	397,230	120,000	100.00	470,521	35,831	32,845	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT SEMICONDUCTOR HOLDINGS PTE. LTD.	Singapore	Holding company	4,057,274	-	96,318,912	80.00	4,105,540	39,994	33,735	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY (H.K.) LIMITED	Hong Kong	Sales of electronic components	4,808	-	1,000,000	100.00	4,891	19	(39)	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Hong Kong	Sales of electronic components	402,761	-	12,527,632	100.00	496,404	257,285	105,353	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Hong Kong	Sales of electronic components	451,386	-	110,000,000	100.00	472,282	240,590	36,538	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Singapore	Sales of electronic components	128,849	-	1,500,000	100.00	154,886	120,445	28,295	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Singapore	Sales of electronic components	156,727	-	5,000,000	100.00	156,240	1,162	744	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	PROMISING INVESTMENT LIMITED	Mauritius	General investment	940,724	1,914,234	30,632,506	100.00	986,867	365,073	Note 1	Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance at December 31, 2022	Balance at December 31, 2021	Number of shares	Ownership (%)	Book value			
WINTECH MICROELECTRONICS HOLDING LIMITED	WINTECH INVESTMENT CO., LTD.	Belize	General investment	\$ 645,554	\$ 645,554	21,020,957	100.00	\$ 988,728	\$ 149,210	Note 1	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	WINTECH MICROELECTRONICS LTD.	Belize	Sales of electronic components	92,133	92,133	3,000,100	100.00	71	(56,358)	Note 1	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	WINTECH MICROELECTRONICS LIMITED	British Virgin Islands	Holding company	154	154	5,000	100.00	6	-	Note 1	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	JCD OPTICAL (CAYMAN) CO., LTD.	Cayman Islands	Holding company	72,903	72,903	5,869,093	19.80	28,316	(48,713)	Note 1	Associates
WINTECH MICROELECTRONICS HOLDING LIMITED	JOY CAPITAL LTD.	Seychelles	General investment	36,852	36,852	1,200,000	17.65	12,194	(4,055)	Note 1	Associates
WINTECH MICROELECTRONICS HOLDING LIMITED	RAINBOW STAR GROUP LIMITED	British Virgin Islands	General investment	30,710	30,710	18,924	24.65	22,445	(27,728)	Note 1	Associates
WINTECH MICROELECTRONICS HOLDING LIMITED	BRILLNICS INC.	Cayman Islands	Holding company	1,196,584	1,096,584	49,336,630	61.65	98,126	(103,574)	Note 1	Subsidiary
PROMISING INVESTMENT LIMITED	NINO CAPITAL CO., LTD.	Samoa	Holding company	9,551	9,551	311,000	100.00	32,551	(1)	Note 1	Subsidiary
PROMISING INVESTMENT LIMITED	RICH WEB LTD.	British Virgin Islands	Holding company	705,545	705,545	22,974,430	100.00	868,618	1,199	Note 1	Subsidiary
WINTECH INVESTMENT CO., LTD.	WT MICROELECTRONICS (MALAYSIA) SDN. BHD.	Malaysia	Sales of electronic components	3,481	3,481	500,000	100.00	2,403	449	Note 1	Subsidiary
WINTECH INVESTMENT CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	South Korea	Sales of electronic components	559,134	559,134	3,800,000	95.47	862,684	56,373	Note 1	Subsidiary
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (THAILAND) LIMITED.	Thailand	Sales of electronic components	2,668	2,668	300,000	100.00	1,835	36	Note 1	Subsidiary
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS INDIA PRIVATE LIMITED	India	Sales of electronic components	2,660	2,660	700,000	100.00	611	613	Note 1	Subsidiary
SINYIE INVESTMENT CO., LTD.	WINTECH MICROELECTRONICS HOLDING LIMITED	British Virgin Islands	Holding company	65,073	65,073	278,255	0.35	42,914	511,759	Note 1	Subsidiary
MORRIHAN INTERNATIONAL CORP.	ASIA LATEST TECHNOLOGY LIMITED	Mauritius	Holding company	37,771	37,771	1,120,000	100.00	44,770	655	Note 1	Subsidiary
BSI SEMICONDUCTOR PTE. LTD.	WT TECHNOLOGY KOREA CO., LTD.	South Korea	Sales of electronic components	53,267	53,267	180,472	4.53	28,637	56,373	Note 1	Subsidiary
BSI SEMICONDUCTOR PTE. LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	South Korea	Sales of electronic components	24,086	24,086	53,505	100.00	222,082	9,457	Note 1	Subsidiary
TECHMOISA INTERNATIONAL INC.	MORRIHAN SINGAPORE PTE. LTD.	Singapore	Sales of electronic components	210,451	210,451	9,500,000	100.00	1,136,225	456,564	Note 1	Subsidiary
MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Taiwan	Sales of electronic components	115,000	115,000	11,500,000	100.00	492,739	284,383	Note 1	Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance at December 31, 2022	Balance at December 31, 2021	Number of shares	Ownership (%)	Book value			
MAXTEK TECHNOLOGY CO., LTD.	LACEWOOD INTERNATIONAL CORP.	British Virgin Islands	Sales of electronic components	\$ 194,366	\$ 194,366	29,500	100.00	\$ 91,857	\$ 732	Note 1	Subsidiary
BRILLNICS INC.	BRILLNICS (HK) LIMITED	Hong Kong	Manufacture of electronic components	1,965,839	1,965,839	64,013,000	100.00	169,423	(87,323)	Note 1	Subsidiary
BRILLNICS INC.	BRILLNICS SINGAPORE PTE. LTD.	Singapore	Manufacture of electronic components	23,033	10,745	750,002	100.00	2,713	(15,390)	Note 1	Subsidiary
BRILLNICS (HK) LIMITED	BRILLNICS JAPAN INC.	Japan	Manufacture of electronic components	23,240	23,240	100,000	100.00	19,504	1,849	Note 1	Subsidiary
BRILLNICS (HK) LIMITED	BRILLNICS (TAIWAN) INC.	Taiwan	Manufacture of electronic components	16,694	16,694	1,669,410	100.00	31,261	4,450	Note 1	Subsidiary
WT SEMICONDUCTOR HOLDINGS PTE. LTD.	EXCELPOINT TECHNOLOGY PTE. LTD.	Singapore	Sales of electronic components	5,089,844	-	120,398,640	100.00	5,132,040	449,923	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	Hong Kong	Sales of electronic components	489,862	-	27,793,961	100.00	2,541,916	415,082	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	Singapore	Sales of electronic components	274,163	-	11,000,000	100.00	897,409	56,103	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	PLANETSPARK PTE. LTD.	Singapore	R&D and investment of company	92,130	-	3,000,001	100.00	12,984	(34,902)	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS SDN. BHD.	Malaysia	Sales of electronic components	1	-	100	100.00	2,836	639	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS (INDIA) PVT LTD	India	Sales and services of technology	355	-	50,000	100.00	(73,054)	2,542	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS (USA) INC.	USA	Sales and services of technology	31	-	1,000	100.00	1,067	302	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS VIETNAM COMPANY LIMITED	Vietnam	Sales of electronic components	9,213	-	-	100.00	-	-	Note 1	Subsidiary
EXCELPOINT SYSTEMS (H.K.) LIMITED	SYNERGY ELECTRONICS (H.K.) LIMITED	Hong Kong	Sales of electronic components	3,071	-	100,000	100.00	3,291	341	Note 1	Subsidiary

Note 1: Profit (loss) of investee has been included in the investor, and will not be disclosed separately.

WT Microelectronics Co., Ltd. and subsidiaries

Information on investments in Mainland China

Year ended December 31, 2022

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investment in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
SHANGHAI WT MICROELECTRONICS CO., LTD.	International trade, entrepot trade and etc.	\$ 9,213	2	\$ 9,213	\$ -	\$ -	\$ 9,213	\$ -	100.00	\$ -	\$ 32,474	\$ -	Note 5
WT MICROELECTRONICS (SHENZHEN) CO., LTD.	International trade, entrepot trade and etc.	700,964	2	645,704	-	-	645,704	1,199	100.00	1,199	868,511	-	Note 6
WT MICROELECTRONICS (SHANGHAI) CO., LTD.	International trade, investment holding and etc.	1,079,457	2	588,097	-	-	588,097	64,933	100.00	64,933	1,540,397	-	Note 7
WT MICROELECTRONICS (SHANGHAI) TECHNOLOGY CO., LTD.	Technical service, international trade, entrepot trade and etc.	40,844	3	30,710	-	-	30,710	655	100.00	655	44,761	-	Note 4
JCD OPTICAL CORPORATION	Production and sales of optoelectronic materials and components	156,621	2	20,392	-	-	20,392	(46,624)	19.80	(9,232)	17,736	-	Note 8
SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	International trade, entrepot trade and etc.	7,876	2	-	-	-	-	2,627	80.00	5,750	(302,259)	-	Note 9
EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	International trade, entrepot trade and etc.	46,065	2	-	-	-	-	(253,108)	80.00	(26,742)	(208,296)	-	Note 9

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)
WT MICROELECTRONICS CO., LTD.	\$ 1,294,116	\$ 2,110,261	\$ 32,984,593

Note 1: The investment methods are classified into the following six categories:

- (1) Directly investing in Mainland China.
- (2) Through investing in companies in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: Investment gains or losses were recognised based on audited financial statements.

Note 3: The amount disclosed was 60% of net assets and based on Investment Commission, MOEA Regulation No. 09704604680 announced on August 29, 2008.

Note 4: This is a China subsidiary which was reinvested through the company in the third area when Morrihan International Corp. was acquired in September 2009.

Note 5: This is a China company which was invested through the company, NINO CAPITAL CO., LTD., in the third area.

Note 6: This is a China company which was invested through the company, RICH WEB LTD., in the third area.

Note 7: This is a China company which was reinvested through the company, WINTECH MICROELECTRONICS HOLDING LIMITED, in the third area.

Note 8: This is a China company which was reinvested through the company, JCD OPTICAL (CAYMAN) CO., LTD., in the third area.

Note 9: This is a China company which was reinvested through the company, EXCELPOINT SYSTEMS (H.K.) LIMITED, in the third area.

WT Microelectronics Co., Ltd. and subsidiaries

Major shareholders information

December 31, 2022

Table 10

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
WPG HOLDINGS LIMITED	201,393,867	19.77%
ASMEDIA TECHNOLOGY INC.	179,000,000	17.57%
SHAO YANG INVESTMENT CO., LTD.	74,797,429	7.34%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preferred shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data disclosed is the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shares include the self-owned shares and shares held in trust, and at the same time, the shareholder has the power to decide how to allocate the trust assets. The information on the reported share equity of insider is provided in the "Market Observation Post System".

Note 3: As of December 31, 2022, the number of shares held by the chairman under his own name and under the names of others was 116,180,613 shares, and the shareholding ratio was 11.41%.

The abovementioned information is provided in the "Market Observation Post System".

- V. Financial statements of the parent company only for the most recent fiscal year audited by the CPA

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of WT Microelectronics Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of WT Microelectronics Co., Ltd. (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at 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 Auditors' responsibilities for the audit of the parent company only 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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 Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming

our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Recognition of supplier rebates

Description

Refer to Note 4(11) for accounting policies on supplier rebates.

The Company is primarily engaged in the sales of electronic and communication components. In line with industry practice, the Company has entered into rebate arrangements with its suppliers for various kinds and quantities of inventories. Under the arrangement, the Company calculates the amount of supplier rebates based on sales breakdown, and recognises it as a deduction of accounts payable to suppliers and a deduction of operating costs. The Company pays the net purchase price, after confirming that the rebate is granted and the credit memo from its suppliers has been received.

As the terms of different types of supplier rebates vary and change frequently, the calculation is complex. The Company relies on the information system to gather related transaction information, and manually matches each inventory category with its corresponding rebate term to calculate the supplier rebate that should be recognised. Since the supplier rebate is material to the parent company only financial statements and more audit effort is required to address this audit matter, the recognition of supplier rebate has been identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding and assessed the internal controls related to supplier rebates, and tested the effectiveness of relevant internal controls to verify whether major supplier rebates had been reviewed by responsible management, and the inventory cost had been correctly deducted and paid in net amount based on the credit memo approved by suppliers;
- B. Sampled supplier rebates and tested transaction data to confirm whether the transaction quantities were consistent with sales breakdown. Also, verified arrangements and calculation worksheets, and recalculated supplier rebates to ensure that the rebate recognition is consistent with contract;
- C. Sampled the supplier rebates which were recognised before the balance sheet date but have not yet been confirmed by suppliers, verified its consistency and reasonableness with subsequent credit

memos approved by suppliers after the balance sheet date, and confirmed whether there were any material differences; and

- D. Performed confirmation of selected material accounts payable, including supplier rebates which have been confirmed by suppliers, and examined the reconciliation for the differences between the amount stated in the suppliers' confirmation and the Company's records.

Assessment of inventory valuation losses

Description

Refer to Note 4(11) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(6) for details of inventory valuation. As at December 31, 2022, the Company's inventories and allowance for inventory valuation losses were NT\$58,820,204 thousand and NT\$1,005,110 thousand, respectively.

The Company is primarily engaged in the sales of various kinds of electronic components. Due to rapid technology innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk of inventory losses due from market value decline or obsolescence. For non-obsolete inventories, the net realisable value is estimated based on the estimated selling price in a certain period around the balance sheet date. The net realisable values of obsolete inventories are individually identified as obsolete or damaged, if any. Since the amount of inventory is material, inventory types vary, sources of information in calculating the net realisable values of each type of inventories are various, and the identification of obsolete and damaged inventory and its net realisable value is subject to management's judgement, as well as the fact that the aforementioned matter also affects the Company's subsidiaries (recognised as investments accounted for using equity method), we considered the assessment of inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding and evaluated the process of inventory and warehouse management, examined the annual plan and participated in stock take to assess the effectiveness of management's identification and controls on obsolete inventory;
- B. Obtained an understanding of the Group's nature of business and industry in order to assess whether the provision policies and procedures were applied consistently and reasonably during the periods,

including identified as obsolete with supporting documents, and agreed to information obtained from physical inventory; and

- C. Obtained the net realisable value statement of each inventory, and tested supporting documents in relation to sources of information in calculating the net realisable value.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$5,132,040 thousand, constituting 3.54% of the consolidated total assets as at December 31, 2022, and the comprehensive income recognised from associates and joint ventures accounted for under the equity method amounted to NT\$41,041 thousand, constituting 7.44% of the consolidated total comprehensive income for the year then ended.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is 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.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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:

- A. Identify and assess the risks of material misstatement of the parent company only 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.
- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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 auditors' report to the related disclosures in the parent company only 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 Company to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements

represent the underlying transactions and events in a manner that achieves fair presentation.

F. Obtain sufficient appropriate audit evidence regarding the parent company only financial information of the entities or business activities within the Company to express an opinion on the parent company only 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 parent company only 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.

Chieh-Ju, Hsu

Hsu, Yung-Chien

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 23, 2023

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 436,001	-	\$ 1,068,479	1
1110	Financial assets at fair value through profit or loss - current	6(2)	8,369	-	12,198	-
1170	Accounts receivable, net	6(4) and 8	24,333,779	17	21,704,743	15
1180	Accounts receivable, net - related parties	7	21,353,336	15	25,294,400	18
1200	Other receivables	6(4)(5)	892,543	1	761,994	1
130X	Inventories	6(6)	57,815,094	40	48,929,272	35
1410	Prepayments		472,728	-	453,598	-
11XX	Total current assets		<u>105,311,850</u>	<u>73</u>	<u>98,224,684</u>	<u>70</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	196,885	-	232,735	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	8,718,841	6	18,443,514	13
1550	Investments accounted for using equity method	6(7)	28,978,617	20	21,865,803	16
1600	Property, plant and equipment	6(8)	342,059	-	431,785	-
1755	Right-of-use assets	6(9)	136,807	-	218,469	-
1760	Investment property, net	6(10)	92,000	-	-	-
1780	Intangible assets	6(11)	257,102	-	274,384	-
1840	Deferred income tax assets	6(30)	615,455	1	528,606	1
1900	Other non-current assets		272,632	-	99,405	-
15XX	Total non-current assets		<u>39,610,398</u>	<u>27</u>	<u>42,094,701</u>	<u>30</u>
1XXX	Total assets		<u>\$ 144,922,248</u>	<u>100</u>	<u>\$ 140,319,385</u>	<u>100</u>

(Continued)

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 16,952,187	12	\$ 21,359,623	15
2110	Short-term notes and bills payable	6(13)	699,629	1	1,699,606	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	5,178	-	14,838	-
2130	Contract liabilities - current	6(23) and 7	181,952	-	53,197	-
2170	Accounts payable		49,389,178	34	50,869,734	36
2180	Accounts payable - related parties	7	1,094,714	1	1,019,699	1
2200	Other payables	6(14)	1,760,298	1	1,452,532	1
2220	Other payables - related parties	7	7,163	-	9,425	-
2230	Current income tax liabilities		617,968	-	908,213	1
2280	Lease liabilities - current		93,870	-	122,733	-
2320	Long-term liabilities, current portion	6(15)	-	-	76,635	-
2365	Refund liabilities - current	6(23)	353,997	-	424,448	1
2399	Other current liabilities		17,490	-	16,544	-
21XX	Total current liabilities		<u>71,173,624</u>	<u>49</u>	<u>78,027,227</u>	<u>56</u>
Non-current liabilities						
2540	Long-term loans	6(16)	17,613,000	12	7,750,400	6
2570	Deferred income tax liabilities	6(30)	657,122	1	631,773	-
2580	Lease liabilities - non-current		45,974	-	100,701	-
2600	Other non-current liabilities		1,327,183	1	41,419	-
25XX	Total non-current liabilities		<u>19,643,279</u>	<u>14</u>	<u>8,524,293</u>	<u>6</u>
2XXX	Total liabilities		<u>90,816,903</u>	<u>63</u>	<u>86,551,520</u>	<u>62</u>
Equity						
Share capital		6(19)				
3110	Common stock		8,835,297	6	7,977,068	6
3120	Preferred share		1,350,000	1	1,350,000	1
3130	Certificates of entitlement to new shares from convertible bonds		-	-	51,498	-
Capital surplus		6(20)				
3200	Capital surplus		25,294,109	17	20,444,778	14
Retained earnings		6(21)				
3310	Legal reserve		3,542,791	2	2,677,275	2
3350	Unappropriated retained earnings		16,647,535	12	14,531,008	10
Other equity interest		6(22)				
3400	Other equity interest		(1,564,387)	(1)	6,736,238	5
3XXX	Total equity		<u>54,105,345</u>	<u>37</u>	<u>53,767,865</u>	<u>38</u>
Commitments and contingent liabilities		9				
Significant subsequent events		11				
3X2X	Total liabilities and equity		<u>\$ 144,922,248</u>	<u>100</u>	<u>\$ 140,319,385</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(23) and 7	\$ 419,523,201	100	\$ 353,800,743	100
5000	Operating costs	6(6) and 7	(411,156,760)	(98)	(345,292,343)	(98)
5900	Net operating margin		<u>8,366,441</u>	<u>2</u>	<u>8,508,400</u>	<u>2</u>
	Operating expenses	6(28) and 7				
6100	Selling expenses		(2,323,407)	(1)	(2,019,643)	(1)
6200	General and administrative expenses		(907,598)	-	(654,655)	-
6300	Research and development expenses		(366,151)	-	(312,742)	-
6450	Impairment (loss) gain determined in accordance with IFRS 9	12(2)	(1,808)	-	(1,216)	-
6000	Total operating expenses		(3,598,964)	(1)	(2,985,824)	(1)
6900	Operating profit		<u>4,767,477</u>	<u>1</u>	<u>5,522,576</u>	<u>1</u>
	Non-operating income and expenses					
7100	Interest income	6(24)	6,375	-	650	-
7010	Other income	6(25)	328,501	-	280,935	-
7020	Other gains and losses	6(26)	395,286	-	(64,847)	-
7050	Finance costs	6(27)	(1,453,858)	-	(394,718)	-
7070	Share of profit of associates and joint ventures accounted for using equity method		<u>4,578,502</u>	<u>1</u>	<u>3,814,791</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>3,854,806</u>	<u>1</u>	<u>3,636,811</u>	<u>1</u>
7900	Profit before income tax		<u>8,622,283</u>	<u>2</u>	<u>9,159,387</u>	<u>2</u>
7950	Income tax expense	6(30)	(991,160)	-	(1,236,130)	-
8200	Profit for the year		<u>\$ 7,631,123</u>	<u>2</u>	<u>\$ 7,923,257</u>	<u>2</u>
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	(Loss) gain on remeasurement of defined benefit plan	6(17)	(\$ 14,309)	-	\$ 1,024	-
8316	Unrealised (loss) gain on valuation of equity instruments measured at fair value through other comprehensive income	6(22)	(11,098,184)	(3)	2,813,621	1
8330	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method	6(31)	(321,356)	-	402,827	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	<u>2,862</u>	-	(205)	-
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss		(11,430,987)	(3)	<u>3,217,267</u>	<u>1</u>
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(22)	3,463,635	1	(884,082)	-
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method	6(31)	<u>888,073</u>	-	(194,064)	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		<u>4,351,708</u>	<u>1</u>	(1,078,146)	-
8300	Total other comprehensive (loss) income for the year		<u>(\$ 7,079,279)</u>	<u>(2)</u>	<u>\$ 2,139,121</u>	<u>1</u>
8500	Total comprehensive income for the year		<u>\$ 551,844</u>	<u>-</u>	<u>\$ 10,062,378</u>	<u>3</u>
	Earnings per share (in dollars)	6(32)				
9750	Basic earnings per share		\$ 8.61		\$ 9.96	
9850	Diluted earnings per share		\$ 8.53		\$ 9.75	

The accompanying notes are an integral part of these parent company only financial statements.

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Notes	Capital				Retained Earnings			Other Equity Interest				Total equity
	Share capital - common stock	Preference share	Certificates of bond-to-stock conversion	Capital Surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Other equity, others	Treasury shares	
2021												
Balance at January 1, 2021	\$ 7,880,260	\$ 1,350,000	\$ 2,057	\$ 20,094,981	\$ 2,280,822	\$ 791,142	\$ 8,070,791	(\$ 2,600,106)	\$ 8,208,070	\$ -	\$ -	\$ 46,078,017
Profit for the year	-	-	-	-	-	-	7,923,257	-	-	-	-	7,923,257
Other comprehensive income (loss)	-	-	-	-	-	-	3,788	(1,078,146)	3,213,479	-	-	2,139,121
Total comprehensive income (loss)	-	-	-	-	-	-	7,927,045	(1,078,146)	3,213,479	-	-	10,062,378
Appropriations of 2020 earnings:	6(21)											
Legal reserve	-	-	-	-	396,453	-	(396,453)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	(791,142)	791,142	-	-	-	-	-
Cash dividends for common stock	-	-	-	-	-	-	(2,532,086)	-	-	-	-	(2,532,086)
Cash dividends for preferred share	-	-	-	-	-	-	(57,541)	-	-	-	-	(57,541)
Conversion of convertible bonds	6(19)(20)	64,468	-	49,441	190,166	-	-	-	-	-	-	304,075
Issuance of employee restricted shares	6(19)(20)	57,800	-	-	216,366	-	-	-	-	(274,166)	-	-
Cancellation of employee restricted shares	6(19)(20)	(520)	-	-	520	-	-	-	-	-	-	-
Purchase of treasury shares	6(19)	-	-	-	-	-	-	-	-	-	(135,121)	(135,121)
Retirement of treasury shares	6(19)	(24,940)	-	(87,064)	-	-	(23,117)	-	-	-	135,121	-
Changes in ownership interests in subsidiaries	-	-	-	-	3,173	-	(78,550)	-	-	-	-	(75,377)
Compensation cost of share-based payments	6(18)	-	-	26,636	-	-	-	-	-	96,884	-	123,520
Disposal of financial assets at fair value through other comprehensive income	6(22)	-	-	-	-	-	829,777	-	(829,777)	-	-	-
Balance at December 31, 2021	\$ 7,977,068	\$ 1,350,000	\$ 51,498	\$ 20,444,778	\$ 2,677,275	\$ -	\$ 14,531,008	(\$ 3,678,252)	\$ 10,591,772	(\$ 177,282)	\$ -	\$ 53,767,865
2022												
Balance at January 1, 2022	\$ 7,977,068	\$ 1,350,000	\$ 51,498	\$ 20,444,778	\$ 2,677,275	\$ -	\$ 14,531,008	(\$ 3,678,252)	\$ 10,591,772	(\$ 177,282)	\$ -	\$ 53,767,865
Profit for the year	-	-	-	-	-	-	7,631,123	-	-	-	-	7,631,123
Other comprehensive income (loss)	6(22)	-	-	-	-	-	(4,597)	4,351,708	(11,426,390)	-	-	(7,079,279)
Total comprehensive income (loss)	-	-	-	-	-	-	7,626,526	4,351,708	(11,426,390)	-	-	551,844
Appropriations of 2021 earnings:	6(21)											
Legal reserve	-	-	-	-	865,516	-	(865,516)	-	-	-	-	-
Cash dividends for common stock	-	-	-	-	-	-	(4,431,032)	-	-	-	-	(4,431,032)
Cash dividends for preferred share	-	-	-	-	-	-	(270,000)	-	-	-	-	(270,000)
Issuance of shares - Global depository receipts	6(19)(20)	780,000	-	-	4,675,260	-	-	-	-	-	-	5,455,260
Conversion of convertible bonds	6(19)(20)	80,374	(51,498)	47,760	-	-	-	-	-	-	-	76,636
Cancellation of employee restricted shares	6(19)(20)	(2,145)	-	2,145	-	-	-	-	-	-	-	-
Changes in restricted stocks to employees	6(20)(22)	-	-	(3,320)	-	-	-	-	-	3,320	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	(716)	-	-	-	-	(716)
Compensation cost of share-based payments	6(18)	-	-	127,486	-	-	102	-	-	94,983	-	222,571
Disposal of financial assets at fair value through other comprehensive income	6(22)	-	-	-	-	-	57,163	-	(57,163)	-	-	-
Redemption liability recognised as other equity	6(22)	-	-	-	-	-	-	-	(1,267,083)	-	-	(1,267,083)
Balance at December 31, 2022	\$ 8,835,297	\$ 1,350,000	\$ -	\$ 25,294,109	\$ 3,542,791	\$ -	\$ 16,647,535	\$ 673,456	(\$ 891,781)	(\$ 1,346,062)	\$ -	\$ 54,105,345

The accompanying notes are an integral part of these parent company only financial statements.

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 8,622,283	\$ 9,159,387
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(28)	198,871	192,788
Amortisation	6(28)	27,526	17,665
Impairment loss (gain) determined in accordance with IFRS 9	12(2)	1,808	(1,216)
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	6(26)	(137,498)	189,024
Share-based payments	6(18)	222,571	123,520
Share of profit of subsidiaries accounted for using equity method		(4,578,502)	(3,814,791)
Interest expense	6(27)	895,184	229,724
Interest income	6(24)	(6,375)	(650)
Dividend income	6(25)	(307,470)	(273,249)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		(2,511,484)	(1,319,540)
Accounts receivable - related parties		3,948,618	(2,163,856)
Other receivables		(132,621)	(262,425)
Inventories		(8,885,822)	(18,667,235)
Prepayments		(19,130)	(41,257)
Changes in operating liabilities			
Financial assets and liabilities at fair value through profit or loss		174,717	(194,149)
Contract liabilities		128,755	(92,977)
Accounts payable		(1,480,556)	7,423,474
Accounts payable - related parties		75,015	193,048
Other payables		235,583	317,046
Other current liabilities		(139,955)	1,387
Net defined benefit liability		(2,062)	(1,819)
Cash outflow generated from operations		(3,670,544)	(8,986,101)
Interest received		6,375	650
Dividends received		3,438,025	1,737,033
Interest paid		(814,015)	(229,369)
Income taxes paid		(1,341,193)	(530,739)
Net cash flows used in operating activities		(2,381,352)	(8,008,526)

(Continued)

WT MICROELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 7,200)	(\$ 130,000)
Proceeds from disposal of financial assets at fair value through profit or loss		-	4,382
Acquisition of financial assets at fair value through other comprehensive income		(1,373,511)	(1,384,366)
Proceeds from capital reduction of subsidiaries accounted for using equity method		1,123,988	-
Acquisition of investments accounted for using equity method		(5,202,072)	-
Acquisition of property, plant and equipment	6(34)	(73,964)	(71,097)
Acquisition of intangible assets	6(11)	(10,244)	(4,436)
Net cash payments for business combination	6(33)	-	(85,370)
Increase in guarantee deposits		(195,324)	(14,383)
Decrease in guarantee deposits		5,188	3,681
(Increase) decrease in other non-current assets		(32,002)	4,925
Net cash flows used in investing activities		<u>(5,765,141)</u>	<u>(1,676,664)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(35)	634,071,185	351,464,815
Decrease in short-term borrowings	6(35)	(638,478,621)	(346,043,250)
(Decrease) increase in short-term notes and bills payable	6(35)	(1,006,899)	1,042,872
Proceeds from long-term borrowings	6(35)	95,099,300	7,786,800
Payment of long-term loans	6(35)	(85,236,700)	(836,400)
Increase in guarantee deposits received		6,434	-
Payment of lease liabilities	6(35)	(133,435)	(130,192)
Issuance of shares - Global depositary receipts	6(19)	5,549,184	-
Issuance of shares - Direct costs of Global depositary receipts	6(19)	(93,924)	-
Cash dividends paid	6(21)	(4,701,032)	(2,589,627)
Acquisition of treasury shares	6(19)	-	(135,121)
Net cash flows from financing activities		<u>5,075,492</u>	<u>10,559,897</u>
Effect of exchange rate changes on cash and cash equivalents		2,438,523	(580,281)
Net (decrease) increase in cash and cash equivalents		(632,478)	294,426
Cash and cash equivalents at beginning of year		1,068,479	774,053
Cash and cash equivalents at end of year		<u>\$ 436,001</u>	<u>\$ 1,068,479</u>

The accompanying notes are an integral part of these parent company only financial statements.

WT MICROELECTRONICS CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

WT Microelectronics Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in the development and sales of electronic and communication components.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were reported to the Board of Directors on February 23, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts— cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

- A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit assets (liabilities) recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

- A. The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional and presentation currency.
- B. Foreign currency transactions and balances
- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
 - (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
 - (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
 - (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within ‘other gains and losses’.
- C. Translation of foreign operations
- (a) The operating results and financial position of all the consolidated entities, associates and joint

arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Company retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than

twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(6) Financial assets (liabilities) at fair value through profit or loss

A. These are financial assets that are not measured at amortised cost or at fair value through other comprehensive income and are held for trading if acquired principally for the purpose of repurchasing in the short term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. On a regular way purchase or sale basis, financial assets and liabilities at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition relating to the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are initially recognised and subsequently measured at initial invoice amount as the effect of discounting is immaterial.

C. The Company's operating pattern of accounts receivable that are expected to be factored is for the

purpose of receiving contract cash flow and selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in other comprehensive income.

(9) Impairment of financial assets

For financial assets at amortised cost at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred, however, the Company has not retained control of the financial asset.

(11) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(12) Inventories

- A. The cost of inventories includes the purchase price, import duties and other costs directly attributable to the acquisition of goods. The discount, allowance and others alike should be deducted from the cost.
- B. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

(13) Investments accounted for using equity method / subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Company are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit

or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise the losses in proportion to the ownership.

- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- E. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- F. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- G. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- H. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- I. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- J. When the Company disposes its investment in an associate and loses significant influence over

this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

K. Pursuant to the Rules Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	26 ~ 55 years
Office equipment	3 years
Other assets	2 ~ 5 years

(15) Leasing arrangements (lessee) - right-of-use assets /lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the

commencement date, discounted using the Company's incremental borrowing interest rate. Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable; and
- (b) Variable lease payments that depend on an index or a rate.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date; and
- (c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(16) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 26 years.

(17) Intangible assets

- A. Goodwill arises in a business combination accounted for by applying the acquisition method.
- B. Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2~5 years.
- C. Other intangible assets, mainly customer relationship, are recorded at cost and amortised on a straight-line basis over the estimated useful life of 5~8 years.

(18) Impairment of non-financial assets

- A. The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the

impairment had not been recognised.

- B. The recoverable amount of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(19) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs.

(20) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are initially recognised and subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Convertible bonds payable

Convertible corporate bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares). The Company classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial liability or an equity instrument ('capital surplus—share options') in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument. Convertible corporate bonds are accounted for as follows:

- A. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- B. The embedded conversion options which meet the definition of an equity instrument are initially

recognised in ‘capital surplus—share options’ at the residual amount of total issue price less the amount of bonds payable as stated above. Conversion options are not subsequently remeasured.

- C. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- D. When bondholders exercise conversion options, the liability component of the bonds (including ‘bonds payable’) shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the abovementioned liability component plus the book value of capital surplus – share options.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

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

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.
- ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees’ compensation and directors’ and supervisors’ remuneration

Employees’ compensation and directors’ and supervisors’ remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(23) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. The grant date of cash capital increase reserved for employee preemption is the date at which the entity and the employee agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement.
- C. Restricted stocks:
 - (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.
 - (b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Company recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.
 - (c) For restricted stocks where employees do not need to pay to acquire those stocks, if the employees resign during the vesting period, the restricted stocks will be redeemed and retired by the Company without further consideration and recognised as deduction of share capital and additional paid-in capital, in accordance with the terms of restricted stocks.

(24) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences

arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(25) Share capital

- A. Ordinary shares are classified as equity. The classification of preferred shares is determined according to the special rights attached to the preferred shares based on the substance of the contract and the definition of financial liabilities and equity instruments. Preferred shares are classified as liabilities when they have the fundamental characteristic of financial liabilities; otherwise, they are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are

approved by the Company's shareholders or Board of Directors. Cash dividends are recorded as liabilities.

(27) Revenue recognition

Sales of goods

- A. The Company sells electronic components. Sales are recognised when the control of the products has been transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- B. The goods are often sold with discounts based on aggregate sales. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales discounts and allowances. Accumulated experience is used to estimate and provide for the sales discounts and allowances, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected discounts payable to customers in relation to sales made until the end of the reporting period. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The customer pays at the time specified in the payment schedule. If the payments exceed the merchandise provided, a contract liability is recognised.

(28) Business combinations

- A. The Company uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Company measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value as a bargain purchase.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the

acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

Revenue recognition on a net/gross basis

The Company determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Company is a principal) or to arrange for the other party to provide those goods or services (i.e. the Company is an agent) based on the transaction model and its economic substance. The Company is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Company recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Company is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Company recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Company controls the goods or services before it is provided to a customer include the following:

- A. The Company is primarily responsible for the provision of goods or services;
- B. The Company assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.
- C. The Company has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Company's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Refer to Note 6(11) for the information on goodwill impairment as of December 31, 2022.

B. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the estimated selling price in the ordinary course of business within the specified period before the balance sheet date. Therefore, there might be material changes to the evaluation. Refer to Note 6(6) for the carrying amount of inventory as of December 31, 2022.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and revolving funds	\$ 1,313	\$ 576
Checking accounts and demand deposits	<u>434,688</u>	<u>1,067,903</u>
	<u>\$ 436,001</u>	<u>\$ 1,068,479</u>

The Company transacts with a variety of financial institutions all with good credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

(2) Financial assets and liabilities at fair value through profit or loss

<u>Assets</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Beneficiary certificates	\$ 8,369	\$ 11,743
Derivatives	<u>-</u>	<u>455</u>
	<u>\$ 8,369</u>	<u>\$ 12,198</u>
Non-current items:		
Beneficiary certificates	<u>\$ 196,885</u>	<u>\$ 232,735</u>
<u>Liabilities</u>		
Current items:		
Derivatives	<u>\$ 5,178</u>	<u>\$ 14,838</u>

A. Amounts recognised in profit or loss in relation to financial assets and liabilities measured at fair value through profit or loss are as follows:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Derivatives	\$ 183,922	(\$ 208,532)
Beneficiary certificates	<u>(46,424)</u>	<u>19,508</u>
	<u>\$ 137,498</u>	<u>(\$ 189,024)</u>

B. The non-hedging derivative financial assets and liabilities and contract information are as follows:

December 31, 2022			
Derivative financial liabilities	Contract amount (Notional principal) (In thousands)		Contract period
Current items:			
Forward foreign exchange contracts	USD (BUY)	65,000	2022.12.29~2023.2.24
December 31, 2021			
Derivative financial assets	Contract amount (Notional principal) (In thousands)		Contract period
Current items:			
Forward foreign exchange contracts	USD (BUY)	25,000	2021.12.30~2022.2.9
Derivative financial liabilities	Contract amount (Notional principal) (In thousands)		Contract period
Current items:			
Forward foreign exchange contracts	USD (BUY)	190,000	2021.11.30~2022.1.4

The Company entered into forward foreign exchange contracts to sell USD to hedge exchange rate risk of foreign currency. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. For the derivative transactions, the Company deals with a variety of financial institutions all with high credit quality, so it expects that the probability of counterparty default is remote.

D. The Company has no financial assets measured at fair value through profit or loss pledged to others.

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments	\$ 8,718,841	\$ 18,443,514

A. The Company has elected to classify certain strategic investments in the aforementioned equity instruments, including publicly listed and privately held companies, as financial assets measured at fair value through other comprehensive income.

B. Refer to Note 6(22) for information on changes in fair value recognised in other comprehensive income for the years ended December 31, 2022 and 2021.

C. The Company has no financial assets measured at fair value through other comprehensive income pledged to others as of December 31, 2022 and 2021.

(4) Notes and accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 129,452	\$ 200,494
Accounts receivable	24,341,482	21,688,507
Less: Allowance for uncollectible accounts	(137,155)	(184,258)
Notes and accounts receivable, net	<u>24,333,779</u>	<u>21,704,743</u>
Overdue receivables	189,085	140,174
Less: Allowance for uncollectible accounts	(189,085)	(140,174)
Overdue receivables, net (shown as 'other non-current assets')	<u>-</u>	<u>-</u>
	<u>\$ 24,333,779</u>	<u>\$ 21,704,743</u>

A. As of December 31, 2022 and 2021, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2021, the balance of accounts receivable and notes receivable amounted to \$20,502,415.

B. Transferred financial assets that are derecognised in their entirety

(a) The Company entered into factoring agreements with domestic financial institutions to sell its accounts receivable. Under the agreement, the Company is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Company does not have any continuing involvement in the transferred accounts receivable. Thus, the Company derecognised the transferred accounts receivable, and the related information is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable transferred		
(Amount derecognised)	<u>\$ 23,060,365</u>	<u>\$ 22,326,209</u>
Amount advanced	<u>\$ 22,488,244</u>	<u>\$ 21,826,246</u>
Amount retained (shown as 'other receivables')	<u>\$ 572,121</u>	<u>\$ 499,963</u>

(b) The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

C. Transferred financial assets that are not derecognised in their entirety

(a) The Company entered into factoring agreements with domestic financial institutions to sell its accounts receivable. Under the agreement, the Company can transfer non-L/C accounts receivable financing to financial institutions, and the banks have the right of recourse to the transferred accounts receivable. For accounts receivable that will not be recovered in the specific period, the Company will retain risk and returns of such accounts receivable. Accordingly, the Company did not derecognise the accounts receivable where the banks have the right of recourse, and related advance payments were listed in 'short-term borrowings'.

(b) The information on transferred accounts receivable continued to be recognised by the Company as of December 31, 2022 and 2021 is as follows. In addition, total carrying amount

of the original assets before the transfer (same as carrying amount of the assets that the entity continues to recognise) of transferred accounts receivable continued to be recognised by the Company to the extent of its continuing involvement is in line with carrying amount of the associated liabilities, fair value of transferred accounts receivable and fair value of advance payments.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of transferred accounts receivable (that is, fair value)	\$ -	\$ 202,594
Carrying amount of advance payments (that is, fair value)	<u>-</u>	<u>(182,335)</u>
Net amount	<u>\$ -</u>	<u>\$ 20,259</u>

- D. As of December 31, 2022 and 2021, the interest rates for amounts advanced ranged between 0.98%~6.184% and 0.31%~1.29%, respectively.
- E. As of December 31, 2022 and 2021, the total limits of the accounts receivable factoring were \$70,073,476 and \$60,238,759, respectively.
- F. As of December 31, 2022 and 2021, the Company has issued a promissory note of \$83,186,761 and \$75,372,590, respectively, as performance guarantee against any business dispute.
- G. Refer to Note 6(27) for information on financing charges on accounts receivable factoring for the years ended December 31, 2022 and 2021.
- H. As of December 31, 2022 and 2021, the Company's accounts receivable that are expected to be factored were classified as financial assets at fair value through other comprehensive income in the amounts of \$13,921,881 and \$8,221,346, respectively, and recorded as 'accounts receivable'.
- I. The Company took out a credit insurance on the accounts receivable from certain main customers, whereby 75%~90% of the receivable amount can be covered when the receivables are uncollectible. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes and accounts receivable was the carrying amount of the notes and accounts receivable.
- J. Refer to Note 8 for details of accounts receivable pledged as security.
- K. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Other receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Amounts retained for accounts receivable factoring	\$ 572,121	\$ 499,963
VAT refund receivable	247,390	206,635
Others	<u>73,032</u>	<u>55,396</u>
	<u>\$ 892,543</u>	<u>\$ 761,994</u>

(6) Inventories

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Merchandise inventory	\$ 58,820,204	\$ 49,646,005
Less: Allowance for inventory obsolescence and market value decline	(1,005,110)	(716,733)
	<u>\$ 57,815,094</u>	<u>\$ 48,929,272</u>

The cost of inventories recognised as expense for the year:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Cost of inventories sold	\$ 410,495,043	\$ 345,232,102
Loss on decline in market value	229,034	51,469
Loss on disposal of inventory	432,670	8,767
Loss on physical inventory	13	5
	<u>\$ 411,156,760</u>	<u>\$ 345,292,343</u>

(7) Investments accounted for using equity method

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries:		
Wintech Microelectronics Holding Limited	\$ 10,181,859	\$ 9,900,819
Morrihan International Corp.	5,790,209	4,361,227
WT Semiconductor Holdings Pte. Ltd.	4,105,540	-
Techmosa International Inc.	2,661,565	2,563,293
Maxtek Technology Co., Ltd.	2,072,091	2,321,340
Nuvision Technology Inc.	1,250,701	1,171,682
BSI Semiconductor Pte. Ltd.	804,407	724,431
WT Microelectronics (Hong Kong) Limited	496,404	-
WT Solomon QCE Limited	472,282	-
Analog World Co., Ltd.	470,521	414,466
MSD Holdings Pte. Ltd.	229,256	204,083
WT Technology Pte. Ltd.	156,240	-
WT Microelectronics Singapore Pte. Ltd.	154,886	-
Milestone Investment Co.,Ltd.	92,442	159,643
Sinyie Investment Co.,Ltd.	35,323	44,819
WT Technology (H. K.) Limited	4,891	-
	<u>\$ 28,978,617</u>	<u>\$ 21,865,803</u>

A. Refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2022 for the information regarding the Company's subsidiaries.

B. For the years ended December 31, 2022 and 2021, the Company received cash dividends arising from investments accounted for using equity method amounting to \$3,136,036 and \$1,463,784, respectively.

C. The Company directly held all the equity interest in WT Microelectronics (Hong Kong) Limited, WT Solomon QCE Ltd., WT Technology Pte. Ltd., WT Microelectronics Singapore Pte. Ltd. And WT Technology (H.K.) Limited in response to the adjustment of the Group's organisational structure.

(8) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2022</u>					
Cost	\$ 225,459	\$ 217,449	\$ 251,108	\$ 230,639	\$ 924,655
Accumulated depreciation and impairment	<u>-</u>	<u>(108,540)</u>	<u>(213,922)</u>	<u>(170,408)</u>	<u>(492,870)</u>
	<u>\$ 225,459</u>	<u>\$ 108,909</u>	<u>\$ 37,186</u>	<u>\$ 60,231</u>	<u>\$ 431,785</u>
<u>2022</u>					
Opening net book amount	\$ 225,459	\$ 108,909	\$ 37,186	\$ 60,231	\$ 431,785
Additions	-	-	22,824	46,815	69,639
Reclassifications	(62,411)	(31,079)	-	-	(93,490)
Depreciation charge	<u>-</u>	<u>(5,166)</u>	<u>(25,033)</u>	<u>(35,676)</u>	<u>(65,875)</u>
Closing net book amount	<u>\$ 163,048</u>	<u>\$ 72,664</u>	<u>\$ 34,977</u>	<u>\$ 71,370</u>	<u>\$ 342,059</u>
<u>At December 31, 2022</u>					
Cost	\$ 163,048	\$ 148,480	\$ 248,468	\$ 269,332	\$ 829,328
Accumulated depreciation and impairment	<u>-</u>	<u>(75,816)</u>	<u>(213,491)</u>	<u>(197,962)</u>	<u>(487,269)</u>
	<u>\$ 163,048</u>	<u>\$ 72,664</u>	<u>\$ 34,977</u>	<u>\$ 71,370</u>	<u>\$ 342,059</u>
	<u>Land</u>	<u>Buildings</u>	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2021</u>					
Cost	\$ 225,459	\$ 217,449	\$ 248,159	\$ 188,088	\$ 879,155
Accumulated depreciation and impairment	<u>-</u>	<u>(101,884)</u>	<u>(195,172)</u>	<u>(140,082)</u>	<u>(437,138)</u>
	<u>\$ 225,459</u>	<u>\$ 115,565</u>	<u>\$ 52,987</u>	<u>\$ 48,006</u>	<u>\$ 442,017</u>
<u>2021</u>					
Opening net book amount	\$ 225,459	\$ 115,565	\$ 52,987	\$ 48,006	\$ 442,017
Additions	-	-	11,477	44,365	55,842
Depreciation charge	<u>-</u>	<u>(6,656)</u>	<u>(27,278)</u>	<u>(32,140)</u>	<u>(66,074)</u>
Closing net book amount	<u>\$ 225,459</u>	<u>\$ 108,909</u>	<u>\$ 37,186</u>	<u>\$ 60,231</u>	<u>\$ 431,785</u>
<u>At December 31, 2021</u>					
Cost	\$ 225,459	\$ 217,449	\$ 251,108	\$ 230,639	\$ 924,655
Accumulated depreciation and impairment	<u>-</u>	<u>(108,540)</u>	<u>(213,922)</u>	<u>(170,408)</u>	<u>(492,870)</u>
	<u>\$ 225,459</u>	<u>\$ 108,909</u>	<u>\$ 37,186</u>	<u>\$ 60,231</u>	<u>\$ 431,785</u>

(9) Leasing arrangements - lessee

- A. The Company leases various assets including land, office and warehouse. The rental contracts are typically made for periods of 1 to 8 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of twelve months or less comprise certain offices, business vehicles and parking space.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings and structures	\$ 136,807	\$ 218,469
	<u>Years ended December 31,</u>	<u>Years ended December 31,</u>
	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings and structures	\$ 131,506	\$ 126,714

- D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$49,844 and \$112,940, respectively.
- E. The information on income or expense accounts relating to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 3,127	\$ 4,785
Expense on short-term lease contracts	81,953	54,802

- F. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were \$218,515 and \$189,779, respectively.

(10) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2022</u>			
Cost	\$ -	\$ -	\$ -
Accumulated depreciation and impairment	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>2022</u>			
Opening net book amount as at January 1	\$ -	\$ -	\$ -
Reclassifications	62,411	31,079	93,490
Depreciation charge	-	(1,490)	(1,490)
Closing net book amount as at December 31	<u>\$ 62,411</u>	<u>\$ 29,589</u>	<u>\$ 92,000</u>
<u>At December 31</u>			
Cost	\$ 62,411	\$ 68,969	\$ 131,380
Accumulated depreciation and impairment	-	(39,380)	(39,380)
	<u>\$ 62,411</u>	<u>\$ 29,589</u>	<u>\$ 92,000</u>

A. Rental income from the lease of the investment property and direct operating expenses arising from investment property are shown below:

	<u>Year ended</u> <u>December 31, 2022</u>
Rental income from the lease of investment property	<u>\$ 11,089</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 1,490</u>

B. The fair value of the investment property held by the Company as at December 31, 2022 was \$523,103, which was based on the valuation of market prices estimated using comparison approach and is categorised within Level 3 in the fair value hierarchy.

(11) Intangible assets

	<u>Goodwill</u>	<u>Software</u>	<u>Customer relationship</u>	<u>Total</u>
<u>At January 1, 2022</u>				
Cost	\$ 387,437	\$ 101,269	\$ 90,751	\$ 579,457
Accumulated amortisation and impairment	(<u>208,133</u>)	(<u>85,713</u>)	(<u>11,227</u>)	(<u>305,073</u>)
	<u>\$ 179,304</u>	<u>\$ 15,556</u>	<u>\$ 79,524</u>	<u>\$ 274,384</u>
<u>2022</u>				
Opening net book amount	\$ 179,304	\$ 15,556	\$ 79,524	\$ 274,384
Additions	-	10,244	-	10,244
Amortisation charge (shown as 'general and administrative expenses')	<u>-</u>	(<u>9,375</u>)	(<u>18,151</u>)	(<u>27,526</u>)
Closing net book amount	<u>\$ 179,304</u>	<u>\$ 16,425</u>	<u>\$ 61,373</u>	<u>\$ 257,102</u>
<u>At December 31, 2022</u>				
Cost	\$ 387,437	\$ 111,513	\$ 90,751	\$ 589,701
Accumulated amortisation and impairment	(<u>208,133</u>)	(<u>95,088</u>)	(<u>29,378</u>)	(<u>332,599</u>)
	<u>\$ 179,304</u>	<u>\$ 16,425</u>	<u>\$ 61,373</u>	<u>\$ 257,102</u>
	<u>Goodwill</u>	<u>Software</u>	<u>Customer relationship</u>	<u>Total</u>
<u>At January 1, 2021</u>				
Cost	\$ 387,437	\$ 96,833	\$ 5,381	\$ 489,651
Accumulated amortisation and impairment	(<u>208,133</u>)	(<u>77,661</u>)	(<u>1,614</u>)	(<u>287,408</u>)
	<u>\$ 179,304</u>	<u>\$ 19,172</u>	<u>\$ 3,767</u>	<u>\$ 202,243</u>
<u>2021</u>				
Opening net book amount	\$ 179,304	\$ 19,172	\$ 3,767	\$ 202,243
Additions	-	4,436	85,370	89,806
Amortisation charge (shown as 'general and administrative expenses')	<u>-</u>	(<u>8,052</u>)	(<u>9,613</u>)	(<u>17,665</u>)
Closing net book amount	<u>\$ 179,304</u>	<u>\$ 15,556</u>	<u>\$ 79,524</u>	<u>\$ 274,384</u>
<u>At December 31, 2021</u>				
Cost	\$ 387,437	\$ 101,269	\$ 90,751	\$ 579,457
Accumulated amortisation and impairment	(<u>208,133</u>)	(<u>85,713</u>)	(<u>11,227</u>)	(<u>305,073</u>)
	<u>\$ 179,304</u>	<u>\$ 15,556</u>	<u>\$ 79,524</u>	<u>\$ 274,384</u>

A. The information on intangible assets acquired through business combinations for the years ended

December 31, 2022 and 2021 is provided in Note 6(33).

B. Goodwill is allocated to the Company's cash-generating units identified according to operating segment as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Greater China Region	\$ 179,304	\$ 179,304

C. Goodwill is allocated to the Company's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

The future cash flows were estimated based on the annual revenue, gross profit and other operating expenses in the future. Management determined budgeted gross margin based on past performance and their expectations of market development. The Company's accrued average annual revenue growth rate for the years ended December 31, 2022 and 2021 was 0%~5%; the assumption used for discount rate is the weighted average capital cost of the Company. As of December 31, 2022 and 2021, the key valuations used for pre-tax discount rate to reflect risk of related cash-generating units were 7.02%~10.02% and 5.32%~9.8%, respectively. Based on the aforementioned assessment, no impairment loss on goodwill was recognised for the years ended December 31, 2022 and 2021.

D. There were no intangible assets that were pledged to others.

(12) Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Credit loans	\$ 16,952,187	\$ 21,177,288
Secured borrowings (note)	-	182,335
	<u>\$ 16,952,187</u>	<u>\$ 21,359,623</u>
Interest rate per annum	<u>1.4917%~5.29%</u>	<u>0.52%~0.80%</u>

Note: The above borrowings were secured by accounts receivable.

As of December 31, 2022 and 2021, information on the collateral provided by the Company is provided in Note 8.

(13) Short-term notes and bills payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commercial paper	\$ 700,000	\$ 1,700,000
Amortisation of discount	(371)	(394)
	<u>\$ 699,629</u>	<u>\$ 1,699,606</u>
Coupon rate	<u>1.3%~1.7%</u>	<u>0.44%~0.7%</u>

The notes and bills were issued under securities and acceptance offered by the financial institutions to fund short-term capital. The issuance period is within 90 days.

(14) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Salaries and bonuses payable	\$ 1,020,030	\$ 952,268
Finance costs payable	184,588	23,273
Freight payable	132,756	123,962
Insurance expense payable	78,446	70,859
Technical service fees payable	71,871	62,036
Services payable	70,619	16,927
Accrued VAT payable	12,448	69,585
Others	189,540	133,622
	<u>\$ 1,760,298</u>	<u>\$ 1,452,532</u>

(15) Bonds payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bonds payable	\$ -	\$ 77,100
Less: Discount on bonds payable	-	(465)
	-	76,635
Less: Bonds payable, current portion	-	(76,635)
	<u>\$ -</u>	<u>\$ -</u>

A. Sixth unsecured convertible bonds of 2019

(a) The terms of the sixth domestic unsecured convertible bonds issued by the Company are as follows:

- i. The Company issued \$1,200,000, 0%, sixth domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (July 1, 2019 ~July 1, 2022) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 1, 2019.
- ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- iii. The conversion price of the bonds is set up based on the pricing model as specified in the terms of the bonds (with the conversion price at NT\$40 per share), and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. On March 31, 2022, the conversion price was NT\$26.7 per share.
- iv. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from securities trading markets), matured and converted are retired and not to be resold or re-issued; the convertible rights attached to the bonds are also extinguished.

(b) Regarding the issuance of convertible bonds, the equity conversion options amounting to \$37,762 were separated from the liability component in accordance with IAS 32.

(c) As of December 31, 2022, the convertible bonds converted into 41,174 thousand common shares totaled \$1,200,000 at par value.

B. For the years ended December 31, 2022 and 2021, the amortised discount of bonds payable was \$1 and \$3,516, respectively.

(16) Long-term loans

		December 31, 2022		
Type of loans	Period	Credit line	Interest rate	Amount
Mid-term syndicated loans (note A)	2021.7.29~ 2026.7.29	\$ 12,000,000	1.8317%~ 1.9543%	\$ 6,400,000
Mid-term syndicated loans (note A)	2022.6.27~ 2027.6.27	24,000,000	1.8541%~ 5.3594%	<u>11,213,000</u>
				<u>\$ 17,613,000</u>

		December 31, 2022		
Type of loans	Period	Credit line	Interest rate	Amount
Mid-term syndicated loans (note A)	2021.7.29~ 2026.7.29	\$ 12,000,000	0.95%	<u>\$ 7,750,400</u>

A. As stipulated in the syndicated loan agreement:

(a) Credit period: 5 years after the date of first drawdown of any credit line.

(b) Drawdown period: The day before 5 years after the date of first drawdown. However, maturity date of each borrowing shall not exceed the credit period. The borrower may apply for re-utilisation within the credit period 5 years after the date of first drawdown according to the capital situation. However, each drawdown must be fully repaid before the expiry of the credit period.

(c) Financial commitment: The borrower's consolidated financial statements shall maintain the following financial ratios and regulations:

i. Liquidity ratio: Shall be at least 100%.

ii. Net debt ratio: Shall be no more than 250%.

iii. Interest coverage ratio shall be at least 200%.

The abovementioned financial ratios are reviewed semi-annually.

B. The Company's financial ratios in the consolidated financial statements for the years ended December 31, 2022 and 2021 have met the required covenants under the abovementioned borrowing contract.

C. The Company's liquidity risk is provided in Note 12.

(17) Pensions

A. Defined benefit pension plan

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act,

covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	\$ 180,408	\$ 155,410
Fair value of plan assets	(126,742)	(113,991)
Net defined benefit liability (Shown as 'other non-current liabilities')	<u>\$ 53,666</u>	<u>\$ 41,419</u>

(c) Movements in net defined benefit liabilities (assets) are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
Year ended December 31, 2022			
Balance at January 1	\$ 155,410	\$ 113,991	\$ 41,419
Current service cost	1,142	-	1,142
Interest (expense) income	<u>1,088</u>	<u>798</u>	<u>290</u>
	<u>157,640</u>	<u>114,789</u>	<u>42,851</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	8,459	(8,459)
Change in financial assumptions	(8,829)	-	(8,829)
Experience adjustments	<u>31,597</u>	<u>-</u>	<u>31,597</u>
	<u>22,768</u>	<u>8,459</u>	<u>14,309</u>
Pension fund contribution	<u>-</u>	<u>3,494</u>	<u>(3,494)</u>
Balance at December 31	<u>\$ 180,408</u>	<u>\$ 126,742</u>	<u>\$ 53,666</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2021			
Balance at January 1	\$ 153,204	\$ 108,942	\$ 44,262
Current service cost	1,145	-	1,145
Interest (expense) income	459	327	132
	<u>154,808</u>	<u>109,269</u>	<u>45,539</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,626	(1,626)
Change in demographic assumptions	146	-	146
Change in financial assumptions	(6,102)	-	(6,102)
Experience adjustments	6,558	-	6,558
	<u>602</u>	<u>1,626</u>	<u>(1,024)</u>
Pension fund contribution	-	3,096	(3,096)
Balance at December 31	<u>\$ 155,410</u>	<u>\$ 113,991</u>	<u>\$ 41,419</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund, hence, the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2022	2021
Discount rate	<u>1.3%</u>	<u>0.7%</u>
Future salary increases	<u>3%</u>	<u>3%</u>

Assumptions regarding future mortality experience are set based on actuarial advice in

accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase <u>0.25%</u>	Decrease <u>0.25%</u>	Increase <u>0.25%</u>	Decrease <u>0.25%</u>
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ <u>3,504</u>)	\$ <u>3,605</u>	\$ <u>3,091</u>	(\$ <u>3,024</u>)
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ <u>3,572</u>)	\$ <u>3,687</u>	\$ <u>3,210</u>	(\$ <u>3,132</u>)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2023 amount to \$3,566.
 - (g) As of December 31, 2022, the weighted average duration of the retirement plan is 8 years.
- B. Defined contribution pension plan
- (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
 - (b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2022 and 2021 were \$51,359 and \$46,338, respectively.

(18) Share-based payment

A. For the years ended December 31, 2022 and 2021, the Company's share-based payment arrangements are as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Vesting conditions</u>
Restricted stocks to employees	2021.1.13	2,992 thousand shares	(a) and (b)
Employee stock options	2021.3.18	12,000 thousand shares	(c)
Restricted stocks to employees	2021.7.28	2,788 thousand shares	(a) and (b)
Employee stock options	2022.1.6	18,854 thousand shares	(c)

- (a) The vesting percentage for the employee who has rendered service to the Company since the grant date and achieves the performance condition is 25% each year.
- (b) The issued employee restricted shares before meeting the vesting conditions are subject to certain restrictions as follows:
- Employee restricted shares cannot be sold, pledged, transferred, donated to others, set purposes or disposed in any other ways, except for inheritance.
 - The rights to attend, propose, speak and vote at the shareholders meeting are the same as the issued ordinary shares of the Company and are implemented in accordance with the trust custody contract.
 - Other rights including but not limited to dividends, distribution rights of legal reserve and capital surplus and share options of cash capital increase, etc. are the same as the Company's issued ordinary shares, do not need to be kept in trust and are not restricted by the vesting period. Employees are required to return the unvested stocks but not required to return the dividends received if they resign during the vesting period.
- (c) Employees can exercise 50%, 25% and 25% of their option after 2 years, 3 years and 4 years from the grant date of employee stock options, respectively.

B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (%)	Expected option life (years)	Expected dividends	Risk-free interest rate (%)	Fair value per unit (in dollars)
Restricted stocks to employees	2021.1.13	\$ 42.05	\$ -	-	4	-	-	\$ 42.05
Employee stock options	2021.3.18	\$ 46.80	\$ 46.80	18.44~ 18.46	4~5	-	0.31~ 0.34	\$ 7.0985~ \$ 8.1307
Restricted stocks to employees	2021.7.28	\$ 61.20	\$ -	-	4	-	-	\$ 58.0011
Employee stock options	2022.1.6	\$ 75.40	\$ 75.40	21.06~ 22.66	3.5~4.5	-	0.55~ 0.62	\$ 13.2673~ \$ 14.2005

C. Details of the stock options for the years ended December 31, 2022 and 2021 are disclosed as follows:

	2022		
	No.of options (in thousands)	Weighted-average exercise price (in dollars)	Weighted-average remaining contractual period
Options outstanding at January 1	11,940	\$ 46.80	
Options granted	18,854	75.40	
Options forfeited	(646)	62.22	
Options outstanding at December 31	<u>30,148</u>	58.58	4.09 years
	2021		
	No.of options (in thousands)	Weighted-average exercise price (in dollars)	Weighted-average remaining contractual period
Options outstanding at January 1	-	\$ -	
Options granted	12,000	46.80	
Options forfeited	(60)	45.55	
Options outstanding at December 31	<u>11,940</u>	44.30	5.46 years

D. As of December 31, 2022, the Company had no exercisable stock options at the end of the year.

E. Details of the employee restricted shares for the years ended December 31, 2022 and 2021 are disclosed as follows:

	<u>2022</u>	<u>2021</u>
	No. of shares (in thousands)	No. of shares (in thousands)
Shares outstanding at January 1	5,666	-
Shares redeemed at beginning of year but not yet retired	62	-
Shares granted	-	5,780
Shares vested	(1,395)	-
Shares redeemed, not yet forfeited	(29)	(62)
Shares forfeited	(214)	(52)
Shares outstanding at December 31	<u>4,090</u>	<u>5,666</u>

F. Compensation cost of share-based payment of \$222,571 and \$123,520 was recognised for the years ended December 31, 2022 and 2021, respectively.

(19) Share capital

As of December 31, 2022, the Company's authorised capital was \$20,000,000, including partial preferred shares, consisting of 2 billion shares (including 300 million shares reserved for employee stock options), and the paid-in capital was \$10,185,297 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Common stock

A. Movements in the number of the Company's ordinary shares (including certificate of entitlement to new shares from convertible bonds) outstanding are as follows:

	<u>2022</u>	<u>2021</u>
	Shares (in thousands)	Shares (in thousands)
At January 1	802,857	788,232
Issuance of shares - Global depository receipts	78,000	-
Issuance of employee restricted shares	-	5,780
Cancellation of employee restricted shares	(214)	(52)
Shares converted from bonds	2,887	11,391
Retirement of treasury shares	-	(2,494)
At December 31	<u>883,530</u>	<u>802,857</u>

B. For year ended December 31, 2022, all convertible bonds of the Company have been converted into 41,174 thousand ordinary shares. Convertible bonds amounting to \$77,100 in total par value have been requested for conversion into 2,887 thousand ordinary shares. For the year ended December 31, 2021, convertible bonds of the the Company have been converted into 11,391 thousand ordinary shares. Convertible bonds amounting to \$137,500 in total par value had been requested for conversion into 5,150 thousand ordinary shares. The amount was recorded under

'certificate of entitlement to new shares from convertible bonds' because the change in registration has not yet been completed.

- C. On March 27, 2020, the shareholders resolved the issuance of 3,000 thousand employee restricted shares with a par value of \$10 (in dollars) per share. The issuance can be granted several times within a year. A total of 2,992 thousand shares were issued for the first time and the effective date was set on January 18, 2021.
- D. On July 12, 2021, the shareholders resolved the issuance of 3,000 thousand employee restricted shares with a par value of \$10 (in dollars) per share. The issuance can be granted several times within a year. A total of 2,788 thousand shares were issued for the first time and the effective date was set on July 28, 2021.
- E. For the years ended December 31, 2022 and 2021, the Company has retrieved 214 thousand and 52 thousand of employee restricted shares, respectively, for not satisfying vesting conditions, and the Company cancelled and retired the shares in accordance with the regulations.
- F. Treasury shares

On May 17, 2021, the Company's Board of Directors resolved to buy back 2,494 thousand shares to enhance the Company's credit rating and the shareholders' equity. On November 5, 2021, the Company's Board of Directors resolved to retire shares and the registration for the change was completed on November 19, 2021.

Global depositary receipts

On February 24, 2022, the Company's Board of Directors resolved to increase capital by issuing common shares to participate in the issuance of the global depositary receipts for the repayment of the principal of bank borrowing in foreign currency and overseas procurement. The capital increase was approved by the Financial Supervisory Committee on March 25, 2022 and 15,600 thousand units of global depositary receipts were issued at the Luxembourg Stock Exchange on April 22, 2022 at a price of USD12.18 (in dollars) per unit. The global depositary receipts represented 78,000 thousand shares of the Company's common stock. The amount after deducting issuance cost was USD186,792 thousand (NT\$5,455,260 thousand). Each unit of the global depositary receipts represents 5 shares of the Company's common stocks. As of December 31, 2022, there were 248 thousand units of global depositary receipts outstanding which represented 1,240 thousand shares of the Company's common stock.

Preferred share

On July 2, 2020, the Board of Directors resolved to increase the Company's capital in the amount of \$6,750,000 by issuing 135 million shares of Class A preferred shares with a par value of \$10 (in dollars) per share issued at \$50 (in dollars) per share. The capital injection was approved by the Financial Supervisory Commission on July 29, 2020, and the effective date was set on October 15, 2020. The rights and obligations of these outstanding preferred shares are as follows:

- A. Expiration date: The Company's Class A preferred shares are perpetual. The shareholders of Class A preferred shares cannot request the Company to retire the preferred shares they hold but all or

certain parts are callable at any time from the next day of five years after issuance at the actual issue price. The outstanding Class A preferred shares sustained all the rights and obligations specified in the issuance terms. Dividends payable as of the redemption date shall be calculated based on the actual outstanding days if the Board of Directors resolved to distribute the current year's dividends.

- B. Dividends: Dividends are calculated at 4% per annum, consisting of five-year IRS rate of 0.6125% on pricing effective date (August 17, 2020) and specific markup of 3.3875%, based on the issue price per share. The five-year IRS rate will be reset on the next business day of five years since issuance and every subsequent five years and the pricing effective date for rate reset is two business days in Taipei financial industry prior to the IRS rate reset date. The rate index, five-year IRS rate, is the arithmetic mean of five-year IRS rates appearing on Refinitiv pages "PYTWDFIX" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant pricing effective date of rate reset. If such rate cannot be obtained, the Company will determine the rate based on the reasonable market price with good faith.
- C. Dividend distribution: Dividends of Class A preferred shares are distributed once per year in the form of cash. The effective date for distributing previous year's distributable dividends will be set by the Board of Directors or the chairman who is authorised by the Board of Directors. Dividend distributions in the years of issuance and redemption are calculated based on the actual outstanding days. The current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating deficit and then set aside as legal reserve. Special reserve shall be set aside or reversed as required by regulations or the Competent Authority when necessary. The remainder, if any in the current year, can be distributed as dividends of preferred shares in first priority.
- The Company has discretion in dividend distribution of Class A preferred shares. The Company could choose not to distribute dividends of preferred shares when resolved by the Board of Directors, which would not lead to default if the Company has no or has insufficient current year's earnings for distribution or has other considerations. In addition, the amounts of undistributed dividends or insufficient distributed dividends will not be deferred to future years when the Company has earnings.
- D. Excess dividend distribution: Besides the aforementioned dividends, the shareholders of Class A preferred shares could not participate in the distribution of cash and capitalised assets for common shares derived from earnings and capital surplus.
- E. Residual property distribution: The shareholders of Class A preferred shares have priority over shareholders of common shares in distributing the Company's residual properties and have the same priority with other preferred shareholders of the Company, but behind the general creditor. In addition, the limit is the amount calculated by shares of outstanding preferred shares issued and the issue price when distributing.
- F. Right to vote and be elected: The shareholders of Class A preferred shares have no right to vote

and be elected as directors in the ordinary shareholders' meeting of the Company but have the right to vote in the shareholders' meeting only when there is unfavourable matters to rights and obligations of shareholders of Class A preferred shares.

G. Conversion to common shares: Class A preferred shares could not be converted to common shares.

H. The preemptive rights for shareholders of Class A preferred shares are the same as of common shareholders when the Company increases its capital by issuing new shares.

I. Capital surplus arising from premium issuance of Class A preferred shares can be used to offset against accumulated deficit but cannot be capitalised during the issuance period.

(20) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further to the above considerations, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient. Changes in capital surplus are as follows:

	2022					
	Share premium	Employee stock options	Stock options	Restricted stocks to employees	Net change in equity of associates	Total
At January 1	\$20,187,420	\$ 26,636	\$2,426	\$216,886	\$ 11,410	\$20,444,778
Issuance of shares- Global depository receipts	4,675,260	-	-	-	-	4,675,260
Conversion of convertible bonds	50,186	-	(2,426)	-	-	47,760
Vesting of employee restricted shares	55,357	-	-	(55,357)	-	-
Cancellation of employee restricted shares	-	-	-	2,145	-	2,145
Changes in restricted stocks to employees	-	-	-	(3,320)	-	(3,320)
Compensation cost of share-based payments	-	127,486	-	-	-	127,486
At December 31	<u>\$24,968,223</u>	<u>\$ 154,122</u>	<u>\$ -</u>	<u>\$160,354</u>	<u>\$ 11,410</u>	<u>\$25,294,109</u>

	2021						Total
	Share premium	Treasury share transactions	Employee stock options	Stock options	Restricted stocks to employees	Net change in equity of associates	
At January 1	\$20,033,915	\$ 40,742	\$ -	\$12,087	\$ -	\$ 8,237	\$20,094,981
Issuance of employee restricted shares	-	-	-	-	216,366	-	216,366
Cancellation of employee restricted shares	-	-	-	-	520	-	520
Conversion of convertible bonds	199,827	-	-	(9,661)	-	-	190,166
Retirement of treasury shares	(46,322)	(40,742)	-	-	-	-	(87,064)
Compensation cost of share-based payments	-	-	26,636	-	-	-	26,636
Changes in equity of associates accounted for using the equity method	-	-	-	-	-	3,173	3,173
At December 31	<u>\$20,187,420</u>	<u>\$ -</u>	<u>\$26,636</u>	<u>\$ 2,426</u>	<u>\$216,886</u>	<u>\$ 11,410</u>	<u>\$20,444,778</u>

B. For the information relating to capital surplus-share options, refer to Note 6(15).

(21) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first pay taxes and offset accumulated losses; and set aside a legal reserve at 10% of such remaining earnings, until the accumulated legal reserve has equaled the total paid-in capital of the Company; then, set aside a special reserve in accordance with applicable laws or regulations of the competent authority. Residual earnings (distributable earnings in the current year) plus undistributed earnings at the beginning of the period is the accumulated retained earnings, which shall first be distributed as dividends to holders of preferred share, and distribution of such earnings shall submitted by the Board of Directors to the shareholders' meeting for approval.

B. In accordance with Article 240 of the Company Act, the Board of Directors is authorised, upon resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, to distribute dividends and bonus of all or part of the legal reserve and capital surplus in the form of cash based on the regulations specified in Article 241 of the Company Act which shall be reported to the shareholders during their meeting. Said distribution is not subject to the regulation which requires that the distribution shall be resolved by the shareholders during their meeting.

C. The Company's dividend policy is regulated by the Board of Directors taking into consideration the Company's operations, future investment plans, capital budget and internal/external

situations. As the Company is in the growth stage, most of retained earnings will be used to support business development and investment requirements and consequently, the minimum cash dividend and extra dividend policy is adopted by the Company. The Company's dividend policy is summarized below:

At least 40% of the Company's earnings shall be appropriated as stock dividends and cash dividends, taking into account profits in the future and capital needs, and cash dividends shall account for at least 10% of the total dividends distributed. In the event the total earnings appropriation exceeds 30% of the Company's paid-in capital before appropriation, cash dividends shall account for at least 20% of the total dividends distributed.

- D. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- E. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- F. According to the resolutions adopted by the shareholders during their meetings in May 2022 and July 2021, the distribution information of the Company's 2021 and 2020 earnings, respectively, is as follows:

	Years ended December 31,			
	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 865,516		\$ 396,453	
Special reserve	-		(791,142)	
Dividends on preferred share	270,000	\$ 2.000	57,541	\$ 0.426
Cash dividends of ordinary shareholders	<u>4,431,032</u>	5.500	<u>2,532,086</u>	3.200
	<u>\$ 5,566,548</u>		<u>\$ 2,194,938</u>	

Information on the appropriation of the Company's earnings as approved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Other equity items

	<u>Unrealised gains (losses) on valuation</u>	<u>Currency translation</u>	<u>Unearned compensation</u>	<u>Total</u>
At January 1, 2022	\$ 10,591,772	(\$ 3,678,252)	(\$ 177,282)	\$ 6,736,238
Valuation adjustment on equity instruments				
- The Company	(11,098,184)	-	-	(11,098,184)
- Subsidiaries	(328,206)	-	-	(328,206)
Disposals reclassified as retained earnings				
- Subsidiaries	(57,163)	-	-	(57,163)
Currency translation differences				
- Translation of foreign operations	-	3,463,635	-	3,463,635
- Subsidiaries and associates	-	888,073	-	888,073
Issuance of employee restricted shares	-	-	3,320	3,320
Redemption liability recognised as other equity	-	-	(1,267,083)	(1,267,083)
Compensation cost of share-based payments	<u>-</u>	<u>-</u>	<u>94,983</u>	<u>94,983</u>
At December 31, 2022	<u>(\$ 891,781)</u>	<u>\$ 673,456</u>	<u>(\$ 1,346,062)</u>	<u>(\$ 1,564,387)</u>

	Unrealised gains (losses) on valuation	Currency translation	Unearned compensation	Total
At January 1, 2021	\$ 8,208,070	(\$ 2,600,106)	\$ -	\$ 5,607,964
Valuation adjustment on equity instruments				
- The Company	2,813,621	-	-	2,813,621
- Subsidiaries	399,858	-	-	399,858
Disposals reclassified as retained earnings				
- Subsidiaries	(829,777)	-	-	(829,777)
Currency translation differences				
- Translation of foreign operations	-	(884,082)	-	(884,082)
- Subsidiaries and associates	-	(194,064)	-	(194,064)
Issuance of employee restricted shares	-	-	(274,166)	(274,166)
Compensation cost of share-based payments	-	-	96,884	96,884
At December 31, 2021	<u>\$ 10,591,772</u>	<u>(\$ 3,678,252)</u>	<u>(\$ 177,282)</u>	<u>\$ 6,736,238</u>

(23) Operating revenue

	Years ended December 31,	
	2022	2021
Contract revenue		
Sales of electronic components	\$ 419,308,650	\$ 353,580,191
Other operating revenue	214,551	220,552
	<u>\$ 419,523,201</u>	<u>\$ 353,800,743</u>

A. The Company derives revenue from the transfer of goods at a point in time. Refer to Statement 6 for revenue information by category.

B. The Company has recognised the following revenue-related contract liabilities provisions for estimated sales discounts:

	December 31, 2022	December 31, 2021	January 1, 2021
Refund liabilities - sales discounts and returns	<u>\$ 353,997</u>	<u>\$ 424,448</u>	<u>\$ 203,287</u>
Contract liabilities - advance sales receipts	<u>\$ 181,952</u>	<u>\$ 53,197</u>	<u>\$ 146,174</u>

C. Revenue recognised that was included in the contract liability balance at the beginning of the year:

	Years ended December 31	
	2022	2021
Revenue recognised that was included in the contract liability balance at beginning of the year	<u>\$ 30,912</u>	<u>\$ 139,781</u>

(24) Interest income

	Years ended December 31,	
	2022	2021
Interest income from bank deposits	\$ 6,375	\$ 650

(25) Other income

	Years ended December 31,	
	2022	2021
Dividend income	\$ 307,470	\$ 273,249
Other income	21,031	7,686
	<u>\$ 328,501</u>	<u>\$ 280,935</u>

(26) Other gains and losses

	Years ended December 31,	
	2022	2021
Foreign exchange gain, net	\$ 268,530	\$ 127,740
Gain (loss) on financial assets and liabilities at fair value through profit or loss	137,498	(189,024)
Other losses	(10,742)	(3,563)
	<u>\$ 395,286</u>	<u>(\$ 64,847)</u>

(27) Finance costs

	Years ended December 31,	
	2022	2021
Interest expense		
Bank borrowings	\$ 885,134	\$ 214,364
Others	10,050	15,360
Financing charges on accounts receivable factoring	525,468	152,170
Other finance costs	33,206	12,824
	<u>\$ 1,453,858</u>	<u>\$ 394,718</u>

(28) Expenses by nature

	Years ended December 31,	
	2022	2021
Employee benefit expense	\$ 1,930,140	\$ 1,678,561
Depreciation	198,871	192,788
Amortisation	27,526	17,665
Total (shown as 'Operating expenses')	<u>\$ 2,156,537</u>	<u>\$ 1,889,014</u>

(29) Employee benefit expense

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Employee benefit expense		
Wages and salaries	\$ 1,669,473	\$ 1,466,804
Labour and health insurance fees	98,953	84,115
Pension costs	52,791	47,615
Directors' remuneration	37,107	36,980
Other personnel expenses	71,816	43,047
Total (shown as 'Operating expenses')	<u>\$ 1,930,140</u>	<u>\$ 1,678,561</u>

- A. For the years ended December 31, 2022 and 2021, the Company had 957 and 876 employees, including 5 and 5 non-employee directors, respectively.
- B. For the years ended December 31, 2022 and 2021, the average employee benefit expenses were \$1,988 and \$1,885, respectively, while the average employee wages and salaries were \$1,754 and \$1,684, respectively; the variation on adjustments in the average employee wages and salaries was 4.16%.
- C. Since the Company has set up an audit committee, the supervisor's remuneration for the years ended December 31, 2022 and 2021 was \$0 for both years.
- D. The Company's compensation policies (including directors, managerial officers and employees):
- (a) The Company's compensation policies of directors
- i. In accordance with Article 16 of the Company's Articles of Incorporation:
The remuneration for Directors shall be proposed by the Remuneration Committee based on the degree of their involvement in the Company's operations and value of contribution, the Company's business performance and the standards of the industry, which shall be submitted to the Board of Directors for resolution.
- ii. In accordance with Article 19 of the Company's Articles of Incorporation:
If the Company has profits (which mean profits before tax without deducting the remuneration of employees and Directors) in the fiscal year, the Company shall distribute not less than 1% of such profits to employees and not more than 3% to Directors as their remuneration; provided, however, that when the Company has accumulated losses, the profits shall be reserved to make up for losses.
- (b) The Company's compensation policies of managerial officers
- i. The performance evaluation and compensation of managerial officers are based on the standards of the industry, results of the personal performance evaluation, working hours, job responsibility, situation of achieving personal goals, performance in other positions, compensation given to those in the same position of the Company in recent years, the achievement of the Company's short-term and long-term business goals and the financial performance of the Company, as well as the rationality of the connection between personal

performance and the Company's operating performance and future risks. It is reviewed by the Compensation Committee then submitted to the Board of Directors for approval.

ii. In accordance with Article 19 of the Company's Articles of Incorporation:

If the Company has profits (which mean profits before tax without deducting the remuneration of employees and Directors) in the fiscal year, the Company shall distribute not less than 1% of such profits to employees and not more than 3% to Directors as their remuneration; provided, however, that when the Company has accumulated losses, the profits shall be reserved to make up for losses.

(c) The Company's compensation policies of employees

i. The Company follows the Labor Standards Act and related laws and regulations to formulate various salary and welfare measures for employees, and provides market-competitive benefits to motivate employees. In addition, it also conducts regular assessments and issues performance bonuses to share earnings results with colleagues.

ii. In accordance with Article 19 of the Company's Articles of Incorporation:

If the Company has profits (which mean profits before tax without deducting the remuneration of employees and Directors) in the fiscal year, the Company shall distribute not less than 1% of such profits to employees and not more than 3% to Directors as their remuneration; provided, however, that when the Company has accumulated losses, the profits shall be reserved to make up for losses.

E. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 3% for directors' remuneration.

F. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at \$87,500 and \$92,900, respectively; while directors' remuneration was accrued at \$35,000 for both years. The aforementioned amounts were recognised in salary expenses.

Employees' compensation and directors' remuneration for 2022 and 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in profit or loss for 2022 and 2021, respectively.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

A. Income tax expense

(a) Components of income tax expense

	Years ended December 31,	
	2022	2021
Current tax:		
Current tax on profit for the year	\$ 895,368	\$ 1,052,800
Tax on undistributed surplus earnings	<u>154,430</u>	<u>88,480</u>
Total current tax	<u>1,049,798</u>	<u>1,141,280</u>
Deferred tax:		
Origination and reversal of temporary differences	(<u>58,638</u>)	<u>94,850</u>
Income tax expense	<u>\$ 991,160</u>	<u>\$ 1,236,130</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2022	2021
Remeasurement of defined benefit obligations	<u>\$ 2,862</u>	(<u>\$ 205</u>)

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$ 1,724,457	\$ 1,831,877
Expenses disallowed by tax regulation	(<u>887,727</u>)	(<u>684,227</u>)
Tax on undistributed earnings	<u>154,430</u>	<u>88,480</u>
Income tax expenses	<u>\$ 991,160</u>	<u>\$ 1,236,130</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Allowance for sales returns and discounts	\$338,395	\$ 13,723	\$ -	\$ 352,118
Reserve for inventory obsolescence and market price decline	158,186	45,807	-	203,993
Unrealised foreign exchange loss	-	23,436	-	23,436
Others	<u>32,025</u>	<u>1,021</u>	<u>2,862</u>	<u>35,908</u>
	<u>\$528,606</u>	<u>\$ 83,987</u>	<u>\$ 2,862</u>	<u>\$ 615,455</u>
Deferred tax liabilities:				
Foreign investment income using equity method	(\$573,121)	(\$ 84,001)	\$ -	(\$ 657,122)
Unrealised foreign exchange gain	(57,433)	57,433	-	-
Others	<u>(1,219)</u>	<u>1,219</u>	<u>-</u>	<u>-</u>
	<u>(\$631,773)</u>	<u>(\$ 25,349)</u>	<u>\$ -</u>	<u>(\$ 657,122)</u>
	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Allowance for sales returns and discounts	\$272,764	\$ 65,631	\$ -	\$ 338,395
Reserve for inventory obsolescence and market price decline	147,893	10,293	-	158,186
Unrealised foreign exchange loss	20,043	(20,043)	-	-
Others	<u>33,231</u>	<u>(1,001)</u>	<u>(205)</u>	<u>32,025</u>
	<u>\$473,931</u>	<u>\$ 54,880</u>	<u>(\$ 205)</u>	<u>\$ 528,606</u>
Deferred tax liabilities:				
Foreign investment income using equity method	(\$481,572)	(\$ 91,549)	\$ -	(\$ 573,121)
Unrealised foreign exchange gain	-	(57,433)	-	(57,433)
Others	<u>(471)</u>	<u>(748)</u>	<u>-</u>	<u>(1,219)</u>
	<u>(\$482,043)</u>	<u>(\$149,730)</u>	<u>\$ -</u>	<u>(\$ 631,773)</u>

D. The Company has assessed that the taxable temporary differences arising on investments in subsidiaries will not reverse in the foreseeable future. Accordingly, the Company did not recognise the full amount as deferred tax liabilities. As of December 31, 2022 and 2021, the temporary differences of unrecognised deferred tax liabilities were \$3,856,689 and \$3,646,012, respectively.

E. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(31) Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Subsidiaries and associates:		
Components of other comprehensive income that will not be reclassified to profit or loss		
- Valuation adjustment on equity instruments	(\$ 328,206)	\$ 399,858
- Net gain on defined benefit plan	<u>6,850</u>	<u>2,969</u>
	<u>(321,356)</u>	<u>402,827</u>
Components of other comprehensive income that will be reclassified to profit or loss		
- Currency translation differences	<u>888,073</u>	<u>(194,064)</u>
	<u>888,073</u>	<u>(194,064)</u>
	<u>\$ 566,717</u>	<u>\$ 208,763</u>

(32) Earnings per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 7,631,123		
Less: Dividends of preferred share	(270,000)		
Profit used to calculate basic earnings per share	<u>\$ 7,361,123</u>	<u>855,236</u>	<u>\$ 8.61</u>
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 7,631,123		
Less: Dividends of preferred share	(270,000)		
Profit used to calculate diluted earnings per share	7,361,123	855,236	
Assumed conversion of all dilutive potential ordinary shares:			
Conversion of convertible bonds	1	41	
Restricted stocks to employees	-	3,255	
Employee stock options	-	2,426	
Employees' compensation	-	<u>1,589</u>	
Profit used to calculate diluted earnings per share attributable to shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 7,361,124</u>	<u>862,547</u>	<u>\$ 8.53</u>

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 7,923,257		
Less: Dividends of preferred share	(57,541)		
Profit used to calculate basic earnings per share	<u>\$ 7,865,716</u>	<u>789,748</u>	<u>\$ 9.96</u>
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 7,923,257		
Less: Dividends of preferred share	(57,541)		
Profit used to calculate diluted earnings per share	7,865,716	789,748	
Assumed conversion of all dilutive potential ordinary shares:			
Conversion of convertible bonds	3,516	11,413	
Restricted stocks to employees	-	1,943	
Employee stock options	-	2,473	
Employees' compensation	-	<u>1,407</u>	
Profit used to calculate diluted earnings per share attributable to shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 7,869,232</u>	<u>806,984</u>	<u>\$ 9.75</u>

(33) Business combinations

As of December 31, 2022, the Company acquired part of the electronic component distribution business of Shenzhen Anfuhua Technology Co., Ltd. and LIONEX TECHNOLOGY (HK) LIMITED:

- A. In August 2020, the Group signed a business transfer agreement with Shenzhen Anfuhua Technology Co., Ltd. and LIONEX TECHNOLOGY (HK) LIMITED, acquiring part of the company's electronic component distribution business amounting to \$42,673 and \$42,697 (\$14,743 and \$14,742 of the aforementioned amounts have been paid in August 2020 and shown as 'other non-current assets'), respectively. The record date of the transfer was May 31, 2021.
- B. Shenzhen Anfuhua Technology Co., Ltd. and LIONEX TECHNOLOGY (HK) LIMITED are distributors of electronic components with the China region as its primary market.

C. Information on the acquisition of the distribution business is as follows:

	<u>May 31, 2021</u>
Purchase consideration - cash	\$ 85,370
Less: Fair value of the identifiable net assets - customer relationship	(85,370)
Goodwill	<u>\$ -</u>

(34) Supplemental cash flow information

A. Cash paid for property, plant and equipment:

	<u>Years ended Decemer 31,</u>	
	<u>2022</u>	<u>2021</u>
Purchase of property, plant and equipment	\$ 69,639	\$ 55,842
Add: Opening balance of payable on equipment	24,580	3,378
Ending balance of prepayments for business facilities	16,828	36,457
Less: Ending balance of payable on equipment	(626)	(24,580)
Opening balance of prepayments for business facilities	(36,457)	-
Cash paid during the year	<u>\$ 73,964</u>	<u>\$ 71,097</u>

B. Financing activities with no cash flow effects:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Conversion of bonds payable	\$ 28,876	\$ 113,909
Capital surplus of bonds payable conversion	47,760	190,166
Conversion of convertible bonds payable	(76,636)	(304,075)
Cash paid during the year	<u>\$ -</u>	<u>\$ -</u>

(35) Changes in liabilities from financing activities

	Long-term and short-term borrowings (Note)	Short-term notes and bills payable	Bonds payable (Note)	Lease liability	Liabilities from financing activities - gross
At January 1, 2022	\$ 29,110,023	\$ 1,699,606	\$ 76,635	\$ 223,434	\$ 31,109,698
Changes in cash flow from financing activities	5,455,164	(1,006,899)	-	(133,435)	4,314,830
Interest expense from amortisation	-	6,922	1	-	6,923
Conversion of convertible bonds	-	-	(76,636)	-	(76,636)
Increase in lease liability	-	-	-	49,844	49,844
At December 31, 2022	<u>\$ 34,565,187</u>	<u>\$ 699,629</u>	<u>\$ -</u>	<u>\$ 139,843</u>	<u>\$ 35,404,659</u>

	Long-term and short-term borrowings (Note)	Short-term notes and bills payable	Bonds payable (Note)	Lease liability	Liabilities from financing activities - gross
At January 1, 2021	\$ 16,738,058	\$ 649,675	\$ 377,194	\$ 240,686	\$ 18,005,613
Changes in cash flow from financing activities	12,371,965	1,042,872	-	(130,192)	13,284,645
Interest expense from amortisation	-	7,059	3,516	-	10,575
Conversion of convertible bonds	-	-	(304,075)	-	(304,075)
Increase in lease liability	-	-	-	112,940	112,940
At December 31, 2021	<u>\$ 29,110,023</u>	<u>\$ 1,699,606</u>	<u>\$ 76,635</u>	<u>\$ 223,434</u>	<u>\$ 31,109,698</u>

Note: Including long-term liabilities-current portion

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Techmosa International Inc.	Subsidiary of the Company
Nuvision Technology Inc.	Subsidiary of the Company
Morrihan International Corp.	Subsidiary of the Company
Maxtek Technology Co., Ltd.	Subsidiary of the Company
WT Microelectronics (Hong Kong) Limited	Subsidiary of the Company
WT Solomon QCE Limited	Subsidiary of the Company
WT Technology Pte. Ltd.	Subsidiary of the Company
WT Microelectronics Singapore Pte. Ltd.	Subsidiary of the Company
Hongtech Electronics Co., Ltd.	Indirectly reinvested subsidiary of the Company
WT Microelectronics (Shenzhen) Co., Ltd.	Indirectly reinvested subsidiary of the Company
Shanghai WT Microelectronics Co., Ltd.	Indirectly reinvested subsidiary of the Company
Morrihan Singapore Pte. Ltd.	Indirectly reinvested subsidiary of the Company
Wintech Microelectronics Ltd.	Indirectly reinvested subsidiary of the Company
WT Technology Korea Co., Ltd.	Indirectly reinvested subsidiary of the Company
Wonchang Semiconductor Co., Ltd.	Indirectly reinvested subsidiary of the Company
Excelpoint Systems (H.K.) Limited	Indirectly reinvested subsidiary of the Company
Qwave Technology Co., Ltd.	Indirectly reinvested associate of the Company
WPG Holdings Limited and Subsidiaries	Entity with significant influence over the Group
ASUSTeK Computer Inc. and Subsidiaries	Entity with significant influence over the Group

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2022	2021
Sales of goods:		
- Subsidiaries		
Morrihan International Corp.	\$ 120,584,047	\$ 91,898,368
WT Microelectronics (Hong Kong) Limited	42,469,991	35,768,241
Others	52,058,930	48,945,036
- Entity with significant influence over the Group	<u>2,910,252</u>	<u>2,830,052</u>
	<u>\$ 218,023,220</u>	<u>\$ 179,441,697</u>

The collection terms with related parties were 60 to 120 days and the products were categorised and priced taking into consideration the inventory cost, market and other conditions.

B. Purchases

	Years ended December 31,	
	2022	2021
Purchases of goods:		
- Subsidiaries	\$ 11,675,999	\$ 13,869,170
- Associates	6,585	21,130
- Entity with significant influence over the Group	<u>1,481,613</u>	<u>1,175,099</u>
	<u>\$ 13,164,197</u>	<u>\$ 15,065,399</u>

The credit term to related parties is 30 to 90 days and the purchase prices were categorised and priced taking into consideration the market prices and other conditions.

C. Receivables from related parties

	December 31, 2022	December 31, 2021
Accounts receivable:		
- Subsidiaries		
Morrihan International Corp.	\$ 8,931,307	\$ 12,403,318
WT Microelectronics (Hong Kong) Limited	6,232,757	5,163,463
WT Solomon QCE Limited	2,126,174	2,744,771
Wintech Microelectronics Ltd.	609,686	3,227,106
Others	3,162,915	1,719,749
- Entity with significant influence over the Group	<u>290,497</u>	<u>35,993</u>
	<u>\$ 21,353,336</u>	<u>\$ 25,294,400</u>

D. Payables to related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
- Subsidiaries		
Nuvision Technology Inc.	\$ 819,287	\$ 634,566
Techmosa International Inc.	77,378	194,215
Others	72,845	105,600
- Entity with significant influence over the Group	<u>125,204</u>	<u>85,318</u>
	<u>\$ 1,094,714</u>	<u>\$ 1,019,699</u>

E. Contract liabilities and refund liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Contract liabilities – current (Advance sales receipts):		
- Subsidiaries	<u>\$ 19,661</u>	<u>\$ 5,109</u>
Refund liabilities (Sales discounts and returns):		
- Entity with significant influence over the Group	<u>\$ 31</u>	<u>\$ 41,708</u>

F. Commissions

(a) Commissions expense

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
-Subsidiaries	<u>\$ 54,949</u>	<u>\$ 47,126</u>

(b) Commissions payable (shown as ‘other payables to related parties’)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
- Subsidiaries	<u>\$ 6,013</u>	<u>\$ 5,569</u>

G. Endorsements and guarantees provided to related parties

As of December 31, 2022 and 2021, the balances of provision of endorsements and guarantees to subsidiaries for bank borrowings and purchase guarantees were as follows. The details are provided in Note 13(1)B.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
- Subsidiaries	<u>\$ 14,485,310</u>	<u>\$ 12,161,888</u>

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Salaries and other short-term employee benefits	\$ 186,037	\$ 191,193
Post-employment benefits	1,044	574
Share-based payment	<u>33,133</u>	<u>11,523</u>
	<u>\$ 220,214</u>	<u>\$ 203,290</u>

8. PLEDGED ASSETS

The details of the Group's assets pledged as collateral are as follows:

<u>Pledged asset</u>	<u>Purpose</u>	<u>Bank value</u>	
		<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable, net:			
Pledged accounts receivable	Bank loan	<u>\$ -</u>	<u>\$ 202,594</u>

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT

COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Outstanding letters of credit

The outstanding letters of credit for the purchase of inventories by the Company are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Outstanding letters of credit	<u>\$ 4,289,730</u>	<u>\$ 3,588,640</u>

B. Provision of endorsements and guarantees

Refer to Note 7(2)G for the provision of endorsements and guarantees to subsidiaries for bank borrowings.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On February 23, 2023, the Company's board of directors resolved to acquire the non-controlling interest in its subsidiary, Nuvision Technology Inc., for a cash consideration thereby increasing the Company's equity interest to 100%.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the financial debt ratio. This ratio is calculated as total liabilities with interests divided by total net assets. Total liabilities with interest is calculated as total amount of long-term and short-term borrowings, short-term bills payable and corporate bonds payable in the parent company only balance sheet. Total equity is calculated as the 'equity' in the parent company only balance sheet.

In 2022 and 2021, the Company's strategy was to maintain the financial debt ratio below 250%.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 205,254	\$ 244,933
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	\$ 8,718,841	\$ 18,443,514
Qualifying debt instruments	13,921,881	8,221,346
	<u>\$ 22,640,722</u>	<u>\$ 26,664,860</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 436,001	\$ 1,068,479
Accounts receivable	31,765,234	38,777,797
Other receivables	892,543	761,994
Guarantee deposits paid (shown as 'other non-current assets')	241,835	51,699
	<u>\$ 33,335,613</u>	<u>\$ 40,659,969</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 5,178	\$ 14,838
Financial liabilities at amortised cost		
Short-term borrowings	\$ 16,952,187	\$ 21,359,623
Short-term notes and bills payable	699,629	1,699,606
Accounts payable	50,483,892	51,889,433
Other accounts payable	1,767,461	1,461,957
Corporate bonds payable (including current portion)	-	76,635
Long-term borrowings	17,613,000	7,750,400
Guarantee deposits received (shown as 'other non-current liabilities')	6,434	-
	<u>\$ 87,522,603</u>	<u>\$ 84,237,654</u>
Lease liability	<u>\$ 139,844</u>	<u>\$ 223,434</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risks (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts, are used to hedge certain exchange rate risk. In addition, foreign exchange risk is managed by matching the payment periods of foreign currency assets and liabilities.
- (b) Risk management is carried out by a central treasury department (Company treasury) under

policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

- (c) Information about derivative financial instruments that are used to hedge certain exchange rate risk is provided in Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to manage their foreign exchange risk against their functional currency.
- iii. The Company hedges foreign exchange rate by using forward exchange contracts. However, the Company does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).
- iv. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2022				
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 1,457,108	30.71	\$ 44,747,787	1%	\$ 447,478
<u>Foreign operations</u>					
USD:NTD	557,074	30.71	17,119,200		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	1,424,170	30.71	43,736,261	1%	437,363

December 31, 2021					
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis	
				Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 1,702,149	27.68	\$ 47,115,484	1%	\$ 471,155
<u>Foreign operations</u>					
USD:NTD	407,723	27.68	11,290,681		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	1,759,285	27.68	48,697,009	1%	486,970

- v. The total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021, amounted to \$268,530 and \$127,740, respectively.

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is performed in accordance with the limits set by the Company.
- ii. The Company's investments comprise shares and beneficiary certificates issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$1,642 and \$1,956, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$87,188 and \$147,548, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from bank borrowings with variable rates and advance receipt of factoring accounts receivable, which expose the Company to cash flow interest rate risk. During the years ended December 31, 2022 and 2021, the Company's borrowings at variable rate were mainly denominated in US Dollars.
- ii. The Company's borrowings are measured at amortised cost. According to the contract,

the borrowings are periodically reset. Therefore, the Company is exposed to the risk of future changes in market interest rates.

- iii. If the borrowing interest rate had increased/decreased by 25 basis point with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have decreased/increased by \$74,104 and \$62,300 respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Company manages its credit risk from the Company's perspective. For banks and financial institutions, only those approved by the FSC are accepted to be transaction parties. According to the credit policy, the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. The Company assesses the credit quality of the customers, taking into account their financial position, past experience and other factors through internal risk control. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. If the contract payments were past due over 90 days based on the terms, the Company considers that there has been a significant increase in credit risk on that instrument since initial recognition. The Company considers that the default occurs when the contract payments are past due over 180 days.
- iv. The ageing analysis of accounts receivable (including overdue receivables) and notes receivable is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due	\$ 44,640,572	\$ 45,986,678
Up to 90 days	1,070,781	1,123,833
91 to 180 days	105,090	17,588
Over 180 days	196,912	195,476
	<u>\$ 46,013,355</u>	<u>\$ 47,323,575</u>

- (i) The above ageing analysis was based on days past due.
- (ii) Abovementioned notes receivable are not past due.
- v. The Company assesses the expected credit losses of its accounts receivable as follows:
 - (i) Accounts receivable that are significantly past due are assessed individually for their expected credit losses;
 - (ii) The remaining receivables are segmented according to the Company's credit ratings

of its customers. Different loss rates or provision matrices are applied to the different segments when estimating expected credit losses;

- (iii) Loss rates, calculated from historical and current information, are adjusted according to forward-looking information such as the business indicators published by the National Development Council.
- (iv) As of December 31, 2022 and 2021, loss allowances of accounts receivable and notes receivable calculated from individual assessment or using the loss rate methodology and provision matrix are as follows:

<u>December 31, 2022</u>	<u>Individual</u>	<u>Group A & B</u>	<u>Group C</u>	<u>Group D</u>	<u>Total</u>
Expected loss rate	84.75%	0.05%	0.2%~100%	4.07%~5.19%	
Total book value	<u>\$ 237,393</u>	<u>\$ 37,869,258</u>	<u>\$ 7,079,287</u>	<u>\$ 827,417</u>	<u>\$ 46,013,355</u>
Loss allowance	<u>\$ 201,196</u>	<u>\$ 19,881</u>	<u>\$ 56,258</u>	<u>\$ 48,905</u>	<u>\$ 326,240</u>
<u>December 31, 2021</u>	<u>Individual</u>	<u>Group A & B</u>	<u>Group C</u>	<u>Group D</u>	<u>Total</u>
Expected loss rate	99.78%	0.03%	0.33%~76.15%	0.27%~6.34%	
Total book value	<u>\$ 142,998</u>	<u>\$ 39,716,386</u>	<u>\$ 6,979,578</u>	<u>\$ 484,613</u>	<u>\$ 47,323,575</u>
Loss allowance	<u>\$ 142,689</u>	<u>\$ 11,915</u>	<u>\$ 158,785</u>	<u>\$ 11,043</u>	<u>\$ 324,432</u>

Group A: Customers with excellent credit rating and the Company's subsidiaries

Group B: Customers with fine credit rating

Group C: Customers with normal credit rating

Group D: Rated as other than A, B and C

- vi. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable (including overdue receivables) are as follows:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
At January 1	\$ 324,432	\$ 325,648
(Gain on reversal of) provision for impairment	<u>1,808</u>	<u>(1,216)</u>
At December 31	<u>\$ 326,240</u>	<u>\$ 324,432</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. The Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 6(15)) at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internally assessed financial ratio targets and, if applicable, external regulatory or legal requirements.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company treasury. The Company treasury

invests surplus cash in interest bearing demand deposits, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts, and expects to readily generate cash inflows for managing liquidity risk.

- iii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the due date at the balance sheet date. Non-derivative financial liabilities are analyzed by remaining periods from balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

<u>December 31, 2022</u>			
	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Total</u>
Short-term borrowings (Note)	\$17,054,519	\$ -	\$ 17,054,519
Lease liability	96,489	46,341	142,830
Long-term loans (Note)	620,746	18,267,871	18,888,617
	<u>\$17,771,754</u>	<u>\$ 18,314,212</u>	<u>\$ 36,085,966</u>
<u>December 31, 2021</u>			
	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Total</u>
Short-term borrowings (Note)	\$21,195,107	\$ -	\$ 21,195,107
Lease liability	120,876	99,438	220,314
Bonds payable	77,100	-	77,100
Long-term loans (Note)	73,629	8,020,372	8,094,001
	<u>\$21,466,712</u>	<u>\$ 8,119,810</u>	<u>\$ 29,586,522</u>

Note: Including imputed interest payable.

Except for the above, the Company's non-derivative financial liabilities are due in one year.

Derivative financial liabilities

As of December 31, 2022 and 2021, all derivative financial liabilities of the Company are due in one year.

- iv. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the

entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks and Open-end fund is included in level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in derivative instruments is included in level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market and private equity fund is included in Level 3.

B. The carrying amounts of financial instruments not measured at fair value, including cash and cash equivalents, notes and accounts receivable, other receivables, other current assets, short-term borrowings, short-term notes and bills payable, accounts payable, other payables, corporate bonds payable and long-term loans, are approximate to their fair values.

C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value				
through profit or loss				
Beneficiary certificates	\$ 30,689	\$ -	\$ 174,565	\$ 205,254
Financial assets at fair value				
through other comprehensive				
income				
Equity securities	8,674,316	-	44,525	8,718,841
Accounts receivable that are				
expected to be factored	-	-	13,921,881	13,921,881
	<u>\$ 8,705,005</u>	<u>\$ -</u>	<u>\$ 14,140,971</u>	<u>\$ 22,845,976</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value				
through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 5,178</u>	<u>\$ -</u>	<u>\$ 5,178</u>

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value				
through profit or loss				
Beneficiary certificates	\$ 49,603	\$ -	\$ 194,875	\$ 244,478
Derivative instruments	-	455	-	455
Financial assets at fair value				
through other comprehensive				
income				
Equity securities	18,388,932	-	44,525	18,433,457
Accounts receivable that are				
expected to be factored	<u>-</u>	<u>-</u>	<u>8,221,346</u>	<u>8,221,346</u>
	<u>\$18,438,535</u>	<u>\$ 455</u>	<u>\$8,460,746</u>	<u>\$26,899,736</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value				
through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$14,838</u>	<u>\$ -</u>	<u>\$ 14,838</u>

(b) The methods and assumptions the Company used to measure fair value are as follows:

- i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net assets value

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the parent company only balance sheet date.
- iii. When assessing non-standard and low-complexity financial instruments, for example, cross currency swap contracts, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- vi. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

D. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	<u>Equity securities and beneficiary certificates</u>	
	<u>2022</u>	<u>2021</u>
At January 1	\$ 8,470,803	\$ 8,556,010
Acquired during the year	7,200	100,000
(Losses) gain recognised in profit or loss	(27,510)	8,658
Recorded as unrealised (losses) gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	(10,057)	10,588
Increase in accounts receivable that are expected to be factored	8,790,741	3,671,727
Decrease in accounts receivable that are expected to be factored	(3,090,206)	(3,876,180)
At December 31	<u>\$ 14,140,971</u>	<u>\$ 8,470,803</u>

For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level 3.

F. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument: Unlisted shares	\$ 9,087	Market comparable companies	Price to earnings ratio multiple	1.18 ~1.43 (1.33)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares	35,438	Net asset value	Not applicable	-	Not applicable
Private equity fund	174,565	Net asset value	Not applicable	-	Not applicable

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument: Unlisted shares	\$ 19,574	Market comparable companies	Price to earnings ratio multiple	2.93 ~3.34 (3.19)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares	35,008	Net asset value	Not applicable	-	Not applicable
Private equity fund	194,875	Most recent non- active market	Not applicable	-	Not applicable

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in

capital or more: Refer to table 5.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2).

J. Significant inter-company transactions during the reporting periods: Refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to Note 13(1).

(4) Major shareholders information

Major shareholders information: Refer to table 10.

14. SEGMENT INFORMATION

Not applicable.

WT Microelectronics Co., Ltd.

Loans to others

Year ended December 31, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during	Balance at	Actual amount	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					the year ended December 31, 2022	December 31, 2022	drawn down						Item	Value			
1	WT TECHNOLOGY (H.K.) LIMITED	WT MICROELECTRONICS (HONG KONG) LIMITED	Other receivables - related parties	Y	\$ 84,075	\$ -	\$ -	0.75%	Short-term financing	\$ -	Business Operation	\$ -	-	\$ -	\$ 4,891	\$ 4,891	Note 2
2	WINTech MICROELECTRONICS HOLDING LIMITED	BRILLNICS (HK) LIMITED	Other receivables - related parties	Y	64,300	61,420	-	1.00%	Short-term financing	-	Business Operation	-	-	-	1,022,477	4,089,910	Note 2
2	WINTech MICROELECTRONICS HOLDING LIMITED	WINTech MICROELECTRONICS LTD.	Other receivables - related parties	Y	7,425,600	7,370,400	6,142,000	3.65%~5.55%	Short-term financing	-	Business Operation	-	-	-	10,224,773	10,224,773	Note 2
3	BSI SEMICONDUCTOR PTE. LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Other receivables - related parties	Y	318,285	304,029	304,029	2.70%~6.25%	Short-term financing	-	Business Operation	-	-	-	569,991	569,991	Note 2
4	MSD HOLDING PTE. LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Other receivables - related parties	Y	90,020	85,988	85,988	2.40%	Short-term financing	-	Business Operation	-	-	-	97,705	97,705	Note 2
5	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	Other receivables - related parties	Y	289,350	270,248	270,248	1.90%	Short-term financing	-	Business Operation	-	-	-	499,174	499,174	Note 3
5	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	Other receivables	Y	48,225	46,065	46,065	3.03%	Short-term financing	-	Business Operation	-	-	-	499,174	499,174	Note 3
6	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	SHANGHAI UQ IOT TECH., INC.	Other receivables - related parties	N	6,652	-	-	3.50%	Short-term financing	-	Providing short-term financing to strategic partners	-	-	-	154,040	616,159	Note 1
7	PROMISING INVESTMENT LIMITED	WINTech MICROELECTRONICS HOLDING LIMITED	Other receivables - related parties	Y	861,620	-	-	4.82%	Short-term financing	-	Business Operation	-	-	-	986,867	986,867	Note 2
8	WINTech INVESTMENT CO., LTD.	WINTech MICROELECTRONICS LTD.	Other receivables - related parties	Y	122,840	122,840	122,840	5.73%	Short-term financing	-	Business Operation	-	-	-	988,728	988,728	Note 2

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: The policy for loans granted mutually between overseas subsidiaries of which the Company directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an overseas subsidiary to all overseas subsidiaries and limit on loans granted by an overseas subsidiary to a single overseas subsidiary are the Creditor's net assets.

Note 3: The policy for loans between the Company and subsidiaries is as follows: limit on loans granted by subsidiary to a single party is 10% of the subsidiary's net assets, based on the most recent audited financial statements of the company; ceiling on total loans granted by an subsidiary is 40% of the subsidiary's net assets.

Note 4: The policy for loans between the Company and subsidiaries and companies with short-term capital needs is as follows: limit on loans granted by the Company and subsidiaries to a single party is 30% of the company's net assets, based on the most recent audited financial statements of the company; ceiling on total loans granted by an company is 40% of the company's net assets.

Note 5: The net assets referred to above are based on the latest audited or reviewed financial statements.

WT Microelectronics Co., Ltd.
Provision of endorsements and guarantees to others
Year ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements / guarantees provided for a single party (Note 3)	Maximum outstanding endorsement / guarantee amount as of December 31, 2022	Outstanding endorsement / guarantee amount at December 31, 2022	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements / guarantees provided (Note 3)	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
		Relationship with the endorser / guarantor (Note 2)	Company name											
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	2	\$ 43,284,276	800,000	\$ 800,000	\$ 800,000	-	1.44%	\$ 43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	2	43,284,276	160,750	153,550	109,793	-	0.28%	43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	2	43,284,276	1,286,000	1,228,400	921,300	-	2.22%	43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	2	43,284,276	2,411,250	2,303,250	1,842,600	-	4.16%	43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	2	43,284,276	67,515	64,491	4,422	-	0.12%	43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	2	43,284,276	1,608	1,536	190	-	0.00%	43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN SINGAPORE PTE. LTD.	2	43,284,276	321,500	307,100	-	-	0.55%	43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	2	43,284,276	6,069,340	5,941,606	1,235,696	-	10.73%	43,284,276	Y	N	Y	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	2	43,284,276	1,956,243	1,956,243	264,792	-	3.53%	43,284,276	Y	N	Y	
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	2	43,284,276	1,805,948	1,729,134	1,415,599	-	3.12%	43,284,276	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT SEMICONDUCTOR HOLDINGS PTE. LTD.	2	43,284,276	4,569,750	-	-	-	0.00%	43,284,276	Y	N	N	
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	2	18,719,010	5,256,525	5,021,085	2,161,137	-	402.35%	18,719,010	N	N	N	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	2	18,719,010	64,300	61,420	-	-	4.92%	18,719,010	N	N	Y	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	2	18,719,010	32,150	30,710	-	-	2.46%	18,719,010	N	N	Y	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	2	18,719,010	5,853,129	5,130,317	2,375,914	-	411.10%	18,719,010	N	N	N	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	PLANETSPARK PTE. LTD.	2	18,719,010	116,655	111,430	95,484	-	8.93%	18,719,010	N	N	N	Note 4
2	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	2	38,128,740	64,300	61,420	-	-	2.42%	38,128,740	N	N	Y	Note 4
2	EXCELPOINT SYSTEMS (H.K.) LIMITED	SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	2	38,128,740	32,150	30,710	-	-	1.21%	38,128,740	N	N	Y	Note 4
2	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT SYSTEMS (PTE) LTD	2	38,128,740	482,250	-	-	-	0.00%	38,128,740	N	N	N	Note 4

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following three categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

Note 3: The total endorsements and guarantees of the Company to others or mutually between subsidiaries should not be in excess of 80% of the endorser/ guarantor's net assets, and for a single party the Company and its subsidiaries hold more than 50% of common shares should not be in excess of 80% of the Company's net assets. The net assets referred to above are based on the latest audited or reviewed financial statements.

Note 4: The limit of endorsement guarantees by Excelpoint Technology Pte. Ltd. and Excelpoint Systems (H.K.) Limited for a single enterprise and the total limit of endorsement guarantees should not be in excess of 15 times the Company's net assets.

WT Microelectronics Co., Ltd.

Holding of marketable securities (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Type of securities	Name of securities	Relationship with the securities issuer	General ledger account (Note)	As of December 31, 2022				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
WT MICROELECTRONICS CO., LTD.	Common stock	TERAWINS, INC.	None	2	666,248	\$ 6,056	2.19	\$ 6,056	
WT MICROELECTRONICS CO., LTD.	Common stock	AIPTEK INTERNATIONAL INC.	None	2	48,778	-	0.18	-	
WT MICROELECTRONICS CO., LTD.	Common stock	SANJET TECHNOLOGY CORP.	None	2	43,588	-	0.14	-	
WT MICROELECTRONICS CO., LTD.	Common stock	CORERIVER SEMICONDUCTOR CO., LTD.	None	2	28,570	-	0.70	-	
WT MICROELECTRONICS CO., LTD.	Limited Partnership	FORYOU VENTURE CAPITAL LIMITED PARTNERSHIP	None	2	-	35,439	6.73	35,439	
WT MICROELECTRONICS CO., LTD.	Common stock	ASMEDIA TECHNOLOGY INC.	None	2	9,000,000	6,030,000	12.97	6,030,000	
WT MICROELECTRONICS CO., LTD.	Funds	YUANTA GLOBAL NEXGEN COMMUNICATION INNOVATIVE TCHNOLOGY ETF	None	3	350,000	8,369	-	8,369	
WT MICROELECTRONICS CO., LTD.	Private equity funds	FUH HWA ENERGY - EFFICIENT FUND	None	4	9,443,802	96,988	-	9,698	
WT MICROELECTRONICS CO., LTD.	Funds	FUH HWA TAIWAN GOOD INCOME FUND TWD	None	4	3,000,000	22,320	-	22,320	
WT MICROELECTRONICS CO., LTD.	Common stock	SINO-AMERICAN SILICON PRODUCTS INC.	None	2	7,889,000	1,100,516	1.35	1,100,516	
WT MICROELECTRONICS CO., LTD.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	1,043,000	41,720	0.85	41,720	
WT MICROELECTRONICS CO., LTD.	Private equity funds	FUH HWA GLOBAL IOT AND TECH FUND	None	4	10,010,010	77,577	-	77,577	
WT MICROELECTRONICS CO., LTD.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	260,000	60,840	0.47	60,840	
WT MICROELECTRONICS CO., LTD.	Common stock	NICHIDENBO CORPORATION	None	2	1,000,000	52,600	0.47	52,600	
WT MICROELECTRONICS CO., LTD.	Ordinary shares raised through the private placement	NICHIDENBO CORPORATION	None	2	30,000,000	1,388,640	14.11	1,388,640	
NUVISION TECHNOLOGY INC.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	196,000	7,840	0.16	7,840	
NUVISION TECHNOLOGY INC.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	307,000	71,838	0.56	71,838	
MORRIHAN INTERNATIONAL CORP.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	688,000	27,520	0.56	27,520	
MORRIHAN INTERNATIONAL CORP.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	329,000	76,986	0.60	76,986	
WINTech MICROELECTRONICS HOLDING LTD.	Preferred shares	LIFEMAX HEALTHCARE INTERNATIONAL CORPORATION	None	4	2,702,703	26,560	0.79	26,560	
WINTech MICROELECTRONICS HOLDING LTD.	Bonds	EXXON MOBIL CORPORATION	None	4	100	276	-	276	
WINTech MICROELECTRONICS HOLDING LTD.	Private equity funds	CATHAY PRIVATE EQUITY ECOLOGY LIMITED PARTNERSHIP	None	4	-	21,688	-	21,688	
WINTech MICROELECTRONICS HOLDING LTD.	Preferred shares	AVIVA TECHNOLOGY HOLDING	None	4	659,034	46,065	1.65	46,065	

Securities held by	Type of securities	Name of securities	Relationship with the securities issuer	General ledger account (Note)	As of December 31, 2022				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
WINTECH MICROELECTRONICS HOLDING LTD.	Common stock	DRAGON YI INVESTMENT LTD.	None	2	600,000	\$ 18,426	19.35	\$ 18,426	
MILESTONE INVESTMENT CO., LTD.	Common stock	GRAND FORTUNE SECURITIES CO., LTD.	None	3	447,871	4,501	0.12	4,501	
MILESTONE INVESTMENT CO., LTD.	Common stock	GRAND FORTUNE SECURITIES CO., LTD.	None	2	7,140,443	71,761	1.98	71,761	
EXCELPOINT TECHNOLOGY PTE. LTD.	Common stock	ANSWER TECHNOLOGY CO., LTD.	None	2	498,169	25,149	0.80	25,149	
EXCELPOINT TECHNOLOGY PTE. LTD.	Common stock	IWOW TECHNOLOGY LTD.	None	2	3,000,000	17,074	1.30	17,074	
PLANETSPARK PTE. LTD.	Preferred shares	MERIDIAN INNOVATION PTE LTD.	None	2	1,307,790	100,470	-	100,470	
PLANETSPARK PTE. LTD.	Preferred shares	SPACEAGE LABS PTE LTD.	None	2	336,700	6,830	-	6,830	

Note : Code of general ledger accounts: 1- Financial assets at fair value through other comprehensive income - current

2- Financial assets at fair value through other comprehensive income - non-current

3- Financial assets at fair value through profit or loss - current

4- Financial assets at fair value through profit or loss - non-current

WT Microelectronics Co., Ltd.

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

Year ended December 31, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the counterparty	Balance as at January 1, 2021 (Note 1)		Addition		Disposal			Balance as at December 31, 2022 (Note 2)		
					No. of shares	Amount	No. of shares	Amount	No. of shares	Selling price	Book value	Gain (loss) on disposal	No. of shares	Amount
WT MICROELECTRONICS CO., LTD.	NICHIDENBO CORPORATION	Financial assets at fair value through other comprehensive income - non-current	-	-	-	-	31,000,000	\$ 1,373,511	-	\$ -	\$ -	\$ -	31,000,000	\$ 1,441,240

Note 1 : The balance as at January 1, 2022 and addition amount are presented in initial investment amount.

Note 2 : The balance as at December 31, 2022 includes the unrealised gain (loss) from financial assets measured at fair value.

WT Microelectronics Co., Ltd.
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Sales	\$ 120,584,047	29	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	\$ 8,931,307	20	
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	42,469,991	10	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	6,232,757	14	
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Sales	15,077,816	4	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	2,126,174	5	
WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	17,275,404	4	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	609,686	1	
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	7,796,382	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	1,304,568	3	
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	7,512,083	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	1,433,444	3	
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Sales	3,220,119	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	369,791	-	
WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	391,878	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	27,240	-	
WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Sales	143,482	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	-	-	
WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	Affiliates	Sales	599,864	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	18,175	-	
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Purchases	4,390,698	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	-	-	
WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Purchases	5,508,957	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(819,287)	(2)	
WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Purchases	1,221,171	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(77,378)	-	
WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Purchases	201,148	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(72,827)	-	
WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Purchases	336,387	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	-	-	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions				Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	\$ 3,355,798	14	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	\$ 512,769	13		
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	3,247,542	14	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	663,488	17		
NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Sales	1,045,128	4	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	390,303	10		
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	361,848	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	26,024	1		
NUVISION TECHNOLOGY INC.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	792,884	3	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	49,834	1		
MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Sales	43,870,758	20	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	2,517,475	11		
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	887,173	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	323,068	1		
MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Sales	1,364,185	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	157,903	1		
MORRIHAN INTERNATIONAL CORP.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	897,150	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	159,786	1		
MORRIHAN INTERNATIONAL CORP.	WT SOLOMON QCE LIMITED	Affiliates	Sales	276,144	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	101,996	-		
MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	310,089	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	45,980	-		
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	713,795	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	335,781	27		
TECHMOSA INTERNATIONAL INC.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	105,004	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	17,798	1		
HONGTECH ELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	3,019,201	39	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(67,513) (8)		
WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	13,045,069	68	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	4,789,014	67		
WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	6,265,076	32	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	2,398,015	33		
MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Sales	141,871	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	36,020	3		

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	
WT MICROELECTRONICS (SHENZHEN) CO., LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	\$ 180,132	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	\$ 117,902	4
EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Sales	290,602	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	1,344,988	23

WT Microelectronics Co., Ltd.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

December 31, 2022

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	\$ 8,931,307	11.30	\$ -		\$ 1,097,158	\$ -
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	6,232,757	7.45	-		374,948	-
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	2,126,174	6.19	-		-	-
WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	609,686	9.01	-		-	-
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	1,304,568	7.43	-		275,502	-
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	1,433,444	7.00	-		339,138	-
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	369,791	11.76	-		-	-
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS CO., LTD.	Affiliates	819,287	7.58	-		476,564	-
NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	512,769	8.59	-		76,777	-
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	663,488	3.60	-		370,072	-
NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	390,303	4.53	-		-	-
MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	2,517,475	18.82	-		1,044,364	-
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	323,068	2.92	-		123,735	-
MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	157,903	11.60	-		-	-
MORRIHAN INTERNATIONAL CORP.	WT SOLOMON QCE LIMITED	Affiliates	101,996	4.94	-		-	-
MORRIHAN INTERNATIONAL CORP.	WINTECH MICROELECTRONICS LTD.	Affiliates	159,786	4.37	-		-	-
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	335,781	3.17	-		-	-
WT MICROELECTRONICS (SHENZHEN) CO., LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	117,902	2.42	-		-	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	\$ 4,789,014	3.16	\$ -		\$ 363,287	\$ -
WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	2,398,015	3.50	-		136,573	-
EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	1,344,988	0.43	-		-	-

Note: For information on loans between the Company and subsidiaries, refer to table 1.

WT Microelectronics Co., Ltd.
 Significant inter-company transactions during the reporting period
 Year ended December 31, 2022

Table 7

Expressed in thousands of NTD
 (Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4)		Transaction terms	Percentage of total operating revenues or total assets (Note 5)
				General ledger account	Amount		
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Sales	\$ 120,584,047	(Note 3)	21
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Accounts receivable	8,931,307	(Note 3)	4
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	42,469,991	(Note 3)	7
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	6,232,757	(Note 3)	3
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Sales	15,077,816	(Note 3)	3
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Accounts receivable	2,126,174	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	17,275,404	(Note 3)	3
0	WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	Accounts receivable	609,686	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	7,796,382	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	1,304,568	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	7,512,083	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	1,433,444	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Sales	3,220,119	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Accounts receivable	369,791	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	391,878	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	Affiliates	Sales	599,864	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Sales	143,482	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Purchases	4,390,698	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Purchases	5,508,957	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Accounts payable	819,287	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Purchases	1,221,171	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Purchases	201,148	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Purchases	336,387	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	3,355,798	(Note 3)	1
1	NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	512,769	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	3,247,542	(Note 3)	1
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	663,488	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Sales	1,045,128	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Accounts receivable	390,303	(Note 3)	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4)		Transaction terms	Percentage of total operating revenues or total assets (Note 5)
				General ledger account	Amount		
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	\$ 361,848	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WINTech MICROELECTRONICS LTD.	Affiliates	Sales	792,884	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Sales	43,870,758	(Note 3)	8
2	MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	2,517,475	(Note 3)	1
2	MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	887,173	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	323,068	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT SOLOMON QCE LIMITED	Affiliates	Sales	276,144	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT SOLOMON QCE LIMITED	Affiliates	Accounts receivable	101,996	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Sales	1,364,185	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Accounts receivable	157,903	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WINTech MICROELECTRONICS LTD.	Affiliates	Sales	897,150	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WINTech MICROELECTRONICS LTD.	Affiliates	Accounts receivable	159,786	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	310,089	(Note 3)	-
3	TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	713,795	(Note 3)	-
3	TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	335,781	(Note 3)	-
3	TECHMOSA INTERNATIONAL INC.	WINTech MICROELECTRONICS LTD.	Affiliates	Sales	105,004	(Note 3)	-
4	HONGTECH ELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	3,019,201	(Note 3)	1
5	WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	13,045,069	(Note 3)	2
5	WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	4,789,014	(Note 3)	2
5	WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	6,265,076	(Note 3)	1
5	WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Accounts receivable	2,398,015	(Note 3)	1
6	MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Sales	141,871	(Note 3)	-
7	WT MICROELECTRONICS (SHENZHEN) CO.,	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	117,902	(Note 3)	-
7	WT MICROELECTRONICS (SHENZHEN) CO.,	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	180,132	(Note 3)	-
8	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Sales	290,602	(Note 3)	-
8	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	1,344,988	(Note 3)	1

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in "Number" column.

(1) Number 0 represents the Company.

(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with the counterparties are as follows:

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiary to the Company.

(3) The consolidated subsidiary to another consolidated subsidiary.

Note 3: The prices and terms to related parties were similar to third parties. The credit term is 90 days after the end of each month.

Note 4: For sales, purchases and accounts receivable, transactions reaching NT\$100 million or 20% of paid-in capital or more should be disclosed.

Note 5: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note 6: Information of loans between the Company and subsidiaries, please refer to table 1.

WT Microelectronics Co., Ltd.

Names, locations and other information of investee companies (not including investees in Mainland China)

Year ended December 31, 2022

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance at December 31, 2022	Balance at December 31, 2021	Number of shares	Ownership (%)	Book value			
WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS HOLDING LIMITED	British Virgin Islands	Holding company	\$ 2,520,875	\$ 3,644,147	78,752,905	99.65	\$ 10,181,859	\$ 511,759	\$ 511,759	Subsidiary
WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Taiwan	Sales of electronic components	1,781,829	1,781,829	73,949,070	100.00	2,661,565	726,032	726,032	Subsidiary
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Taiwan	Sales of electronic components	3,106,620	3,106,620	283,760,000	100.00	5,790,209	2,170,941	2,170,941	Subsidiary
WT MICROELECTRONICS CO., LTD.	BSI SEMICONDUCTOR PTE. LTD.	Singapore	Sales of electronic components	486,289	486,289	7,544,002	100.00	804,407	13,703	13,703	Subsidiary
WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Taiwan	Sales of electronic components	323,030	323,030	28,216,904	99.91	1,250,701	463,229	462,812	Subsidiary
WT MICROELECTRONICS CO., LTD.	MILESTONE INVESTMENT CO., LTD.	Taiwan	General investment	61,985	61,985	4,500,000	100.00	92,442	4,057	3,799	Subsidiary
WT MICROELECTRONICS CO., LTD.	SINYIE INVESTMENT CO., LTD.	Taiwan	General investment	52,000	52,000	2,900,000	100.00	35,323	(46)	(46)	Subsidiary
WT MICROELECTRONICS CO., LTD.	MSD HOLDINGS PTE. LTD.	Singapore	Sales of electronic components	215,559	215,559	200,001	100.00	229,256	713	713	Subsidiary
WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Taiwan	Sales of electronic components	1,895,949	1,895,949	70,220,331	100.00	2,072,091	451,318	451,318	Subsidiary
WT MICROELECTRONICS CO., LTD.	ANALOG WORLD CO., LTD.	South Korea	Sales of electronic components	397,230	397,230	120,000	100.00	470,521	35,831	32,845	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT SEMICONDUCTOR HOLDINGS PTE. LTD.	Singapore	Holding company	4,057,274	-	96,318,912	80.00	4,105,540	39,994	33,735	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY (H.K.) LIMITED	Hong Kong	Sales of electronic components	4,808	-	1,000,000	100.00	4,891	19	(39)	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Hong Kong	Sales of electronic components	402,761	-	12,527,632	100.00	496,404	257,285	105,353	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Hong Kong	Sales of electronic components	451,386	-	110,000,000	100.00	472,282	240,590	36,538	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Singapore	Sales of electronic components	128,849	-	1,500,000	100.00	154,886	120,445	28,295	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Singapore	Sales of electronic components	156,727	-	5,000,000	100.00	156,240	1,162	744	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	PROMISING INVESTMENT LIMITED	Mauritius	General investment	940,724	1,914,234	30,632,506	100.00	986,867	365,073	Note 1	Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance at December 31, 2022	Balance at December 31, 2021	Number of shares	Ownership (%)	Book value			
WINTech MICROELECTRONICS HOLDING LIMITED	WINTech INVESTMENT CO., LTD.	Belize	General investment	\$ 645,554	\$ 645,554	21,020,957	100.00	\$ 988,728	\$ 149,210	Note 1	Subsidiary
WINTech MICROELECTRONICS HOLDING LIMITED	WINTech MICROELECTRONICS LTD.	Belize	Sales of electronic components	92,133	92,133	3,000,100	100.00	71	(56,358)	Note 1	Subsidiary
WINTech MICROELECTRONICS HOLDING LIMITED	WINTech MICROELECTRONICS LIMITED	British Virgin Islands	Holding company	154	154	5,000	100.00	6	-	Note 1	Subsidiary
WINTech MICROELECTRONICS HOLDING LIMITED	JCD OPTICAL (CAYMAN) CO., LTD.	Cayman Islands	Holding company	72,903	72,903	5,869,093	19.80	28,316	(48,713)	Note 1	Associates
WINTech MICROELECTRONICS HOLDING LIMITED	JOY CAPITAL LTD.	Seychelles	General investment	36,852	36,852	1,200,000	17.65	12,194	(4,055)	Note 1	Associates
WINTech MICROELECTRONICS HOLDING LIMITED	RAINBOW STAR GROUP LIMITED	British Virgin Islands	General investment	30,710	30,710	18,924	24.65	22,445	(27,728)	Note 1	Associates
WINTech MICROELECTRONICS HOLDING LIMITED	BRILLNICS INC.	Cayman Islands	Holding company	1,196,584	1,096,584	49,336,630	61.65	98,126	(103,574)	Note 1	Subsidiary
PROMISING INVESTMENT LIMITED	NINO CAPITAL CO., LTD.	Samoa	Holding company	9,551	9,551	311,000	100.00	32,551	(1)	Note 1	Subsidiary
PROMISING INVESTMENT LIMITED	RICH WEB LTD.	British Virgin Islands	Holding company	705,545	705,545	22,974,430	100.00	868,618	1,199	Note 1	Subsidiary
WINTech INVESTMENT CO., LTD.	WT MICROELECTRONICS (MALAYSIA) SDN. BHD.	Malaysia	Sales of electronic components	3,481	3,481	500,000	100.00	2,403	449	Note 1	Subsidiary
WINTech INVESTMENT CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	South Korea	Sales of electronic components	559,134	559,134	3,800,000	95.47	862,684	56,373	Note 1	Subsidiary
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (THAILAND) LIMITED.	Thailand	Sales of electronic components	2,668	2,668	300,000	100.00	1,835	36	Note 1	Subsidiary
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS INDIA PRIVATE LIMITED	India	Sales of electronic components	2,660	2,660	700,000	100.00	611	613	Note 1	Subsidiary
SINYIE INVESTMENT CO., LTD.	WINTech MICROELECTRONICS HOLDING LIMITED	British Virgin Islands	Holding company	65,073	65,073	278,255	0.35	42,914	511,759	Note 1	Subsidiary
MORRIHAN INTERNATIONAL CORP.	ASIA LATEST TECHNOLOGY LIMITED	Mauritius	Holding company	37,771	37,771	1,120,000	100.00	44,770	655	Note 1	Subsidiary
BSI SEMICONDUCTOR PTE. LTD.	WT TECHNOLOGY KOREA CO., LTD.	South Korea	Sales of electronic components	53,267	53,267	180,472	4.53	28,637	56,373	Note 1	Subsidiary
BSI SEMICONDUCTOR PTE. LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	South Korea	Sales of electronic components	24,086	24,086	53,505	100.00	222,082	9,457	Note 1	Subsidiary
TECHMOsa INTERNATIONAL INC.	MORRIHAN SINGAPORE PTE. LTD.	Singapore	Sales of electronic components	210,451	210,451	9,500,000	100.00	1,136,225	456,564	Note 1	Subsidiary
MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Taiwan	Sales of electronic components	115,000	115,000	11,500,000	100.00	492,739	284,383	Note 1	Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance at December 31, 2022	Balance at December 31, 2021	Number of shares	Ownership (%)	Book value			
MAXTEK TECHNOLOGY CO., LTD.	LACEWOOD INTERNATIONAL CORP.	British Virgin Islands	Sales of electronic components	\$ 194,366	\$ 194,366	29,500	100.00	\$ 91,857	\$ 732	Note 1	Subsidiary
BRILLNICS INC.	BRILLNICS (HK) LIMITED	Hong Kong	Manufacture of electronic components	1,965,839	1,965,839	64,013,000	100.00	169,423	(87,323)	Note 1	Subsidiary
BRILLNICS INC.	BRILLNICS SINGAPORE PTE. LTD.	Singapore	Manufacture of electronic components	23,033	10,745	750,002	100.00	2,713	(15,390)	Note 1	Subsidiary
BRILLNICS (HK) LIMITED	BRILLNICS JAPAN INC.	Japan	Manufacture of electronic components	23,240	23,240	100,000	100.00	19,504	1,849	Note 1	Subsidiary
BRILLNICS (HK) LIMITED	BRILLNICS (TAIWAN) INC.	Taiwan	Manufacture of electronic components	16,694	16,694	1,669,410	100.00	31,261	4,450	Note 1	Subsidiary
WT SEMICONDUCTOR HOLDINGS PTE. LTD.	EXCELPOINT TECHNOLOGY PTE. LTD.	Singapore	Sales of electronic components	5,089,844	-	120,398,640	100.00	5,132,040	449,923	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	Hong Kong	Sales of electronic components	489,862	-	27,793,961	100.00	2,541,916	415,082	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	Singapore	Sales of electronic components	274,163	-	11,000,000	100.00	897,409	56,103	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	PLANETSPARK PTE. LTD.	Singapore	R&D and investment of company	92,130	-	3,000,001	100.00	12,984	(34,902)	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS SDN. BHD.	Malaysia	Sales of electronic components	1	-	100	100.00	2,836	639	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS (INDIA) PVT LTD	India	Sales and services of technology	355	-	50,000	100.00	(73,054)	2,542	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS (USA) INC.	USA	Sales and services of technology	31	-	1,000	100.00	1,067	302	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS VIETNAM COMPANY LIMITED	Vietnam	Sales of electronic components	9,213	-	-	100.00	-	-	Note 1	Subsidiary
EXCELPOINT SYSTEMS (H.K.) LIMITED	SYNERGY ELECTRONICS (H.K.) LIMITED	Hong Kong	Sales of electronic components	3,071	-	100,000	100.00	3,291	341	Note 1	Subsidiary

Note 1: Profit (loss) of investee has been included in the investor, and will not be disclosed separately.

WT Microelectronics Co., Ltd.
Information on investments in Mainland China
Year ended December 31, 2022

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investment in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
SHANGHAI WT MICROELECTRONICS CO., LTD.	International trade, entrepot trade and etc.	\$ 9,213	2	\$ 9,213	\$ -	\$ -	\$ 9,213	\$ -	100.00	\$ -	\$ 32,474	\$ -	Note 5
WT MICROELECTRONICS (SHENZHEN) CO., LTD.	International trade, entrepot trade and etc.	700,964	2	645,704	-	-	645,704	1,199	100.00	1,199	868,511	-	Note 6
WT MICROELECTRONICS (SHANGHAI) CO., LTD.	International trade, investment holding and etc.	1,079,457	2	588,097	-	-	588,097	64,933	100.00	64,933	1,540,397	-	Note 7
WT MICROELECTRONICS (SHANGHAI) TECHNOLOGY CO., LTD.	Technical service, international trade, entrepot trade and etc.	40,844	3	30,710	-	-	30,710	655	100.00	655	44,761	-	Note 4
JCD OPTICAL CORPORATION	Production and sales of optoelectronic materials and components	156,621	2	20,392	-	-	20,392	(46,624)	19.80	(9,232)	17,736	-	Note 8
SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	International trade, entrepot trade and etc.	7,876	2	-	-	-	-	2,627	80.00	5,750	(302,259)	-	Note 9
EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	International trade, entrepot trade and etc.	46,065	2	-	-	-	(253,108)	(26,742)	80.00	(26,742)	(208,296)	-	Note 9

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)
WT MICROELECTRONICS CO., LTD.	\$ 1,294,116	\$ 2,110,261	\$ 32,984,593

Note 1: The investment methods are classified into the following six categories:

- (1) Directly investing in Mainland China.
- (2) Through investing in companies in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: Investment gains or losses were recognised based on audited financial statements.

Note 3: The amount disclosed was 60% of net assets and based on Investment Commission, MOEA Regulation No. 09704604680 announced on August 29, 2008.

Note 4: This is a China subsidiary which was reinvested through the company in the third area when Morrihan International Corp. was acquired in September 2009.

Note 5: This is a China company which was invested through the company, NINO CAPITAL CO., LTD., in the third area.

Note 6: This is a China company which was invested through the company, RICH WEB LTD., in the third area.

Note 7: This is a China company which was reinvested through the company, WINTECH MICROELECTRONICS HOLDING LIMITED, in the third area.

Note 8: This is a China company which was reinvested through the company, JCD OPTICAL (CAYMAN) CO., LTD., in the third area.

Note 9: This is a China company which was reinvested through the company, EXCELPOINT SYSTEMS (H.K.) LIMITED, in the third area.

WT Microelectronics Co., Ltd.
Major shareholders information
December 31, 2022

Table 10

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
WPG HOLDINGS LIMITED	201,393,867	19.77%
ASMEDIA TECHNOLOGY INC.	179,000,000	17.57%
SHAO YANG INVESTMENT CO., LTD.	74,797,429	7.34%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preferred shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data disclosed is the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shares include the self-owned shares and shares held in trust, and at the same time, the shareholder has the power to decide how to allocate the trust assets. The information on the reported share equity of insider is provided in the "Market Observation Post System".

Note 3: As of December 31, 2022, the number of shares held by the chairman under his own name and under the names of others was 116,180,613 shares, and the shareholding ratio was 11.41%.
The abovementioned information is provided in the "Market Observation Post System".

WT MICROELECTRONICS CO., LTD.
DETAILS OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 1

Items	Summary					Amount
Petty cash and cash on hand						\$ 1,313
Cash in banks						
Demand deposits						14,088
Checking accounts						4,043
Foreign currency deposits	USD	13,087	Thousand	Exchange	30.71	416,557
	SGD	165	Thousand	Exchange	22.88	
	HKD	2,080	Thousand	Exchange	3.938	
	EUR	3	Thousand	Exchange	32.72	
	RMB	12	Thousand	Exchange	4.4132	
	JPY	101	Thousand	Exchange	0.2324	
						<u>\$ 436,001</u>

WT MICROELECTRONICS CO., LTD.
DETAILS OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2022

(Expressed in thousands of New Taiwan dollars)

STATEMENT 2

Customer name	Summary	Amount	Note
<u>Non-related parties</u>			
A customer		\$ 2,435,388	
B customer		1,392,563	
Others		20,642,983	The balance of each customer has not exceeded 5% of the accounts receivable.
		<u>24,470,934</u>	
Less: Allowance for bad debts		(137,155)	
		<u>24,333,779</u>	
<u>Related parties</u>			
Morrihan International Corp.		\$ 8,931,307	
WT Microelectronics (Hong Kong) Limited		6,232,757	
Others		<u>6,189,272</u>	
		<u>21,353,336</u>	
		<u>\$ 45,687,115</u>	

WT MICROELECTRONICS CO., LTD.
DETAILS OF INVENTORIES
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

STATEMENT 3

Items	Summary	Amount		Note
		Cost	Net realisable value	
Merchandise inventory		\$ 58,820,204	<u>\$ 67,550,392</u>	
Less: Allowance for inventory obsolescence and market value decline		(1,005,110)		
		<u>\$ 57,815,094</u>		

WT MICROELECTRONICS CO., LTD.
MOVEMENT SUMMARY OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

STATEMENT 4

Name	Opening balance		Addition		Reductions		Ending Balance			Market price or value per share		Pledged to others as collaterals
	Number of shares	Amount	Number of shares	Amount (Note 1)	Number of shares	Amount (Note 2)	Number of shares	Ownership (%)	Amount	Price	Total price	
Wintech Microelectronics Holding Limited	115,323,691	\$ 9,900,819	-	\$ 1,409,172	(36,570,786)	(\$ 1,128,132)	78,752,905	99.65%	\$ 10,181,859	-	\$ 10,224,773	None
Morrihan International Corp.	283,760,000	4,361,227	-	2,712,202	-	(1,283,220)	283,760,000	100.00%	5,790,209	-	5,790,267	None
WT Semiconductor Holdings Pte. Ltd.	-	-	96,318,912	4,105,540	-	-	96,318,912	80.00%	4,105,540	-	4,105,540	None
Techmosa International Inc.	73,949,070	2,563,293	-	810,409	-	(712,137)	73,949,070	100.00%	2,661,565	-	2,092,321	None
Maxtek Technology Co., Ltd.	70,220,331	2,321,340	-	535,596	-	(784,845)	70,220,331	100.00%	2,072,091	-	1,825,789	None
Nuvision Technology Inc.	28,216,904	1,171,682	-	778,452	-	(699,433)	28,216,904	99.91%	1,250,701	-	1,251,810	None
BSI Semiconductor Pte. Ltd.	7,544,002	724,431	-	79,976	-	-	7,544,002	100.00%	804,407	-	569,991	None
WT Microelectronics (Hong Kong) Limited	-	-	12,527,632	508,114	-	(11,710)	12,527,632	100.00%	496,404	-	496,404	None
WT Solomon QCE Limited	-	-	110,000,000	487,924	-	(15,642)	110,000,000	100.00%	472,282	-	472,282	None
Analog World Co., Ltd.	120,000	414,466	-	56,055	-	-	120,000	100.00%	470,521	-	375,393	None
MSD Holdings Pte. Ltd.	200,001	204,083	-	25,173	-	-	200,001	100.00%	229,256	-	97,705	None
WT Technology Pte. Ltd.	-	-	5,000,000	158,402	-	(2,162)	5,000,000	100.00%	156,240	-	156,240	None
WT Microelectronics Singapore Pte. Ltd.	-	-	1,500,000	159,801	-	(4,915)	1,500,000	100.00%	154,886	-	154,886	None
Milestone Investment Co.,	4,500,000	159,643	-	3,799	-	(71,000)	4,500,000	100.00%	92,442	-	95,473	None
Sinyie Investment Co., Ltd.	2,900,000	44,819	-	-	-	(9,496)	2,900,000	100.00%	35,323	-	35,323	None
WT Technology (H. K.) Limited	-	-	1,000,000	4,930	-	(39)	1,000,000	100.00%	4,891	-	4,891	None
		<u>\$ 21,865,803</u>		<u>\$ 11,835,545</u>		<u>(\$ 4,722,731)</u>			<u>\$ 28,978,617</u>		<u>\$ 27,749,088</u>	

Note 1: It arose from capital increase, gains and other comprehensive income in subsidiaries accounted for using equity method.

Note 2: It arose from cash dividends from subsidiaries, proceeds from capital reduction of subsidiaries and losses and other comprehensive loss in subsidiaries accounted for using equity method.

WT MICROELECTRONICS CO., LTD.
DETAILS OF ACCOUNTS PAYABLE
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

STATEMENT 5

Supplier name	Summary	Amount	Note
<u>Non-related parties</u>			
F Company		\$ 21,478,625	
G Company		7,007,489	
H Company		4,884,748	
I Company		2,660,508	
J Company		7,704,622	
Others		5,653,186	The balance of each supplier has not exceeded 5% of the accounts payable.
		<u>49,389,178</u>	
<u>Related parties</u>			
Nuvision Technology Inc.		\$ 819,287	
Techmosa International Inc.		77,378	
Others		<u>198,049</u>	
		<u>1,094,714</u>	
		<u>\$ 50,483,892</u>	

WT MICROELECTRONICS CO., LTD.
DETAILS OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 6

Items	Quantity (in thousands)	Amount
Analog IC	8,468,187	\$ 199,534,376
Memory IC	1,387,293	32,118,811
Discrete Component	7,906,157	26,851,922
Microcontroller	1,294,340	38,286,788
Application Specific IC	213,859	29,061,376
Microprocessor	136,385	13,097,212
Mixed Signal IC	467,606	12,338,023
Image sensors IC	174,128	8,836,189
Chipset	175,442	4,554,069
Logic IC	604,917	3,425,275
Optical Electronic Components	997,377	2,134,196
Optical Components	19,156	1,161,056
Others	3,082,214	48,123,908
		<u>\$ 419,523,201</u>

WT MICROELECTRONICS CO., LTD.
DETAILS OF OPERATING COST
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

STATEMENT 7

	<u>Amount</u>
Inventory at the beginning of the year	\$ 49,646,005
Add : Purchased	419,697,478
Less : Inventory at the end of the year	(58,820,204)
Inventory transferred to sample expenses	(24,496)
Inventory transferred to research expenses	(<u>3,740</u>)
Cost of goods sold	410,495,043
Loss on decline in market value	229,034
Loss on disposal of inventory	432,670
Loss on physical inventory	<u>13</u>
Operating costs	<u>\$ 411,156,760</u>

WT MICROELECTRONICS CO., LTD.
DETAILS OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

STATEMENT 8

Items	Selling Expenses	Administrative expenses	Research and development expenses	Impairment loss determined in accordance with IFRS 9	Total	Notes
Wages and salaries	\$ 1,058,744	\$ 356,643	\$ 254,086	\$ -	\$ 1,669,473	
Freight	413,864	1,726	-	-	415,590	
Depreciation expense	96,452	86,496	15,923	-	198,871	
Entertainment expense	190,525	5,975	1,682	-	198,182	
Insurance expense	85,281	47,366	20,255	-	152,902	
Impairment loss determined in accordance with IFRS 9	-	-	-	1,808	1,808	
Other expenses	478,541	409,392	74,205	-	962,138	The balance of each expense account has not exceeded 3% of the total operating expenses
	<u>\$ 2,323,407</u>	<u>\$ 907,598</u>	<u>\$ 366,151</u>	<u>\$ 1,808</u>	<u>\$ 3,598,964</u>	

VI. The impact of the financial difficulties of the Company and the affiliated companies, if any, on the Company's financial position in the past year and as of the printing date of the annual report

None.

Chapter 7. Review and analysis of the financial status, financial performance, and risk management

I. Financial position

Comparative analysis of financial status

Unit: NT\$ thousand

Item \ Year	2022	2021	Difference	
			Amount	%
Inventories	90,547,237	66,524,304	24,022,933	36.11
Financial assets at fair value through other comprehensive income - non-current	9,139,705	18,989,224	(9,849,519)	(51.87)
Long-term loans	17,786,449	7,750,400	10,036,049	129.49
Capital surplus	25,294,109	20,444,778	4,849,331	23.72
Other equity	(1,564,387)	6,736,238	(8,300,625)	(123.22)
<p>1. Analysis of changes in ratios (the difference reaches 20% or above and the amount of change reaches 1% of total assets):</p> <p>(1) Inventories: The main reasons are the newly consolidated entity in 2022 and the quarterly adjustments of sales of various agents, leading to the increase in overall inventory.</p> <p>(2) Financial assets at fair value through other comprehensive income - non-current: The main reason is changes to the listed equity investments due to changes in fair value.</p> <p>(3) Long-term loans: The main reason is the increase in mid- to long-term syndicated loan and drawdown long-term bank loans for the working capital adjusted using other margin trading tools of the group.</p> <p>(4) Capital surplus: The main reason is the issuance of new common shares for cash to sponsor issuance of GDRs in 2022, leading to the increase in capital surplus.</p> <p>(5) Other equity: The main reason is the changes to the fair value of financial assets at fair value through other comprehensive income, leading to a decrease of other equity.</p> <p>2. Response plan for major changes: The above deviations had no major impact on the Group's financial status, so response plans did not need to be formulated.</p>				

II. Financial performance

(I) Comparative Analysis of Financial Performance

Unit: NT\$ thousand

Item	Year		Increase (Decrease)	Difference %
	2022	2021		
Net operating revenue	571,197,118	447,896,117	123,301,001	27.53
Operating costs	(551,364,963)	(430,909,478)	(120,455,485)	27.95
Operating margin	19,832,155	16,986,639	2,845,516	16.75
Operating expenses	(8,049,538)	(6,429,510)	(1,620,028)	25.20
Operating profit	11,782,617	10,557,129	1,225,488	11.61
Non-operating income and expenses	(1,871,475)	(377,304)	(1,494,171)	396.01
Profit before income tax	9,911,142	10,179,825	(268,683)	(2.64)
Income tax expense	(2,310,778)	(2,324,657)	13,879	(0.60)
Profit for the year	7,600,364	7,855,168	(254,804)	(3.24)
Analysis of changes in ratios (the difference reaches 20% or above and the amount of change reaches NT\$50 million or above):				
1. Net Operating revenue, operating costs, and operating margin: Mainly due to continued expansion and rising revenue combined with the increase in sales in the market, leading to the increase in overall revenue.				
2. Operating expenses: The main reasons are the newly consolidated entity in 2022 and the increase in parts of the operating expenses caused by the overall environment.				
3. Non-Operating Income and Expenses The main reason is the FED increasing interest rates and the market rates rising in response in 2022, leading to the increase in financial costs.				

(II) Expected sales volume and its basis, potential impact on the Group's future financial position and business operations, and response plan

The Group is primarily engaged in the sales of various kinds of electronic components. Due to a wide variety of products and different unit selling prices of each product, it is not appropriate to use sales volume as a measurement base. In terms of the Group's overall sales forecast, according to the market and the development of macroeconomics, as well as the needs of major customers, the Group is expecting to continue showing a positive growth trend in the coming year.

III. Cash flows

(I) Analysis of changes in cash flow in the most recent year

Unit: NT\$ thousand

2022 Beginning Cash Balance (1)	Net cash flow from operating activities throughout the year (2)	Net cash flow from non-operating activities (3)	December 31, 2022 Cash balance (1)+(2)+(3)
4,679,576	(6,038,909)	6,742,587	5,383,254
Analysis of changes: <ul style="list-style-type: none"> • Operating activities: The net cash flow from operating activities was mainly due to the increase in inventory in 2022. • Non-Operating Activities: The net cash flow from non-operating activities was mainly due to the increase in long- and short-term borrowings in 2022 and the issuance of Global Depository Receipts. 			

(II) Improvement plan for insufficient liquidity: There is no liquidity insufficiency.

(III) Cash liquidity analysis for the coming year

Unit: NT\$ thousand

Beginning Cash Balance (A)	Net cash flow from operating activities (B)	Net cash flow from non- operating activities (C)	Cash surplus (deficit) (A) + (B) + (C)	Remedial measures for cash deficit	
				Investment plan	Financial plan
5,383,254	(9,673,179)	10,782,461	6,492,536	0	0

1. Analysis of changes in cash flow in the coming year (2023):

- (1) Net cash flow from operating activities: The Group's revenue is expected to keep organic growth this year. The Cash flow cycle of the Company's distributors is longer accounts receivable collection period and shorter accounts payable payment period. Sales revenue growth would lead to increased demand for funding and cause the net cash outflow from operating activities.
- (2) Net cash flow from non-operating activities: The Company expects that the cash outflow from operation activities in the coming year will be a result of sales revenues growth. The funding resource from operating activities profit as well as bank loan financing, or direct capital raising in the market, will be utilized to turn the cash flows from non-operating activities into net cash inflow for the year.

2. Remedial measures for expected cash shortfalls and liquidity analysis: The Group has no liquidity insufficiency.

IV. Effect of major capital spending on financial position and business operations

The Company did not have any major capital spending in the most recent fiscal year.

V. Investment policy in the most recent fiscal year, profit/loss analysis, improvement plan, and investment plan for the coming year

The Company's reinvestments are, in principle, a part of its long-term strategy. In 2022, the reinvestment profit using the equity method was NT\$4,578,502 thousand. The Company will continue using long-term strategy and will not rule out any investment plans with the group that can develop synergistic and complementary effects.

VI. Risk analysis and assessment

(I) Impact of interest rate and exchange rate changes and inflation on Company's profit and response measures:

The Group's financing activities mainly are in US dollars, and focus on bank loans and proceeds from factored account receivables. The Finance Department observes closely changes in the financial market and interest rate market, modifies loans in response to daily funding needs, shortens the timing difference between funding supply and demand in order to keep interest rate expenses effectively under control. In March 2022, the FED started a cycle of interest rate hikes. The US dollar interest rate increased by 17 quarters of a percentage point (4.25%). The Group shortened the duration of capital retention, improved the efficiency of capital utilization, and simultaneously enhanced its bargaining power with banks, thereby controlling the impact of interest rate hikes on profits and losses within a reasonable range. In 2022, revenue grew by 27.53%, and financial costs were NT\$2,445,514 thousand, increasing by NT\$1,730,465 thousand compared to 2021. Capital costs accounted for 0.43% of revenue. The Group continues to control interest rate fluctuation risks within a reasonable range.

In terms of exchange rate, the IC components the Group is agented to purchase are mainly priced in USD, and the sales are also denominated in USD. Therefore, the exchange rate changes will affect the revenue and profit of the Group. However, the purchase and sales in USD will offset, the net exposure position in USD is not high. The net foreign currency exchange loss in 2022 was NT\$413,746 thousand, accounting for 0.07% of the overall revenue. The Finance Department conducted foreign exchange hedging to reduce the exchange loss of exposed USD positions. The gains and losses canceled out and it had no significant impact on the overall net income after tax.

In terms of inflation, the Group pays close attention to fluctuations in market prices and maintains good interaction with suppliers and customers to avoid significant impact on the Group due to inflation.

Overall, the Group will adopt a sound and conservative risk management principle in the future, and immediately assess and respond to changes in interest rates and exchange rates and inflation.

- (II) Policies of engaging in high-risk, high-leverage investments, lending to others, providing endorsement and guarantee, and derivatives transactions, profit/loss analysis, and future response measures:

The Group only focuses on the operations in the industry, and does not engage in high-risk, highly leveraged investments. All investments are carefully evaluated and executed. The Group's engagement in lending and endorsement guarantees is conducted in accordance with the provisions of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees". The purpose of the Group engaging in derivatives trading is to hedge foreign currency denominated financial assets or financial liabilities.

- (III) Future R&D projects and expected R&D expenses:

The Group is mainly a professional marketing distributor for electronic components. In response to the rapid changes in the semiconductor industry, the only way to create added value of products and business opportunities is through professional division of labor to provide customers with technical support solutions. In the future, the Group will continue to cultivate a high-quality team of field application engineers (FAE) to achieve smooth shipments and enhance industrial competitiveness.

Major R&D projects and expected R&D expenses to be invested in the future

Unit: NT\$

Project name	Current progress	Expected development expenses to be invested	Time of completion	Key impact factors in the future
Hyper-Intelligent Machine Vision with Multimodal Deep Learning	AI model feasibility for each modal	\$ 6,000,000	2023/7/30	1.Spatial resolution compatibility 2.Synchronized signal sampling between modals 3.Generation of raw data for multi AI models training

- (IV) Major changes in government policies and laws at home and broad and the impact on the Group's financial position and business activities:

The group's law, finance, accounting and stock affair specialists are responsible for collecting important information regarding domestic and foreign markets and regulatory changes. In addition, in order to appropriately react to domestic and foreign changes and legal reforms, they consult with professionals whenever it is necessary.

- (V) Impacts of technological changes (including information security risks) and industry

changes on company financials and response measures:

1. The R&D units and business units of the Group are constantly monitoring the impact of technology and industry changes on the Group. At the same time, the R&D unit has also strengthened the development of high value-added and high-margin products, which has promoted the Group's products to be more diversified and advanced in order to stabilize the source of profit. As of the present time, no technology changes and industry changes have affected the Group's financial position and business activities.

2. Information security risks and response measures: The Group has established comprehensive information security protection mechanism. However, it cannot guarantee the complete prevention from third-party attacks to crash critical corporate system. When a severe attack occurs, the system may not be operational, which will lead to operational interruptions due to the inability to ship orders or compensation for customer losses due to shipment delays. Therefore, rapid system recovery is of the utmost importance. Apart from keeping investments in information security devices and software, The Company also continually strengthens system recovery mechanism. These measures include:

- (1) Local data snapshot, provide the fastest way to restore data when the hardware is not damaged.
- (2) Offsite replication, replicating data to the backup data center over 30km in real-time, and creating remote data snapshots for double protection.
- (3) Offsite tape, daily full backup, and store the tape offsite.
- (4) Regularly run drills for switching the main data center to the remote backup center to ensure disaster recovery in the shortest time possible through the measures above.

(VI) Impact of corporate image change on risk management and response measures:

The Group's business philosophy is based on the principle of "professional ethics and sustainable management", adhering to a decent corporate image, implementing sound risk control and achieving outstanding performance. Over the years, the Group has been awarded the Import and Export Excellence Award by the Bureau of Foreign Trade, ranked among large-scale enterprises in Taiwan by the China Credit Information Service, awarded the Benchmarking Award by the CommonWealth Magazine, ranked among the top 1000 Business Survey in Revenue and the Revenue Growth Award by the Business Weekly, etc. At present, due to the Company's good corporate image, there have been no corporate crisis management matters due to change in corporate image.

(VII) Expected benefits and potential risks of merger and acquisition:

1. Acquired 100% shares of Excelpoint Technology Ltd., a company listed in Singapore.:

In order to expand the scale of operations and improve business performance, the Company acquired all issued common shares of Excelpoint Technology Ltd. (hereinafter referred to as Excelpoint), a company listed in Singapore, in cash for the price of SGD\$1.93 per share on September 5, 2022. The acquisition was completed through the subsidiary in Singapore, WT Semiconductor Holdings Pte. Ltd. (hereinafter referred to as WT Semiconductor) and was in accordance with the Scheme of Arrangement in Article 210 of the Companies Act of Singapore and related Singaporean regulations. WT

Semiconductor became the only shareholder of Excelpoint. Excelpoint has been delisted from the Singapore Exchange on September 19, 2022, and renamed as Excelpoint Technology Pte. Ltd.

The deal will bring strong comprehensive benefits to both parties. The complementary product lines will strengthen the operational expansion and more importantly, the Group will be able to provide more extensive product solutions and technical support services to customers through the experienced teams of both parties, thereby facilitating the rapid launch of customer products. Furthermore, the combination of the established customer bases of both parties will greatly improve the Company's distribution capabilities in the Asia-Pacific region. By cross-selling different product lines, both parties can realize the potential synergy and provide more business expansion opportunities to suppliers, thereby creating the comprehensive benefits of the merger and improving overall shareholders' equity.

2. Acquired 100% of all shares of the subsidiary Nuvision Technology Inc.:

For the development of the Company's long-term strategy and to improve the business performance of the Group, the Company has conducted a parent company and subsidiary share conversion with Nuvision Technology Inc. (hereinafter referred to as Nuvision Technology), a subsidiary in which the Company owns 99.91% of issued common shares. The Company acquired all common shares from the other shareholders of Nuvision Technology by cash consideration. After the completion of the share conversion, Nuvision Technology will become a wholly-owned subsidiary of the Company and will continue to maintain its operations and business. It will have a positive effect on improving the business decision-making efficiency of the Company. Therefore, there will be no major impact on the equity of the Company's shareholders.

(VIII) Expected benefits and potential risks of capacity expansion:

The Group is mainly engaged in the semiconductor distributors industry and has no plants and equipment.

(IX) Risks associated with over-concentration in purchase or sale and response measures:

The Group is primarily engaged in the distribution of semiconductors components. Customers and suppliers are mainly world renowned companies. In order to increase the diversity of customers and suppliers, the Group not only maintains good relationships with both sides, but also aggressively seeks new customers and develops new product lines, in order to distribute customers and supplier customers.

(X) Impact of mass transfer of equity by or change of directors, supervisors, or shareholders holding more than 10% interest on the Company, associated risks and response measures:

The Company's directors (no supervisors) and major shareholders with more than 10% shares are very optimistic about the Group's prospects based on the Group's business philosophy and stable profit base. Each shareholder may make appropriate shareholding planning based on personal investment and tax considerations. However, based on the needs to keep the investing public's confidence, if directors or major shareholders have a

large amount of share transfer or change of shareholding, they will fully communicate with the Board of Directors or the management team before they execute the transactions at the appropriate time. Thus, it shall not have adverse effects and risks on the Company's operations and shareholders' equity.

In addition, the Company has not had any a large amount of share transfer or change of the Company's shareholdings from directors and major shareholders with more than 10% shares in the most recent year and as of the printing date of the annual report.

(XI) The effects that changes in management has on the Company as well as risk and responding measures:

The Group has a strong team of professional executive officers, and changes in management rights do not affect the operations of the Group.

(XII) For litigious or non-litigious matters, state the major litigation, non-litigation or administrative litigation proceedings that has been determined or is still in litigation of the Company and the Company's directors, supervisors, presidents, de facto responsible person, major shareholders with more than 10% shares, and subordinate companies. If the result may have material impacts on shareholders' equity or stock price, disclose the facts of the dispute, the amount of the subject matter, the commencement date of the lawsuit, the parties involved in the proceedings, and the handling as of the printing date of the annual report: None.

(XIII) Other major risks and response measures:

The COVID-19 pandemic impacted the supply chains of IT products, and may accelerate the transfer and distribution of supply chains. Together with global inflation and geopolitical uncertainties, it will also cause forecasts of global long term economic growth to be revised downward. The Group will continue to closely monitor changes in the macroenvironment, and flexible adjust the organization and business activities, as well as increase working capital, to respond to various changes.

VII. Other important matters

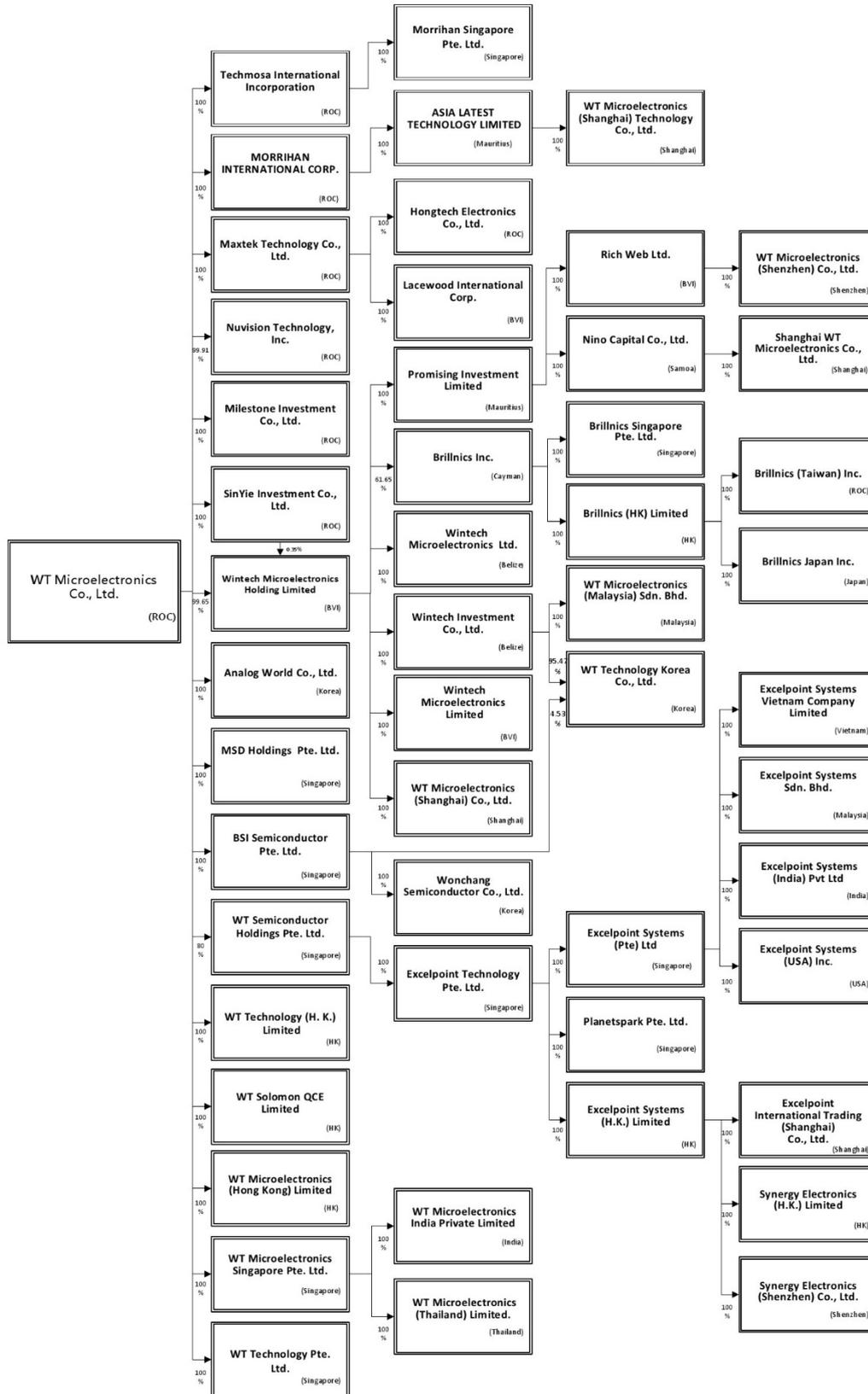
None.

Chapter 8. Special Items

I. Profiles of affiliates enterprises

(I) Organization chart of affiliated enterprises

December 31, 2022



(II) Information on affiliated enterprises

December 31, 2022

Name of enterprise	Date of Establishment	Address	Paid-in capital	Main business and products
Wintech Microelectronics Holding Limited	1998.01.08	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	USD79,031,160	Holding company
SinYie Investment Co., Ltd.	2004.08.20	14F-2, No. 738, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)	NTD 29,000,000	General investment
Milestone Investment Co., Ltd.	2000.10.06	14F-2, No. 738, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)	NTD 45,000,000	General investment
Nuvision Technology Inc.	1998.03.30	4F., No. 738, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)	NTD 282,424,180	Sales of electronic components
Morrihan International Corp.	1981.07.15	4F., No. 738, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)	NTD 2,837,600,000	Sales of electronic components
Maxtek Technology Co., Ltd.	1991.12.16	6F., No. 738, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)	NTD702,203,310	Sales of electronic components
Hongtech Electronics Co., Ltd.	2005.09.07	14F-1, No. 738, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)	NTD115,000,000	Sales of electronic components
Techmosa International Inc.	1989.04.14	8F., No. 738, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)	NTD 739,490,700	Sales of electronic components
Asia Latest Technology Limited	2000.09.06	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	USD 1,120,000	Holding company
WT Microelectronics (Shanghai) Technology Co., Ltd.	2003.07.17	Room 318, 3F of the A5 warehouse centralized area, Zhending Road, Waigaoqiao Free Trade Zone, Shanghai, China	USD 1,330,000	Technical service, international trade, entrepot trade and etc.
WT Microelectronics (Shanghai) Co.,Ltd.	2005.10.10	Room 801, 7F., No. 20, Lane 1188, Shenhong Road, Minhang District, Shanghai, China	USD 35,150,000	International trade, investment holding and etc.
Promising Investment Limited	1999.09.27	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	USD 30,632,506	General investment
WT Technology Pte. Ltd.	2006.12.29	111 Somerset Road, #13-33, 111 Somerset, Singapore (238164)	USD 5,000,000	Sales of electronic components
Wintech Microelectronics Ltd.	2000.09.07	60 Market Square, P.O. Box 364, Belize City, Belize	USD 3,000,100	Sales of electronic components
Wintech Microelectronics Limited	2003.03.18	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 5,000	Holding company
Wintech Investment Co., Ltd.	2000.09.07	60 Market Square, P.O. Box 364, Belize City, Belize	USD 21,020,957	General investment
WT Microelectronics (Hong Kong) Limited	1999.11.24	Room 2001E, Nan Fung Centre, 264-298 Castle Peak Road, Tsuen Wan, N.T. Hong Kong	USD 12,527,632	Sales of electronic components
WT Technology (H.K.) Limited	2001.01.10	Unit 103, 1 st Floor, Hutchison Logistics Centre, 18 Container Port Road South, Kwai Chung, New Territories, Hong Kong	HKD 1,000,000	Sales of electronic components
Nino Capital Co., Ltd.	2000.09.11	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 311,000	Holding company

Name of enterprise	Date of Establishment	Address	Paid-in capital	Main business and products
Rich Web Ltd.	2001.07.03	3rd Floor, Yamraj Building, Market Square, Road Town, Tortola, British Virgin Islands	USD 22,974,430	Holding company
WT Solomon QCE Limited	1984.10.12	Room 2001E, Nan Fung Centre, 264-298 Castle Peak Road, Tsuen Wan, N.T. Hong Kong	HKD 110,000,000	Sales of electronic components
Shanghai WT Microelectronics Co., Ltd.	2001.01.08	Room 1612, No.118, Xinlin Road, Waigaoqiao Free Trade Zone, Shanghai, China	USD 300,000 RMB2,483,040	International trade, entrepot trade and etc.
WT Microelectronics (Shenzhen) Co., Ltd.	2002.04.19	11-12F, Global Digital Building, No. 9 Gaoxin Central Avenue 3rd, Science & Industry Park, Nanshan District, Shenzhen, China	HKD 178,000,000	International trade, entrepot trade and etc.
WT Microelectronics Singapore Pte. Ltd.	2001.10.03	2 Serangoon North Avenue 5 #05-01 Singapore (554911)	SGD 1,500,000	Sales of electronic components
WT Microelectronics (Thailand) Limited.	2004.01.15	No. 202, Le Concord Building, Room 1002, 10th Floor, Road Rajdapisek Sub-district Huaykwang District Huaykwang Province Bangkok	Baht 3,000,000	Sales of electronic components
WT Microelectronics India Private Limited	2019.06.03	10, 2nd and 3d floor, 100Ft Road, JP Nagar, 4th Phase, Ward no. 57, BANGALORE, Bangalore, Karnataka, India, 560078	INR7,000,000	Sales of electronic components
WT Microelectronics (Malaysia) Sdn. Bhd.	2003.02.20	No. 60, Sri Bahari Road, 10050, Georgetown, Pulau Pinang, Malaysia	MYR 500,000	Sales of electronic components
BSI Semiconductor Pte. Ltd.	2004.04.28	111 Somerset Road, #13-33, 111 Somerset, Singapore (238164)	SGD 7,544,002	Sales of electronic components
Morrihan Singapore Pte. Ltd.	1992.07.04	2 Serangoon North Avenue 5 #05-01 Singapore(554911)	SGD 9,500,000	Sales of electronic components
Wonchang Semiconductor Co., Ltd.	1991.10.01	4416/4503-ho, Ra-dong, Chuangang Circulation Complex, 15, Gyeongin-ro 53-gil, Guro-gu, Seoul, Korea	KRW 535,050,000	Sales of electronic components
WT Technology Korea Co., Ltd.	2007.03.01	3F, Hanwon Bldg., 19, Hwangsaeul-Ro 258 Beon-Gil, Bundang-Gu, Seongnam-Si, Gyeonggi-Do, Korea	KRW 1,990,236,000	Sales of electronic components
MSD Holdings Pte. Ltd.	2008.06.18	140 Paya Lebar Road #10-09 AZ @ Paya Lebar Singapore (409015)	USD 200,000 SGD 1	Sales of electronic components
Lacewood International Corp.	1995.11.27	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	USD2,950,000	Sales of electronic components
Analog World Co., Ltd.	1993.07.01	7F, Hanwon Bldg., 19, Hwangsaeul-Ro 258 Beon-Gil, Bundang-Gu, Seongnam-Si, Gyeonggi-Do, Korea	KRW 600,000,000	Sales of electronic components
WT Semiconductor Holdings Pte. Ltd.	2022.02.23	15 Changi Business Park Central 1 #06-00 Singapore (486057)	USD 165,738,987.46	Holding company
Brillnics Inc.	2014.04.25	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 – 1205 Cayman Islands	USD 57,967,099.74	Holding company
Brillnics (Taiwan) Inc.	2014.05.15	4F, No. 49, Guangming 6th Rd., Zhubei City, Hsinchu County, Taiwan	NTD 16,694,100	Manufacture of electronic components

Name of enterprise	Date of Establishment	Address	Paid-in capital	Main business and products
Brillnics Singapore Pte. Ltd.	2019.01.11	111 Somerset Road, #13-33, 111 Somerset, Singapore (238164)	SGD 2 USD 750,000	Manufacture of electronic components
Brillnics (HK) Limited	2014.03.10	Room 712, Wellborne Commercial Centre, No.8 Java Road, North Point Hong kong	USD 64,013,000	Manufacture of electronic components
Brillnics Japan Inc.	2014.02.28	Omori Prime Bldg, 7F 6-21-12 Minami-Oi, Shinagawa-Ku, Tokyo,140-0013 Japan	JPY 100,000,000	Manufacture of electronic components
Excelpoint Technology Pte. Ltd.	2001.05.18	15 Changi Business Park Central 1 #06-00 Singapore (486057)	SGD 62,564,705.5	Sales of electronic components
Excelpoint Systems (Pte) Ltd	1987.11.19	15 Changi Business Park Central 1 #06-00 Singapore (486057)	SGD 6,000,000 USD 5,000,00	Sales of electronic components
Planetspark Pte. Ltd.	2009.09.03	15 Changi Business Park Central 1, #05-06/07, Singapore (486057)	USD 3,000,000 SGD 1	R&D and investment of company
Excelpoint Systems (H.K.) Limited	1993.09.07	Suite No.3108, 31/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD 17,793,961 USD 10,000,000	Sales of electronic components
Excelpoint Systems Vietnam Company Limited	2022.11.29	Room F1520, 15th Floor , Block B of Song Da Building, Pham Hung Road, My Dinh 1 Ward, Nam Tu Liem District, Hanoi City, Vietnam	VND 6,932,400,000	Sales of electronic components
Excelpoint Systems Sdn. Bhd.	2001.11.12	Level 22, Axiata Tower, No. 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia	MYR 100	Sales of electronic components
Excelpoint Systems (India) Pvt Ltd	2008.09.30	No. 304-306, 2nd Floor, Oxford Towers, Old Airport Road, Bangalore - 560008, India	Rupees 500,000	Sales and services of technology
Excelpoint Systems (USA) Inc.	2018.10.09	5230 Carroll Canyon Road, Suite 216, San Diego CA, 92121	USD 1,000	Sales and services of technology
Excelpoint International Trading (Shanghai) Co., Ltd.	1997.11.28	E709, 7F East, No. 168, Meishen Road, Waigaoqiao Free Trade Zone, Shanghai, China	USD 1,500,000	International trade, entrepot trade and etc.
Synergy Electronics (H.K.) Limited	2019.08.30	Suite No.3108, 31/F., Skyline Tower,39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	USD 100,000	Sales of electronic components
Synergy Electronics (Shenzhen) Co., Ltd.	2003.02.25	Unit B, 9F, China Energy Building, No. 3099, Keyuan South Road, Nanshan, Shenzhen, China	HKD 2,000,000	International trade, entrepot trade and etc.

(III) Information on the shareholders of the companies shall be concluded as the existence of the controlling and subordinate relation in accordance with Article 369-3 of the Company Act: None.

(IV) Industries covered by the operations of all affiliates:

The Group's business is mainly engaged in the trading of electronic components of computer peripherals and the holding business. Please refer to Item 2.

(V) Information on Directors, Supervisors, and Presidents of affiliates:

Unit: Shares; %

Name of enterprise	Title	Name or Representative	Shares held	
			Number of shares	Shareholding percentage
Wintech Microelectronics Holding Limited	Director	Cheng, Wen-Tsung	-	-
Maxtek Technology Co., Ltd.	Chairman	Juristic Person Representative of WT Microelectronics Co., Ltd.: Cheng, Wen-Tsung	70,220,331	100.00
Hongtech Electronics Co., Ltd.	Chairman	Juristic person representative of Maxtek Technology Co., Ltd. Cheng, Wen-Tsung	11,500,000	100.00
SinYie Investment Co., Ltd.	Chairman	Juristic Person Representative of WT Microelectronics Co., Ltd.: Cheng, Wen-Tsung	2,900,000	100.00
Milestone Investment Co., Ltd.	Chairman	Juristic Person Representative of WT Microelectronics Co., Ltd.: Cheng, Wen-Tsung	4,500,000	100.00
Nuvision Technology Inc.	Chairman	Juristic Person Representative of WT Microelectronics Co., Ltd.: Cheng, Wen-Tsung	28,216,904	99.91
	Supervisor	Yang, Shing-Yu	-	-
Morrihan International Corp.	Chairman	Juristic Person Representative of WT Microelectronics Co., Ltd.: Cheng, Wen-Tsung	283,760,000	100.00
Techmosa International Inc.	Chairman	Juristic Person Representative of WT Microelectronics Co., Ltd.: Cheng, Wen-Tsung	73,949,070	100.00
Asia Latest Technology Limited	Director	Cheng, Wen-Tsung	-	-
Nino Capital Co., Ltd.	Director	Cheng, Wen-Tsung	-	-
Rich Web Ltd.	Director	Cheng, Wen-Tsung	-	-
WT Microelectronics (Shanghai) Technology Co., Ltd.	Executive Director	Jerry Chang	-	-
	Supervisor	Ming Wang	-	-

Name of enterprise	Title	Name or Representative	Shares held	
			Number of shares	Shareholding percentage
WT Microelectronics (Shanghai) Co., Ltd.	Chairperson	Hsu, Wen-Ting	-	-
	Director	Alvin Hsu		
	Director	Chiang, Li-Fen	-	-
	Supervisor	Ming Wang	-	-
Promising Investment Limited	Director	Cheng, Wen-Tsung	-	-
WT Technology Pte. Ltd.	Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
Wintech Microelectronics Ltd.	Director	Cheng, Wen-Tsung	-	-
Wintech Microelectronics Limited	Director	Cheng, Wen-Tsung	-	-
Wintech Investment Co., Ltd.	Director	Cheng, Wen-Tsung	-	-
WT Microelectronics India Private Limited	Director	Ghee Teik Hoe	-	-
	Director	Milind Nivrutty Sahanie		
WT Microelectronics (Hong Kong) Limited	Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
	Director	Chen, Hung-Shi	-	-
WT Technology (H.K.) Limited	Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
WT Solomon QCE Limited	Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
	Director	Chen, Hung-Shi	-	-
Shanghai WT Microelectronics Co., Ltd.	Executive Director	Hsu, Wen-Ting	-	-
	Supervisor	Ming Wang		
WT Microelectronics (Shenzhen) Co., Ltd.	Executive Director	Hsu, Wen-Ting	-	-
WT Microelectronics Singapore Pte. Ltd.	Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
WT Microelectronics (Thailand) Limited.	Director	Ghee Teik Hoe	-	-
	Director	Preecha Chitvatanawong	-	-
WT Microelectronics (Malaysia) Sdn. Bhd.	Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
	Director	Lim Saw Im	-	-
BSI Semiconductor Pte. Ltd.	Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
Morrihan Singapore Pte. Ltd.	Director	Cheng, Wen-Tsung	-	-
	Director	Alan Hsu	-	-
Wonchang Semiconductor Co.,Ltd.	Representative Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
	Director	Yoo, Hyung-Jin	-	-
	Supervisor	Yang, Shing-Yu	-	-

Name of enterprise	Title	Name or Representative	Shares held	
			Number of shares	Shareholding percentage
WT Technology Korea Co., Ltd.	Representative Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
	Director	Yoo, Hyung-Jin	-	-
	Supervisor	Yang, Shing-Yu	-	-
MSD Holdings Pte. Ltd.	Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
Lacewood International Corp.	Director	Cheng, Wen-Tsung	-	-
Analog World Co., Ltd.	Representative Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
	Director	Yoo, Hyung-Jin	-	-
	Supervisor	Yang, Shing-Yu	-	-
WT Semiconductor Holdings Pte. Ltd.	Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
	Director	Phuay Yong Hen	24,079,728	20.00
Brillnics (Taiwan) Inc.	Chairman	Juristic person representative of Brillnics (HK) Limited. Cheng, Wen-Tsung	-	-
	Director	Juristic person representative of Brillnics (HK) Limited Hsu, Wen-Hung	-	-
	Director	Juristic person representative of Brillnics (HK) Limited Wu, Shou-Guo	-	-
Brillnics Inc.	Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
	Director	Wu, Shou-Guo	-	-
Brillnics Singapore Pte. Ltd.	Director	Cheng, Wen-Tsung	-	-
Brillnics(HK) Limited	Director	Cheng, Wen-Tsung	-	-
Brillnics Japan Inc.	Representative Director	Isao Takayanagi	-	-
	Director	Cheng, Wen-Tsung	-	-
	Director	Wu, Shou-Guo	-	-
	Supervisor	Yang, Shing-Yu	-	-
Excelpoint Technology Pte. Ltd.	Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
	Director	Phuay Yong Hen	-	-
Excelpoint Systems (Pte) Ltd	Director	Phuay Yong Hen	-	-
	Director	Han Jiak Siew	-	-

Name of enterprise	Title	Name or Representative	Shares held	
			Number of shares	Shareholding percentage
Planetspark Pte. Ltd.	Director	Phuay Yong Hen	-	-
	Director	Phuay Yong Choon	-	-
	Director	Chan Tung Hong	-	-
	Director	Phuay Li Ying	-	-
Excelpoint Systems (H.K.) Limited	Director	Phuay Yong Hen	-	-
	Director	Fu Man Yan	-	-
	Director	Phuay Yong Hua	-	-
	Director	Phuay Yong Choon	-	-
Excelpoint Systems Vietnam Company Limited	Director	Chan Tung Hong	-	-
	Director	Phuay Yong Hua	-	-
	Director	Dang Hoang Tung	-	-
Excelpoint Systems Sdn. Bhd.	Director	Phuay Yong Hen	-	-
	Director	Tiew Sok Hoon	-	-
Excelpoint Systems (India) Pvt Ltd	Director	Phuay Yong Hua	-	-
	Director	Nitin Watts	-	-
Excelpoint Systems (USA) Inc.	Director	Phuay Yong Choon	-	-
	Director	Chan Tung Hong	-	-
Excelpoint International Trading (Shanghai) Co., Ltd.	Chairman	Phuay Yong Hen	-	-
	Director	Phuay Yong Choon	-	-
	Director	Tan Jin Tiong	-	-
	Supervisor	Phuay Yong Hua	-	-
Synergy Electronics (H.K.) Limited	Director	Phuay Yong Hen	-	-
	Director	Phuay Yong Choon	-	-
	Director	Phuay Yong Hua	-	-
	Director	Fu Man Yan	-	-
Synergy Electronics (Shenzhen) Co., Ltd.	Chairman	Phuay Yong Hen	-	-
	Vice Chairman	Tan Jin Tiong	-	-
	Director	Phuay Yong Choon	-	-

(VI) Affiliated enterprises' operational review:

Unit: NT\$ thousand

Name of enterprise	Capital	Total Assets	Total liabilities	Net worth	Operating Revenue	Operating Profit	Current profit and loss (After tax)	Earnings per share (NT\$) (After tax)
Wintech Microelectronics Holding Limited	2,427,047	10,224,773	0	10,224,773	0	(404)	511,759	6
WT Microelectronics Singapore Pte. Ltd.	34,320	2,084,850	1,929,964	154,886	8,429,536	135,512	120,445	80
Milestone Investment Co., Ltd.	45,000	95,538	65	95,473	0	(79)	4,057	1
Promising Investment Limited	940,724	1,145,482	158,615	986,867	0	(348)	365,073	12
Wintech Microelectronics Ltd.	92,133	7,218,698	7,218,627	71	19,310,145	20,937	(56,358)	(19)
Wintech Investment Co., Ltd.	645,554	988,728	0	988,728	0	(62)	149,210	7
WT Microelectronics (Hong Kong) Limited	384,724	10,050,582	9,554,178	496,404	48,512,764	388,933	257,285	21
Nino Capital Co., Ltd.	9,551	32,551	0	32,551	0	0	(1)	0
Rich Web Ltd.	705,545	868,618	0	868,618	0	0	1,199	0
WT Technology (H.K.) Limited	3,938	4,779	(113)	4,891	0	(86)	19	0
Shanghai WT Microelectronics Co., Ltd.	9,213	51,114	18,641	32,473	77,347	(2,652)	0	0
WT Microelectronics (Shenzhen) Co., Ltd.	700,964	3,712,656	2,844,171	868,484	7,533,332	154,829	1,199	0
WT Microelectronics(Malaysia)Sdn.,Bhd.	3,481	2,962	559	2,403	9,482	218	449	1
Wintech Microelectronics Limited	154	6	0	6	0	0	0	0
WT Microelectronics (Thailand) Limited.	2,668	2,818	985	1,832	12,168	38	36	0
WT Microelectronics India Private Limited.	2,660	5,273	4,662	611	26,285	1,632	613	1
SinYie Investment Co., Ltd.	29,000	42,936	7,613	35,322	0	(46)	(46)	0
Nuvision Technology Inc.	282,424	8,705,588	7,453,777	1,251,811	24,010,401	997,463	463,229	16
WT Microelectronics (Shanghai) Co., Ltd.	1,079,457	8,134,792	6,594,442	1,540,350	15,147,660	312,838	64,933	0
WT Technology Pte.Ltd.	153,550	2,046,669	1,890,430	156,239	11,759,514	21,633	1,162	0
Maxtek Technology Co., Ltd.	702,203	2,548,626	722,837	1,825,789	5,711,195	21,483	451,318	6
Hongtech Electronics Co., Ltd.	115,000	2,355,813	1,863,074	492,739	7,818,167	469,424	284,383	25
Lacewood International Corp.	90,595	91,870	13	91,857	8	(33)	732	25
WT Solomon QCE Limited	433,180	4,047,024	3,574,742	472,282	16,966,191	296,974	240,590	2
Morrihan International Corp.	2,837,600	36,364,550	30,574,282	5,789,329	221,643,759	2,810,480	2,170,941	8

Name of enterprise	Capital	Total Assets	Total liabilities	Net worth	Operating Revenue	Operating Profit	Current profit and loss (After tax)	Earnings per share (NT\$) (After tax)
Asia Latest Technology Limited	34,395	44,770	0	44,770	0	0	655	1
WT Microelectronics (Shanghai) Technology Co., Ltd.	40,844	32,414	(12,346)	44,760	0	(460)	655	0
BSI Semiconductor Pte. Ltd.	172,607	570,542	550	569,991	0	(140)	13,703	2
Morrihan Singapore Pte. Ltd.	217,360	3,789,742	2,653,517	1,136,225	45,021,046	623,717	456,564	48
Wonchang Semiconductor Co., Ltd.	12,964	326,725	106,102	220,623	659,380	27,060	9,457	177
WT Technology Korea Co., Ltd.	48,223	1,239,861	616,052	623,808	3,830,646	60,337	56,373	14
Techmosa International Inc.	739,491	5,152,435	3,060,664	2,091,770	7,797,463	477,621	726,032	10
MSD Holdings Pte. Ltd.	6,142	97,901	196	97,705	0	(80)	713	4
Analog World Co., Ltd.	14,538	595,348	219,956	375,393	1,535,505	75,320	35,831	299
Brillnics Inc.	1,780,182	174,245	(20,294)	194,539	0	(878)	(103,574)	(1)
Brillnics (HK) Limited	1,965,839	220,284	50,880	169,404	700,356	(93,598)	(87,323)	(1)
Brillnics Singapore Pte. Ltd.	10,749	5,624	2,911	2,713	0	(15,312)	(15,390)	(21)
Brillnics Japan Inc.	23,240	74,181	53,454	20,726	228,292	3,195	1,849	18
Brillnics (Taiwan) Inc.	16,694	55,210	26,241	28,969	141,304	6,723	4,450	3
Wt Semiconductor Holdings Pte. Ltd.	5,089,844	5,131,924	0	5,131,924	0	(575)	39,994	0
Shi Hui Electronics (Shenzhen) Co., Ltd.	7,876	332,166	634,425	(302,259)	599,430	34,804	2,627	0
Excelpoint International Trading (Shanghai) Co., Ltd.	46,065	1,765,282	1,329,593	435,689	2,234,140	(26,381)	(253,108)	0
Excelpoint Technology Pte. Ltd.	1,431,480	18,222,542	14,640,193	3,582,349	45,727,871	831,776	449,923	4
Excelpoint Systems (H.K.) Limited	377,173	11,172,822	8,630,906	2,541,916	21,846,795	796,701	415,082	15
Excelpoint Systems (Pte) Ltd	290,830	6,709,918	5,812,509	897,409	22,430,230	199,464	56,103	5
Planetspark Pte. Ltd.	92,130	136,863	123,879	12,984	955	(55,661)	(34,902)	(12)
Excelpoint Systems Sdn. Bhd.	1	5,884	3,048	2,836	0	733	639	6,390
Excelpoint Systems (India) Pvt Ltd	190	76,189	149,243	(73,054)	23,958	3,741	2,542	51
Excelpoint Systems (USA) Inc.	31	6,485	5,418	1,067	0	443	302	302
Excelpoint Systems Vietnam Company Limited	9,213	0	0	0	0	0	0	0
Synergy Electronics (H.K.) Limited	3,071	9,349	6,058	3,291	6,594	348	341	3

Note: The financial statements have been audited or reviewed by an independent auditor in 2022; the balance sheet is translated using the spot exchange rate at year-end, while P&L is translated using the YTD average spot exchange rate.

(VII) Consolidated financial declaration statement of affiliated enterprises and consolidated financial statement: Please refer to page 223 to page 331.

(VIII)Affiliation report: N/A.

II. Private placement of securities in the most recent fiscal year and as of the printing date of the annual report

None.

III. Holding or disposal of stocks of the Company by subsidiaries in the most recent fiscal year and up to the date of report

None.

IV. Other matters that require additional description

None.

V. Supplementary information disclosure

The Group's Key Performance Indicators:

(I)Financial indicators:

Indicator	Formula	Target KPI	2021	2022
Debts Ratio	Total Liabilities / Total Equity	<275%	222%	264%
Current ratio	Current Assets / Current Liabilities	>110%	135%	147%

(II)Performance indicators:

Indicator	Formula	Target KPI	2021	2022
Average days of collection	365 / Average Collection Turnover	90	56	52
Average days of sales	365 / Average Inventory Turnover	60	47	52

Chapter 9. Matters, if any, that may affect shareholders' equity or securities price as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the most recent year and as of the printing date of the annual report

Please refer to the important resolutions of the shareholders' meeting and the Board of Directors meeting in the most recent year up to the printing date of the annual report.

WT Microelectronics Co., Ltd.

Chairman: Cheng, Wen-Tsung