

**Stock Code : 3036**

# **WT Microelectronics Co., Ltd.**

## **2023 Annual Report**

Printed Date: April 18, 2024

Annual Report is available at

Company Website: <http://www.wtmec.com>

Market Observation Post System: <http://mops.twse.com.tw>

This is a translation of the 2023 annual report (The “annual report”) of WT Microelectronics Co., Ltd. (The “Company”). This translation is intended for reference only and nothing else, The Company hereby disclaims any and all liabilities whatsoever for the translation. The Chinese text of the annual report shall govern any and all matters related to the interpretation of the subject matter stated herein.

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Website: <http://www.gfortune.com.tw>

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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:**

Name of CPA: Hsu, Sheng-Chung CPA and Hsu, Chieh-Ju CPA

Accounting firm name: PricewaterhouseCoopers Taiwan

Address: 27F, No. 333, Sec. 1, Keelung Rd., Xinyi District, Taipei City

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

Global Depository Receipts: Luxembourg Stock Exchange

Website: <https://www.luxse.com/issuer/WTMicroelectron/107935>

**VI. Company website:**

<http://www.wtmec.com>

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# Chapter 1. Report to Shareholders

Dear Shareholders:

The Group's net consolidated operating revenue in 2023 was NT\$594,518,813 thousand, reflecting a 4.08% growth compared with NT\$571,197,118 thousand in 2022. Our profit for the year in 2023 was NT\$3,978,834 thousand, down 47.65% compared to the NT\$7,600,364 thousand in 2022. 2023 was a challenging year for the global semiconductor industry. The weak overall global economic environment, high inflation and high interest rates have intensified and extended the global semiconductor inventory adjustment cycle. Despite the challenges posed by the macro environment, the Company has demonstrated strong resilience. Application areas such as automotive and datacenter achieved revenue growth, but this growth was partially offset by revenue decline in application areas such as industrial and instrument, communication, personal computer, and mobile phone.

The Group's 2023 business overview and 2024 business plan summary report are as follows:

## I. 2023 Business Report

1. Business plan implementation results:

Unit: NT\$ thousands

Item	2022	2023	Increase/ (decrease)	Rate of change %
Operating Revenue	571,197,118	594,518,813	23,321,695	4.08
Operating Profit	11,782,617	8,199,923	(3,582,694)	(30.41)
Profit for the year	7,600,364	3,978,834	(3,621,530)	(47.65)

2. Financial revenue and expenditure and profitability analysis:

Item		2022	2023
Financial structure	Debt to asset ratio (%)	72.54	72.87
	Long-term funds to fixed assets ratio(%)	7,739.27	6,914.38
Liquidity	Current ratio (%)	147.14	134.21
	Quick ratio (%)	73.92	79.62
Profitability	Return on assets (%)	4.68	2.47
	Return on equity (%)	13.97	6.27
	Net profit margin (%)	1.33	0.67
	Earnings per share (NT\$) (Note)	8.61	4.24

Note: Based on weighted average outstanding shares in each year.

3. Research and development status:

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

performance computing processors, and the adoption of artificial intelligence to significantly enhance computing performance, together with the introduction of New Generation Wide Band Gap semiconductor components and the rapid deployment and development of 5G communication, have led to new emerging markets such as new energy vehicles, open RAN, and edge computing. The changes in market demand require new applications: advanced driver assistance systems, 5G base stations, metaoptics, 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 carrying key components, such as high performance x86 processors, neural embedded system image processors, high performance radio frequency components, single point infrared laser sensing components, multiple point far infrared sensing components, 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 considerable 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 to enhance the overall depth and quality of research and development. We will continue to work with world-class IC designers to provide high-quality technical services and total solutions to customers. Research and development expenditures over the last three years are shown below:

Unit: NT\$ thousands

Item	2021	2022	2023
Net operating revenue	447,896,117	571,197,118	594,518,813
R&D expenses	608,561	654,845	755,450
R&D expenses as a percentage of revenue	0.14%	0.11%	0.13%

## II. 2024 Business Plan Summary

### 1. Business strategy:

- (1) "Professionalism, integrity, and sustainable management" is the Group's business philosophy.
- (2) The Group's consistent service tenet is to "provide support to downstream customers to shorten their R&D cycle and increase their competitiveness, and to assist upstream suppliers in product promotion and marketing".
- (3) Focus on performance and efficiency to form a resilient and effective management team.
- (4) Monitor market trends and provide customers with technology-driven services.

### 2. Expected sales volume and its basis:

The Group's primary sales products consist of various electronic components. Due to the

wide variety of products and large variation in unit prices, using sales volume as a metric for measurement is not appropriate. 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 sales policies:

- (1) Introducing new product lines and expanding new application markets: According to the long-term strategy, the Company will optimize product portfolios by introducing new product lines that meet the market demand and have high profitability, strengthen product and market planning ability, refine strategies for rapidly growing new application markets, and increase the shipment portion in automotive electronics, industrial control, green energy, energy management, medical devices, 5G related applications, cloud datacenter, and smart Internet of Things. This will enable us to continuously improve our product mix and profitability.
- (2) Improving customer penetration and expansion: The Company will optimize its management capability to increase product penetration for existing clients and explore opportunities for new applications with both existing and new high-quality clients. Particularly in strategic areas such as automotive electronics, industrial control, 5G-related applications, and cloud data centers, we will strive to establish closer partnerships with industry leaders. The Company will also provide quality technical support and total application solutions, help them to promote their products to the market more efficiently, and maintain a long-term relationship with new clients through constructive interactions.
- (3) Improving value-added services and service quality: The Company will continue its enterprise digital optimization efforts and improve service quality for suppliers and customers through digital operational processes and data analysis. The Company will also help suppliers to create demand through solid customer relationships and a quick response to the market, as well as increasing the added value of products and overall profitability through strong technical support for clients' development of new products.
- (4) Effectively responding to changes in the macroeconomic environment: Changes in the global economic condition, exchange rate fluctuations, shifts in government-led economic and financial policies, unexpected global public health events, and climate change all affect the Group's financial and business operations and management. Therefore, in order to maintain the Group's competitiveness in the market, the capabilities in inventory management, customer payment terms, accounts receivables, exchange rate hedging, and cash flow must also be improved. The organization and business activities must be adjusted as needed to address these diverse changes.

### **III. The Group's Future Development Strategy**

In order to cope with the global industrial division, improve overall competitiveness, and continue to increase the return on working capital and the return on equity, the Group's strategies include the following: firstly, focusing on the Group's long-term development and adapting to

industry demands and technology trends to introduce new product lines and enter new application areas in a timely manner; secondly, strengthening the mix of customers, product lines, and applications to reduce the risk of being affected by changes in a single factor; thirdly, increasing the value added to upstream suppliers and downstream customers; fourthly, through mergers and acquisitions to integrate resources of peers in order to create synergies that will reduce operating costs and enhance economies of scale. The Group aims to become an international professional semiconductor components distributor, as well as to build a comprehensive service network through a comprehensive sales and marketing system. While actively increasing market share and expanding revenue scale in accordance with the principles of "professionalism, integrity, and sustainable management", we will continue to pursue the best interests of shareholders, employees, and customers with the support from all employees and shareholders.

For the support from 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 of industry 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 surplus 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 surplus 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.
  - Had a cash capital increase of NT\$100 million and a capital increase of NT\$136 million out of surplus 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 warrants 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 surplus 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 warrants 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 surplus 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 warrants 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 warrants 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 warrants 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 warrants 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 surplus 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 warrants 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 surplus 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 warrants 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 warrants 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 warrants 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 surplus 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 warrants 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 warrants 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 warrants were converted into a share capital of NT\$4.92 million, with a total capital of NT\$2.08520 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 warrants 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 warrants 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 surplus earnings and employee bonus, with a total capital of NT\$2.27234 billion.
- The employee stock warrants 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 warrants 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 billion.
- 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 surplus 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 warrants were converted into a share capital of NT\$16.7 million, with a total capital of NT\$2.51917 billion.
  - The employee stock warrants 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 surplus 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 warrants were converted into a share capital of NT\$2.73 million, with a total capital of NT\$2.87582 billion.
  - The employee stock warrants 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 warrants were converted into a share capital of NT\$5.3 million, with a total capital of NT\$3.29204 billion.
  - The employee stock warrants 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 surplus earnings, with a total capital of NT\$3.3653 billion.
  - The employee stock warrants 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 warrants 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 surplus 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 surplus 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 to 文擘領科（上海）投資有限公司 and its English name is 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, and Outstanding MM Growth WT Asia  
Asia, 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 surplus 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\$1.710 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\$1.350 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 Winbond Electronics Corporation's 2020 Best PM.
- 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 restricted employee shares of NT\$29.92 million, with a total capital of NT\$9.26224 billion.
  - Ranked top 500 High-growth Companies Asia Pacific by Financial Times and Nikkei Asia in 2021.
  - 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 top 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 canceled 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 canceled 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.
  - Awarded the Nuvoton Technology Corp's 2021 Top Sales Award.
  - Awarded the Smartsens' 2021 Best Distributor 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 canceled 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 top 10% of listed electronics companies worth over NT\$10 billion.

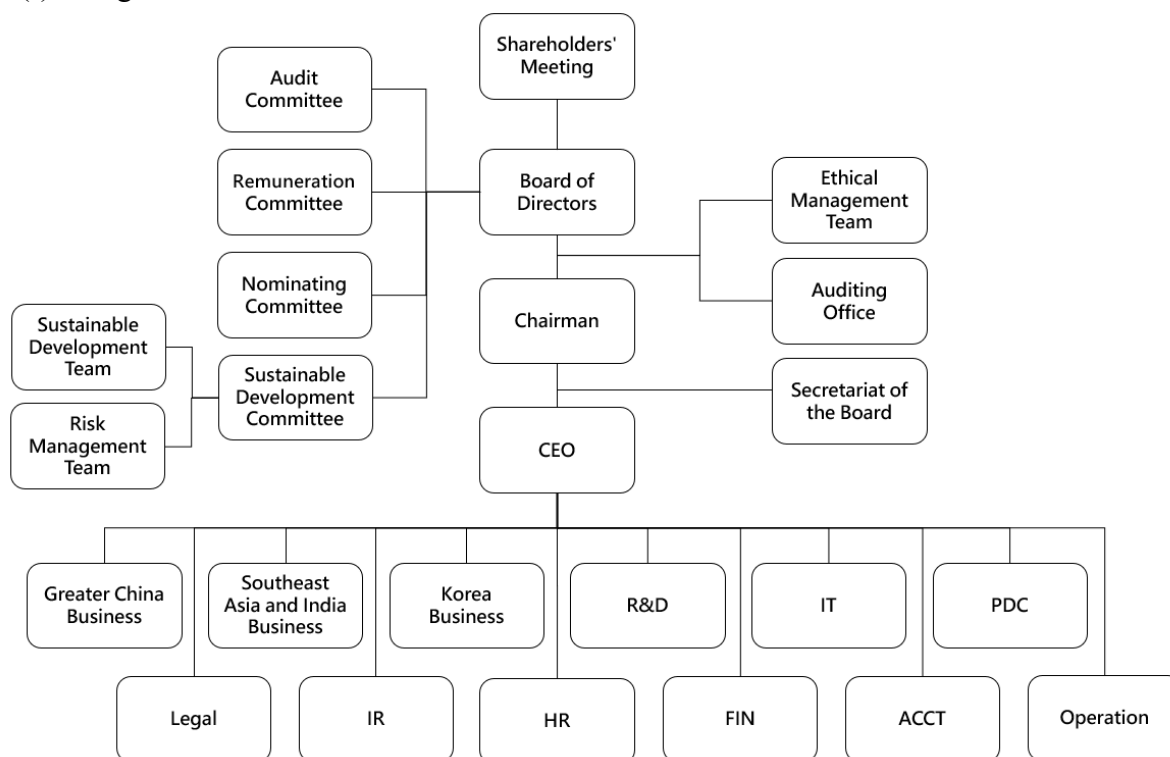
- Convertible corporate bonds converted share capital of NT\$28.88 million, and canceled restricted employee shares reduced capital by NT\$330 thousand, for a total capital of NT\$9.40650 billion.
  - Initially issued global depository receipts for a cash capital increase of NT\$780 million, with a total capital of NT\$10.18650 billion.
  - Canceled new restricted employee shares to decrease share capital by NT\$700 thousand, with a total capital of NT\$10.18580 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.
  - Renamed the subsidiary, Excelpoint Technology Ltd., to Excelpoint Technology Pte. Ltd.
  - Canceled new restricted employee shares to decrease share capital by NT\$500 thousand, with a total capital of NT\$10.18530 billion.
  - The subsidiary, Morrihan International Trading, changed its Chinese name to Well Tech (Shanghai) Technical Services Co., Ltd.
  - In response to the adjustment of the group's organizational structure, all shares of WT Microelectronics (Hong Kong) Co., Ltd., WT Solomon QCE Limited, WT Technology Pte. Ltd., WT Microelectronics Singapore Pte. Ltd., and Hong Kong WT Microelectronics Co., Ltd. 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 Distributor Award.
  - Obtained the BSI 2021 greenhouse gas emissions verification 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 system certifications.
- 2023
- Canceled new restricted employee shares to decrease share capital by NT\$290 thousand, with a total capital of NT\$10.18501 billion.
  - Acquired 100% of all shares of the subsidiary Nuvision Technology Inc. converted by cash consideration.

- Ranked in the top 5% of listed companies in the 9th Corporate Governance Evaluation in 2022 and the top 10% of listed electronics companies worth over NT\$10 billion.
  - Canceled new restricted employee shares to decrease share capital by NT\$190 thousand, and employee stock warrants were converted into a share capital of NT\$30.45 million, with a total capital of NT\$10.21527 billion.
  - Canceled new restricted employee shares to decrease share capital by NT\$160 thousand, and employee stock warrants were converted into a share capital of NT\$2.86 million, with a total capital of NT\$10.21797 billion.
  - Awarded Sercomm Corporation's 2022 Excellent Supplier Award.
  - Canceled new restricted employee shares to decrease share capital by NT\$600 thousand, and employee stock warrants were converted into a share capital of NT\$5.65 million, with a total capital of NT\$10.22302 billion.
  - Increased the capital of the subsidiary, Morrihan International Corp. by NT\$12 billion in cash.
  - Awarded the 2023 Private Green Procurement Performance Excellence Award by the Environmental Protection Department, New Taipei City Government.
  - Awarded Renesas' 2023 Entrepreneurial Award.
  - Awarded Wistron Corporation's 2023 Q3 & Q4 Best Distributor Award.
  - Awarded GIGABYTE's 2023 Best Agent award.
  - Awarded the Diodes Inc. Best Distributor Award.
  - Awarded the ST 2023 Best Performance Gold Award, Best Transformation, and Best Industrial – Power & Energy awards.
  - Awarded NXP's 2023 Top Demand Creation Distributor.
  - Awarded Orient Semiconductor Electronics Limited's 2023 Excellent Supplier.
  - Awarded Askey Computer Corp. 2023 Excellent Supplier.
  - Awarded the Intel 2023 Partner Award - Breakthrough Innovation Distributor.
  - Awarded SENAIO The Best Partner of year 2023.
  - Ranked among the Top 5000 large-scale enterprises surveys in Taiwan conducted by the China Credit Information Service in 2023: Ranked 1st in the electronic component wholesale industry, 2nd in service industry revenue, and 15th in revenue among companies in mixed industries.
  - Ranked 4th in the service industry in Commonwealth Magazine's 2023 Top 2000 Business Survey, 1st in the information, communication and IC channel category, and 17th in the service industry's most profitable companies category.
  - Awarded MPS's 2023 Excellent Progressive Agent in China award.
  - Awarded ONSEMI 2023 Taiwan outstanding design - Win customer count.
- 2024
- Cash capital increase of NT\$1.35 billion, with a total capital of NT\$11.57302 billion.
  - Canceled new restricted employee shares to decrease share capital by NT\$140 thousand, and employee stock warrants were converted into a share capital of NT\$6.54 million, with a total capital of NT\$11.57942 billion.
  - The Company established a new Canadian joint venture, WT Morrihan Investment Limited, with its subsidiary Morrihan International Corp.
  - Awarded Foxconn's 50th Anniversary Best Supplier.
  - The Company and its subsidiary Morrihan International Corp. increased their investment in the subsidiary WT Morrihan Investment Limited by US\$3.8 billion, and acquired all shares of Future Electronics Inc. in cash through WT Morrihan .

## 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.
Secretariat of the Board	Responsible for providing resources or assistance required by the Board of Directors and functional committees to perform their duties, handling matters related to the Board of Directors, functional committees and shareholders' meetings, implementing corporate governance, and handling stock affairs operations.
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, 2024 Unit: shares

Job Title	Nationality or place of registration	Name	Gender/ Age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at the time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship within the second degree			Remarks		
							Number of common shares	Shareholding ratio	Number of common shares	Shareholding ratio (Note 1)	Number of common shares	Shareholding ratio (Note 1)	Number of common shares	Shareholding ratio (Note 1)			Number of preferred shares	Shareholding ratio (Note 1)	Title		Name	Relationship
Chairman	ROC	Cheng, Wen-Tsung	Male/ 51-60	2022.05.20	3 years	1994.11.11	28,177,112	3.50%	25,112,112	2.44%	4,865,143	0.47%	106,450,298 (Note 2)	10.33%	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, Shaoyang Investment Co., Ltd. Director, WT Microelectronics (Hong Kong) Limited Director, Promising Investment Limited Supervisor, Wen You Investment Co., Ltd. Supervisor, Tang Ye Investment Co., Ltd. Supervisor, Shao Cheng Investment Co., Ltd. Supervisor, Shao Chi Cheng Co., Ltd. Director, WT Technology (H.K.) Limited Director, WT Technology Pte. Ltd. Director, WT Microelectronics Singapore Pte. Ltd. Director, Wintech Microelectronics Ltd. Director, Wintech Microelectronics Holding Limited Director, Wintech Investment Co., Ltd. Director, WT Microelectronics (Malaysia) Sdn. Bhd. Director, WT Solomon QCE Limited Representative Director, Wonchang Semiconductor Co., Ltd.	Director and Senior Vice President	Hsu, Wen-Hung	Spouse	Note 3		
							0	0%	0	0%	0	0%	0	0%								

Job Title	Nationality or place of registration	Name	Gender/ Age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at the time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							Number of common shares	Shareholding ratio	Number of common shares	Shareholding ratio (Note 1)	Number of common shares	Shareholding ratio (Note 1)	Number of common shares	Shareholding ratio (Note 1)			Title	Name	Relationship	
															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 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. Representative Director, Leader's Technology Co., Ltd.					
Director	ROC	Wen You Investment Co., Ltd.	-	2022.05.20	3 years	2019.06.21	1,359,204	0.17%	3,493,760	0.34%	-	-	-	-	-	-	-	-	-	None
							0	0%	0	0%	-	-	-	-						
Representative of Juristic Person	ROC	Hsu, Wen-Hung	Female/ 51-60	-	-	-	8,435,194	1.05%	4,810,194	0.47%	25,167,061	2.44%	106,450,298 (Note 2)	10.33%	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

Job Title	Nationality or place of registration	Name	Gender/ Age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at the time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							Number of common shares	Shareholding ratio	Number of common shares	Shareholding ratio (Note 1)	Number of common shares	Shareholding ratio (Note 1)	Number of common shares	Shareholding ratio (Note 1)			Title	Name	Relationship	
							Number of preferred shares		Number of preferred shares		Number of preferred shares		Number of preferred 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. Chairman, Wen You Investment Co., Ltd. Chairman, Tang Ye Investment Co., Ltd. Supervisor, Shaoyang Investment Co., Ltd. Chairman, Shao Cheng Investment Co., Ltd. Chairman, Shao Chi Cheng Co., Ltd. Director, Brillnics Inc. Director, Brillnics (Taiwan) Inc. Director, WT Semiconductor Holdings Pte. Ltd. Director, Excelpoint Technology Pte. Ltd. Director, PharmaEngine Inc. Director, Leader's Technology Co., Ltd. Director, Daypower Energy Co., Ltd.				
Director	ROC	ASMedia Technology Inc.	-	2022.05.20	3 years	2022.05.20	171,000,000	21.23%	188,720,421	18.31%	-	-	-	-		-	-	-	None	
							8,000,000	5.93%	8,000,000	5.93%	-	-	-	-						
Representative of Juristic Person	ROC	Lin, Che-Wei	Male/ 51-60	-	-	-	0	0%	0	0%	0	0%	0	0%	Master, Department of 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%						

Job Title	Nationality or place of registration	Name	Gender/ Age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at the time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							Number of common shares	Shareholding ratio	Number of common shares	Shareholding ratio (Note 1)	Number of common shares	Shareholding ratio (Note 1)	Number of common shares	Shareholding ratio (Note 1)			Title	Name	Relationship	
							Number of preferred shares		Number of preferred shares		Number of preferred shares		Number of preferred shares							
Director	ROC	Sung Kao, Hsin-Ming	Female/ 71-80	2022.05.20	3 years	2009.06.16	4,474,434	0.56%	4,474,434	0.43%	0	0%	0	0%	EMBA, International Business, National Taiwan University Section Head, Electronics Research Institute, Institute for Industrial Research	Chairman and CEO, Markettech International Corp. Chairman, JI-XUAN Investment Corp. Chairman, Everlasting Digital ESG Co., Ltd. Chairman, MarkeTop Smart Solution Co., Ltd. Director, ProbeLeader Co., Ltd. Director, eZoom Information, Inc. Director, ADAT Technology Co., Ltd. Director, Vertex System Corporation Director, Forward Science Corporation Director, Brillian Network & Automation Integrated System Co.,Ltd. Director, Bolite Co., Ltd.	None	None	None	None
							0	0%	0	0%	0	0%	0	0%						
Independent Director	ROC	Cheng, Tien-Chong	Male/ 71-80	2022.05.20	3 years	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-Pacific 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
							0	0%	0	0%	0	0%	0	0%						
Independent Director	ROC	Kung, Ju-Chin	Female/ 51-60	2022.05.20	3 years	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, PricewaterhouseCoopers President and CFO, Cite Media Holding Group CEO and Director, Cite Cultural & Arts Foundation	CFO, TNL Media Group Independent Director, Panram International Corporation Independent Director, CoAsia Electronics Corp. Director, DaEx intelligent Co., Inc. Director, Shida PR Consultants Co., Ltd. Director, S.C. Communication Integrated Marketing Co., Ltd. Director, TNL Media Co., Ltd. Associate Professor, China Industrial & Commercial Research Institute Chairperson, Magazine Business Association of Taipei	None	None	None	None
							0	0%	0	0%	0	0%	0	0%						

Job Title	Nationality or place of registration	Name	Gender/ Age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at the time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							Number of common shares	Shareholding ratio	Number of common shares	Shareholding ratio (Note 1)	Number of common shares	Shareholding ratio (Note 1)	Number of common shares	Shareholding ratio (Note 1)			Title	Name	Relationship	
							Number of preferred shares		Number of preferred shares		Number of preferred shares		Number of preferred shares							
Independent Director	ROC	Ding, Kung-Wha	Male/ 61-70	2022.05.20	3 years	2020.03.27	0	0%	0	0%	430,789	0.04%	0	0%	Master's Degree in of 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 Chairperson of the Financial Supervisory Commission	Independent Director, Energenesis Biomedical Co., Ltd. Independent Director, Steminent Biotherapeutics Inc. Director, Hotung International Co., Ltd. Director, Hotung Investment Holdings Limited	None	None	None	None
							0	0%	0	0%	0	0%	0	0%						
Independent Director	ROC	Chang, Chia-Chi	Male/ 51-60	2023.05.30	3 years	2023.05.30	0	0%	0	0%	0	0%	0	0%	MBA, University of Southern California Chief Financial Officer, Egis Technology Inc. Director, FocalTech Systems Co., Ltd. Executive Vice President, Yuanta Securities Investment Consulting Co., Ltd.	Director, Global Wealth Media Technology Co., Ltd. Director, Global Forest Media Technology Co., Ltd. Director, MISTAKE ENTERTAINMENT Co., Ltd. Director, Yeong Jia Leh Cable TV Co., Ltd. Director, Momo Co., Ltd. Director, GlobalView Cable TV Co., Ltd. Director, Phoenix Cable TV Co., Ltd.	None	None	None	None

Job Title	Nationality or place of registration	Name	Gender/ Age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at the time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							Number of common shares	Shareholding ratio	Number of common shares	Shareholding ratio (Note 1)	Number of common shares	Shareholding ratio (Note 1)	Number of common shares	Shareholding ratio (Note 1)			Title	Name	Relationship	
							0	0%	0	0%	0	0%	0	0%	Director, Citigroup Global Securities Co., Ltd.	Director, Union Cable TV Co., Ltd. Supervisor, Win TV Broadcasting Co. Supervisor, Taiwan Teleservices & Technologies Co., Ltd. Supervisor, Taiwan Fixed Network Co., Ltd. Supervisor, TWM Venture Co., Ltd. Supervisor, TCC Investment Co., Ltd. Supervisor, TFN Union Investment Co., Ltd. Supervisor, Taiwan Digital Service Co., Ltd. Supervisor, Taiwan Cellular Co., Ltd. Supervisor, TCCI Investment and Development Co., Ltd. Supervisor, Wealth Media Technology Co., Ltd. Supervisor, TWM Power CO., LTD. Supervisor, FullSynergy New Retail Co., Ltd. Supervisor, Nada Holdings Corp.				

Note 1: The total number of shares used to calculate the shareholding percentage was based on the number of issued common shares of 1,030,799,151 and the number of preferred shares of 135,000,000 on April 1, 2024.

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: The reason, reasonableness, necessity, and future remedial measures, as well as other related information shall be explained when the same person, spouses, or first-degree relatives serve as Chairman and general manager or its equivalent rank (top manager) (e.g., appointment of additional Independent Directors and requiring the appointment of more than half of the Directors from individuals who are not employees or managers):

The Company's Chairman and president aims to improve operational efficiency and the execution of decisions. To strengthen the Board's independence, the Company is actively training suitable candidates. The responsible unit shall periodically convene meetings to discuss and plan the candidates and cultivation of successors. Furthermore, the Chairman fully communicates the Company's recent condition, plans, and policies with directors to implement corporate governance. The Company currently has the following measures:

1. The Company elected an independent director in the 2023 Annual Shareholders' Meeting, aiming to strengthen the supervisory functions of the Board of Directors. The current four independent directors each specialize in finance, accounting, and the semiconductor industry, allowing them to effectively fulfill their supervisory roles.
2. Arrange directors to participate in professional courses offered by external institutions every year, such as the Securities and Futures Institute, to enhance Board performance.
3. Independent directors can fully discuss and provide recommendations in functional committees to the Board of Directors in implementing corporate governance.
4. 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 corporate shareholders:

January 3, 2024

Name of corporate shareholder	Major shareholders of the corporate shareholder	Shareholding ratio (%)
Wen You Investment Co., Ltd.	Hsu, Wen-Hung	53.71
	Cheng, Hsiang-Hua	42.38
	Cheng, Wen-Tsung	3.91

April 18, 2023

Name of corporate shareholder	Major shareholders of the corporate shareholder	Shareholding ratio (%)
ASMedia Technology Inc.	ASUSTek Computer Inc.	35.26
	WT Microelectronics Co. Ltd.	12.97
	Hua Cheng Venture Capital Co., Ltd.	7.09
	Hua Min Investment Co., Ltd.	3.46
	Nan Shan Life Insurance Co., Ltd.	3.07
	Cathay Life Insurance Co., Ltd.	2.93
	Norges Bank Investment Corp. Equity managed by Citibank	1.50
	Lin, Che-Wei	1.13
	The Government of Singapore Investment Corp. Equity managed by Citibank.	1.11
	Point72 Asset Management Equity managed by HSBC	1.08

3. The Major Shareholders of the Major Shareholders Listed above are Corporate/Juristic Person :

April 11, 2023

Name of corporate/juristic person	Major shareholders of the corporate/juristic person	Shareholding ratio (%)
ASUSTek Computer Inc.	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	4.94
	Jonney Shi	4.05
	Silchester International Investors International Value Equity Trust	3.41
	Cathay United Bank managed Expert Union Limited Investment account	2.78
	ASUS's Certificate of Depository with CitiBank (Taiwan)	2.64
	Yuanta Taiwan High Dividend Fund Account	2.44
	New Labor Pension Fund	2.08

Name of corporate/juristic person	Major shareholders of the corporate/juristic person	Shareholding ratio (%)
	Silchester International Investors International Value Equity Group Trust	1.43
	Fubon Life Insurance Co., Ltd.	1.35
	Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	1.32

September 30, 2023

Name of corporate/juristic person	Major shareholders of the corporate/juristic person	Shareholding ratio (%)
Hua Chen Venture Capital Co., Ltd.	ASUSTek Computer Inc.	100.00

September 30, 2023

Name of corporate/juristic person	Major shareholders of the corporate/juristic person	Shareholding ratio (%)
Hua Min Investment Co., Ltd.	ASUSTek Computer Inc.	100.00

March 31, 2023

Name of corporate/juristic person	Major shareholders of the corporate/juristic person	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
	RUEN TAI SHING Co., Ltd.	0.97
	Ruentex Development Co.,Ltd.	0.23
	Ruentex Industries Ltd.	0.21
	Yen Sin Corporation	0.16
	Ruentex Leasing Co., Ltd.	0.12
	Chi-Pin Investment Company	0.11
Pan City Co., Ltd.	0.09	

March, 2023

Name of corporate/juristic person	Major shareholders of the corporate/juristic person	Shareholding ratio (%)
Cathay Life Insurance Co., Ltd.	Cathay Financial Holding Co. Ltd.	100.00



4. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors (including Independent Directors)

April 18, 2024

Qualifications Position Name	Professional qualifications and experience (Note 1, 2)	Independence analysis (Note 3)	No. of other public companies at which the person concurrently serves as an independent director
<p><b>Chairman</b> Cheng, Wen-Tsung</p>	<p>Founder of WT Microelectronics Co., Ltd., possesses experience in establishing and managing a public issuing company and the management capabilities for an international company with 30 years of experience in semiconductor component industry management and strategy. Proficient in 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><b>Director</b> Wen You Investment Co., Ltd. Company representative: Hsu, Wen-Hung</p>	<p>Bringing experience in establishing and managing a public company and the management capabilities for an international company. Possessing expertise in finance, business management, and corporate governance, capable of providing timely suggestions of corporate governance and operational management to the Company's Board of Directors.</p>	<p>(6)(8)(9)(11)</p>	<p>0</p>
<p><b>Director</b> ASMedia Technology Inc. Company representative: Lin, Che-Wei</p>	<p>Director and President of ASMedia Technology Inc. Once served as Vice President of VIA Technologies. Bringing experience in managing public companies and the management capabilities for an international company, with many years of service in electronics-related industries. Possessing 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><b>Director</b> Sung Kao, Hsin-Ming</p>	<p>Founder of Markettech International Corp. Once held the position of Section Head, Electronics Research Institute, Institute for Industrial Research. Bringing 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 possessing 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><b>Independent Director</b> 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. Bringing experience in managing international companies and has been working in the semiconductors industry for over 40 years. 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. Currently serving as the Chairman of Aurotek Corporation.</p>	<p>(1)(2)(3)(4)(5) (6)(7)(8)(9) (10)(11)(12)</p>	<p>1</p>
<p><b>Independent Director</b> Kung, Ju-Chin</p>	<p>Possessing 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. Possessing a professional background in accounting and extensive practical experience. Currently serving as the CFO of TNL Media Group and Chairperson of the Media Business Association of Taipei.</p>	<p>(1)(2)(3)(4)(5) (6)(7)(8)(9) (10)(11)(12)</p>	<p>2</p>
<p><b>Independent Director</b> Ding, Kung-Wha</p>	<p>Once held the positions of Chairman of the Financial Supervisory Commission, Chairman of the Taipei Exchange, and Chairman of the Securities &amp; Futures Institute and Taiwan Depository &amp; Clearing Corporation. Possessing 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.</p>	<p>(1)(2)(3)(4)(5) (6)(7)(8)(9) (10)(11)(12) (Note 4)</p>	<p>2</p>
<p><b>Independent Director</b> Chang, Chia-Chi</p>	<p>Once served as a Director of Citigroup Global Securities and an Executive Vice President of Yuanta Securities Investment Consulting. Possessing macro-thinking and professional knowledge in the securities industry and has obtained a CFA license. In addition, served as the Chief Financial Officer of the semiconductor company Egis Technology Inc. and a Director of FocalTech Systems Co., Ltd. Having practical experience in finance and operation management of publicly listed companies. Currently serving as the Vice President and Chief Financial Officer of Taiwan Mobile Co., Ltd.</p>	<p>(1)(2)(3)(4) (5)(6)(7)(8)(9) (10)(11)(12)</p>	<p>0</p>

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: 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 vice presidents, and managers of each department and branch:

Note 3: The Independent Directors shall explain their compliance of independence, including, but not limited to, whether the person, person's spouse, or their relatives within the second degree of kinship serve as Directors, Supervisors, or employees of the Company or its affiliates. The shareholdings of the person, person's spouse, or relative within the second degree of kinship (or using the name of others) and the ratio. Whether the person serves as a Director, Supervisor, or employee of companies with specific relationships with the Company (refer to Items 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). The remuneration received for providing business, legal, financial, or accounting services to the Company or its affiliated enterprises in the most recent 2 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 Independent Directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.).
- (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 number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a Director or Supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act (except if the Independent Directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (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 (except if the Independent Directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (7) The chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are neither the same person nor spouses: a Director (or governor), Supervisor, or employee of that other company or institution. (except if the Independent Directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (8) Not a Director, Supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (except if a specified company holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company, and the Independent Directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (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; provided, this restriction does not apply to members of the Remuneration Committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not relationship spouse 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 430,789 common shares, accounting for 0.04% of shareholdings. The total number of shares used to calculate the shareholding percentage was based on the total number of outstanding common shares of 1,030,799,151 on April 1, 2024.

## 5. Diversity and Independence of the Board of Directors:

### (1) Diversity of the Board of Directors:

The election of the Company's directors adopts a "candidate nomination system". The "Nomination Committee" was established on November 14, 2023, and is responsible for selecting and reviewing suitable candidates for Directors, evaluating the independence of Independent Directors, and proposing a list of candidates to the Board of Directors for election by the Shareholders' Meeting. Furthermore, the Company has stipulated in Article 20 of the Corporate Governance Best Practice Principles that the composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that Directors concurrently serving as the Company officers not exceed one-third of the total number of the Board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

- I. Basic requirements and values: Gender, age, nationality, culture; it is advisable that the number of female directors account for at least one-third of all the directors.
- II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

- I. Ability to make operational judgments.
- II. Ability to perform accounting and financial analysis.
- III. Ability to conduct management administration.
- IV. Ability to conduct crisis management.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Ability to lead.
- VIII. Ability to make policy decisions.

Implementation of the diversity policy is as follows:

#### ■ Basic composition:

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

■ Professional background, knowledge and skills:

Diversification Item	Professional background				Professional knowledge and skills						
	Accounting	Industry	Finance	Technology	Ability to make operational judgments	Ability to conduct management administration.	Ability to lead and make policy decisions	Knowledge of the industry	An international market perspective	Ability to perform accounting and financial analysis	Ability to conduct crisis management
Name of director											
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
Chang, Chia-Chi	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 8 Directors, including 4 Independent Directors, 3 female Directors and 2 employees serving as directors (accounting for 50%, 37.5%, and 25% of the directors, respectively). Among the Directors, the Chairman of the Board, Cheng, Wen-Tsung, and Director Hsu, Wen-Hung are spouses. The remaining 6 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, 2024

Job Title	Nationality	Name	Gender	Date of appointment to position (Note 1)	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					Number of common shares	Shareholding ratio (Note 2)	Number of common shares	Shareholding ratio (Note 2)	Number of common shares	Shareholding ratio (Note 2)			Job Title	Name	Relationship	
President	ROC	Cheng, Wen-Tsung	Male	1993.12.23	25,112,112	2.44%	4,865,143	0.47%	106,450,298 (Note 3)	10.33%	Department of Industrial Engineering, Tunghai University Chairman, WT Microelectronics Co., Ltd.	Please refer to pages 21 to 22	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	4,810,194	0.47%	25,167,061	2.44%	106,450,298 (Note 3)	10.33%	National Chengchi University Senior Vice President, WT Microelectronics Co., Ltd.	Please refer to page 22 to 23.	Chairman and President	Cheng, Wen-Tsung	Spouse	None
					0	0%	0	0%	0	0%						
Senior Vice President	ROC	James Wen	Male	2004.01.01	915,875	0.09%	213,816	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	427,675	0.04%	19,147	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	703,053	0.07%	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%						
Vice President and CFO	ROC	Yang, Shing-Yu	Female	2008.04.11	825,528	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, Leader's Technology 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	52,193	0.01%	0	0%	0	0%	MBA, Tulane University Toshiba Taiwan Co., Ltd. Ming Yi Enterprise Co., Ltd. Senior Vice President, WT Microelectronics Co., Ltd.	None	None	None	None	None
					84	0%	0	0%	0	0%						

Job Title	Nationality	Name	Gender	Date of appointment to position (Note 1)	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					Number of common shares	Shareholding ratio (Note 2)	Number of common shares	Shareholding ratio (Note 2)	Number of common shares	Shareholding ratio (Note 2)			Job Title	Name	Relationship	
Vice President	ROC	Tim Wu	Male	2021.07.01	334,666	0.03%	0	0%	0	0%	Master of Computer Science, National Chiao Tung University Chunghwa Telecom Co., Ltd.	None	None	None	None	None
					0	0%	0	0%	0	0%	Ericsson Taiwan Ltd. Oracle Taiwan LLC Vice President, WT Microelectronics Co., Ltd.					
Senior Assistant Vice President and Finance Supervisor	ROC	Jason Lu	Male	2007.06.01	644,821	0.06%	0	0%	0	0%	Master of Finance, National Taiwan University of Science and Technology Senior Assistant Vice President and Finance Supervisor, WT Microelectronics Co., Ltd.	None	None	None	None	None
					0	0%	0	0%	0	0%	Junior Manager, Jih Sun International Bank					

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

Note 2: The total number of shares used to calculate the shareholding percentage was based on the number of issued common shares of 1,030,799,151 and the number of preferred shares of 135,000,000 on April 1, 2024.

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 President or person of an equivalent post (the highest level manager) of a company are the same person as the Chairman or spouses or relatives within the first degree of kinship of the Chairman, an explanation shall be given the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (for example, increase the number of Independent Directors, and there be a majority of the members of the Board of Directors who are not employees or Managerial Officers, etc.):

The Company's Chairman concurrently serve 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. The responsible unit periodically convene meetings to discuss and plan the candidates and cultivation of successors. Furthermore, the Chairman fully communicates the Company's recent condition, plans, and policies with directors to implement corporate governance. The Company currently has the following measures:

1. The Company elected an Independent Director in the 2023 Annual Shareholders' Meeting, aiming to strengthen the supervisory functions of the Board of Directors. The current four Independent Directors each specialize in finance, accounting, and the semiconductor industry, allowing them to effectively fulfill their supervisory roles.
2. Arrange directors to participate in professional courses offered by external institutions every year, such as the Securities and Futures Institute, to enhance effectiveness of Board of Directors.
3. Independent Directors can fully discuss and provide recommendations in functional committees to the Board of Directors in implementing corporate governance.
4. 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

Unit: NT\$ thousands

Job Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (Note 5)		Remuneration received by directors for concurrent service as an employee						Sum of A+B+C+D+E+F+G and ratio to net income (Note 5)		Remuneration received from invested companies other than subsidiaries or the parent company							
		Base compensation (A) (Note 1)		Retirement pay and pension (B)		Director profit-sharing compensation (C) (Note 2)		Expenses and perquisites (D)				Salary, rewards, and special disbursement (E) (Note 3)		Retirement pay and pension (F)		Employee profit-sharing 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)	The Company		All Consolidated Entities (Note 4)			The Company	All Consolidated Entities (Note 4)					
																Cash	Stock	Cash	Stock								
Director	Cheng, Wen-Tsung	0	0	0	0	3,500	3,500	0	0	3,500	3,500	0.09%	0.09%	29,520	29,520	0	0	0	0	0	0	33,020	33,020	0.82%	0.82%	None	
	Wen You Investment Co., Ltd.	0	0	0	0	3,500	3,500	0	0	3,500	3,500	0.09%	0.09%	0	0	0	0	0	0	0	0	3,500	3,500	0.09%	0.09%	None	
	Representative: Hsu, Wen-Hung	0	0	0	0	0	0	0	0	0	0	0	0	12,461	15,975	0	0	0	0	0	0	12,461	15,975	0.31%	0.40%	None	
	ASMedia Technology Inc.	0	0	0	0	3,500	3,500	0	0	3,500	3,500	0.09%	0.09%	0	0	0	0	0	0	0	0	3,500	3,500	0.09%	0.09%	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	0	0	0	0	None
	Sung Kao, Hsin-Ming	0	0	0	0	3,500	3,500	0	0	3,500	3,500	0.09%	0.09%	0	0	0	0	0	0	0	0	3,500	3,500	0.09%	0.09%	None	
Independent Director	Cheng, Tien-Chong	740	740	0	0	3,500	3,500	0	0	4,240	4,240	0.11%	0.11%	0	0	0	0	0	0	0	0	4,240	4,240	0.11%	0.11%	None	
	Kung, Ju-Chin	740	740	0	0	3,500	3,500	0	0	4,240	4,240	0.11%	0.11%	0	0	0	0	0	0	0	0	4,240	4,240	0.11%	0.11%	None	
	Ding, Kung-Wha	740	740	0	0	3,500	3,500	0	0	4,240	4,240	0.11%	0.11%	0	0	0	0	0	0	0	0	4,240	4,240	0.11%	0.11%	None	
	Chang, Chia-Chi (Note 6)	294	294	0	0	2,071	2,071	0	0	2,365	2,365	0.06%	0.06%	0	0	0	0	0	0	0	0	2,365	2,365	0.06%	0.06%	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) Base compensation: 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) Retirement pay and 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 by Board of Directors resolution after being approved by the Remuneration Committee.
- (4) Expenses and perquisites: 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.

Note 1: Refers to director remuneration in the most recent year (2023) (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 (2023).

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 (2023), including salaries, car rentals, year-end bonuses, employee stock trusts, 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: The net income after-tax refers to the net income after-tax of NT\$4,012,142 thousand in the standalone financial statements for the most recent year (2023).

Note 6: The newly appointed independent director took office after the by-election at the Annual Shareholders' Meeting on May 30th, 2023.

\* 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. Supervisor remuneration: N/A.

3. Remunerations to the president and vice presidents

Job Title	Name	Base compensation (A) (Note 2)		Retirement pay and pension (B)		Rewards, and special disbursement (C) (Note 3)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio 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)	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Cheng, Wen-Tsung	NT\$40,442 thousand	NT\$48,019 thousand	NT\$872 thousand	NT\$872 thousand	NT\$75,685 thousand	NT\$78,958 thousand	0	0	0	0	NT\$116,999 thousand 2.92%	NT\$127,849 thousand 3.19%	None
Senior Vice President	Hsu, Wen-Hung													
Senior Vice President (Note 8)	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 CFO	Yang, Shing-Yu													

## Remuneration Range 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)	Jack Yang	Jack Yang
NT\$5,000,000 (incl) - NT\$10,000,000 (excl)	Yang, Shing-Yu	Yang, Shing-Yu
NT\$10,000,000 (incl) - NT\$15,000,000 (excl)	Hsu, Wen-Hung, James Wen, Rick Chang, Jerry Chang, Willie Sun, and Tim Wu	Rick Chang, Willie Sun, and Tim Wu
NT\$15,000,000 (incl) - NT\$30,000,000 (excl)	Cheng, Wen-Tsung	Cheng, Wen-Tsung, Hsu, Wen-Hung, James Wen, and Jerry Chang
NT\$30,000,000 (incl) - NT\$50,000,000 (excl)		
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 (2023).

Note 3: Refers to the remuneration received by the president and vice presidents in the most recent year (2023), including salaries, car rentals, year-end bonuses, employee stock trusts, and employee stock options and 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\$4,012,142 thousand in the standalone financial statements for the most recent year (2023).

Note 8: Senior Vice President Jack Yang was dismissed on June 30, 2023.

\* 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 and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

December 31, 2023

	Job Title	Name	Amount in stock	Amount in cash	Total	Ratio to net income (%)
Managerial 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 CFO	Yang, Shing-Yu				
	Senior Assistant Vice President and Finance Supervisor	Jason Lu				

- (IV) 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.

Job Title	2022				2023			
	Total amount of remuneration (Unit: NT\$ thousands)		Ratio to net income (%) (Note 1)		Total amount of remuneration (Unit: NT\$ thousands)		Ratio to net income (%) (Note 1)	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Director	37,107	37,107	0.49	0.49	29,085	29,085	0.72	0.72
Supervisor	0	0	0	0	0	0	0	0
President And Vice President	177,619	187,933	2.32	2.46	116,999	127,849	2.92	3.19
Total	214,726	225,040	2.81	2.95	146,084	156,934	3.64	3.91

Note 1: The Company's 2022 net income after tax was NT\$7,631,123 thousand and the 2023 net income after tax was NT\$ 4,012,142 thousand.

Note 2: The proportion of directors' remuneration in 2023 increased compared to 2022 due to the decrease in net income in 2023. The total remuneration of the President and Vice President decreased compared to 2022 due to the decrease in rewards payments.

1. The Company has specified in Article 19 of the Articles of Incorporation that 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.
2. The Company's procedures for determining the remuneration of directors, president and vice presidents use the "Remuneration Committee Charter", "Rules for Board of Directors Performance Assessments", "Director and Functional Committee Remuneration Payment Guidelines", and "Regulations Governing Compensation Payment of Managerial Officers" as the basis of evaluation. For the remuneration of directors, besides referring to results of director performance evaluations (familiarity with the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of

internal relationship and communication, the director's professionalism and continuing education, and internal control), the remuneration for Directors shall be proposed by Remuneration Committee based on the degree of their involvement in the Company's operation and value of contribution, the Company's business performance and the standards of the industry, and link the reasonableness and fairness of performance and risks to remuneration, and be submitted to the Board of Directors for resolution in accordance with Article 16 of the Company's Articles of Incorporation and Paragraph 1, Article 5 of the Director and Functional Committee Remuneration Payment Guidelines. Performance evaluation and remuneration for managerial officers like the president and vice presidents, follow the Regulations Governing Compensation Payment of Managerial Officers. The evaluation criteria include the absence of any moral risk incident or any other incident that might have a negative impact on the Company's image or reputation, or inadequate internal management or fraud. Evaluation and remuneration shall also take into account the general pay levels in the industry, individual performance evaluation results, the time invested by an individual and his/her responsibilities, the extent of goal achievement, performance in other positions, and remuneration paid to employees in similar positions in recent years. Other factors include the reasonableness of the correlation between an individual's performance and the Company's business results and future risk exposures with respect to the achievement of short- and long-term business targets and the company's financial position. At the same time, in response to the concept of sustainable development, attention to and participation in sustainable development of the environment, corporate governance, and social feedback are also included in the assessment. In the assessment, environmental performance accounts for at least 5% and social performance accounts for at least 5%. The content and reasonableness of the remuneration are reviewed by the Remuneration Committee and submitted to the Board for discussion and approval. The remuneration system is reviewed in a timely manner depending on the operational status and relevant laws and regulations, so as to achieve a balance between the Company's sustainable operation and risk control.

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 (2023), the Board of Directors had 15 meetings (A) and the average in-person attendance rate of all directors was 93.9%. The attendance of directors and supervisors is as follows:

Job Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remark
Chairman	Cheng, Wen-Tsung	14	1	93%	Re-elected for consecutive terms on May 20, 2022
Director	Wen You Investment Co., Ltd. Representatives: Hsu, Wen-Hung	13	2	87%	Changed from natural person director to representative of juristic person director on May 20, 2022.
Director	ASMedia Technology Inc. Representatives: Lin, Che-Wei	14	1	93%	Re-elected for newly serving on May 20, 2022.
Director	Sung Kao, Hsin-Ming	12	3	80%	Re-elected for consecutive terms on May 20, 2022
Independent Director	Cheng, Tien-Chong	15	0	100%	Re-elected for consecutive terms on May 20, 2022
Independent Director	Kung, Ju-Chin	15	0	100%	Re-elected for consecutive terms on May 20, 2022
Independent Director	Ding, Kung-Wha	15	0	100%	Re-elected for consecutive terms on May 20, 2022
Independent Director	Chang, Chia-Chi	10	0	100%	By-elected for increased seat for newly serving on May 30, 2023

#### **Other information required to be disclosed:**

- I. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:
  - (I) Any matter under Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee which is not subject to the provisions of Article 14-3 of the Securities and Exchange Act. Please refer to the operating status of the Audit Committee in the annual report.
  - (II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: No such incident occurred.
- II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted:

The implementation status of recusals of directors with conflicts of interest in 2023		
Date	Agenda	Name of recused director
January 6, 2023	<ol style="list-style-type: none"> <li>1.Proposal to make a donation to the "WT Education Foundation".</li> <li>2.2022 managerial officers' year-end and performance bonus payment.</li> <li>3.2023 managerial officers' base compensation payment.</li> <li>4.To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.</li> </ol>	Cheng, Wen-Tsung and Hsu, Wen-Hung
February 23, 2023	<ol style="list-style-type: none"> <li>1.The Company's proposal to acquire 100% of all shares of Nuvision Technology Inc. converted by cash consideration.</li> <li>2.To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.</li> </ol>	Cheng, Wen-Tsung and Hsu, Wen-Hung
April 19, 2023	<ol style="list-style-type: none"> <li>1.The 2022 director profit-sharing compensation allocation.</li> <li>2.To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.</li> </ol>	<ol style="list-style-type: none"> <li>1.Cheng, Wen-Tsung, Hsu, Wen-Hung, Sung Kao, Hsin-Ming, Lin, Che-Wei, Cheng, Tien-Chong, Kung, Ju-Chin, and Ding, Kung-Wha</li> <li>2.Cheng, Wen-Tsung and Hsu, Wen-Hung</li> </ol>
May 4, 2023	To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.	Cheng, Wen-Tsung and Hsu, Wen-Hung
August 2, 2023	<ol style="list-style-type: none"> <li>1.To provide new endorsements and guarantees for subsidiaries to obtain a credit line from suppliers or banks.</li> <li>2.To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.</li> </ol>	Cheng, Wen-Tsung and Hsu, Wen-Hung
September 20, 2023	To continue providing associated guarantees for subsidiaries to obtain a credit line from suppliers or banks.	Cheng, Wen-Tsung and Hsu, Wen-Hung
November 2, 2023	To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.	Cheng, Wen-Tsung and Hsu, Wen-Hung
November 14, 2023	1. Establishment of the " 2023 Employee Stock Subscription Regulations for Cash Capital Increase by Issuing Common Shares" and the proposal for managerial officer participation in employee stock subscriptions.	1.Cheng, Wen-Tsung and Hsu, Wen-Hung



	<p>2.Appointment of the members of the 1st Nomination Committee.</p> <p>3.Appointment of the members of the 1st Sustainable Development Committee.</p>	<p>2.Cheng, Wen-Tsung, Hsu, Wen-Hung, Ding, Kung-Wha, and Chang, Chia-Chi</p> <p>3.Cheng, Wen-Tsung, Hsu, Wen-Hung, Ding, Kung-Wha, Cheng, Tien-Chong, and Kung, Ju-Chin</p>
<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 approved 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	2023.1.1-12.31	Entire Board of Directors	<p>Hired an external professional institutions, Taiwan Institute of Ethical Business, to conduct the assessment by the following methods:</p> <ol style="list-style-type: none"> <li>1. Review documents on board meeting minutes and on corporate governance related internal guidelines and records.</li> <li>2. All board members completed individual self-assessment questionnaires.</li> <li>3. Onsite interviews with directors.</li> <li>4. Present board performance evaluation reports.</li> </ol>	<p>Assessment in 4 aspects:</p> <ol style="list-style-type: none"> <li>1.The Board's professional competencies.</li> <li>2.The Board's decision making performance.</li> <li>3.The Board's attention to and oversight of internal control.</li> <li>4.The Board's attitude toward sustainable management.</li> </ol>
Once a year	2023.1.1-12.31	Entire Board of Directors	Organizer evaluation	<ol style="list-style-type: none"> <li>1. Participation in the operation of the company.</li> <li>2. Improvement of the quality of the Board of Directors' decision making.</li> <li>3. Composition and structure of the Board of Directors.</li> <li>4. Selection and continuing education of directors.</li> <li>5. Internal control.</li> </ol>

Once a year	2023.1.1-12.31	Individual board members	Board member self-assessment	<ol style="list-style-type: none"> <li>1. Familiarity with the goals and missions of the company.</li> <li>2. Awareness of the duties of a director.</li> <li>3. Participation in the operation of the company.</li> <li>4. Management of internal relationship and communication.</li> <li>5. Professionalism and continuing education of directors.</li> <li>6. Internal control.</li> </ol>
Once a year	2023.1.1-12.31	Audit Committee individual members	Audit Committee member self-evaluations	<ol style="list-style-type: none"> <li>1. Participation in the operation of the company.</li> <li>2. Understanding of Audit Committee responsibilities.</li> <li>3. Improvement of the quality of the Audit Committee's decision making.</li> <li>4. Composition and member appointment of the Audit Committee.</li> <li>5. Internal control.</li> </ol>
Once a year	2023.1.1-12.31	Individual Remuneration Committee members	Remuneration Committee member self-evaluations	<ol style="list-style-type: none"> <li>1. Participation in the operation of the company.</li> <li>2. Understanding of Remuneration Committee responsibilities.</li> <li>3. Improvement of the quality of the Remuneration Committee's decision making.</li> <li>4. Composition and member appointment of the Remuneration Committee.</li> </ol>

The overall average scores for the external evaluation of the overall Board of Directors, the internal self-evaluation of the overall Board of Directors, the self-evaluation of individual members of the Board of Directors, the self-evaluation of individual members of the Audit Committee, and the self-evaluation of individual members of the Remuneration Committee were 4.97 points, 4.97 points, 4.99 points, 5 points, and 5 points respectively (all scores are out of 5 points). It shows that the Board of Directors and functional committees are functioning well and can fully perform their functions, and the directors have given positive evaluations.

The 2023 Board of Directors and Functional Committees Performance Evaluations were reported

to the Nominating Committee and the Board of Directors on February 16, 2024.

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 2023, 8 directors received continuing education for a total of 90 hours. Each director received an average of 11.25 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) To enhance corporate governance and improve the functionality of the Board of Directors to establish performance goals and strengthen board operations, the Company adopted the "Rules for Board of Directors Performance Assessments" on August 10, 2016, as resolved by the Board of Directors. It was subsequently amended in compliance with regulations on August 7, 2020. The Rules specify that in addition to conducting an annual board performance evaluation, an external professional independent organization or team of external experts and scholars must conduct a board performance evaluation at least once every three years. The evaluation results must be submitted to the Board of Directors and used as a reference for determining individual director remuneration and director nomination for re-election.

In 2023, the Company hired an external professional institution, Taiwan Institute of Ethical Business, to conduct the 2023 board performance evaluation. The institute and its experts were independent and had no business relationship with WT Microelectronics. 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 sustainable management. The evaluation report was issued on February 2, 2024. The Company has submitted the evaluation results to the Nominating Committee and the Board of Directors for approval on February 16, 2024. The relevant conclusions, suggestions, and improvement measures are as follows:

**Conclusion of the overall observation:**

1. The Board's professional competencies:

The current Board of Directors of the evaluated company is composed of half non-independent directors and half independent directors. Their professional backgrounds cover accounting, industry, finance and technology. The composition of the directors is diverse and can provide the company with diversified opinions from different perspectives.

2. The Board's decision making performance:

Directors can engage in thorough discussions through various channels. In the case of significant business development decisions, both board members and executives engage in in-depth discussions. Directors are well-informed about the company's operations, enabling them to make appropriate decisions with sufficient information.

3. The Board's supervision of internal controls:

In order to strengthen the evaluation and analysis of risks related to sustainable development, the evaluated company established functional committees under the Board of Directors to strengthen risk assessment and adopt corresponding measures based on the risk assessment results. The company regularly reviews the effectiveness of relevant procedures to ensure the normal operation of the risk management system.

4. Attitude towards sustainable management:

The evaluated company continues to strengthen corporate governance and established a Sustainable Development Committee to strengthen investment in sustainability issues. The evaluated company has established educational foundations for many years, actively invests in social welfare, and continues to implement talent cultivation and senior manager succession plans, in order to pursue the goal of sustainable management.

**Suggestions for optimization and improvement measures:**

1. Increase independent directors' understanding of the operations of overseas subsidiaries and deepen the interaction between independent directors and managers

Improvement measure: As the Company's operating scale continues to expand, it will carefully evaluate the possibility of holding board meetings in important overseas locations in the future, and adjust the communication model between front-line supervisors and board members according to the directors' needs to help directors understand the Group's operations.

2. Continue to promote corporate sustainable management goals

Improvement measure: The Company will continue to pay attention to the development of sustainability trends and related standards at home and abroad, and will improve the transparency of the Company's ESG information accordingly.

(II) Operation of the Audit Committee:

1. Professional qualifications and experience of Independent Directors

Qualifications Independent Director	Professional qualifications and experience
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. Possessing 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.
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. Bringing experience in managing international companies and has been working in the semiconductors industry for over 40 years. 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. Currently serving as the Chairman of Aurotek Corporation.
Kung, Ju-Chin	Possessing 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. Possessing a professional background in accounting and extensive practical experience. Currently serving as the CFO of TNL Media Group and Chairperson of the Media Business Association of Taipei.
Chang, Chia-Chi	Once served as a Director of Citigroup Global Securities and an Executive Vice President of Yuanta Securities Investment Consulting. Possessing macro-thinking and professional knowledge in the securities industry and has obtained a CFA license. In addition, served as the Chief Financial Officer of the semiconductor company Egis Technology Inc. and a Director of FocalTech Systems Co., Ltd. Having practical experience in finance and operation management of publicly listed companies. Currently serving as the Vice President and Chief Financial Officer of Taiwan Mobile Co., Ltd.

2. Key tasks

The Audit Committee consists of 4 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 2023 are as follows:

- (1) Financial statements and financial forecast.
- (2) Evaluation of the effectiveness of internal control systems.
- (3) Internal auditing plan.
- (4) Material fund lending, endorsement, and Guarantee.

- (5) Acquisition or disposal of material assets.
- (6) Matters concerning the personal interests of Directors.
- (7) The offering and issuance of any equity-type securities.
- (8) Appointment of Certifying CPAs.
- (9) Amendments to the Procedures for Acquisition or Disposal of Assets.
- (10) Amendments to the Procedures for Lending Funds and Endorsement & Guarantee.
- (11) Amended internal control system.

3. In the most recent year (2023), the Audit Committee convened 14 meetings (A), and the attendance of independent directors in the meetings is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (B/A) (%)	Remark
Independent Director	Ding, Kung-Wha	14	0	100%	Re-elected for consecutive terms on May 20, 2022
Independent Director	Cheng, Tien-Chong	14	0	100%	Re-elected for consecutive terms on May 20, 2022
Independent Director	Kung, Ju-Chin	14	0	100%	Re-elected for consecutive terms on May 20, 2022
Independent Director	Chang, Chia-Chi	9	0	100%	By-elected for increased seat for newly serving on May 30, 2023

**Other information required to be disclosed:**

I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

(I) Any matters under Article 14-5 of the Securities and Exchange Act

Term and date	Agenda
5th meeting of 2nd committee January 6, 2023	1.Proposal to make a donation to the "WT Education Foundation". 2.To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.
6th meeting of 2nd committee February 13, 2023	Appointment of independent experts.
7th meeting of 2nd committee	1.Proposal for the 2022 Business Report and Financial Statements.

February 23, 2023	<ol style="list-style-type: none"> <li>2. Proposal for the appointment, remuneration, and independence and suitability assessments of CPAs.</li> <li>3. The Company's proposal to acquire 100% of all shares of Nuvision Technology Inc. converted by cash consideration.</li> <li>4. Proposal for the 2022 internal control system effectiveness assessment and internal control system statement.</li> <li>5. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.</li> </ol>
8th meeting of 2nd committee April 19, 2023	<ol style="list-style-type: none"> <li>1. The 2022 Earnings Distribution.</li> <li>2. Amendments to the Procedures for Acquisition or Disposal of Assets.</li> <li>3. Amendments to the Procedures for Lending Funds and Endorsement &amp; Guarantee.</li> <li>4. Issuance of new common shares for cash capital increase and/or Issuance of new common shares for cash to sponsor issuance of GDRs.</li> <li>5. Proposal to issue preferred shares for domestic cash capital increase.</li> <li>6. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.</li> </ol>
9th meeting of 2nd committee May 4, 2023	<ol style="list-style-type: none"> <li>1. Consolidated Financial Reports for Q1 2023.</li> <li>2. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.</li> </ol>
10th meeting of 2nd committee August 2, 2023	<ol style="list-style-type: none"> <li>1. Consolidated Financial Reports for Q2 2023.</li> <li>2. Proposal to amend the Internal Control System.</li> <li>3. Disposal of common shares of Sino-American Silicon Products Inc.</li> <li>4. To provide new endorsements and guarantees for subsidiaries to obtain a credit line from suppliers or banks.</li> <li>5. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.</li> </ol>
11th meeting of 2nd committee August 17, 2023	The Company plans to make a binding offer for overseas acquisitions.
12th meeting of 2nd committee September 14, 2023	The Company plans to sign a formal share purchase agreement for the acquisition of all shares of the Canadian company Future Electronics Inc.
13th meeting of 2nd committee September 20, 2023	To continue providing associated guarantees for subsidiaries to obtain a credit line from suppliers or banks.
14th meeting of 2nd committee September 28, 2023	The Company plans to issue common shares for cash capital increase.
16th meeting of 2nd committee November 2, 2023	<ol style="list-style-type: none"> <li>1. Consolidated Financial Reports for Q3 2023.</li> <li>2. To continue providing associated guarantees for subsidiaries to obtain a credit line from banks.</li> </ol>
17th meeting of	Changes to the independence and suitability assessments of

2nd committee November 14, 2023	CPAs.
18th meeting of 2nd committee December 22, 2023	1. Proposal to issue common shares for cash capital increase by the major subsidiary Morrihan International Corp. 2. The Company's proposal for cash capital increase by the major subsidiary Morrihan International Corp.
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 Chief Internal Auditor 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 Chief Internal Auditor 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 Chief Internal Auditor of the Company attended regularly the quarterly meetings of the Audit Committee, and reported audits performed and the results to the Independent Directors. The communication records in 2023 are summarized as follows:

Date	Communication method	Communication subject	Recommendations and results
January 6, 2023	Audit Committee	Audit report November 2022.	No opinions. Moved to be presented to the Board of Directors.
February 13, 2023	Audit Committee	Audit report December 2022.	No opinions. Moved to be presented to the Board of Directors.
February 23, 2023	Meeting	Communication regarding the audited 2022 consolidated financial reports with the governance departments.	No opinions.



		Audit Committee	1. Audit report January 2023. 2. 2022 internal control system effectiveness assessment and "Internal Control System Statement".	1.No opinions. Moved to be presented to the Board of Directors. 2.No opinions. Submitted to the Board of Directors for discussion.
	April 19, 2023	Audit Committee	Audit report February to March 2023.	No opinions. Moved to be presented to the Board of Directors.
	May 4, 2023	Meeting	Communication regarding the 2023 Q1 consolidated financial reports and independent auditors' review report with the governance departments.	No opinions.
		Audit Committee	Audit report April 2023.	No opinions. Moved to be presented to the Board of Directors.
	August 2, 2023	Meeting	Communication regarding the 2023 Q2 consolidated financial reports and independent auditors' review report with the governance departments.	No opinions.
		Audit Committee	1. Audit report May to June 2023. 2. "Internal Control System" Amendment.	1.No opinions. Moved to be presented to the Board of Directors. 2.No opinions. Submitted to the Board of Directors for discussion.
	August 17, 2023	Audit Committee	Audit report July 2023.	No opinions. Moved to be presented to the Board of Directors.
	September 14, 2023	Audit Committee	Audit report August 2023.	No opinions. Moved to be presented to the Board of Directors.
	September 20, 2023	Audit Committee	Audit report September 2023.	No opinions. Moved to be presented to the Board of Directors.
	September 28, 2023	Audit Committee	Audit report September 2023.	No opinions. Moved to be presented to the Board of

			Directors.
October 5, 2023	Audit Committee	Audit report September 2023.	No opinions. Moved to be presented to the Board of Directors.
November 2, 2023	Meeting	Communication regarding the 2023 Q3 consolidated financial reports and independent auditors' review report with the governance departments.	No opinions.
	Audit Committee	Audit report October 2023.	No opinions. Moved to be presented to the Board of Directors.
November 3, 2023	Email	Communication regarding the proposal of 2024 internal audit plan.	No opinions.
November 14, 2023	Audit Committee	1. Audit report October 2023. 2. 2024 internal audit plan.	1.No opinions. Moved to be presented to the Board of Directors. 2.No opinions. Submitted to the Board of Directors for discussion.
December 22, 2023	Audit Committee	Audit report November 2023.	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 2023 are summarized as follows:

Date	Main Points of Communication	Independent Directors' Opinions
February 23, 2023	<ul style="list-style-type: none"> <li>● Explaining the findings and results of the audit of the 2022 consolidated and standalone financial reports and communicating key review matters.</li> <li>● Responding to and discussing the issues raised by the participants.</li> </ul>	Independent Directors had no opinions and suggestions.
May 4, 2023	<ul style="list-style-type: none"> <li>● Explaining the findings and results of the review of the 2023 Q1 consolidated financial report.</li> <li>● Responding to and discussing the</li> </ul>	Independent Directors had no opinions and suggestions.

		issues raised by the participants.	
	August 2, 2023	<ul style="list-style-type: none"> <li>● Explaining the findings and results of the review of the 2023 Q2 consolidated financial report.</li> <li>● Responding to and discussing the issues raised by the participants.</li> </ul>	Independent Directors had no opinions and suggestions.
	November 2, 2023	<ul style="list-style-type: none"> <li>● Explaining the findings and results of the review of the 2023 Q3 consolidated financial report.</li> <li>● Responding to and discussing the issues raised by the participants.</li> </ul>	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: The state of the company's implementation of corporate governance, any deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the 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 has gradually revised the Principles according to the laws and regulations, as well as the 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. ( <a href="https://www.wtmec.com/corporate-governance/major-policies/">https://www.wtmec.com/corporate-governance/major-policies/</a> )	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 have Internal operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters accordingly?	✓		(I) In addition to the stock affairs agency, the Company also, in accordance with internal operating procedures, obliges the 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 know the	✓		(II) The Company keeps track of directors, managerial officers, and major	No difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>identity of its major shareholders and the parties with ultimate control of the major shareholders?</p> <p>(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?</p>	✓		<p>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 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 Governance 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", "Rules of Financial and Business Matters Between Related Party", etc. The Company constructs appropriate firewalls based on risk assessment for continual implementation and control.</p>	No difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		(IV) In addition to complying with the requirements of the Securities and Exchange Act, the Company's employees, managerial 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", stipulating that directors may not trade the Company's stock during the closed period within 30 days of the announcement of the annual financial reports and within 15 days of the announcement of 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.
II. Composition and responsibilities of the Board of Directors (I) Have a diversity policy and specific management objectives been adopted for	✓		(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	No difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
the board and have they been fully implemented?			<p>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 formulated.</p> <p>It is advisable that Directors concurrently serving as company officers not exceed one-third of the total number of the Board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:</p> <ol style="list-style-type: none"> <li>1. Basic requirements and values: Gender, age, nationality, and culture; it is advisable that the number of female directors account for at least one-third of all the directors.</li> <li>2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.</li> </ol> <p>All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:</p> <ol style="list-style-type: none"> <li>1. Ability to make operational judgments.</li> <li>2. Ability to perform accounting and financial analysis.</li> <li>3. Ability to conduct management administration.</li> <li>4. Ability to conduct crisis management.</li> <li>5. Knowledge of the industry.</li> <li>6. An international market perspective.</li> </ol>	

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons										
	Yes	No	Summary											
			<p>7. Ability to lead. 8. Ability to make policy decisions.</p> <p>The current Board of Directors of the Company consists of 8 Directors, including 4 Independent Directors, 3 female Directors and 2 employees serving as Directors (accounting for 50%, 37.5%, and 25% 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 Managerial Officers</td> <td>Completed</td> </tr> <tr> <td>Awareness of gender equality in board composition with one third or more of the Directors being female</td> <td>Completed</td> </tr> <tr> <td>No Independent Director shall serve more than three terms</td> <td>Completed</td> </tr> <tr> <td>An adequate level of diversity in professional knowledge and skills and professional backgrounds</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 Managerial Officers	Completed	Awareness of gender equality in board composition with one third or more of the Directors being female	Completed	No Independent Director shall serve more than three terms	Completed	An adequate level of diversity in professional knowledge and skills and professional backgrounds	Completed	
Diversity management goal	Progress													
No more than one third of the Directors may serve concurrently as the Company's Managerial Officers	Completed													
Awareness of gender equality in board composition with one third or more of the Directors being female	Completed													
No Independent Director shall serve more than three terms	Completed													
An adequate level of diversity in professional knowledge and skills and professional backgrounds	Completed													



Evaluation Item	Implementation status			Summary	Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																																																																																																										
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(II) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	✓		<p>(II) In addition to the Company establishing the Remuneration Committee and the Audit Committee as required by law, the Board of Directors passed resolutions related to the following matters on November 14, 2023:</p> <ol style="list-style-type: none"> <li>1. In order to improve the functions of the Board of Directors and strengthen the management mechanism, a "Nominating Committee" was established under the Board of Directors on November 14, 2023.</li> <li>2. In order to implement the concept of sustainable management and improve the Company's management system in the three major areas of environmental protection, social responsibility, and corporate governance to achieve the goal of sustainable development, a "Sustainable Development Committee" was established under the Board of Directors on November 15, 2023. Considering the functionality of duties and combining strengthened assessment and analysis of sustainability-related risks, the "Risk Management Committee" was abolished on November 15, 2023. The governance mechanism of the Risk Management Committee was integrated into the operations of the Sustainable Development Committee to continuously improve the Company's risk management system and move towards the goal of sustainable development.</li> </ol> <p>The Nominating Committee consists of three Directors, more than half of whom are Independent Directors. The first tem of the Committee consists of Chairman Cheng, Wen-Tsung (convener), Independent Director Ding, Kung-Wha, and Independent Director Chang, Chia-Chi. The Committee shall, in accordance with the authorization of the Board of Directors, faithfully</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>perform the duties listed below with the due care of a good administrator, and submit its suggestions to the Board of Directors for discussion:</p> <ol style="list-style-type: none"> <li>1. Select and review suitable candidates for Directors, evaluate the independence of Independent Directors, and propose a list of candidates to the Board of Directors.</li> <li>2. Review the performance evaluations for the Board of Directors, various committees, and directors.</li> <li>3. Evaluate the independence of Independent Directors every year.</li> <li>4. Plan and implement continuing education programs for Directors.</li> <li>5. Other matters to be handled by the Committee according to Board of Directors' instruction.</li> </ol> <p>The Sustainable Development Committee is composed of at least three members appointed by the Board of Directors, more than half of whom are Independent Directors. It is currently composed of five members. The first term of the Committee consists of Director Hsu, Wen-Hung (convener), Chairman Cheng, Wen-Tsung, Independent Director Ding, Kung-Wha, Independent Director Cheng, Tien-Chong, and Independent Director Kung, Ju-Chin. Two functional groups, the "Sustainable Development Team" and the "Risk Management Team", are established under the Committee. The groups are headed by Mr. Willie Sun, Chief Sustainability Officer, and Ms. Cheryl Yang, Chief Financial Officer, respectively, to implement the promotion and execution of sustainable development actions.</p> <p>The convener and chairman is Director Hsu, Wen-Hung, who has experience</p>	

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
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			<p>in founding and operating publicly issued companies, expertise in corporate governance, and the ability to manage financial risks and legal compliance risks. The member, Chairman Cheng, Wen-Tsung, the founder of the Company, having the leadership ability to run a multinational enterprise, is familiar with the development of the semiconductor industry and the technological knowledge of the component industry, and has crisis response and management capabilities for strategic risks and operational risks. The member, 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 Taiwan Depository &amp; Clearing Corporation, possessing expertise related to securities management, finance, and corporate governance, as well as management capabilities related to financial risks and compliance risks. Independent Director, Cheng, Tien-Chong, possessing experience in managing international companies and has been working in the semiconductors industry for over 40 years, is a professional manager with extensive experience in the electronics industry and the ability to respond to supply chain risk management and operating risk management. The member, Independent Director Kung, Ju-Chin, possesses CPA qualifications from the Republic of China, United States, and China, and management abilities related to accounting and financial information risks. Accordingly, all members meet the professional competencies required by the Committee.</p> <p>The responsibilities of the Committee include:</p> <ol style="list-style-type: none"> <li>1. Review the policies and strategies for sustainable development.</li> <li>2. Review major issues of concern to all stakeholders and supervise the</li> </ol>	

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in	✓		<p>establishment of an effective communication and response mechanism with stakeholders.</p> <p>3.Review risk identification and materiality assessment results, including risk appetite or tolerance.</p> <p>4.Review the implementation plans for material risk issues and supervise the implementation of related matters.</p> <p>5.Review the management report for major risk issues and supervise improvement mechanisms.</p> <p>6.Review the suitability of the overall risk management structure for sustainable development.</p> <p>7.Other matters to be handled by the Committee according to Board of Directors' instruction.</p> <p>(III) On August 10, 2016, the Board of Directors pass 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 individual functional committee members. 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> <p>1.Participation in the operation of the Company.</p> <p>2.Improvement of the quality of the Board of Directors' decision making.</p>	No difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
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determining salary / compensation for individual directors and their nomination and additional office terms? ?			<p>3. Composition and structure of the Board of Directors. 4. Selection and continuing education of directors. 5. Internal control.</p> <p>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.</p> <p>The Company completed the 2023 board performance evaluation by external professional organizations, the overall Board of Directors internal evaluation, the self-evaluation of individual board members, and the self-evaluation of individual members of the Audit Committee and Remuneration Committee in early 2024. The results of the evaluations were discussed and passed by the Nomination Committee and Board of Directors on February 16, 2024, and improvement measures were proposed according to the suggestions. For the content of the evaluation results, please refer to "Implementation of self-evaluations by the Company's Board of Directors and Functional Committees in Three. Corporate Governance Report III. Implementation of Corporate Governance (I) Operations of the Board of Directors" Implementation of self-evaluations by the Company's Board of Directors and Functional Committees in the Annual Report.</p>	
(IV) Does the company regularly evaluate the independence of CPAs?	✓		(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	No difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>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> <p>The Company's Audit 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, 2024, 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"> <li>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.</li> <li>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.</li> <li>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</li> <li>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</li> </ol>	



Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
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			<p>whether there are instances of auditor incompetence, sanctions, or compromising independence.</p> <p>The assessment concludes that both Hsu, Sheng-Chung and Hsu, Chieh-Ju 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 rotated after a certain period. The Company has not appointed the same CPA for five consecutive years.</p>	
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	✓		<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 managerial 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"> <li>1. Organize board meetings and general meetings according to the law.</li> <li>2. Compile board meeting and general meeting minutes.</li> <li>3. Help directors take office and participate in continuing education.</li> <li>4. Provide business information for directors as needed for performing their duties.</li> </ol>	No difference.

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																				
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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>5. Assist directors with legal compliance.</p> <p>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.</p> <p>7. Handle matters related to the change of directors.</p> <p>8. Other duties pursuant to the Articles of Incorporation or other contracts.</p> <p>Status of continuing education of corporate governance supervisor in 2023, totaling 15 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>2023/04/27</td> <td>Taiwan Stock Exchange and Taipei Exchange</td> <td>Publicity meeting on sustainable development action plans for listed companies</td> <td>3</td> </tr> <tr> <td>2023/06/02</td> <td>Securities &amp; Futures Institute</td> <td>The 2023 Insider Trading Prevention Seminar</td> <td>3</td> </tr> <tr> <td>2023/07/04</td> <td>Taiwan Stock Exchange Corp.</td> <td>2023 Cathay Sustainable Finance and Climate Change Summit</td> <td>6</td> </tr> <tr> <td>2023/11/27</td> <td>Securities &amp; Futures Institute</td> <td>Technological development and application opportunities of ChatGPT</td> <td>3</td> </tr> </tbody> </table>	Date	Organizer	Course Name	Hours	2023/04/27	Taiwan Stock Exchange and Taipei Exchange	Publicity meeting on sustainable development action plans for listed companies	3	2023/06/02	Securities & Futures Institute	The 2023 Insider Trading Prevention Seminar	3	2023/07/04	Taiwan Stock Exchange Corp.	2023 Cathay Sustainable Finance and Climate Change Summit	6	2023/11/27	Securities & Futures Institute	Technological development and application opportunities of ChatGPT	3	
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V. Does the company establish	✓		1. The Company continues to engage with stakeholders to establish communication	No difference.																				

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	Yes	No	Summary	
a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and properly respond to corporate social responsibility issues of concern to the stakeholders?			<p>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 the Company's sustainability-related functional supervisors, the Company confirms the types of important stakeholders as shareholders/banks, customers, employees, vendors, and other 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. The various forms of communication and negotiation continued to be implemented, which produced various results.</p> <p>3. For the negotiation methods of the five types of stakeholders and results, please refer to pages 55 to 58 of the 2022 Sustainability Report.</p> <p>4. The Company reported the communication status with the stakeholders in 2022 to the Board of Directors on August 2, 2023.</p>	
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company has appointed the stock transfer agency of the Grand Fortune Securities Co., Ltd. to handle the matters of the Company's Shareholders' Meetings.	No difference.
VII. Information disclosure (I) Has the company established	✓		(I) The Company has set up a company website ( <a href="http://www.wtmec.com">www.wtmec.com</a> ), and the	No difference.

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a corporate website to disclose information regarding its financial, business and corporate governance status?			Company's financial business and corporate governance status are irregularly disclosed and updated for access by investors.	
(II) Does the company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, c appointing spokespersons, webcasting investors conference etc)?	✓		(II) The Company has set up webpages in three languages: Traditional 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.	No difference.
(III) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce	✓		(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.	No difference.

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and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?				
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability	✓		<p>(I) For employee benefits and employee care, please refer to V. Labor relations under Five. Operational highlights in the annual report.</p> <p>(II) Investor relations, supplier relations, and rights of stakeholders: The Company has established the corporate social responsibilities related policies and codes, 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 "Chapter 3. 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 annual report for more information.</p> <p>(III) Continuing education of directors: Continuing education courses taken by the Company's directors in 2023 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</p>	No difference.

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Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
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			<p>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 in 2020, 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. To strengthen the assessment and analysis of sustainability-related risks and enable each functional committee to effectively fulfill its duties and functions, the Company established the “Sustainable Development Committee” under the Board of Directors on November 15, 2023. The management mechanism of the Risk Management Committee was integrated into the operations of the Sustainable Development Committee to continuously improve the Company's risk management system. The “Risk Management Committee” was abolished on the same day. 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,</p>	

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
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			<p>and execute the plans accordingly to enforce oversight measures and monitor risk management practices.</p> <p>3.Risk analysis and assessment: Please refer to "Chapter 7. Review and analysis of the Company's financial position and financial performance, and a listing of risk" in the annual report for details.</p> <p>(V) Customer policy implementation: The Company has established the "Ethical Corporate Management Best Practice Principles" and the "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 Chapter 5. Overview of Operations" in the 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 2023. The policy had not expired as of publication of this report. Renewal will be completed before the insurance expires, and important details of the policy will be reported in the next Board Meeting.</p>	

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
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<p>IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.</p> <p>The Company's 9th (2022) corporate governance assessment results ranked in the top 5% of listed companies. The matters for enhancement and measures in 2023 are explained as follows:</p> <ol style="list-style-type: none"> <li>1.The Chairman of the Board and the President of the Company are the same person. To enhance the supervisory function of the Board of Directors, the Company by-elected one additional seat of Independent Director during the Annual Shareholder's Meeting in 2023. The number of Independent Directors has reached half of the total number of Directors.</li> <li>2.The Company reported the remuneration received by Directors, including the remuneration policy, individual remunerations, and amounts, to the 2023 Annual Shareholders' Meeting. The individual remunerations of Directors and Supervisors were voluntarily disclosed in the Company's 2022 Annual Report.</li> <li>3.The Company will continue to evaluate and consider possible improvement plans for items that have not yet been scored.</li> </ol>				

(IV) The composition and operation of Remuneration Committee and Nomination Committee:

1. Composition, duties, and operations of the Remuneration Committee:

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 Managerial 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 convenes at least twice a year. In 2023, the Committee convened four meetings.

Members of the Remuneration Committee:

April 18, 2024

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 1	Note 1	1
Independent Director	Ding, Kung-Wha	Note 1	Note 1	2
Independent Director	Cheng, Tien-Chong	Note 1	Note 1	1

Note 1: 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 vice presidents, and managers of each department and branch (1) Information related to directors.

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 (2023), the Remuneration Committee met four times (A), and the members' qualifications and attendance are as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remarks
Convener	Kung, Ju-Chin	4	0	100%	Re-appointed for consecutive terms on May 31, 2022.
Committee Member	Ding, Kung-Wha	4	0	100%	Re-appointed for consecutive terms on May 31, 2022.
Committee Member	Cheng, Tien-Chong	4	0	100%	Newly appointed for consecutive terms on May 31, 2022.



**Other information required to be disclosed:**

- I. If the Board of Directors does not accept, or amends, any recommendation of the Remuneration Committee, specify the Board Meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the Board of Directors, and the measures taken by the Company with respect to the opinions given by of the Remuneration Committee (e.g., if the salary/compensation approved by the Board is higher than the recommendation of the Remuneration Committee, specify the difference(s) and the reasons).  
No such incident occurred in this year.
- II. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion.  
No such incident occurred in this year.
- III. Proposals and resolutions of the Remuneration Committee meetings and the Company's handling of the members' opinions in the most recent year:

Term and date	Agenda
1st meeting of 5th committee January 6, 2023	1. 2022 managerial officers' year-end and performance bonus payment. 2. 2023 Managerial Officers' base compensation payment.
2nd meeting of 5th committee February 23, 2023	Proposal for the 2022 distribution of remuneration to employees and directors.
3rd meeting of 5th committee April 19, 2023	2022 proposal for director remuneration distribution.
4th meeting of 5th committee November 14, 2023	1. Establishment of the "2023 Employee Stock Subscription Regulations for Cash Capital Increase by Issuing Common Shares" and the proposal for manager participation in employee stock options. 2. Finalization of the "Regulations on Shareholdings of the Chief Executive Officer and Non-executive Directors".
Resolutions of the matters above: Passed as proposed after the chairperson consulted all attending members. The Company's handling of member opinions: N/A.	

**2. Composition, duties, and operations of the Nomination Committee:**

To improve the functions of the Board of Directors and strengthen the management mechanisms, in accordance with the provisions of Article 27 of the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies", the Board of Directors approved on November 14, 2023 to establish a "Nomination Committee" under the Board of Directors, and formulate the "Nomination Committee Charter". Three Directors are appointed by the Board of Directors as members of the Committee, with more than half being Independent Directors. There are currently three members, consisting of the Chairman and two Independent Directors.

The Committee shall, in accordance with the authorization of the Board of Directors, faithfully perform the duties listed below with the due care of a good administrator, and submit its suggestions to the Board of Directors for discussion:

- I. Select and review suitable candidates for directors, evaluate the independence of Independent Directors, and propose a list of candidates to the Board of Directors.
- II. Review the performance evaluations for the Board of Directors, various committees, and Directors.
- III. Evaluate the independence of Independent Directors every year.
- IV. Plan and implement continuing education programs for Directors.
- V. Other matters to be handled by the Committee according to Board of Directors' instruction.

Professional qualifications, experience, and operating status of the Nomination Committee members:

- (1) The Company's Nomination Committee is composed of 3 members.
- (2) Current term of office: From November 14, 2023 to May 19, 2025, a total of 0 (A) Nomination Committee meetings were held in the most recent year (2023). The member qualifications, experiences, attendance, and discussed matters are as follows:

Title	Name	Professional qualifications and experience	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remarks
Convener	Cheng, Wen-Tsung	Note 1	Note 2	Note 2	Note 2	Chairman
Committee Member	Ding, Kung-Wha					Independent Director
Committee Member	Chang, Chia-Chi					Independent Director

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

Note 2: The Committee was established on November 14, 2023. It has not held a meeting as of the end of 2023, so there is no number of attendances.

**Other information required to be disclosed:**

- I. For any major motion put before the nomination committee, specify the meeting date, meeting session number, content of the motion, content of recommendations or dissenting opinions of the nomination committee members, the outcome of the resolution of the nomination committee, and the measures taken by the Company with respect to the nomination committee members' opinions:  
Since the committee was established on November 14, 2023, no meetings have been held by the end of 2023; therefore, it is not applicable.

### 3. Composition and operations of the Sustainable Development Committee

In order to implement the sustainable management concepts and establish a sound operational framework in the areas of environmental protection, social responsibility, and corporate governance to achieve sustainable development goals, the Company resolved during the board meeting on November 14, 2023, to establish the “Sustainable Development Committee” on November 15, 2023. The “Sustainable Development Committee Charter” was formulated. The Committee operates as a functional committee under the Board of Directors. It consists of at least three members appointed by the board, with more than half being independent directors. Currently, the Committee has five members, including the Chairman, one director, and three independent directors. Considering the functionality of duties and combining strengthened assessment and analysis of sustainability-related risks, it was resolved on the same day to abolish the “Risk Management Committee” on November 15, 2023. The governance mechanism of the Risk Management Committee was integrated into the operations of the Sustainable Development Committee to continuously improve the Company's risk management system and move towards the goal of sustainable development. Two functional groups, the "Sustainable Development Team" and the "Risk Management Team", are established under the Committee. The groups are headed by Mr. Willie Sun, Chief Sustainability Officer, and Ms. Yang Shing-Yu Chief Financial Officer, respectively, to implement the promotion and execution of sustainable development actions.

The responsibilities of the Committee include:

- I. Review the policies and strategies for sustainable development.
- II. Review major issues that each shareholder concerns and supervise the establishment of an effective communication and response mechanism with stakeholders.
- III. Examine risk identification and materiality assessment results, including risk appetite or tolerance level.
- IV. Review implementation plans for major risk issues and supervise the implementation of related matters.
- V. Examine management reports for major risk issues, supervise and improve mechanisms.
- VI. Examine the appropriateness of the overall risk management framework for sustainable development.
- VII. Other matters to be performed by the Committee pursuant to the instructions of the Board.

Professional qualifications, experience, and operations of the Sustainable Development Committee members:

- (1) The Company's Sustainable Development Committee is composed of 5 members.
- (2) Current term of office: From November 15, 2023 to May 19, 2025, a total of 0 (A) Sustainable Development Committee meetings were held in the most recent year (2023). The member qualifications, experiences, attendance, and discussed matters are as follows:

Title	Name	Professional qualifications and experience	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remarks
Convener	Hsu, Wen-Hung	Note 1	Note 2	Note 2	Note 2	Director
Committee Member	Cheng, Wen-Tsung					Chairman
Committee Member	Ding, Kung-Wha					Independent Director
Committee Member	Cheng, Tien-Chong					Independent Director
Committee Member	Kung, Ju-Chin					Independent Director
<p>Note 1: For the professional qualifications and experiences of committee members, please refer to 3. Corporate Governance Report (II) Information on directors, supervisors, presidents, vice presidents, assistant vice presidents, and managers of each department and branch.</p> <p>Note 2: The Committee was established on November 15, 2023. It has not held a meeting as of the end of 2023, so there is no number of attendances.</p> <p><b>Other information required to be disclosed:</b></p> <p>I. For any major motion put before the nomination committee, specify the meeting date, meeting session number, content of the motion, content of recommendations or dissenting opinions of the Sustainable Development Committee members, the outcome of the resolution of the Sustainable Development Committee, and the measures taken by the Company with respect to the Sustainable Development committee members' opinions: Since the committee was established on November 15, 2023, no meetings have been held by the end of 2023; therefore, it is not applicable.</p>						

(V) The state of the Company's promotion of sustainable development, any deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation

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?	✓		<p>1. Organization and Responsibilities of the Sustainable Development Committee: In order to implement the concept of sustainable management and improve the Company's operating system in the three major areas of environmental protection, social responsibility and corporate governance, and to achieve the goal of sustainable development, the Board of Directors of the Company resolved on November 14, 2023, to establish the "Sustainable Development Committee", which is a functional committee under the Board of Directors. The Committee is composed of at least three members appointed by the Board of Directors, more than half of whom are independent directors. There are currently five members, consisting of the Chairman, one director, and three independent directors. Two functional groups, the "Sustainable Development Group" and the "Risk Management Group", are established under the Committee. The groups are headed by Mr. Willie Sun, Chief Sustainability Officer, and Ms. Yang Shing-Yu, Chief Financial Officer, respectively, to implement the promotion and execution of sustainable development actions.</p> <p>2. The Sustainable Development Team consists of personnel from the management department, investor relation, human resources, finance, audit, R&amp;D, logistics, IT, WT Foundation, and Welfare Committee. The Team is supported by professional certification institutions, sustainable development guidance organizations, and ESG report editing units to completely implement an ESG system in Taiwan and introduce international regulations.</p> <p>3. The mission of the "Sustainable Development Committee" primarily involves proposing and implementing sustainable development policies, systems, or relevant management</p>	No difference.

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
			<p>guidelines, as well as specific implementation plans. It also includes compiling annual ESG (Environmental, Social, and Governance) reports, participating in and monitoring discussions on sustainability and climate change trends, and engaging in discussions and participation related to sustainability development in areas such as environment, corporate governance, and social impact, including initiatives such as the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB). This allows the Committee to stay ahead of trends and developments in a timely manner.</p> <p>4. The Company has formulated the “Sustainability Report Preparation and Verification Operating Procedures” in accordance with the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” of the Taiwan Stock Exchange, which was approved by the Board of Directors on April 7, 2022. It provides the framework for the Sustainability Development Committee to execute relevant operational procedures.</p> <p>5. The Sustainable Development Team reported the ESG implementation performance and key findings to the Board of Directors on January 31, 2024. At the same time, the Board of Directors supervises the Company in formulating strategic goals and management guidelines for sustainable development, and formulates review plans as necessary to implement the Company's concept and promotion of sustainable development.</p> <p>6. The Company published the 2022 Sustainability Report in June 2023. 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>	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies									
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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 Company discloses the economic, social, and environmental performance of the group's operating locations in Taiwan, as well as subsidiaries in Hong Kong, Shanghai, Shenzhen, South Asia, South Korea, and Japan, as all entities under the consolidated statements.</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> <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 Pages 84 to 87 of the 2022 Sustainability Report on the Company's 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 the law. The personnel reviews the environmental health</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 Pages 84 to 87 of the 2022 Sustainability Report on the Company's 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 the law. The personnel reviews the environmental health	No difference.
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			<p>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. Implementation of prevention plans for various hazards: Human hazards, abnormal workload, illegal infringement, labor health services plan, and maternal health protection plan.</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 and export regulations. This ensures that the business activities are environmentally friendly and complies with ethics. Internal training courses are also organized to promote understanding and compliance with the relevant laws and regulations.</p>	



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			<p><b>Information security</b></p> <p>The Company is committed to providing safe and reliable products and services to our customers, shareholders, and partners. 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.</p> <p>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"> <li>1. Regularly hold employee information security awareness training, strengthen the information security incident reporting process, and comply with the "Code of Information Security" to protect asset security.</li> <li>2. Email protection: Actively intercept suspicious emails with an accuracy of 99.25%.</li> <li>3. Implementing anti-virus software endpoint protection on personal computers and servers. Updating the virus library and implementing regular scans and real-time monitoring software.</li> <li>4. 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.</li> </ol>	



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			<p>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 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 2023 were 1,486.5 hours and 2,790 employees were trained.</p>	
<p>III. Environmental issues</p> <p>(I) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?</p>	✓		<p>(I) The Company has set individual companies and the operating locations of Taiwan subsidiaries included in the consolidated financial statements as the organizational boundaries according to ISO 14064-1:2018 standards. We also follow the Greenhouse Gas Protocol established by the World Business Council for Sustainable Development to conduct annual greenhouse gas inventories. These inventories are verified by the BSI Taiwan Branch, BSI Taiwan, in accordance with ISO 14064-1 and ISO 14064-3 standards, helping us to accurately assess emission reduction efforts, continuously adjust management policies, and disclose relevant information in the sustainability reports and on the Company's website. (<a href="https://esg.wtmec.com">https://esg.wtmec.com</a>). The Taiwan and Hong Kong logistics centers have passed</p>	No difference.

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(II) Does the Company endeavor to improve energy usage efficiency and use renewable materials which have a low impact on the environment?	✓		<p>ISO 14001 Environmental Management System (EMS) certification.</p> <p>(II) The Group continues to promote various energy reduction and environmental impact reduction measures, including the gradual 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, installation of energy conservation controllers for various equipment, and increase of renewable energy usage ratio, in order to effectively use energy and natural resources.</p> <p>1. The electricity consumption per unit area in 2023 was 66.79 kWh/m<sup>2</sup>, which decreased by 10.09 kWh/m<sup>2</sup> (a decrease of 13%) compared to 2022. The original target of 2% annual reduction was met. In 2024, we will continue to reduce energy consumption and increase the proportion of renewable energy use, with the goal of reducing electricity consumption by 2% compared with 2023 to optimize energy efficiency.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total power consumption (kWh)</th> <th>Energy usage per unit area (kWh/m<sup>2</sup>)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>3,088,919</td> <td>76.88</td> </tr> <tr> <td>2023</td> <td>3,013,522</td> <td>66.79</td> </tr> </tbody> </table> <p>2. In 2023, 7 pieces of equipment including old water dispensers, steamers, televisions, blood pressure monitors, and refrigerators were replaced with new ones that meet both environmental protection and energy-saving standards. This replacement is expected to save approximately 2,200 kWh of electricity</p>	Year	Total power consumption (kWh)	Energy usage per unit area (kWh/m <sup>2</sup> )	2022	3,088,919	76.88	2023	3,013,522	66.79
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(III) Does the company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues?	✓		<p>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 invested RMB1.428 million in the Shanghai operating location to install a 100kw solar power system. It was connected to the grid and entered service in Q1 2024, and will generate 8,100kWh a month. The generated power will be used by the operating location.</p>	No difference.							
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			<p>Strategy</p> <p>The identified short-, mid-, and long-term climate related risks and opportunities</p> <p>In 2022, the Company will re-examine the ranking of risks and opportunities identified in 2021, consider implementation benefits, and select projects that may have an impact in the short term (1 to 3 years). After understanding the current implementation status of relevant issues, we will re-evaluate the level of impact. Financial impact assessment identified 3 key risks that require continued attention and 2 major opportunities.</p> <p>Key risks</p>									

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				<p>Reduced capital acquisition cost</p> <p>Develop/expand low-carbon products or services</p>	<p>Reduced operating costs</p> <p>Increased demand for products leads to increased revenue</p>	<p>Continue to pay attention to the sustainability indicators related to the organization and the performance of the sustainability indicators related to the organization. Actively communicate green financing conditions with financial institutions. By the end of 2022, the Company has reached a green financing interest rate agreement.</p> <p>Short term: Plan product application and category analysis work, and define low-carbon products. Mid-term: Continue to track the technology application capabilities of the vendor and improve the support capabilities for the vendor's low-carbon products. Long term: Actively market low-carbon products to customers and increase the sales proportion of</p>	

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			<p>and related risks</p> <p>emissions and undergo verification procedures by third-party notary units to ensure the accuracy and reliability of our greenhouse gas emissions inventory. Using 2022 as the base year, we commit to reducing the intensity of greenhouse gas emissions for categories 1 and 2 by 2% annually, reviewing reduction progress and adjusting management policies accordingly.</p> <p>In 2023, following the ISO 14064-1:2018 standard for greenhouse gas inventory, the "Greenhouse Gas Inventory Promotion Task Force Meeting" was convened. It identified significant indirect emission sources for individual companies and the Taiwan subsidiaries in the consolidated financial statements for the year. It included "indirect greenhouse gas emissions from purchased energy" (Externally purchased electricity: Category 2), "Emissions from upstream transportation and distribution" (Category 4), and "Business travel" (Category 3) in the reporting boundary. The verification was completed by the third-party BSI Taiwan Branch, following the relevant specifications of ISO/14064-1 and ISO/14064-3. In addition, the operating locations of individual companies and subsidiaries in the consolidated reports have been included in the self inventory in 2023. The external greenhouse gas verification is expected to be completed in full by 2027 at the latest.</p>	
			<p>The goals used for managing</p> <p>In order to achieve the goals, we are implementing the following initiatives: (1) Improve the energy efficiency of operating facilities.</p>	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
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			<p>climate-related risks and opportunities, and the achievement of the goals</p> <p>(2) Invest in renewable energy and energy storage.  (3) Investigate the evaluation and purchase of green energy or other alternative renewable energy certificates.  (4) Encourage outsourced transportation fleets to adopt electric trucks.  (5) Work with suppliers to reduce their greenhouse gas emissions.  (6) Work with customers and other stakeholders to develop innovative solutions to reduce Scope 3 greenhouse gas emissions.</p> <p>Develop clean technologies that target green energy, energy storage, and efficiency  As the importance of clean technologies becomes increasingly prominent, the Company has targeted the following three major areas through continuous investment and technological innovation: green energy, energy storage, and efficiency to provide high-quality solutions.  In terms of green energy, we focus on the application of renewable energy, such as solutions to improve conversion efficiency in solar photovoltaic systems. These energy sources help reduce reliance on fossil fuels while producing electricity without causing pollution, thereby reducing carbon emissions.  Energy storage is another key area. The Company's efforts in this area include the development of highly efficient energy storage system</p>	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
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(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 greenhouse gas emission reduction, water use reduction, and other waste	✓		<div style="border: 1px solid black; padding: 5px;"> <p>solutions and resilient grid applications to cope with extreme weather and environmental changes. These systems can store electricity during peak generation times and provide a stable power supply during off-peak hours.</p> <p>In terms of efficiency, we focus on improving energy efficiency in high-energy-consuming industries (such as manufacturing and transportation). According to the International Energy Agency (IEA), 46% of global electricity is used in motor equipment. The introduction of high-efficiency motors and advanced control technology, combined with new semiconductor materials, can effectively improve energy efficiency.</p> </div> <p>(IV) The Group's individual companies and operating locations of Taiwan subsidiaries in the consolidated reports have completed greenhouse gas emission inventories for category 1 to 6 emissions according to the ISO/14064-1:2018 standard, and have passed the external verification conducted by BSI Taiwan Branch of the British Standards Institution (BSI Taiwan).</p>	No difference.



Evaluation Item	Implementation status		Summary	Discrepancy with industry standards in sustainable development practices and reasons for listed companies																			
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management?			<p>1. Greenhouse gas emissions in the most recent 2 years are as follows:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Type 1 (CO<sub>2</sub>e-t)</th> <th>Type 2 (CO<sub>2</sub>e-t)</th> <th>Emission intensity (CO<sub>2</sub>e-t/million NTD)</th> <th>Categories 3 to 6 (CO<sub>2</sub>e-t)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">2022 (Verified regions)</td> <td>103.4225</td> <td>1,494.3245</td> <td rowspan="2">0.0038</td> <td rowspan="2">212.3325</td> </tr> <tr> <td colspan="2">1,597.7470</td> </tr> <tr> <td rowspan="2">2023 (Verified regions)</td> <td>110.0573</td> <td>1,431.8865</td> <td rowspan="2">0.0041</td> <td rowspan="2">373.4026</td> </tr> <tr> <td colspan="2">1,541.9438</td> </tr> </tbody> </table> <p>In 2023, the verified total category 1 and category 2 greenhouse gas emissions in the area amounted to 1,541.9438 metric tons of CO<sub>2</sub>e (a 3.49% decrease compared to 2022). The Company will continue to pursue carbon emission reductions and steadily move towards the goal of low carbon emissions.</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 2022 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. The company has</p>	Year	Type 1 (CO <sub>2</sub> e-t)	Type 2 (CO <sub>2</sub> e-t)	Emission intensity (CO <sub>2</sub> e-t/million NTD)	Categories 3 to 6 (CO <sub>2</sub> e-t)	2022 (Verified regions)	103.4225	1,494.3245	0.0038	212.3325	1,597.7470		2023 (Verified regions)	110.0573	1,431.8865	0.0041	373.4026	1,541.9438		
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			<p>independently completed greenhouse gas inventory since 2018 and actively increased the scope of the inventory. The external verification scope of the greenhouse gas inventory in 2022 covered all operating locations of individual companies and operating locations of Taiwan subsidiaries in the consolidated reports, and the independent greenhouse gas inventory of individual companies and subsidiaries in the consolidated reports has been completed. Greenhouse gas inventories of all operating locations of the Group will be completed by 2025 at the latest, and external verification will be completed by 2027.</p> <p>3. Based on concerns related to global climate change, resource utilization, and fulfilling corporate responsibilities, systematic greenhouse gas emissions inventory, documentation, and review procedures are implemented 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"> <li>(1) Improve the energy efficiency of operating facilities.</li> <li>(2) Invest in renewable energy and energy storage.</li> <li>(3) Investigate the evaluation and purchase of green energy or other alternative renewable energy certificates.</li> <li>(4) Encourage outsourced transportation fleets to adopt electric trucks.</li> <li>(5) Work with suppliers to reduce their greenhouse gas emissions.</li> <li>(6) Work with customers and other stakeholders to develop innovative solutions to reduce Scope 3 greenhouse gas emissions.</li> </ol>

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			<p>4.The main uses for water are the circular use for air conditioning in office areas and use by employees. The total water intake of the completed water usage inventory area in 2023 was 21.32ML (inventory area: Taiwan, Hong Kong, South Korea, and China). Among them, Zhonghe headquarters in Taiwan has been verified by external verification that the water intake was 11.49ML, an increase of 8% compared with 2022. The increase was due to the repairs and updates to the cooling water tower last year, which required a large amount of water discharge. We have continued to communicate with the management committee to carry out relevant water-saving improvement measures.</p> <p>Water usage in the Zhonghe verification area in Taiwan in the most recent 2 years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total water consumption (million liters)</th> <th>Water use per unit area (million liters/m<sup>2</sup>)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>10.682</td> <td>0.0006290</td> </tr> <tr> <td>2023</td> <td>11.499</td> <td>0.0006775</td> </tr> </tbody> </table> <p>Note: The scope of the inventory includes the Taiwan headquarters office in Zhonghe, and verification in May 2024 has been entrusted to BSI Taiwan Branch, BSI Taiwan.</p> <p>5.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>	Year	Total water consumption (million liters)	Water use per unit area (million liters/m <sup>2</sup> )	2022	10.682	0.0006290	2023	11.499	0.0006775	
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			data of the waste is regularly recorded Starting from 2023, we are improving waste reduction measures and implementing waste reduction plans with the goal of reducing waste by 1% per year.	
IV.Social issues (I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(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 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. In 2023, 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	No difference.

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(II) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on	✓		<p>E-Learning platform, WT Microelectronics Academy, which employees can access anytime. The actual human rights education and training conducted in 2023 consisted of one course, which was arranged for new employees. A total of 91 people were expected to receive the training, and 91 people actually completed it.</p> <table border="1"> <tr> <td>Items of the human rights risk assessment and management procedure assessment</td> </tr> <tr> <td>* Provide a safe and healthy work environment</td> </tr> <tr> <td>* Elimination of illegal discrimination to ensure the fairness of job opportunities and remuneration</td> </tr> <tr> <td>* Prohibition of child labor</td> </tr> <tr> <td>* Prohibition of forced labor and human trafficking</td> </tr> <tr> <td>* Help employees maintain physical and mental health, achieve work-life balance</td> </tr> </table> <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</p>	Items of the human rights risk assessment and management procedure assessment	* Provide a safe and healthy work 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	No difference.
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employee salaries?			<p>genders and ethnic groups. Through internal training and career planning, the proportion of female employees in the entire workforce is currently 41.3%, and the proportion of female managers in leadership positions is also 30.8%, promoting women's empowerment in a friendly workplace.</p> <p>Proportion of managers(according to gender)</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Female</td> <td>30.8%</td> </tr> <tr> <td>Male</td> <td>69.2%</td> </tr> </tbody> </table> <p>Proportion of managers(according to age)</p> <table border="1"> <thead> <tr> <th>Age</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Age 30 and below</td> <td>2.94%</td> </tr> <tr> <td>31-49 years old</td> <td>71.73%</td> </tr> <tr> <td>50 and above</td> <td>25.33%</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 managerial officers and key personnel and the company's long-term performance.</p>	Gender	Percentage	Female	30.8%	Male	69.2%	Age	Percentage	Age 30 and below	2.94%	31-49 years old	71.73%	50 and above	25.33%	
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			<p>Furthermore, the company has been an advocate for sustainable operations and employee stock ownership since September 2020. Employees (members) organize themselves and form the Employee Stock Ownership 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)The Company started promoting weekly Fruit Day in 2015, and established long-term partnerships with local small farmers in Taiwan in 2020. In 2023, we purchased a total of 15.52 tons of fresh fruits throughout the year. Since the implementation, we have purchased 89.71 tons of fruits, and helped 22 farmers, making efforts to support local economies and charities. Regarding the 2023 agricultural volunteer activities, two sessions of agricultural</p>	



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			<p>activities for ponkan orchard volunteers and vineyard volunteers were held, with a total of 138 people participating. In 2024, in addition to continuing to purchase fruits from small farmers, we plan to go further south and invest in more farmland activities, allowing employees and their families to assist in farming activities and work side by side with farmers.</p> <p>(5)Travel activities: Employees can participate in the one-day trips with their families and they will be subsidized together with their families. A total of 1,188 employees and their family members participated in the 18 trips. Short hotel trips will be launched in 2024, with green hotels as the priority to actively promote green tourism and for employees to bring their own toiletries to reduce the use and waste of disposable toiletries, further limiting the generation of waste.</p> <p>(6)Holiday activities: During the Mid-Autumn Festival, we held the "WT Microelectronics 30 Mid-Autumn Festival Celebration". Activities such as the team competition "Wugang Woodcutting Fun" and kombucha DIY experience course were organized. The New Year's gift is Yunlin Beigang's healthy traditional oils gift box. During the Lunar New Year holiday, we held the "WT Microelectronics 30 Celebrating the New Year of the Dragon" series of events. The activities included lantern painting, red envelope lucky lottery, and various prizes such as smart home appliances, electronic products, lifestyle accessories, New Year goods, and charitable items. Red Envelope Silk Printing has designed an exclusive template for WT Microelectronics' 30th anniversary. Employees can make their own New Year red packets.</p>	

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			<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. 423 people and 85 groups participated in the series of weight loss activities held from October 2022 to January 2023, resulting in a total weight loss of 890 kilograms. The Perseverance Award will be held in 2024 to review the achievements of employees in maintaining their weight and shape. 26 employees successfully completed the challenge and their endurance is very worthy of commendation. We joined the CHR Health Corporate Citizen Initiative promoted by Healthy Magazine in 2023. We plan to continue applying for the Sports Enterprise Certification Review in 2024. We also plan to launch a series of activities for the “Health Passport” with higher connectivity to health and sports. Using professional body composition analyzers like InBody, we will offer monthly tests for employees to continuously monitor their health and physical condition. This information can be used alongside health checkup data with health managers to tailor dietary and exercise plans according to individual body conditions.</p> <p>(8)Arts and culture activities: World Citizen Academy and Concert and the Children's Chorus "Nice Voice" concert. 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: Starting in 2023, 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 the monthly beach cleaning events, a total of</p>

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			<p>499 people participated, and we collected and disposed of 2,763.3 kilograms of marine waste. In order to increase the diversity of healthy sports, a series of hiking activities called "Pick Up and Go" were launched in conjunction with the beach cleanup. A total of 1,022 people participated throughout the year.</p> <p>(10)TV walls are installed on each floor, playing Bloomberg TV, an international English-language financial network, every morning. This allows employees to access the latest international business and financial information. The TV screens also rotates between event highlights, upcoming announcements, environmental safety and health-related knowledge, and information on healthcare and disease prevention.</p> <p>(11)WT Electronics' 30th anniversary activities: Take a time machine and return to Taipei in 1993, learn about the establishment, growth, and prosperity of WT Microelectronics, and join hands to welcome the infinite possibilities of WT Microelectronics in the future. The event includes the 30th Anniversary Special Exhibition Naming Contest and an interactive wall for well-wishes. The special exhibition features a quiz and lucky draw activity, with prizes including tickets to the "RE: Paul Chiang - Meditating Algorithm: Immersive in the life and works of Paul Chiang" by the renowned artist Paul Chiang in 2023. Additionally, limited edition OMAR whiskey gift sets and vouchers were also provided by WT Microelectronics. The 30th anniversary gifts include a portable tea cup sets and a fashionable and comfortable POLO shirt. Among them, the portable tea cup gift box also provides engraving services for employees with more</p>	

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(III) Does the company provide a safe and healthy working environment and provide employees with regular safety and health training?	✓		<p>than 15 years of service to express our gratitude to our employees.</p> <p>(III) The Group's most important asset is its employees. Creating a friendly workplace environment is one of the Group's top priorities. In 2023, there were zero incidents of fire, zero casualties, and zero disabling injuries across our operating locations in Taiwan, China, and Singapore. The Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR), which reflect occupational injury-related deaths, serious disabling injuries, and the frequency of disabling injuries resulting in lost work time, were both zero.</p> <p>1. Employee safety and health protection and fire prevention measures:  Fire prevention management is divided by area, and the employees responsible for each floor conduct fixed-point fire safety equipment inspections every month and implement fire protection preparations and drills (self-defense fire drills) in March and July every year to prevent disasters before they occur. Personnel are sent to participate in fire drills organized by the management committee every year to learn about the park's escape and evacuation mechanisms and strengthen employees' escape and emergency response capabilities. In March every year, the outsourced firefighting agency carries out inspections and reporting. Special personnel conduct safety inspections every night to ensure that unnecessary power and lighting in the office are turned off.  Professional cleaners are arranged to maintain the workplace environment daily, including regularly sterilizing the work environment and cleaning air conditioners every year. Professional technicians are hired to periodically perform safety inspections and maintenance in accordance with the law.</p>	No difference.

Evaluation Item	Implementation status		Summary	Discrepancy with industry standards in sustainable development practices and reasons for listed companies								
	Yes	No										
			<p>Employees must wear ID badges when entering and exiting the office. Visitors and guests must register at the reception desk, and shall 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"> <tr> <td>Daily</td> <td> <ul style="list-style-type: none"> <li>Cleaning and sanitation of conference rooms and public areas.</li> <li>Daily fire source inspections.</li> <li>Dedicated personnel for night time patrols.</li> </ul> </td> <td>Monthly</td> <td> <ul style="list-style-type: none"> <li>Onsite physician services.</li> <li>Vehicle safety inspections.</li> <li>Emergency facilities inspections.</li> <li>Fire safety equipment inspection.</li> </ul> </td> </tr> <tr> <td>Quarterly</td> <td> <ul style="list-style-type: none"> <li>The Occupational Safety and Health Committee is convened to review the related strategies and implementation of solutions.</li> <li>On-site physiotherapist services.</li> </ul> </td> <td>Every 6 months</td> <td> <ul style="list-style-type: none"> <li>Implement self-protection and fire drills.</li> <li>Carpet and environment cleaning.</li> </ul> </td> </tr> </table>	Daily	<ul style="list-style-type: none"> <li>Cleaning and sanitation of conference rooms and public areas.</li> <li>Daily fire source inspections.</li> <li>Dedicated personnel for night time patrols.</li> </ul>	Monthly	<ul style="list-style-type: none"> <li>Onsite physician services.</li> <li>Vehicle safety inspections.</li> <li>Emergency facilities inspections.</li> <li>Fire safety equipment inspection.</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>The Occupational Safety and Health Committee is convened to review the related strategies and implementation of solutions.</li> <li>On-site physiotherapist services.</li> </ul>	Every 6 months	<ul style="list-style-type: none"> <li>Implement self-protection and fire drills.</li> <li>Carpet and environment cleaning.</li> </ul>	
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	Yes	No	Summary		
			<p>Annually</p> <ul style="list-style-type: none"> <li>• Test, repair, and maintain various fire safety equipment.</li> <li>• Convene occupational safety meetings to review, coordinate, and provide suggestions for employee related health and safety matters, and stipulate the annual health and safety plan.</li> <li>• Maintenance of air conditioning equipment.</li> <li>• Sterilization of the entire office area.</li> </ul>	<p>Every 2 years</p> <ul style="list-style-type: none"> <li>• Check the public safety of the buildings.</li> </ul>	
<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, AEDs in the building, and related training 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 to improve medical and healthcare knowledge. Automatic blood pressure monitors are provided at each workplace, caring for employees' health</p>					

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	Yes	No		
			<p>at all times. In order for employees to work without worries, the Company also values employees' family members. The Group provides self-pay health checkup preferential plans for employees and their family members. In response to the annual peak of influenza during the autumn and winter seasons, the Company not only regularly promotes and encourages employees to receive flu vaccinations but also provided a 50% subsidy for the "TTY Flu Cell Culture Vaccine" in 2023. We arranged for vaccinations to be completed by October, implementing early prevention measures to help avoid the risk of severe complications or death after infection.</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: (1) Prevention plan for illness caused by abnormal workloads Require all levels of management to actively care about the labor conditions of employees. If any health issues are found, they can report to the health management personnel for assistance and care. They can then arrange for health consultations and abnormal load assessments during monthly doctor consultations.</p> <p>(2) 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</p>	

Evaluation Item	Implementation status		Summary	Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No		
			<p>colleague encounters sexual harassment, stalking, or other illegal acts while performing their duties, they can file a 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> <p>(3) 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. When necessary, treatment is also provided, such as splint fixation for carpal tunnel syndrome, to relieve pain.</p> <p>(4) Maternal health protection plan</p>	



Evaluation Item	Implementation status		Summary	Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No		
(IV) Does the company set up effective career development and training programs for its employees?	✓		<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. 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> <p>(IV) The Group's Training &amp; Development Roadmap was developed by dedicated units for formulating annual training programs, and courses developed are based on functional attributes and grades to enhance employees' professional competence and knowledge.</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Functional Expertise Training: All units have developed employees' relevant</li> </ol>	No difference.

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
(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 established relevant consumer or customer protection policies and grievance procedures?	✓		<p>professional skills and knowledge through internal and external training and OJT.</p> <p>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.</p> <p>(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.</p> <p>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 the Company's sustainability-related functional supervisors, the Company confirms the types of important stakeholders as shareholders/banks, customers, employees, vendors, and other suppliers.</p>	No difference.
(VI) Does the company	✓		(VI) The Company has established the "Supplier Code of Conduct" and "Supplier	No difference.

Evaluation Item	Implementation status		Summary	Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No		
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>Corporate Social Responsibility Commitment", requiring suppliers to fill out the "Supplier Self-Evaluation Form" online, 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 have implemented 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 includes the supplier's service attitude, professional ability, product quality and price, and ESG-related activities. 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 management.</p> <p>We held a beach cleanup event on World Earth Day in 2023, and worked with our suppliers to contribute to the earth's marine ecology. 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 our engagement with suppliers.</p> <p>When a contracted construction unit enters the Company for construction, the unit is required sign the health and safety commitment and the construction must comply with the Occupational Safety and Health Act, in order to protect the health and safety of the contractors. Contractors must abide by the Company's "Ethical Values and Business Practice Principles" and require their staff stationed in the</p>	

Evaluation Item	Implementation status		Summary	Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No		
			<p>Company to complete relevant ethics education and training.</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 conduct key supplier evaluations.</p>	
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?	✓		<p>The main framework of the Company's sustainability report is based on the Global Reporting Initiative (GRI) standards, and the core options act as the principles for disclosure. The Company joined the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB).</p> <p>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 June 30, 2023.</p>	No difference.

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
<p>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.</p>				
<p>VII. Other key information useful for explaining the status of sustainable development implementation: (I) Public interest:</p> <ol style="list-style-type: none"> <li>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 Chairman 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 "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.</li> <li>2. The CEO of the Foundation reports on the execution status and operational effectiveness to the board of directors annually. The operational status of the foundation for 2023 was reported to the Board of Directors on December 21, 2023. The total amount of donations and self-organized activities reached NT\$10.77 million. The donations and programs included the Rural Area Campus Photography Project, Rural School Video Reading Program, "Junyi School of Innovation Experimental Curriculum Program", "KIST Public-Private Zheng-Min Elementary School" by the Cheng Zhi Education Foundation, "One Bag of Blood, One Life Saved" by Taoyuan Love Promotion Association, "ESG Sustainability X World Citizen Concert" by the Taichung ESG World Citizens &amp; Digital Governance Foundation, "Social Science Development Fund" by the NCCU College of Social Sciences, and the "Shen Nong Project" by the Lovely Taiwan Foundation.</li> <li>3. For information on the Company's corporate social responsibility, please refer to the Company's website: <a href="https://esg.wtmec.com/">https://esg.wtmec.com/</a>.</li> <li>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.</li> </ol>				

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
(II) Environmental protection:			<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 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 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. In addition, in daily office management, we continue to reduce the purchase of disposable consumables, give priority to the use of durable recyclable products, strengthen waste reduction and carbon reduction promotion for employees, and implement waste classification and resource recycling and reuse with the goal of reducing the amount of waste.</p> <p>The waste reduction plan will be extended to various meetings held within the Company, optimizing and transforming them under the premise of a friendly environment and enhancing sustainable development goals. We will implement plastic-free and single-use item-free setups for venues, adhering to the principle of not using disposable tableware and plastic bags. In terms of venue setup, we will use artificial flowers for decoration to increase reusability. Additionally, we will replace plastic bottled water with glass cups on tabletops, gradually working towards the ultimate goal of zero plastic usage.</p> <p>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. In 2023, 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 the beach cleaning events, a total of 499 employees and their family members participated, and we collected and disposed of 2,763.3 kilograms of marine waste. In order to promote the commitment to green sustainability, the beach cleanup activities will invite manufacturing customers and suppliers to join, and co-organize beach cleanup and mountain cleanup activities with peers or community organizations. It is expected that more participants will actively participate in environmental sustainability through related activities.</p>	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Summary	
<p>(III) Human rights:</p> <p>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>				

Climate-related information of TWSE/TPEX listed companies

I. Implementation status of climate-related information:

1. Description of the monitoring and governance of climate-related risks and opportunities by the Board of Directors and management:

Climate change is a common issue faced by all players around the world. As a distributor in the semiconductor industry, the Company has operating locations, partners, original suppliers, etc., all over the world, which will all be affected by climate change. The governance structure of the Company acknowledges the potential impact of climate change on operations and long-term development. Since 2021, we have been actively promoting related management mechanisms and operations, formulating policies and goals, and investing resources in assessing and researching transformation plans. In the future, we will continue to track the achievement of goals and adopt more proactive action plans.

Climate governance framework:

Board of Directors	The highest decision-making unit for climate change risk management is responsible for approving relevant risk management measures, tracking the implementation of climate-related risk management, guiding decision-making response plans, and supervising the implementation results and goal achievement of the plans.
Risk Management Committee	A functional committee established by directors and independent directors regularly reports to the Board of Directors the results of climate change risk and opportunity assessments and guides the implementation of climate risk and opportunity management.
Climate change risk management team	It is composed of the Chief Sustainability Officer, Chief Financial Officer, Investor Relations and other senior executives of the sustainability management team to coordinate and plan risk management processes such as identification of risks and opportunities, and planning of response plans. Regularly confirm implementation results and integrate climate change risk management reports.
Functional/Business units	Regularly conduct assessment and analysis of climate change risks and opportunities, plan and implement response plans, and regularly report implementation results and performance.

2. Description of how the identified climate risks and opportunities affect the operations, strategies, and finances of companies (short term, medium term, and long term) :

In 2022, the Company will re-examine the ranking of risks and opportunities identified in 2021, consider implementation benefits, and select projects that may have an impact in the short term (1 to 3 years). After understanding the current implementation status of relevant issues, we will re-evaluate the level of impact. Financial impact assessment identified 3 key risks that require continued attention and 2 major opportunities.

Key risks:



Risk factor	financial impact	Response strategies and plans
Increased severity and frequency of extreme weather events (typhoons, storms, etc.)	<ul style="list-style-type: none"> <li>• Decreased asset value</li> <li>• Reduced asset service life (Note 1)</li> </ul>	<p>Short term: Understand meteorological information in real time, plan prevention and response measures accordingly for different natural disasters, and continue to maintain full communication with the park management center.</p> <p>Mid-term: It mainly focuses on transferring and diversifying risks, and purchasing relevant property insurance. The location of important configurations is continuously evaluated and needs to be located in an area less affected by the climate.</p> <p>Long term: When choosing to add/relocate an operating location, the assessment items include climate change factors (such as flood prevention, earthquake prevention, etc.). (Note 4)</p>
Extreme climate and high temperatures	<ul style="list-style-type: none"> <li>• Increased operating costs (Note 2)</li> </ul>	<p>Short term: When purchasing, priority is given to products with energy-saving labels, including office environments, electrical equipment, office machines, etc. Energy-saving facilities are installed, and the energy-saving results of each unit are regularly reviewed. Continue to promote energy conservation and various activities, and integrate the concepts into the habits of all colleagues, with the aim of reducing energy dependence.</p> <p>Mid-term: Continuously review whether the replacement plan is in line with the latest trends to ensure that the energy efficiency of the relevant equipment used meets expectations.</p> <p>Long term: Establish a stable energy supply strategy, including seeking alternative energy and developing renewable energy.</p>
Extreme weather events impacting supply chain logistics	<ul style="list-style-type: none"> <li>• Increased cost of capital (Note 3)</li> </ul>	Strengthen communication with customers, including exchanging information on the impacts of climate change, to reduce the impact of the effect on supply chain logistics.

Note 1: Based on WT Microelectronics' internal assumptions and calculation factors, the maximum financial impact may be NT\$26 million.

Note 2: Based on WT Microelectronics' internal assumptions and calculation factors, it may cause a financial impact of more than NT\$1.08 million per year in the future.

Note 3: Based on WT Microelectronics' internal assumptions and calculation factors, it may cause a financial impact of more than NT\$220,000 per day.

Note 4: Short term: 1 to 3 years. Medium term: 3 to 5 years. Long term: Over 5 years.

Climate change opportunities:

Opportunity factors	financial impact	Response strategies and plans
Reduced capital acquisition cost	Reduced operating costs	Continue to pay attention to the sustainability indicators related to the organization and the performance of the sustainability indicators related to the organization. Actively communicate green financing conditions with financial institutions. By the end of 2022, the Company has reached a green financing interest rate agreement.
Develop/exp and low-carbon products or services	Increased demand for products leads to increased revenue	Short term: Plan product application and category analysis work, and define low-carbon products. Mid-term: Continue to track the technology application capabilities of the vendor and improve the support capabilities for the vendor’s low-carbon products. Long term: Actively market low-carbon products to customers and increase the sales proportion of low-carbon products.

3. Description of the financial impacts of extreme climate events and transitional actions:

Evaluated based on WT Microelectronics' internal assumptions and calculation factors.

- (1) The severity and frequency of extreme weather events have increased, resulting in a reduction in the service life of assets, which may result in a maximum financial impact of NT\$26 million.
- (2) Extreme climate and high temperatures have caused an increase in operating expenses, which may result in a financial impact of more than NT\$1.08 million per year in the future.
- (3) Extreme weather affects supply chain transportation, causing an increase in capital costs, which may result in a financial impact of more than NT\$220,000 a day.

4. Description of how the identification, evaluation, and management of climate risks are integrated in the overall risk management system:

The climate change risk management team held three meetings starting from the fourth quarter of 2022, inviting each functional/business unit to identify risks and opportunities, assess financial impacts, and discuss response plans. The evaluation and planning results will be incorporated into the operation promotion plan of relevant units and reported to the Board of Directors periodically as reference for governance.

The Company will continue to follow the climate change risk management process by referencing the TCFD recommendations to identify risks and opportunities, evaluate response strategies, and conduct regular internal and external reporting.

Climate change risk assessment process:

Risk item inventory	Key risk analysis	Financial impact assessment of risks and opportunities	Response planning and reporting
Identify possible risks and opportunity projects with reference to TCFD recommendations, relevant domestic and foreign regulations, and expectations of external stakeholders.	Analyze and identify key risks based on the risk occurrence time interval, risk occurrence possibility, risk possible location, and degree of risk impact. Sort the analysis results in a quantitative manner and select the top three risk and opportunity items as key risks.	Consider the possibility of risks/opportunities occurring and the extent to which they affect operations, and evaluate the possible financial impact items and extent.	For key risks and opportunities, the degree of financial impact is considered, response strategies are evaluated (mitigation, control, transfer, and tolerance), and response plans are planned. Reporting is performed in accordance with internal management procedures. Implementation results are regularly disclosed in the sustainability report.

5. If scenario analysis is used to assess resilience against climate change risks, the scenario, parameters, assumptions, analysis factors, and major financial impacts should be described:

The Company selects the RCP 8.5 scenario for physical risks and the national target scenario for transformation risks. We refer to information such as regulatory changes, external entity environment, issues of concern in sustainability evaluation, etc., as the basis for annual climate change risk assessment.

6. If there is a transitional plan for responding to climate-related risks, the content of the plan and the indicators and targets for identifying and managing physical risks and transition risks should be described:

The climate change risks and issues caused by global warming may create unexpected operational impacts. Regarding the 2050 net zero commitment and path planning, the Company is committed to achieving the goal of net zero emissions by 2050 by reducing greenhouse gas (GHG) emissions and supporting the transition to a low-carbon economy. The Company has set the following short-term and long-term goals:

- (1) Starting in 2024, we plan to reduce greenhouse gas emissions by 3% to 5% annually, and identify feasible solutions to reduce Scope 3 emissions.
- (2) Short-term goal: Reduce Scope 1 and 2 greenhouse gas emissions by 50% before 2035 relative to 2022.
- (3) Long-term goal: Realize net zero by 2050.

In order to achieve the goals, the Company is implementing the following initiatives:

- (1) Improve the energy efficiency of operating facilities.

- (2) Invest in renewable energy and energy storage.
- (3) Investigate the evaluation and purchase of green energy or other alternative renewable energy certificates.
- (4) Encourage outsourced transportation fleets to adopt electric trucks.
- (5) Work with suppliers to reduce their greenhouse gas emissions.
- (6) Work with customers and other stakeholders to develop innovative solutions to reduce Scope 3 greenhouse gas emissions.

Develop clean technologies that target green energy, energy storage, and efficiency

As the importance of clean technologies becomes increasingly prominent, the Company has targeted the following three major areas through continuous investment and technological innovation: green energy, energy storage, and efficiency to provide high-quality solutions.

In terms of green energy, we focus on the application of renewable energy, such as solutions to improve conversion efficiency in solar photovoltaic systems. These energy sources help reduce reliance on fossil fuels while producing electricity without causing pollution, thereby reducing carbon emissions.

Energy storage is another key area. The Company's efforts in this area include the development of highly efficient energy storage system solutions and resilient grid applications to cope with extreme weather and environmental changes. These systems can store electricity during peak generation times and provide a stable power supply during off-peak hours.

In terms of efficiency, we focus on improving energy efficiency in high-energy-consuming industries (such as manufacturing and transportation). According to the International Energy Agency (IEA), 46% of global electricity is used in motor equipment. The introduction of high-efficiency motors and advanced control technology, combined with new semiconductor materials, can effectively improve energy efficiency.

7.If the internal carbon pricing is used as a planning tool, the basis of the pricing should be stated:

The Company evaluates the benefits of promoting internal carbon pricing and formulates implementation plans.

8.If climate-related goals are set, information on the covered activities, scope of greenhouse gas emissions, planning timeline, and progress achieved annually should be stated. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the goals, the source and quantity of carbon offsets or the number of RECs used for carbon reduction should be stated:

In 2023, the greenhouse gas inventory was completed according to the ISO 14064-1:2018 inventory standards. The scope of emissions includes direct emission sources (Scope 1), indirect emissions from purchased energy (Scope 2), and other indirect emission sources (Scope 3). Indirect emission sources (Scope 2) and other indirect emission sources (Scope 3) followed the ISO 14064-1:2018 standard for greenhouse gas inventory. The "Greenhouse Gas Inventory Promotion Task Force Meeting" was convened. It identified significant indirect emission sources for individual companies and the Taiwan subsidiaries in the consolidated financial statements for the year. It included "indirect greenhouse gas emissions from purchased energy" (externally purchased electricity: Scope 2), "Emissions from upstream transportation and distribution" (Scope 3), and "Business travel" (Scope 3) in the inventory boundary. In 2023, we purchased 10 registered and certified Tradable Renewable Energy Certificates (T-RECs) from the National Renewable Energy Certificate Center. The certificate codes are 22SP0047-U023000001 to 10. These certificates

are declared to offset the consumption of 10,000 kWh of conventional electricity by the Company during 2023 (equivalent to the emission of 4.95 tons of CO<sub>2</sub>e).

Starting from 2024, we aim to reduce greenhouse gas emissions by 3-5% annually. By 2035, we commit to reducing Scope 1 and Scope 2 greenhouse gas emissions to 50% of the 2022 levels. We are dedicated to reducing greenhouse gas emissions and promoting clean technology industries. We will review and adjust our strategies annually to achieve net-zero emissions by 2050.

9.Greenhouse gas inventory, assurance, and reduction objectives, strategies, and specific action plans (to be filled in 2 and 3).

II. The Company's greenhouse gas inventory and assurance in the past two years:

1.Greenhouse gas inventory information

Description of the emission volume (tons CO<sub>2</sub>e), emission intensity (tons CO<sub>2</sub>e/million NTD) and scope of information of greenhouse gases in the past two years.

In 2023, following the ISO 14064-1:2018 standard for greenhouse gas inventory, the "Greenhouse Gas Inventory Promotion Task Force Meeting" was convened. It identified significant indirect emission sources for individual companies and the Taiwan subsidiaries in the consolidated financial statements for the year. It included "indirect greenhouse gas emissions from purchased energy" (Externally purchased electricity: Scope 2), "Emissions from upstream transportation and distribution" (Scope 3), and "Business travel" (Scope 3) in the reporting boundary. The verification was completed by the third-party BSI Taiwan Branch, BSI Taiwan, following the relevant specifications of ISO/14064-1 and ISO/14064-3. In addition, the operating locations of individual companies and subsidiaries in the consolidated reports have been included in the self inventory in 2023.

Greenhouse gas emissions in the most recent 2 years are as follows:

Year	Scope 1 (CO <sub>2</sub> e-t)	Scope 2 (CO <sub>2</sub> e-t)	Intensity (CO <sub>2</sub> e-t/NT\$ million)	Scope 3 (CO <sub>2</sub> e-t)
2022	103.4225	1,494.3245	0.0038	212.3325
(Verified regions)	1,597.7470			
2023	110.0573	1,431.8865	0.0041	373.4026
(Verified regions)	1,541.9438			

In 2023, the verified total Scope 1 and Scope 2 greenhouse gas emissions in the area amounted to 1,541.9438 metric tons of CO<sub>2</sub>e. The emission intensity in the area in 2023 was 0.0329 metric tons of CO<sub>2</sub>e per million dollars (a 3.49% decrease compared to 2022). The Company will continue to pursue carbon emission reductions and steadily move towards the goal of net-zero carbon emissions.

2. Greenhouse gas assurance information

Description of the assurance status in the last two years as of the publication date of the Annual Report, including the scope of the assurance, the assurance agency, the criteria for the assurance, and the assurance comments.

The Company has set individual companies and the operating locations of Taiwan subsidiaries included in the consolidated financial statements as the organizational boundaries according to ISO 14064-1:2018 standards. We also follow the Greenhouse Gas Protocol established by the World Business Council for Sustainable Development to conduct annual greenhouse gas inventories. The assurance of Scopes 1, 2, and 3 were completed by the BSI Taiwan Branch, BSI Taiwan, in accordance with ISO 14064-1 and ISO 14064-3 standards. The assurance results are as follows: Scopes 1 and 2 are at the reasonable guarantee level, and Scope 3 is in the negotiation process.

III. Greenhouse gas reduction objectives, strategies, and specific action plans:

Description of the greenhouse gas reduction base year and its data, reduction objectives, strategies, specific action plans, and achievement of reduction objectives.

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 to continuously implement internal greenhouse gas inventories for the Group. Using 2022 as the baseline year, the goal of 2% Scope 1 and 2 emissions reduction in 2023 was formulated. The greenhouse gas emissions in the past two years are as follows:

Year	Scope 1 (CO <sub>2</sub> e-t)	Scope 2 (CO <sub>2</sub> e-t)	Intensity (CO <sub>2</sub> e-t/NT\$ million)	Scope 3 (CO <sub>2</sub> e-t)
2022	103.4225	1,494.3245	0.0038	212.3325
(Verified regions)	1,597.7470			
2023	110.0573	1,431.8865	0.0041	373.4026
(Verified regions)	1,541.9438			

In 2023, the verified total Scope 1 and Scope 2 greenhouse gas emissions in the area amounted to 1,541,9438 metric tons of CO<sub>2</sub>e (a 3.49% decrease compared to 2022). The intensity was 0.0041 metric tons of CO<sub>2</sub>e per million dollars. The Company reached the expected reduction target.

The Company is committed to planning for a 3-5% annual reduction in greenhouse gas emissions starting from 2024. We will also devise feasible solutions to reduce Scope 3 emissions. By 2035, we aim to reduce greenhouse gas Scope 1 and Scope 2 emissions by 50% compared to 2022, ultimately achieving the goal of net-zero emissions by 2050. To achieve these goals, the following strategies will be implemented:

- (1) Improve the energy efficiency of operating facilities.
- (2) Invest in renewable energy and energy storage.
- (3) Investigate the evaluation and purchase of green energy or other alternative renewable energy certificates.
- (4) Encourage outsourced transportation fleets to adopt electric trucks.

- (5) Work with suppliers to reduce their greenhouse gas emissions.
  - (6) Work with customers and other stakeholders to develop innovative solutions to reduce Scope 3 greenhouse gas emissions.
- Promote specific actions on the five main themes of energy conservation in 2023.

1. Green energy plan:

- (1) In 2023, the Company invested RMB1.428 million in the Shanghai operating location to install a 100kw solar power system. It was connected to the grid and entered service in Q1 2024, and will generate 8,100kWh a month. The generated power will be used by the operating location.
- (2) We purchased 10,000 kWh of Renewable Energy Certificates (T-RECs) from the National Renewable Energy Certificate Center, Ministry of Economic Affairs. In the future, we will continue to increase the proportion of renewable energy usage through methods such as purchasing green electricity or buying renewable energy certificates.

2. Reduce energy consumption:

- (1) Add timers to equipment to automatically enable energy-saving mode.
- (2) Gradually review and replace equipment that has become ineffective due to obsolescence.
- (3) Automatically turn off non-essential lighting equipment during lunch breaks.
- (4) Set the air-conditioning temperature between 26°C to 28°C, and use it moderately with a circulating fan.
- (5) Implement zoning control for lighting fixtures and air-conditioning power supplies, and install timers.
- (6) Regularly dispatch personnel to inspect whether the power of lighting, air conditioning, projection equipment, etc., that are not in use is turned off.

3. Enhanced performance:

- (1) Regularly maintain high-energy consumption equipment.
- (2) Install shades to lower the temperature.
- (3) In 2023, the original 452 T5 fluorescent lamps in the office on the 14th floor of Zhonghe Headquarters were replaced with LED lamps with both energy-saving and environmental protection labels. It is estimated that approximately 43,212 kilowatt hours of electricity will be saved every year.

4. Energy-saving equipment:

- (1) Priority is given to purchasing high-efficiency, energy-saving equipment and products with green labels.
- (2) White or light colors are chosen for walls and ceilings to increase the reflection of light.
- (3) For lighting in public spaces that is less frequently used, infrared movement sensor switches are used.

5. Employee participation:

- (1) Implement waste classification and avoid wasting standby power.
- (2) Encourage employees to use public transportation or ride sharing when commuting to and from work, on business trips, and when traveling.

(VI) The state of the Company's performance in the area of ethical corporate management, any deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation

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 policies and programs				
(I) Does the Company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		(I) The Company has passed the formulation of the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" through Board of Directors resolution, and issued the "United Nations Anti-Corruption Policy", "Social Policy and Code of Conduct" and "Anti-Corruption, Anti-Bribery, and Anti-Money Laundering Policies" after being signed by the Chairman. All principles and policies have been disclosed on the Company's website; In addition, the Company issued the 2022 ESG Report on June 30, 2023, to convey the performance and results of the Company's social responsibility fulfillment to the 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) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the	✓		(II) The Company explicitly prohibits unethical conduct such as offering and acceptance of bribes, offering or acceptance of improper benefits, offering or promising facilitation payment, providing illegal political donations, engaging in unfair competitive practices, providing improper charitable	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>business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(III) Does the Company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>	✓		<p>donations or sponsorships, breach of 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. We regularly analyze and evaluate business activities within our scope of operations that pose higher risks of dishonest behavior. For potential activities and operational procedures with a higher risk of dishonest behavior, the Company has established comprehensive and effective control mechanisms in both accounting and internal control systems. Based on the risk assessment results, we formulate annual audit plans 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. 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 aware of when performing business. It includes clear operating procedures and guidelines for each program, penalties, complaints, and related disciplinary measures. The scope of application of the Procedures and Guidelines include the subsidiaries of the Company, any incorporated foundation in which the</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	
			Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company. The Procedures and Guidelines 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 commit material breaches shall be terminated or dismissed according to the relevant laws or the Company's human resources guidelines. The Company also regularly reviews and makes corrections to the implementation of the plan.	
II. Implementation of ethical corporate management (I) Does the company evaluate the ethical records of parties it does business with and stipulate ethical conduct clauses in business contracts?	✓		(I) Before engaging with customers or suppliers, the Company always seeks to understand their past ethical performance. When deemed necessary, we enter into contracts with the trading partners that include integrity clauses. For instance, the trading partners are committed not to accept or solicit bribes, gifts, shopping vouchers, or any other improper benefits. They also pledge to conduct all business activities in a fair, just, transparent, and honest manner based on the principle of integrity and trustworthiness. The Company's financial trading partners are limited to banks and securities	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>companies regulated by the Banking Act or the Securities and Exchange Act of the Republic of China. The rights, obligations and transaction conditions of both parties are clearly stipulated in the general agreement for opening an account and the credit contract or underwriting contract. Both parties shall comply with the contract to implement the ethical management policy.</p> <p>(II) In order to improve the ethical corporate management, the HR, Legal and Auditing Office jointly form an Ethical Management Promotion Task Group under the Board of Directors and the Chief Human Resources Officer serve as the leader of the 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. In addition, the Ethical Management Promotion Task Group 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 are operating effectively. On January 31, 2024, the implementation of ethical management reported to the Board of Directors . The implementation status in 2023 is as follows:</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>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.</p> <p>2. Communication channels 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 Promotion Task Group 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, 1 whistleblowing cases were accepted, of which 0 was found to be valid after investigation and none were major cases.</p> <p>4. Insider trading prevention</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) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		<p>The Company's "Corporate Governance Best Practice Principles", stipulates the stock trading control measures for the Company's Directors after the date of becoming privy to the Company's financial reports, including the restriction that Directors may not trade the Company's stock during the closed period within 30 days of announcement of the annual financial reports and within 15 days of announcement of 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. 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	✓		<p>(IV) The Group has established a complete and effective control mechanism in the accounting system and internal control</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>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 does it audit compliance with the unethical conduct prevention plan or commission a CPA to perform the audit?</p> <p>(V) Does the company regularly hold internal and external educational trainings on ethical corporate management?</p>	✓		<p>system for business activities and operating procedures that have potentially high levels of unethical conduct. Internal auditors shall include high-risk operations as the primary audit items in the annual audit plan based on risk assessments to strengthen preventive measures, and report the actual implementation of the audit plan during regular Board meetings. In addition, through the Company's annual self-assessment of internal controls, all departments and subsidiaries of the Company are required to self-examine the internal control system, in order to ensure the effectiveness of the system's design and implementation.</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 website and on the 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</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>participate in seminars and symposiums organized by public associations or professional organizations to strengthen the Group's ethical corporate management policy.</p> <p>2.3 Directors of the Company participated in the "2023 Insider Trading Prevention Seminar" organized by the Securities and Futures Institute on behalf of TWSE in 2023. The Director received 9 hours of education, strengthening 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 8 to June 23, 2023. A total of 2,566 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>Courses on important management regulations related to new employee training, including the Corporate Governance Best Practice Principles, Sustainable Development Best Practice Principles, Ethical Corporate Management Best Practice Principles, Code of Ethics,</p>	

Evaluation Item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
			Procedures for Ethical Management and Guidelines for Conduct, and Supplier Code of Conduct. Additionally, new employees 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 2023 was 1,486.5 hours and 2,790 employees were trained.	
III. Operation of whistleblowing system				
(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?	✓		(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, managerial 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 Corporate Promotion Task Group will handle the reported cases and transfer the cases to the highest supervisor of related units for investigation.	No difference.
(II) Does the company establish standard operating procedures for investigating reported cases, and does it take	✓		(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	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>subsequent measures and implement a confidentiality mechanism after completing investigation?</p> <p>(III) Does the company provide proper whistleblower protection?</p>	✓		<p>Guidelines for Conduct”, records of the whistleblower report acceptance and investigation process and results shall be kept and retained, and the whistleblower's identity and contents of the report shall be kept confidential. When material violations or concerns involving material damage to the Group come to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in writing or through email.</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.
<p>IV. Strengthening Information Disclosure Does the Company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?</p>	✓		<p>The Company has disclosed these Best-Practice Principles and its implementation on the Company's website and Market Observation Post System, and described the disclosure status in the Annual Report and ESG 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,</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	
			employees, vendors, and other suppliers, and also does its utmost to ensure the interests and rights of all stakeholders.	
<p>V. If the Company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: 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.</p>				
<p>VI. Other important information to facilitate a better understanding of the status of operation of the Company's ethical corporate management policies (e.g., the Company's reviewing and amending of its ethical corporate management best practice principles): In response to amendments to laws and regulations and the needs of the Company's practical operations, the Board of Directors passed the amendments to the Ethical Corporate Management Best Practice Principles and Ethical Corporate Management Operating Procedures and Behavioral Guidelines on August 2, 2023. Furthermore, the Company pays attention to the development of relevant domestic and international ethical management regulations, and encourages directors, managerial officers and employees to attend training and propose improvements and suggestions to enhance the Company ethical corporate management performance.</p>				

- (VII) If the Company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched:  
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 for Directors Election", "Audit Committee Charter", "Remuneration Committee Charter", "Nominating Committee Charter", "Sustainable Development 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", "Supplier Code of Conduct", and "Operation Guidelines for Financial Operations Between Related Parties". These regulations can be found on the Company's website (website: <https://www.wtmec.com/corporate-governance/major-policies/>), the Market Observation Post System or the Company's annual reports.

(VIII) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance may also be disclosed:

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 managerial officers in 2023:

Job Title	Name	Date	Organizer	Course Name	Hours
President	Cheng, Wen-Tsung	2023/10/20	Securities & Futures Institute	The 2023 Insider Trading Prevention Seminar	3
		2023/10/27	Securities & Futures Institute	Challenges and opportunities of the net-zero era	3
		2023/11/15	Securities & Futures Institute	2023 Insider Trading Compliance Seminar	3
		2023/11/27	Securities & Futures Institute	Technological development and application opportunities of ChatGPT	3
Senior Vice President	Hsu, Wen-Hung	2023/04/27	Taiwan Stock Exchange and Taipei Exchange	Publicity meeting on sustainable development action plans for listed companies	3
		2023/06/02	Securities & Futures Institute	The 2023 Insider Trading Prevention Seminar	3
		2023/07/04	Taiwan Stock Exchange Corp.	2023 Cathay Sustainable Finance and Climate Change Summit	6
		2023/11/27	Securities & Futures Institute	Technological development and application opportunities of ChatGPT	3
Vice President and Chief Accounting Officer	Yang, Shing-Yu	2023/10/27	Securities & Futures Institute	Analysis of cases of unconventional transaction practices	3
		2023/12/01	Accounting Research and Development Foundation	How to apply "Robotic Process Automation" (RPA) to enhance the effectiveness of internal controls	6

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

## **WT Microelectronics Co. Ltd. Internal Control System Statements**

Date: February 16, 2024

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 2023.

- 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 the 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 December 31, 2023 (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 16, 2024 in the presence of 8 directors, who concurred unanimously.

**WT Microelectronics Co. Ltd.  
Chairman and President: Cheng, Wen-Tsung**

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 publication of the Annual Report:

1. Major resolutions of the Board of Directors:

Date	Major resolutions
January 6, 2023	<ol style="list-style-type: none"> <li>1. Approved the donation to the WT Education Foundation.</li> <li>2. Approved the 2022 managerial officers' year-end bonuses and performance bonuses.</li> <li>3. Approved the 2023 managerial officers' base compensations.</li> <li>4. Approved the 2023 business plan.</li> </ol>
January 18, 2023	<ol style="list-style-type: none"> <li>1. Approved the by-election of a additional seat of Independent Director.</li> <li>2. Approved the related matters of convening the Company's 2023 Annual Shareholders' Meeting.</li> <li>3. Setting the record date of capital reduction for the cancellation of restricted shares of employees stock awards.</li> </ol>
February 23, 2023	<ol style="list-style-type: none"> <li>1. Approved the 2022 business report and financial report.</li> <li>2. Approved the 2023 Q1 summary consolidated financial forecast.</li> <li>3. Approved the appointment, remuneration, and independence and suitability assessments of CPAs.</li> <li>4. Approved 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.</li> <li>5. Approved the Company's proposal to acquire 100% of all shares of Nuvision Technology Inc. converted by cash consideration.</li> <li>6. Approved the 2022 internal control system effectiveness assessment and internal control system statement.</li> <li>7. Approved the 2022 employees and directors profit-sharing compensation allocation.</li> </ol>
April 19, 2023	<ol style="list-style-type: none"> <li>1. Approved the 2022 Directors profit-sharing Compensation Allocation.</li> <li>2. Approved the 2022 remuneration to directors.</li> <li>3. Approved the 2022 earnings distribution.</li> <li>4. Approved the 2022 earnings distribution of cash dividends.</li> <li>5. Approved the amendment to the "Articles of Incorporation".</li> </ol>

Date	Major resolutions
	<ol style="list-style-type: none"> <li>6. Approved the amendment to the "Procedures for Acquisition or Disposal of Assets".</li> <li>7. Approved amendments to the “Procedures for Lending Funds and Endorsement &amp; Guarantee”.</li> <li>8. Approved to issue common stock for cash capital increase and/or issue common stock for cash capital increase and issuance of GDRs.</li> <li>9. Approved to issue preferred shares for domestic cash capital increase.</li> <li>10. Approved the nomination and review of candidates for the 10th term of Independent Directors.</li> <li>11. Approved the removal of the non-competition restriction for the Directors of the Company.</li> <li>12. Setting the record date of capital reduction for the cancellation of restricted shares of employees stock awards</li> <li>13. Setting the record date of capital increase for the issuance of common shares for exercising employee stock options certificates for the first issuances in 2021.</li> </ol>
May 4, 2023	<ol style="list-style-type: none"> <li>1. Approved the 2023 Q1 consolidated financial report.</li> <li>2. Approved the 2023 Q2 summary consolidated financial forecast.</li> </ol>
August 2, 2023	<ol style="list-style-type: none"> <li>1. Approved the 2023 Q2 consolidated financial report.</li> <li>2. Approved the 2023 Q3 summary consolidated financial forecast.</li> <li>3. Approved the amendments to the “Corporate Governance Best Practice Principles”, “Ethical Corporate Management Best Practice Principles”, and “Ethical Corporate Management Operating Procedures and Behavioral Guidelines”.</li> <li>4. Approved the establishment of the Company's “Regulations Governing Financial and Business Transactions Between Related Parties” and the abolition of the “Operation Procedures for Transactions between Group Enterprises, Related Parties and Specific Company”.</li> <li>5. Approved amendment to the "Internal Control System".</li> <li>6. Setting the record date of capital reduction for the cancellation of restricted shares of employees stock awards.</li> <li>7. Setting the record date of capital increase for the issuance of common shares for exercising employee stock options certificates for the first issuances in 2021.</li> <li>8. Approved the disposal of common shares of Sino-American Silicon Products Inc.</li> <li>9. Approved the 5-year syndicated loans with Mega International Commercial Bank and Taiwan Cooperative Bank.</li> </ol>
August 17, 2023	Approved to make a binding offer for overseas acquisitions.
September 14, 2023	Approved to sign a formal share purchase agreement for the

Date	Major resolutions
	acquisition of all shares of the Canadian company Future Electronics Inc.
September 28, 2023	Approved the Company's plan to issue common shares for cash capital increase.
October 5, 2023	Approved the 2023 Q4 summary consolidated financial forecast.
November 2, 2023	<ol style="list-style-type: none"> <li>1. Approved the 2023 Q3 consolidated financial report.</li> <li>2. Setting the record date of capital reduction for the cancellation of restricted Sshares of employees stock awards</li> <li>3. Setting the record date of capital increase for the issuance of common shares for exercising employee stock options certificates for the first issuances in 2021.</li> </ol>
November 14, 2023	<ol style="list-style-type: none"> <li>1. Approved the establishment of the " Regulations on the Issuance and Exercise of Employee Stock Options for 2023" and the managerial officer participation in employee stock options.</li> <li>2. Approved the evaluation of cash flow risk management.</li> <li>3. Approved the 2024 audit plan.</li> <li>4. Approved the changes to the independence and suitability assessments of CPAs.</li> <li>5. Approved the establishment of the "Nominating Committee" and the formulation of the "Nominating Committee Charter".</li> <li>6. Approved the appointment of the members of the 1st term of Nominating Committee.</li> <li>7. Approved the establishment of the "Sustainable Development Committee" and the formulation of the "Sustainable Development Committee Charter", and abolishment of the "Risk Management Committee".</li> <li>8. Approved the appointment of the members of the 1<sup>st</sup> term of Sustainable Development Committee.</li> <li>9. Approved the formulation of the "Regulations on Shareholdings of the Chief Executive Officer and Non-executive Directors".</li> </ol>
December 22, 2023	<ol style="list-style-type: none"> <li>1. Approved to issue common shares for cash capital increase by the major subsidiary Morrihan International Corp.</li> <li>2. Approved the Company's proposal for cash capital increase by the major subsidiary Morrihan International Corp.</li> </ol>
January 9, 2024	<ol style="list-style-type: none"> <li>1. Approved the major subsidiary Morrihan International Corp. to participate in the Group's acquisition of shares in Canadian company Future Electronics Inc.</li> <li>2. Approved the abolition of the "Risk Management Committee Charter".</li> </ol>
January 19, 2024	Approved the disposal of ASMedia Technology Inc. common shares.
January 31, 2024	1. Approved the donation to the WT Education Foundation.

Date	Major resolutions
	<ol style="list-style-type: none"> <li>2. Approved the amendments to the "Director and Functional Committee Remuneration Payment Guidelines".</li> <li>3. Approved the amendments to the "Regulations Governing Compensation Payment of Managerial Officers".</li> <li>4. Approved the formulation of the "Compensation and Recovery Policy for Managerial Officers".</li> <li>5. Approved the 2023 managerial officers' year-end bonuses and performance bonuses.</li> <li>6. Approved the 2024 managerial officers' base compensations.</li> <li>7. Approved the amendments to the "Risk Management Policy".</li> <li>8. Approved the 2024 business plan.</li> <li>9. Approved the 2024 Q1 summary consolidated financial forecast.</li> <li>10. Approved the proposed capital reduction base date for stock cancellation of retired new employee restricted awards.</li> <li>11. Setting the record date of capital increase for the issuance of common shares for exercising employee stock options certificates for the first issuances in 2021.</li> <li>12. Approved the five-year joint credit project through five sponsor banks, including First Commercial Bank, DBS Bank, Mega International Commercial Bank, Taipei Fubon Bank, and HSBC Bank.</li> </ol>
February 16, 2024	<ol style="list-style-type: none"> <li>1. Approved the 2023 business report and financial report.</li> <li>2. Approved the appointment, remuneration, and independence and suitability assessments of CPAs.</li> <li>3. Approved 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.</li> <li>4. Approved the 2023 Board of Directors and Functional Committee Performance Evaluation.</li> <li>5. Approved the 2023 internal control system effectiveness assessment and internal control system statement.</li> <li>6. Approved the 2023 employees and directors profit-sharing compensation allocation.</li> </ol>
February 29, 2024	<ol style="list-style-type: none"> <li>1. Approved the issuance of new common shares by cash capital increase for sponsoring GDR issuance.</li> <li>2. Establishment of the "2024 Employee Stock Subscription Regulations for issuance of new common shares by cash capital increase for sponsoring GDR issuance" and the proposal for manager participation in employee stock options.</li> <li>3. Approved the related matters of convening the Company's 2024 Annual Shareholders' Meeting.</li> </ol>



Date	Major resolutions
March 28, 2024	<ol style="list-style-type: none"> <li>1. Approved the by-election of a seat of 10th term of director.</li> <li>2. Approved addition of the agenda item regarding the purpose and related matters of 2024 shareholders' meeting.</li> </ol>
April 18, 2024	<ol style="list-style-type: none"> <li>1. Approved the 2023 earnings distribution.</li> <li>2. Approved the 2023 earnings distribution of cash dividends.</li> <li>3. Approved the 2023 director profit-sharing compensation allocation.</li> <li>4. Approved the 2023 remuneration to directors.</li> <li>5. Approved the nomination and review of candidates for the 10th term of directors.</li> <li>6. Removal of non-competition restrictions for the directors of the company</li> <li>7. Approved the issuance of new common shares by cash capital increase for sponsoring gdr issuance.</li> <li>8. Approved the reason for convening the 2024 Annual Shareholders' Meeting and related matters.</li> <li>9. Setting the record date of capital reduction for the cancellation of restricted shares of employees stock awards.</li> <li>10. Setting the record date of capital increase for the issuance of common shares for exercising employee stock options certificates for the first and second issuances in 2021.</li> </ol>

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

Date	Major resolutions and implementation
May 30, 2023	<ol style="list-style-type: none"> <li>1. Acknowledged the 2022 Business Report and Financial Statements. Implementation status: Approved.</li> <li>2. Acknowledged the 2022 earnings distribution. Implementation status: Approved. The 2022 earnings distribution has been fully allocated. August 26, 2023 is set as the ex-dividend date and September 13 of the same year is set as the cash distribution date. The cash dividend per share for class A preferred share is NT\$2. The cash dividend per share for common share is NT\$4.29787173.</li> <li>3. Approved the amendment to the "Articles of Incorporation". Implementation status: Approved. Disclosed on the Company's website in accordance with the amended Articles of Incorporation. The</li> </ol>

	<p>amenment were approved and registered by the Ministry of Economic Affairs on June 13, 2023.</p> <p>4. Approved the amendment to the "Procedures for Acquisition or Disposal of Assets". Implementation status: Approved . Disclosed on the Company's website and Market Observation Post System (MOPS) in accordance with the Procedure.</p> <p>5. Approved the amendments to the "Procedures for Lending Funds and Endorsement &amp; Guarantee". Implementation status: Approved. Disclosed on the Company's website and Market Observation Post System (MOPS) in accordance with the Procedure.</p> <p>6. Approved to issue new common shares by domestic cash capital increase and/or issue new common shares by cash capital increase for sponsoring GDR issuance. Implementation status: Approved and the details are as follows. (1) The Company has completed a cash capital increase through public subscription and placement and issued 135,000,000 common shares at an issuance price of NT\$95 per share. The record date for the capital increase is January 9, 2024, and the issuance of new shares was approved and registered by the Ministry of Economic Affairs on February 16, 2024. (2) The Company has completed the cash capital increase and issuance of common shares to participate in the issuance of global depositary receipts on April 12, 2024. The total issuance amount was US\$341,360,000, the issuance price per unit was US\$20.08, and a total of 17,000,000 units of global depositary receipts were issued, representing 85,000,000 common shares, equal to NT\$128.95 per share.</p> <p>7. Approved to issue preferred shares for domestic cash capital increase.</p>
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	<p>Implementation status: Approved yet has not been issued as of the publication date of the Annual Report.</p> <p>8. By-election of a new seat of 10th term of Independent Director .</p> <p>Implementation status: Mr. Chang, Chia-Chi was elected. The by-election was approved and registered by the Ministry of Economic Affairs on June 13, 2023.</p> <p>9. Removal of non-competition restrictions for the directors of the company</p> <p>Implementation status: Approved to release Cheng, Wen-Tsung, Representative of Wen You Investment Co., Ltd.: Hsu, Wen-Hung, Sung Kao, Hsin-Ming, Cheng, Tien-Chong, Kung, Ju-Chin, and Chang, Chia-Chi from non-competition restrictions.</p>
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- (XII) During the most recent fiscal year or during the current fiscal year up to the date of publication of the Annual Report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof. : None.
- (XIII) Resignation and dismissal of managerial officers related to the financial report (including Chairman, 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	Remarks
Pricewaterhouse Coopers Taiwan	Hsu, Sheng-Chung	2023/1/1- 2023/12/31	NT\$9,192 thousand	NT\$1,740 thousand	NT\$10,932 thousand	(Note)
	Hsu, Chieh-Ju	2023/1/1- 2023/12/31				

Note: Non-audit fee service 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\$270 thousand for inventory scrapping, and NT\$95 thousand for the dual-status business entities business tax declaration.

- (II) If the accounting firm is changed and the audit fees paid in the year of the replacement are 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 those 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 this year due to an 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. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the Annual Report

(I) Changes in the equity interests of directors, supervisors, managerial officer, and major shareholders:

Unit: shares

Title	Name	Fiscal year 2023				Current fiscal year as of April 18, 2024			
		Common shares		Preferred shares		Common shares		Preferred shares	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman and President	Cheng, Wen-Tsung	290,000	-	-	-	645,000	-	-	-
Director	Wen You Investment Co., Ltd.	-	-	-	-	2,134,556	-	-	-
Representative of Juristic-Person Director and Senior Vice President	Hsu, Wen-Hung	150,000	-	-	-	225,000	-	-	-
Director	Sung Kao, Hsin-Ming	-	-	-	-	-	-	-	-
Juristic-Person and major shareholder	ASMedia Technology Inc.	-	-	-	-	17,720,421	-	-	-
Representative of Juristic-Person director	Lin, Che-Wei	-	-	-	-	-	-	-	-
Independent Director	Cheng, Tien-Chong	-	-	-	-	-	-	-	-
Independent Director	Kung, Ju-Chin	-	-	-	-	-	-	-	-
Independent Director	Ding, Kung-Wha	-	-	-	-	-	-	-	-
Independent Director (Note 1)	Chang, Chia-Chi	-	-	-	-	-	-	-	-
Senior Vice President (Note 2)	Jack Yang	9,000	-	-	-	-	-	-	-
Senior Vice President	James Wen	168,000	-	-	-	302,129	-	-	-
Senior Vice President	Rick Chang	18,000	-	-	-	166,605	-	-	-
Vice President	Willie Sun	132,000	-	-	-	77,510	-	-	-
Vice President and CFO	Yang, Shing-Yu	385,390	-	-	-	86,802	-	-	-
Senior Vice President	Jerry Chang	17,000	-	-	-	18,175	-	-	-
Vice President	Tim Wu	16,000	-	-	-	224,562	-	-	-
Senior Assistant Vice President and Finance Supervisor	Jason Lu	46,000	-	-	-	118,021	-	-	-
Major shareholder	WPG Holdings Limited	(40,000,000)	-	-	-	15,977,471	-	-	-

Note 1: Chang, Chia-Chi was by-elected by the Shareholders' Meeting and took office on May 30, 2023.

Note 2: Former Senior Vice President Jack Yang was dismissed on June 30, 2023.

(II) Shares Trading with Related Parties: None.

(III) Shares Pledge with Related Parties: None.

VIII. Relationships Among the Top 10 Shareholders (related party, spouse, or kinship within the second degree)

April 1, 2024 (Book Closure Date)

Name (Note 1)	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangement		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	Ratio (%)	Shares	Ratio (%)	Shares	Ratio (%)	Name of entity or individual	Relationship	
ASMedia Technology Inc. Representative: Hsu, Shi-Chang	196,720,421 0	16.87 0	0 0	0 0	0 0	0 0	None	None	None
WPG Holdings Limited Representative: Simon Huang	177,371,338 0	15.21 0	0 0	0 0	0 0	0 0	None	None	None
Shao Yang Investment Co., Ltd. Representative: Cheng, Wen-Tsung	86,262,066 25,112,112	7.40 2.15	0 4,865,143	0 0.42	0 106,450,298	0 9.13	Cheng, Wen-Tsung	Representative	None
Cheng, Wen-Tsung	25,112,112	2.15	4,865,143	0.42	106,450,298	9.13	Hsu, Wen-Hung	Supervisor	None
							Hsu, Wen-Hung	Spouse	
							Shao Yang Investment Co., Ltd.	Representative	None
New Labor Pension Fund	23,923,908	2.05	0	0	0	0	None	None	None
Yuanta/P-shares Taiwan Dividend Plus ETF	23,160,302	1.99	0	0	0	0	None	None	None
Finance Department of Mega International Commercial Bank Representative: Chang, Zhao-Shun	22,300,000 0	1.91 0	0 0	0 0	0 0	0 0	None	None	None
Cibc World Markets Inc.	21,406,138	1.84	0	0	0	0	None	None	None
JP Morgan Chase Bank, N.A Taipei Branch is entrusted with the custody of the JP Morgan Securities Co., Ltd. Investment Account	19,986,846	1.71	0	0	0	0	None	None	None
The Standard Chartered Bank Banking Department is entrusted with the custody of the Mizuho Securities Co., Ltd. Investment Account	18,049,626	1.55	0	0	0	0	None	None	None

Note 1: This table discloses the ten largest shareholders based on the sum of common shares and preferred shares.

Note 2: The shareholding percentage was based on the total number of outstanding shares (common and preferred shares) at 1,165,799,151 shares as of April 1, 2024.

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

December 31, 2023/Unit: Thousand shares

Invested company	Investment by the Company		Investments from directors, supervisors, managerial 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.	28,227	100.00	-	-	28,227	100.00
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.	523,760	100.00	-	-	523,760	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
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
Leader's Technology Co., Ltd.	-	-	10	100.00	10	100.00
Shanghai WT Microelectronics Co., Ltd.	-	-	Note 2	100.00	Note 2	100.00
WT Microelectronics (Shenzhen) Co., Ltd.	-	-	Note 2	100.00	Note 2	100.00

Invested company	Investment by the Company		Investments from directors, supervisors, managerial 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
WT Microelectronics (Shanghai) Technology 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	61.24	49,337	61.24
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
Synergy 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.	-	-	11,000	100.00	11,000	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. Information on Capital Raising Activities

### I. Capital and shareholding (I) Sources of capital stock:

April 18, 2024  
Unit: Share/NT\$

Year/ Month	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount(NT\$)	Shares	Amount(NT\$)	Sources of Capital	Capital paid in by assets other than cash	Other
2023.02	10	2,000,000,000	20,000,000,000	Common shares 883,501,151 shares Preferred shares 135,000,000 shares	10,185,011,510	Canceled new restricted employee shares to decrease share capital by NT\$285,000	-	2023.2.10 Jing-Shou- Shang-Zi No. 11230011660
2023.04	10	2,000,000,000	20,000,000,000	Common shares 886,526,651 shares Preferred shares 135,000,000 shares	10,215,266,510	Canceled new restricted employee shares to decrease share capital by NT\$195,000 Share capital increase of NT \$30,450,000 converted from exercised employee stock options	-	2023.4.28 Jing-Shou- Shang-Zi No. 11230070810
2023.08	10	2,000,000,000	20,000,000,000	Common shares 886,797,151 shares Preferred shares 135,000,000 shares	10,217,971,510	Canceled new restricted employee shares to decrease share capital by NT\$155,000 Share capital increase of NT \$2,860,000 converted from exercised employee stock options	-	2023.8.23 Jing-Shou- Shang-Zi No. 11230155390
2023.11	10	2,000,000,000	20,000,000,000	Common shares 887,301,651 shares Preferred shares 135,000,000 shares	10,223,016,510	Canceled new restricted employee shares to decrease share capital by NT\$605,000 Share capital increase of NT \$5,650,000 converted from exercised employee stock options	-	2023.11.22 Jing-Shou- Shang-Zi No. 11230213250
2024.02	10	2,000,000,000	20,000,000,000	Common shares 1,022,301,651 shares Preferred shares 135,000,000 shares	11,573,016,510	Common shares issued for cash capital increased share capital by NT\$1,350,000,000	-	2024.2.16 Jing-Shou- Shang-Zi No. 11330012690
2024.02	10	2,000,000,000	20,000,000,000	Common shares 1,022,941,651 shares Preferred shares 135,000,000 shares	11,579,416,510	Canceled new restricted employee shares to decrease share capital by NT\$140,000 Share capital increase of NT \$6,540,000 converted from exercised employee stock options	-	2024.2.22 Jing-Shou- Shang-Zi No. 11330021120

Unit: shares

Type of stock	Authorized capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Common shares	1,030,799,151	834,200,849	2,000,000,000	None
Preferred shares	135,000,000			
Total	1,165,799,151			

Note: Classified as shares of listed companies. Common shares include 7,893,500 shares of employee stock options and 36,000 shares of restricted employee shares, which were recalled and pending cancellation, that have not completed registration.

(II) Information relating to shelf registration system: None.

(III) Shareholder composition:

1. Common shares

Record date of shareholding: April 1, 2024 (Book Closure Date)

Shareholder structure	Government agencies	Financial institutions	Other legal entities	Individuals	Foreign institutions and foreign individuals	Total
No. of shareholders	5	103	396	54,739	319	55,562
No. of shares held	19,490,807	127,445,769	475,230,033	192,128,009	216,504,533	1,030,799,151
Shareholding ratio	1.89%	12.36%	46.10%	18.65%	21.00%	100.00%

2. Preferred shares

Record date of shareholding: April 1, 2024 (Book Closure Date)

Shareholder structure	Government agencies	Financial institutions	Other legal entities	Individuals	Foreign institutions and foreign individuals	Total
No. of shareholders	1	5	61	6,280	3	6,350
No. of shares held	10,000,000	3,839,000	72,568,095	48,534,905	58,000	135,000,000
Shareholding ratio	7.42%	2.84%	53.75%	35.95%	0.04%	100.00%

(IV) Distribution of Shares:

1. Distribution Common Shares Shareholding:

April 1, 2024 (Book Closure Date)

Range of no. of shares held	No. of shareholders	Shareholding (shares)	Shareholding (%)
1 to 999	31,362	2,597,950	0.25%
1,000 to 5,000	19,810	35,364,885	3.43%
5,001 to 10,000	2,055	15,022,903	1.46%
10,001 to 15,000	702	8,689,176	0.84%
15,001 to 20,000	346	6,131,334	0.60%
20,001 to 30,000	409	10,116,616	0.98%
30,001 to 40,000	158	5,509,649	0.54%
40,001 to 50,000	118	5,299,975	0.51%
50,001 to 100,000	251	18,110,315	1.76%
100,001 to 200,000	146	20,707,715	2.01%
200,001 to 400,000	65	17,633,905	1.71%
400,001 to 600,000	31	15,263,401	1.48%
600,001 to 800,000	19	13,421,240	1.30%
800,001 to 1,000,000	13	12,011,787	1.17%
1,000,001 or more	77	844,918,300	81.96%
Total	55,562	1,030,799,151	100.00%

2. Distribution Preferred Shares Shareholding::

April 1, 2024 (Book Closure Date)

Range of no. of shares held	No. of shareholders	Shareholding (shares)	Shareholding (%)
1 to 999	1,694	311,817	0.23%
1,000 to 5,000	3,685	5,151,370	3.82%
5,001 to 10,000	413	3,440,287	2.55%
10,001 to 15,000	94	1,179,407	0.87%
15,001 to 20,000	77	1,448,873	1.07%
20,001 to 30,000	79	1,981,221	1.47%
30,001 to 40,000	54	2,009,259	1.49%
40,001 to 50,000	24	1,113,928	0.83%
50,001 to 100,000	103	8,006,839	5.93%
100,001 to 200,000	59	9,114,403	6.75%
200,001 to 400,000	32	9,142,729	6.77%
400,001 to 600,000	9	4,733,000	3.51%
600,001 to 800,000	6	4,092,000	3.03%
800,001 to 1,000,000	4	4,000,000	2.96%
1,000,001 or more	17	79,274,867	58.72%
Total	6,350	135,000,000	100.00%

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

Names of major shareholder	Shares	Shareholding (shares)	Shareholding (%)
ASMedia Technology Inc.		196,720,421	16.78%
WPG Holdings Limited		177,371,338	15.21%
Shao Yang Investment Co., Ltd.		86,262,066	7.40%
Cheng, Wen-Tsung		25,112,112	2.15%
New Labor Pension Fund		23,923,908	2.05%
Yuanta/P-shares Taiwan Dividend Plus ETF		23,160,302	1.99%
Finance Department of Mega International Commercial Bank		22,300,000	1.91%
Cibc World Markets Inc.		21,406,138	1.84%
JP Morgan Chase Bank, N.A Taipei Branch is entrusted with the custody of the JP Morgan Securities Co., Ltd. Investment Account		19,986,846	1.71%
The Standard Chartered Bank Banking Department is entrusted with the custody of the Mizuho Securities Co., Ltd. Investment Account		18,049,626	1.55%

Note: This list consists of the top ten shareholders ranked by combined common shares and preferred shares.

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

Item		Year	2022	2023	Current year as of April 18, 2024 (Note 9)
Market price per share (Note 1)	Highest		101.00	154.50	187.00
	Lowest		56.40	60.60	111.00
	Average		74.58	107.11	154.66
Net worth per share (Note 3)	Before distribution		53.12	65.88	-
	After distribution		49.11 (Note 2)	63.77 (Note 4)	-
Earnings per share	Weighted average shares (thousand shares)		855,236	883,169	-
	Diluted Earnings Per Share		8.61	4.24	-
	Adjusted Diluted Earnings Per Share (Note 5)		8.61	4.24	-
Dividends per share (Note 4)	Cash dividends		4.3	1.8	-
	Stock dividends	Dividends from retained earnings	-	-	-
		Dividends from capital reserve	-	-	-
	Accumulated undistributed dividend		-	-	-
Return on investment analysis	Price/earnings ratio (Note 6)		8.17	19.35	-
	Price/dividend ratio (Note 7)		16.36	45.59	-
	Cash dividend yield (Note 8)		6.11%	2.19%	-

\* If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: List the highest and lowest market price of common shares in each fiscal year and calculate the average market price by weighing transacted prices against transacted volumes in each respective fiscal year.

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 2023 was based on a resolution of the Board of Directors on April 18, 2024.

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 = average closing price per share for the year / earnings per share.

Note 7: Price/dividend ratio = average closing price per share for the year / cash dividends per share.

Note 8: Cash dividend yield = cash dividend per share / average closing price per share for the year.

Note 9: As of publication date of this annual report, the 2024Q1 financial statements have not been reviewed by independent accountants, thus the net worth per share and earnings per share are not disclosed in this report. For all other fields, calculations are based on the data for the current year as of the printing date (April 18, 2024) of the Annual Report.

(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, and 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:

<b>WT Microelectronics Co. Ltd.</b>	
<b>2023 Earnings Distribution Statement</b>	
	<b>Unit: NTD</b>
<b>2023 Net Income</b>	<b>\$ 4,012,141,803</b>
Plus: Disposal of equity instruments measured at fair value through other comprehensive income	59,112,761
Less: Remeasurements of defined benefit plan	(1,692,258)
Less: Changes in ownership interests in subsidiaries	(1,706,571)
Current after-tax net profit plus other profit items included in undistributed earnings in the current year	4,067,855,735
Less: 10% statutory reserve	(406,785,574)
Plus: Reversal of special reserve	1,564,387,079
Plus: Undistributed earnings from the previous year	10,232,775,800
Accumulated distributable earnings at the end of 2023	15,458,233,040
Items for distribution: (Note 1)	
Dividends on preferred shares (Note 2)	(270,000,000)
Cash dividends on ordinary shares (Note 3) (NT\$1.8 per share)	(2,008,438,472)
<b>Undistributed earnings at the end of the period</b>	<b>\$ 13,179,794,568</b>
Note 1: Earnings in 2023 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 1,115,799,151 shares issued upon resolution of the Board of Directors on April 18, 2024.	

**Chairman: Cheng, Wen-Tsung**

**Managerial officer: Cheng, Wen-Tsung**

**Chief Accountant: Yang, Shing-Yu**

(VIII) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:

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

(IX) Profit-sharing compensation of employees, directors, and supervisors:

1. The percentages or ranges with respect to employee, director, and supervisor profit-sharing compensation, as set forth in the 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 remuneration mentioned in the preceding paragraph shall be distributed in stock or cash, which may include eligible employees of affiliated companies. The remuneration of Directors may only be distributed in cash. The matters mentioned in preceding two paragraphs shall be approved by the Board of Directors and reported to the annual shareholders' meeting.

2. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The profit-sharing compensation 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. Information on any approval by the Board of Directors of distribution of profit-sharing compensation:

(1) The amount of any employee profit-sharing compensation and Director and Supervisor profit-sharing compensation distributed in cash or stocks.

a. Employees profit-sharing compensation in cash: NT\$ 43,600,000.

b. Employees profit-sharing compensation in stock: None.

c. Directors profit-sharing compensation: NT\$ 26,571,233.

The aforementioned amount of the proposed distribution is the same as the 2023 estimated expense.

(2) The amount of any employee profit-sharing compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated

in the parent company only financial reports or individual financial reports for the current period and total employee profit-sharing compensation: None.

4. The actual distribution of employee, Director, and Supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated:

The Company's estimated employee profit-sharing compensation in 2022 was NT\$87,500,000, and the profit-sharing compensation to directors was NT\$35,000,000.

There is no difference between the estimated amount and the actual amount distributed.

(X) Status of a company repurchasing its own shares: None.

## II. Issuance of corporate bonds

(I) Issuance of corporate bonds: None.

(II) Information on convertible corporate bonds: None.

(III) Information on exchangeable corporate bonds: None.

(IV) Issuance of corporate bonds under shelf registration: None.

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



### III. Issuance of preferred shares

#### (I) Issuance of preferred shares

Item	Issue date	October 20, 2020 Class A preferred shares
Par value		NT\$10
Issue price		NT\$50
Number of shares		135,000,000 common 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 Chairman 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 the 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 residual property	Class A preferred share shareholders have priority to the Company's residual 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.

Item		Issue date	October 20, 2020 Class A preferred shares
	Exercise of voting rights	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 Annual Shareholders' Meetings.	
	Other	1. Class A preferred shares cannot be converted into common shares. 2. When the Company makes a cash issue, Class A preferred share shareholders and common share shareholders have the same preemptive subscription rights. 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.	
Issued and Outstanding preferred shares	Number of shares redeemed or converted	NT\$0	
	Balance of shares not redeemed or converted	NT\$6,750,000,000	
	Terms and conditions for redemption or conversion	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 C 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. 2. Class A preferred shares cannot be converted into common shares.	
Market price per share	2021	Highest	49.35
		Lowest	46.20
		Average	47.99
	2022	Highest	49.90
		Lowest	46.05
		Average	48.62
	2023	Highest	49.20
		Lowest	43.95
		Average	46.29
As of April 18, 2024	Highest	47.25	
	Lowest	45.55	
	Average	46.74	
Other rights attaching to the preferred	Amount converted or subscribed as of the annual report publication date (NT\$)	Class A preferred shares cannot be converted into common shares.	

Item		Issue date	October 20, 2020 Class A preferred shares
shares	Issuance and conversion or subscription rules	Please refer to the Company's Articles of Incorporation.	
The possible effect of the terms of issuance on the shareholders equity of holders of preferred shares, possible dilution of shareholding, and effect on the equity of current shareholders.		None.	

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

IV. Issuance of global depositary receipts (GDR)

Issue date	April 22, 2022	April 12, 2024
Item		
Issue date	April 22, 2022	April 12, 2024
Place of issue and trading	Luxembourg Stock Exchange	Luxembourg Stock Exchange
Total issue amount	US\$190,008,000	US\$341,360,000
Issue price per GDR	US\$12.18 per unit	US\$20.08 per unit
Unit issued	15,600,000 Unit	17,000,000 Unit
Source of underlying securities	Common shares issued for cash capital increase	Common shares issued for cash capital increase
Quantity of underlying securities	Each unit of GDR represents 5 shares of the Company's common shares, for a total of 78,000,000 common shares.	Each unit of GDR represents 5 shares of the Company's common shares, for a total of 85,000,000 common shares.
Rights and obligations of GDR holders	<p>The rights and obligations of GDR 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 Deposit Agreement, GDR holders 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</p>	<p>The rights and obligations of GDR 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 Deposit Agreement, GDR holders 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</p>

Item \ Issue date	April 22, 2022	April 12, 2024
	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.	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.
Rights and obligations of GDR holders	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 bank shall provide overseas depositary receipt holders with such rights according to the proportion of their original holdings and the provisions of the deposit 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.	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 bank shall provide overseas depositary receipt holders with such rights according to the proportion of their original holdings and the provisions of the deposit 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.
Trustee	N/A	N/A
Depositary bank	Citibank, N.A.	Citibank, N.A.
Custodian bank	Citibank Taiwan Ltd.	Citibank Taiwan Ltd.
Outstanding balance	As of April 18, 2024, the total balance of outstanding Global Depositary Receipts was 0 units, representing a total of 0 common shares.	As of April 18, 2024, the total balance of outstanding Global Depositary Receipts was 17,000,000 units, representing a total of 85,000,000 common shares.
Apportionment of expenses for issuance & maintenance	(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 bank , the issuance	(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 bank, the issuance

Item		Issue date		
		April 22, 2022	April 12, 2024	
		<p>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 deposit bank.</p>	<p>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 deposit bank.</p>	
Terms and conditions of the deposit agreement & custody agreement		Please refer to the Company's Offering Circular.	Please refer to the Company's Offering Circular.	
Market price per unit	2023	Highest	USD 23.20	N/A
		Lowest	USD 9.90	N/A
		Average	USD 12.98	N/A
	As of April 18, 2024	Highest	USD 27.80	
		Lowest	USD 18.00	
		Average	USD 24.34	

V. Issuance of employee stock options

(I) Issuance of employee stock options

April 18, 2024

Type of employee stock options	Fifth issuance	Sixth issuance
Effective registration date and total number of units	March 16, 2021 12,000 Unit	December 2, 2021 20,000 Unit
Issue date	March 18, 2021	January 6, 2022
Number of units issued	Total amount of issuance is 12,000 units	Total amount of issuance is 18,854 units
Number of units still available for issuance	0 Unit	0 Unit
Ratio of the number of issued subscribable shares to the total number of issued shares (Note)	1.0363%	1.6282%
Duration	6 years	5 years
Exercise method	<ol style="list-style-type: none"> <li>The Company delivers new shares via book entry, and first issues shares before registering the change in capital in accordance with the provision in Article 161, Paragraph 1 of the Company Act.</li> <li>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.</li> </ol>	<ol style="list-style-type: none"> <li>The Company delivers new shares via book entry, and first issues shares before registering the change in capital in accordance with the provision in Article 161, Paragraph 1 of the Company Act.</li> <li>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.</li> </ol>
Vesting period and percentage (%)	Holders may follow the schedule below to exercise the options after two years have elapsed since the warrants are granted: After 2 full years: 50% After 3 full years: 75% After 4 full years: 100%	Holders may follow the schedule below to exercise the options after two years have elapsed since the warrants are granted: After 2 full years: 50% After 3 full years: 75% After 4 full years: 100%

Number of shares subscribed through exercise of the warrants	6,533,500 shares	5,910,000 shares
Amount of the shares subscribed through exercise of the warrants (NT\$)	NT\$258,320,850	NT\$377,690,250
Number of unexercised shares	5,046,500 shares	11,838,500 shares
Subscription price per share of the unexercised shares	NT\$37.5	NT\$63.9
Ratio of the number of unexercised shares to the total number of issued shares (%)	0.4358%	1.0224%
The effect on shareholders' equity	The stock options 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 stock options 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 1,157,941,651 shares issued as registered with the Ministry of Economic Affairs (common and preferred shares) on February 22, 2024.



(II) Names of managerial officers receiving options 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)
Managerial officers	President	Cheng, Wen-Tsung	2,560,000	0.2211%	1,425,000	41.0 / 37.5	56,517,500	0.1231%	1,135,000	37.5	42,562,500	0.0980%
	Senior Vice President	Hsu, Wen-Hung										
	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 CFO	Yang, Shing-Yu										
	Senior Assistant Vice President and Financial supervisor	Jason Lu										
Employee	Marketing and Sales Manager	Jerry Wang	2,850,000	0.2461%	1,725,000	41.0 / 38.4 / 37.5	68,110,000	0.1490%	1,125,000	37.5	42,187,500	0.0972%
	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											
Sales Manager	Jack Yang											

Note: Based on 1,157,941,651 shares issued as registered with the Ministry of Economic Affairs (common and preferred shares) on February 22, 2024.

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)
Managerial officers	President	Cheng, Wen-Tsung	3,220,000	0.2781%	935,000	63.9	59,746,500	0.0807%	2,285,000	63.9	146,011,500	0.1973%
	Senior Vice President	Hsu, Wen-Hung										
	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 CFO	Yang, Shing-Yu										
	Senior Assistant Vice President and Financial Supervisor	Jason Lu										
Employee	Marketing and Sales Manager	Jerry Wang	3,750,000	0.3239%	1,355,000	63.9	86,584,500	0.1170%	2,395,000	63.9	153,040,500	0.2068%
	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											
Sales Manager	Jack Yang											

Note: Based on 1,157,941,651 shares issued as registered with the Ministry of Economic Affairs (common and preferred shares) on February 22, 2024.

VI. Issuance of new restricted employee shares

(I) Issuance of new restricted employee shares:

April 18, 2024

Type of new restricted employee shares	First issuance (2021)	Second issuance (2021)
Effective registration date and total number of shares	July 28, 2020 3,000,000 shares	July 27, 2021 3,000,000 shares
Issue date	January 18, 2021	July 28, 2021
Number of new restricted employee shares issued	2,992,000 shares	2,788,000 shares
Number of new restricted employee shares still available for issuance	0 shares	0 shares
Issue price	NT\$0 per share	NT\$0 per share
Ratio of the number of new restricted employee shares issued to the total number of issued shares (Note)	0.2584%	0.2408%
Vesting conditions of the new restricted employee shares	<p>1. The 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.                      B. After 2 full years: 25% of the vesting shares.                      C. After 3 full years: 25% of the vesting shares.                      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 restricted employee shares are granted to the employee, the Company shall have the right to revoke and cancel the unvested restricted employee shares in the event that the employee breaches/violates</p>	<p>1. The 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.                      B. After 2 full years: 25% of the vesting shares.                      C. After 3 full years: 25% of the vesting shares.                      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 restricted employee shares are granted to the employee, the Company shall have the right to revoke and cancel the unvested restricted employee shares in the event that the employee breaches/violates</p>

	any of terms of the employment agreement, employee handbook or policies/regulations of the Company.	any of terms of the employment agreement, employee handbook or policies/regulations of the Company.
Restrictions on rights in the new restricted employee shares	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>5. Regarding the period between the ex-dividend date for dividend distribution, ex-dividend date for cash dividends, ex-dividend date for cash issue subscription, ex-dividend date for shareholders' meeting in Article 165, Paragraph 3 of the Company Act,</li> </ol>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>5. Regarding the period between the ex-dividend date for dividend distribution, ex-dividend date for cash dividends, ex-dividend date for cash issue subscription, ex-dividend date for shareholders' meeting in Article 165, Paragraph 3 of the Company Act, or other</li> </ol>

	<p>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>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>
Custody of the new restricted employee shares	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.	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.
Treatment of the new restricted shares for which the grantee fails to meet the vesting conditions after receiving or subscribing to the shares	The Company will revoke and cancel the unvested restricted employee shares.	The Company will revoke and cancel the unvested restricted employee shares.
Number of new restricted employee shares that have	218,000 shares	222,500 shares

been retired or bought back		
Number of new restricted shares that have vested	2,102,000 shares	1,311,500 shares
Number of unvested new restricted shares	672,000 shares	1,254,000 shares
The ratio of the number of unvested new restricted shares to the total number of issued shares (%)	0.0580%	0.1083%
The effect on shareholders' equity	Based on the number of issued common shares 1,022,941,651 registered with the Ministry of Economic Affairs on February 22, 2024, the dilution of the Company's EPS is estimated to be approximately in the amount of NT\$0.06 in 2021, NT\$0.03 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 1,022,941,651 registered with the Ministry of Economic Affairs on February 22, 2024, the dilution of the Company's EPS is estimated to be approximately in the amount of NT\$0.04 in 2021, NT\$0.06 in 2022, NT\$0.03 in 2023, NT\$0.01 in 2024, and NT\$0.00 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 1,157,941,651 shares issued as registered with the Ministry of Economic Affairs (common and preferred shares) on February 22, 2024.

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

First issuance	Title	Name	Number of restricted share awards 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)
Managerial officers	Senior Vice President	Rick Chang	212,000	0.0183%	159,000	0	0	0.0137%	53,000	0	0	0.0046%
	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 Assistant Vice President And Financial supervisor	Jason Lu										
Employee	Engineering Manager	Bob Wang	412,000	0.0356%	309,000	0	0	0.0267%	103,000	0	0	0.0089%
	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										
Sales Manager	Jack Yang											

Note: Based on 1,157,941,651 shares issued as registered with the Ministry of Economic Affairs (common and preferred shares) on February 22, 2024.

Second issuance	Title	Name	Number of restricted share awards 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)
Managerial officers	Senior Vice President	Rick Chang	220,000	0.0190%	110,000	0	0	0.0095%	110,000	0	0	0.0095%
	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 Assistant Vice President and Finance Supervisor	Jason Lu										
Employee	Engineering Manager	Bob Wang	412,000	0.0356%	206,000	0	0	0.0178%	206,000	0	0	0.0178%
	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											
Sales Manager	Jack Yang											

Note: Based on 1,157,941,651 shares issued as registered with the Ministry of Economic Affairs (common and preferred shares) on February 22, 2024.



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 capital increase in 2023 has been approved by the Financial Supervisory Commission letter Jin-Guan-Zheng-Fa-Zi No. 1120358166 dated October 26, 2023. The use of the funds is as follows:

Amount	Receipt date	Project items	Implementation of financing plans	
NT\$12,825,000 thousand	January 9, 2024	Repayment of bank loan	NT\$11,475,000 thousand	Followed the original fund utilization plan to finish repaying bank loans in Q1 2024
		Replenishment of working capital	NT\$1,350,000 thousand	
		Total	NT\$12,825,000 thousand	

## Chapter 5. Overview of Operations

### I. Business Activities

#### (I) Business scope:

##### 1. Major business activities:

- (1) Trading, import/export business, processing, manufacturing, research and development of various electronic components and finished goods.
- (2) The manufacture, trading, and import and export business of all kinds of telephone equipment and its components.
- (3) General import and export trading business.
- (4) Agents for quotation and tenders business at home and abroad manufacturers.
- (5) I301010 Information Software Services.
- (6) F218010 Retail Sale of Computer Software.
- (7) F118010 Wholesale of Computer Software.
- (8) G801010 Warehousing.
- (9) F113070 Wholesale of Telecommunication apparatus.
- (10) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

##### 2. Percentage of sales revenue:

Unit: NT\$ thousands

Product name	2023	Percentage of sales revenue
Application - Specific Standard Product - Wireless Connectivity	175,260,960	29.47%
Application - Specific Standard Product - Wired Connectivity	94,792,471	15.94%
Analog	92,148,947	15.50%
Application - Specific Integrated Circuit	80,952,618	13.62%
Microcomponents	44,100,866	7.42%
Memory	32,199,857	5.42%
Application - Specific Standard Product - Others	27,819,579	4.68%
Discrete	16,053,003	2.70%
Optoelectronics	12,644,995	2.13%
Others	18,545,517	3.12%
<b>Total</b>	<b>594,518,813</b>	<b>100.00%</b>

### 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) Semiconductor products distributed

Application specific standard product (ASSP)-wireless connectivity, ASSP-wired connectivity, ASSP-others, analog, application-specific integrated circuit (ASIC), microcomponents, memory, discrete, optoelectronics, and others.

### 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) new energy vehicles; (2) AI servers; and (3) digital power for third-generation semiconductors.

## (II) Industry overview:

### 1. Industry trends and outlook:

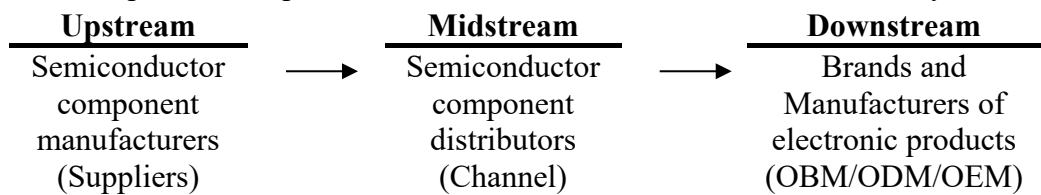
Following the rapid development of the electronics industry, the scale of the global semiconductor industry has continued to grow. In order to respond to the rapid changes in the market, downstream electronics manufacturers need to continuously develop new products and accelerate their time to market, in order to seize business opportunities and become a first mover. However, upstream semiconductor integrated device manufacturers (IDM) and fabless companies with primary focus on processes improvement and new products innovation for production costs saving and respond to rapidly-changing end markets, so they have limited resource to provide comprehensive product information and technical support to downstream manufacturers.

To enhance the efficiency of the semiconductor supply chain, semiconductor distributors assume the responsibility to provide manufacturers with logistics, technical support and related product information. Upstream suppliers have delegated sales and technical support services to semiconductor distributors, who, in turn, provide downstream customers with product information and application technical support to help accelerate their time to market. At the same time, as downstream customers expand their production bases, semiconductor distributors also establish additional operational bases and warehouse facilities overseas to effectively cater to customers' needs, such as logistics and technical support, and strive to expand the distribution territory of vendors' products to enhance international competitiveness.

Faced with the challenges of rapid industry changes and competition, the key to the

success of a semiconductor distributor is its professional service quality and speed. As the development of the semiconductor industry becomes faster, the life cycle of electronic components become shorter. For suppliers, 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 to enhance their international competitiveness. Therefore, an increasing number of upstream suppliers have expanded their market opportunities through close cooperation and effective division 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 fabless semiconductor companies, while downstream companies are electronics manufacturers. Semiconductor distributors serve 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 suppliers are increasingly focused on new product development and process improvement in order to increase competitiveness, and continue to delegate their sales and marketing responsibilities to semiconductor distributors, such as provides product information and technical support services to customers. Similarly, in order to take business opportunities and shorten time to market, downstream electronics manufacturers focus on the development of new applications, and increasingly rely on the supply chain logistics services provided by semiconductor distributors to shorten the supply schedule of components and reduce inventory.

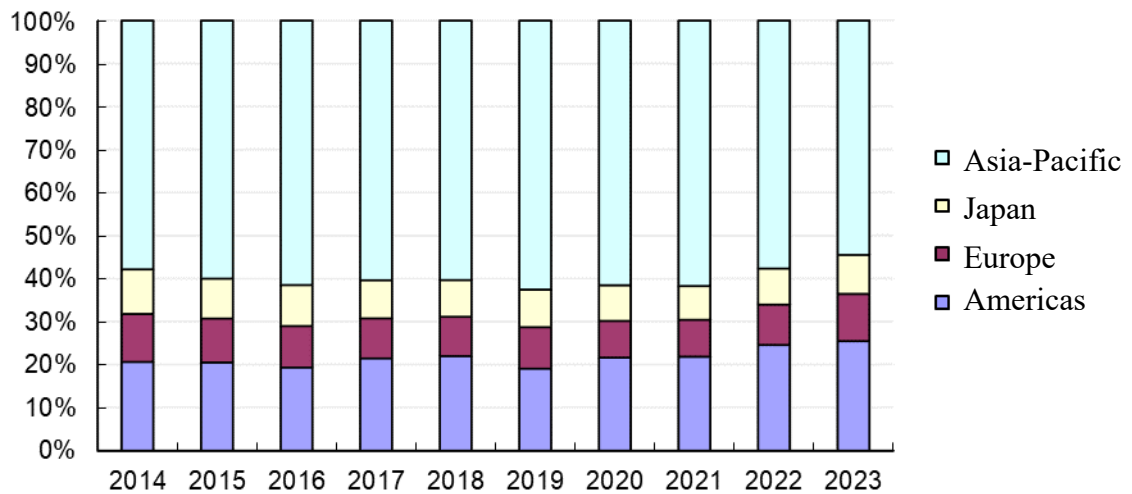
In recent years, the role of semiconductor distributors in the semiconductor supply chain has transformed from pure buy-and-sell to professional value-added service providers. These services encompass sales and marketing, logistics/inventory management, technical support, etc. Therefore, the value of semiconductor distributors has increased, regarded by suppliers 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. In recent years, due to the geopolitical tensions

between China and the United States, the rise of trade protectionism, and concerns about supply chain security triggered by the pandemic, there has been an increased demand for localized production of electronic products and China plus N multi-location manufacturing. As a result, the market share of Asia in the global semiconductor market has slightly decreased. According to estimates in the November 2023 report from WSTS, the Asia semiconductor market reached US\$283.3 billion in 2023, accounting for 54% of the global semiconductor market. If combined with the Japan semiconductor market of US\$47.2 billion, the Asia semiconductor market accounts for over 60% of the global semiconductor market. Asia remains one of the important markets for the global semiconductor distribution industry.

### Semiconductor market share by region



Source: World Semiconductor Trade Statistics (WSTS)

### Global semiconductor industry sales from 2019 to 2023

Unit: billion USD

Region	2019		2020		2021		2022		2023	
Americas	78.6	19%	95.4	22%	121.5	22%	141.1	25%	132.5	25%
Europe	39.8	10%	37.5	9%	47.8	9%	53.9	9%	57.0	11%
Japan	36.0	9%	36.5	8%	43.7	8%	48.2	8%	47.2	9%
Asia-Pacific	257.9	63%	271.0	62%	343.0	62%	330.9	58%	283.3	54%
Global Market	412.3	100%	440.4	100%	555.9	100%	574.1	100%	520.1	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:

In terms of revenues breakdown by application in 2023, automotive electronics accounts for 7.8%, industrial and instrument accounts for 10.0%, communication accounts for 13.5%, datacenter and server accounts for 21.9%, consumer electronics and others accounts for 8.6%, PC and peripherals accounts for 9.9%, and mobile phone accounts for 28.3%.

## (1)Automotive electronics

In recent years, vehicles have continued to become more electronization, with the semiconductor content in each vehicle steadily increasing. For example, under comprehensive consideration of driving safety and humanization, Advanced Driver Assistance Systems (ADAS) have emerged as a new standard, attracting international automakers to compete in automotive electronization. They work with semiconductor companies to integrate automotive 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.

According to the March 2024 forecast report from the international research and consulting firm Gartner, the scale of automotive semiconductors exceeded US\$78 billion in 2023, with a yearly growth rate of 14%. The compound annual growth rate (CAGR) for the period from 2023 to 2028 is expected to exceed 9%. The growth momentum primarily comes from ADAS, Automotive High-Performance Computing (Automotive HPC), and Electrified Powertrain. Specifically, the ADAS segment is forecasted to achieve over 14% CAGR from 2023 to 2028, while Automotive HPC is expected to reach 42% CAGR during the same period.

## (2)Industrial and instruments

The business opportunities of the fourth wave of 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, data from production equipment and sensing endpoint are 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", smart production demand is expected to stimulate the optimization of microcontroller and sensor design continuously, expanding new growth momentum for the semiconductor component market. According to Gartner's forecast, the industrial automation semiconductor market will reach 12% CAGR from 2023 to 2028.

Furthermore, in recent years, the continuous evolution of smart transportation has been accompanied by a large number of surveillance cameras and sensors to enhance transportation efficiency. Additionally, there has been a significant increase in demand for transportation infrastructure such as charging stations due to the electrification of vehicles. According to Gartner's estimates, the semiconductor market in transportation is expected to reach 16% CAGR from 2023 to 2028.

According to the March 2024 forecast report from Gartner, the industrial semiconductor market will exceed 9% CAGR from 2023 to 2028. Digitalization and electronification in areas such as security surveillance, industrial automation, transportation, agriculture, testing/measurement, and energy management are gradually replacing traditional models. These trends will provide momentum for the long-term development of industrial electronics.

### (3)Communication

According to the March 2024 forecast report from Gartner, the communication semiconductor market (adjusted according to the Group's application classification) will be close to 7% CAGR from 2023 to 2028. Due to the rapid development of generative AI to drive the increasing demand for high-speed transmission, the enterprise fixed network semiconductor market is expected to exceed 12% CAGR from 2023 to 2028 and the optical communication semiconductor market is expected to exceed 8% CAGR during the same period.

### (4)Data center and server

The development of generative AI and the increased demand for various AI applications have significantly risen in recent years. As a result, there is a need to add AI accelerators and improve transmission speeds within data centers. This surge has greatly boosted the demand for AI server-related chips. Additionally, the increase of AI computing speed has also driven the demand for high-performance and low-power consumption power management chips. According to Gartner's November 2023 report, the number of global datacenters reached 3.43 million in 2023 and is expected to reach 3.6 million by 2027. Gartner's March 2024 forecast report also estimates that the datacenter-related semiconductor revenue will exceed 11% CAGR from 2023 to 2028.

### (5)Consumer electronics

In 2023, the consumer electronics market remained sluggish. According to the March 2024 forecast report from Gartner, the semiconductor market for consumer electronics declined by 16% in 2023. However, semiconductor inventory in the consumer electronics supply chain has returned to normal levels. Gartner expects the semiconductor market for consumer electronics to grow by 14% and 9% in 2024 and 2025, respectively.

### (6)PC and peripherals

According to Gartner's March 2024 forecast report, global sales of PCs (excluding tablets) in 2023 totaled 242 million units, representing a decrease of 15% compared to 2022. Sales of tablets in 2023 totaled 129 million units, representing a decrease of 15% compared to 2022.

Gartner indicated that PC market has bottomed out after significant adjustments. The inventory issues that impacted the PC market for two years returned to normal in the fourth quarter of 2023. Shipments in the fourth quarter of 2023 reached 63.5 million

units, growing by 0.3% compared to the fourth quarter of 2022. This marks the first growth after eight consecutive quarters of decline.

After two years of decline, Gartner predicted that PC market will resume growth in 2024. The global PC market is expected to grow by 2% and 8% in 2024 and 2025, respectively. The global tablet market is forecasted to decline by 1% in 2024 and grow by 1% in 2025. The semiconductor market for PC and peripherals (adjusted according to the Group's application classification) is projected to grow by 17% in 2024 and 14% in 2025.

#### (7) Mobile phone

Global mobile phone sales continued to decline in 2022 and 2023 because consumers are using their mobile phones longer, increasing the mobile phone replacement cycle by nearly a year. According to Gartner's statistics, global mobile phone shipments totaled 1.27 billion units in 2023, decreasing 8% from 2022. Among them, smart phones accounted for 1.18 billion units, decreasing 7% from 2022. It performed better than the overall mobile phone market, and accounted for 93% of total sales. However, the mobile phone market is expected to rebound in 2024. Gartner predicts that the overall mobile phone market will grow by 2% and 5% in 2024 and 2025, respectively. Due to the recovery of memory prices and the increase in functionality and price of smartphone processors, the semiconductor market for mobile phone is projected to grow by 26% in 2024 and 14% in 2025.

### 5. Intellectual Property Management:

The Company has developed the intellectual property management plan that aligns with our business objectives and integrates with R&D resources. Through proactive and effective management of our intellectual property, we aim to protect our R&D achievements, reduce operational risks, strengthen the trust of our partners and customers, create company value, and enhance our competitiveness in the industry.

#### (1) Plan of Intellectual Property and Risk Management

##### A. Trade secret protection measures:

The Company has established confidentiality policy and introduced associated issues of trade secrets and confidentiality obligations into the training of new employees. The Company conducts company-wide education and training on a regular basis, and employees are required to abide by confidentiality obligations pursuant to their employment contracts. The above measures enhance employees' awareness and understanding of the importance to protect confidential information of the company. In addition, to prevent the theft, tampering, destruction, loss, or leakage of confidential information, the Company has taken specific measures to strengthen information security, such as enhancing information security, maintaining the operation of information security facilities, establishing document confidentiality levels, implementing



system access control, monitoring access to confidential data, and conducting regular internal audits. To prevent intellectual property disputes, the Company rigorously reviews the confidentiality provisions in business contracts to properly safeguard our rights and limit our liability.

B. Patent protection measures:

The Company's patent management measures mainly include, among others: integrating departmental resources for industry analysis, conducting patent strategy planning, strengthening patent deployment, and systemizing patent management. To maintain our patent rights and prevent disputes and related risks, we closely work with external patent advisors. We conduct patent searches and regularly monitor the latest technology developments in the industry to analyze infringement risks and plan ahead. This is to protect our own patent rights and prevent infringing others', as well as effectively defend against patent litigation.

C. Trademark protection :

Since our establishment, the Company has been actively carrying out trademark strategy to obtain trademark protection. To accommodate market expansion, we regularly review our trademark portfolio and monitor if there are any similar trademarks and representations in the market that may cause confusion or misidentification, in order to protect our trademark rights.

(2) Implementation of Intellectual Property Management Plan :

A. As of December 31, 2023, there have been:

(a) Five (5) trademarks;

(b) Seven (7) invention patents, and one (1) pending patent application .

B. Educational training has been conducted.

C. The principles for reviewing confidentiality agreements and intellectual property right clauses have been established.

D. The implementation status of intellectual property management was reported to the Board of Directors on November 2, 2023, to ensure that the implementation of intellectual property management is in line with the Company's expectations and objectives. 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) new energy vehicles; (2) AI servers; and (3) digital power for third-generation semiconductors. 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 R&D personnel have college education or above. They 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\$ thousands

Item	2023 IFRSs consolidated information	As of March 31, 2024 IFRSs consolidated information
Net operating revenue	594,518,813	192,651,373
R&D expenses	755,450	212,216
R&D expenses as a percentage of revenue	0.13%	0.11%

## 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

Product Name	Field of Application
E-meter (Power meter)	Server power measurement
Smart Bulb	Home Automation (HA)/ IoT
Home Gateway	Home Automation (HA)/ IoT
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
22KW and 3KW hybrid DC - DC converters and AC vehicle chargers.	Automotive
3KW digital power reference design for 48V AI servers	Server power supply

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

1.Short-term Business Development Plans

(1)Marketing strategies

A. Expanding product lines with high growth potential:

The Group's product lines for communication, networking, imaging, computer, and high-performance power components 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 higher growth potential, strengthen product and market planning capabilities, and improve the overall market presence, such as automotive electronics, industrial control, green energy, energy management, medical devices, 5G related applications, cloud data centers, smart Internet of Things, 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. Strengthening technology-driven marketing strategies:

The short and diversified life cycle of electronic products has made the effective 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 customer service to provide technical support solutions to customers. 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 added value, becoming the bridge between upstream manufacturers and downstream customers.

C. Strengthening service quality and improving customer satisfaction:

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

D. Actively developing new customers and improving the global customer presence:

In addition to continuing to support the existing customers, the Company will also actively explore new customers, reduce customer concentration, and provide better product solutions to fit the needs of some customers with limited R&D resources in order to form closer cooperation with customers. The Company will continue deployment of operating locations in various regions to actively expand the sales network and further improve its global presence.

(2)Product strategies

A. Increasing the value of technical support :

Products are heading towards an era of low profit but it is important to develop new products quickly. Therefore, meeting the electronics trend of various and small amount production is the key. The Company satisfies customer requirements by providing a large number of functionally improved semiconductor component through the end-to-end service capability. Therefore, the Company creates added value to customers due to reducing the investment and deployment of downstream manufacturers' R&D manpower.

B. Application development and distribution for power management products:

As the need for energy conservation and carbon reduction caused by climate change continues to increase and AI-driven electronics become more powerful, the demand for power supply is becoming more and more important. How to strengthen power management efficiency, reduce power consumption, and increase battery life has become a consistent research and development direction for all downstream manufacturers. The Group's product lines are diverse and most of them are high-performance products that meet the technical requirements. The Company will continue to expand the distribution presence of power management products and lead the trend in designs for end product needs.

(3)Financial strategies

As the Group is a semiconductor distributor, it has a high demand for working capital. In addition to continuing to strengthen financial planning and maintain good relations with banks based on the principle of 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 operational scale.

## 2. Long-term Business Development Plans

### (1) Expanding complete and diverse product lines and territory

In line with market trends and customer needs, the Company will continue to plan and introduce new 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 competitive prices, good specifications, and complete product lines, and meet all of customers' needs in one stop. The Group will leverage its accumulated experience to actively establish service networks in various regions to serve customers nearby.

### (2) Professional channel marketing strategy

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

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

As a distributor, the Company plays an important role in providing consultation to suppliers and service to customers by offering the most complete information and after-sales service for both parties.

### (4) Improving long-term talent reserve and actively training talent

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 to gain a competitive advantage. At the same time, the Company also focuses on the training of internal talent, explores high-potential individuals, assigning responsibilities based on business development and growth of the Group, and customizing their development plans. This is aimed at cultivating the mid- and high-level managerial talents required 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 funding requirements for business expansion. In the future, depending on working capital needs, the Company will leverage the capital market to obtain cost-effective funds to enrich the funding requirements for the business expansion.

## II. Market, production and sales overview

(I)Market analysis:

1.Sales regions of main products

Unit: NT\$ thousands

Region	Year	2022		2023	
		Sales amount	%	Sales amount	%
Taiwan		84,373,636	14.77	78,149,044	13.15
China		361,370,198	63.27	321,826,282	54.13
Other		125,453,284	21.96	194,543,487	32.72
Total		571,197,118	100.00	594,518,813	100.00

The above revenue by geographic area is calculated based on sales to external customers at the location of its registered office.

2.Market shares

According to the Market Share Analysis: Semiconductor Distributors, Worldwide issued by Gartner in 2024, the Group ranked fourth and first among semiconductor distributors globally and in the Asia-Pacific region, respectively. The Group had a 9.9% and 8.6% share of the global semiconductor distribution market, and had a 14.5% and 12.1% share of the Asia-Pacific semiconductor distribution market in 2023 and 2022, respectively.

3.The outlook of supply and demand and market growth

(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 forecasts released by Semiconductor Equipment and Materials International (SEMI) in December 2023, the global semiconductor equipment sales will reach a new record high of US\$100.9 billion in 2023, down 6.1% from US\$107.4 billion in 2022. SEMI believes that driven by front-end and back-end processes, semiconductor manufacturing equipment sales are expected to rebound 4.4% to US\$105.3 billion in 2024, and will grow 17.9% in 2025 to reach a new high of US\$124.1 billion.

SEMI stated that the semiconductor front-end equipment sales (including wafer processing, fab facilities, and mask equipment) are estimated to reach US\$90.6 billion in 2023, representing a 3.7% decrease compared to the previous year. SEMI predicts that in 2024, there will be a limited increase in memory capacity, with mature capacity expansion entering a temporary pause. Sales of wafer fab equipment are expected to grow modestly by 2.8% to US\$93.2 billion in 2024. In 2025, with the operation of new wafer fabs, capacity expansion, and technological upgrades driving equipment demand, the investment in semiconductor front-end equipment is estimated to reach US\$110 billion, representing a growth of 17.8%.

Semiconductor back-end process equipment, including testing equipment and

assembly & packaging equipment, has been affected by slowing economic growth and weak demand for semiconductors. In 2023, sales of testing equipment are expected to decrease by 16% to US\$6.3 billion and sales of assembly & packaging equipment are expected to decrease by 31% to US\$4 billion. SEMI believes that the sales of testing and assembly & packaging equipment are expected to rebound in 2024 and are expected to grow by 13.9% and 24.1% to US\$7.2 billion and US\$5 billion, respectively. Demand is expected to further increase in 2025, with sales of testing and assembly & packaging equipment expected to grow by 16.9% and 20.2% to US\$8.4 billion and US\$6 billion, respectively.

## (2) Demand side

Due to the extensive coverage of the Group's product lines, its revenue and profitability are related to the semiconductor industry and economy development to a certain extent. With accelerated global digitization and increased energy conservation and carbon reduction needs, together with the rapid development of AI technology, global demand for semiconductors has risen more than the growth rate of the global economy. According to the latest World Economic Outlook released by the International Monetary Fund (IMF) in January 2024, the IMF's projection of the global economy growth rate for 2024 is 3.1%. Advanced economies are expected to grow by 1.5%, and emerging markets and developing economies will grow by 4.1%. Economy growth rate estimates for individual countries in 2024 are as follows: US 2.1%, China 4.6%, India 6.5%, Japan 0.9%, and Germany 0.5%. The IMF's forecast for the world economy is raised by 0.2 percentage point from last October's estimate because the United States and some large emerging markets and developing economies have shown stronger resilience than expected. The IMF believes that in an environment of slowing inflation and solid growth, the possibility of a hard landing for the global economy has been reduced.

## (3) Growth

In terms of product applications, due to the gradual adoption of 5G technology, the rapid development of AI technology, and increased energy conservation and carbon reduction requirements, markets such as automotive electronics, smart Internet of Things, AI end devices, energy management, green energy, and cloud data centers 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. Therefore, the semiconductors content in each vehicle continues to increase. The Group has dedicated its efforts to the development of automotive electronics for many years. The Group's products and services in fields such as powertrain, body control, infotainment, active driver assists, and safety systems have gradually gained recognition from suppliers 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. In terms of AI end devices, International Data Corporation (IDC) recently released a report predicting that shipments of AI smartphones and AI PCs will grow significantly in the next few years. According to IDC's latest forecast, AI PC shipments are expected to reach nearly 50 million units in 2024 and this number will climb to more than 167 million units in 2027, accounting for nearly 60% of global PC shipments. IDC also predicts that shipments of next-generation AI smartphones will reach 170 million units in 2024, accounting for nearly 15% of total smartphone shipments, showing a significant increase from approximately 51 million units in 2023. In the field of energy conservation and carbon reduction, the Group continues to focus on platform integration, solutions, and technical services. These three core values are dedicated to clean technology-related products and services, offering optimal solutions in the areas of green energy, energy storage, and energy efficiency and serving as the development strategy for clean technology. The key components driving the aforementioned emerging trends include digital power components, high-performance microprocessors, control processing chips, high-precision analog components, application-specific integrated circuit for cloud datacenters, and more. These components will lead to potential business opportunities in the semiconductor distribution industry. The Group regards these areas as strategic development markets, and we expect to benefit from them in the future.

#### 4. Competitive niche, favorable and adverse factors for long-term growth and adaptation strategies

##### (1) Competitive niche

###### A. Complete and diverse product lines

The Group has established solid cooperative relationships with internationally renowned upstream suppliers such as Analog Devices, Broadcom, Marvell, NXP, Onsemi, Skyworks, ST Microelectronics, Renesas, etc. and has repeatedly received the excellent distribution awards from suppliers. It is obvious that the Group's sales and marketing 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 diverse, which is positive to maintain existing product lines and expand new product lines.

###### B. Strong management team

The Group's management team mainly consists of professionals in the information technology industry, with experienced marketing talents and skilled application engineers. The key managerial officers have more than 10 years of experience in the semiconductor distribution industry. With their distribution business experience 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 diverse products, it has the professional technical support capability to conduct services such as product development, design, product integration and troubleshooting, 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-driven support capability is the niche of the Group's competitiveness and the Group is moving towards its goal of becoming a “leading value-added professional distributor”.

### D. Comprehensive marketing channel network

In response to the trend of electronics globalization and internationalization, the Group actively deploys overseas locations to serve customers nearby, develop new products, and grasp real-time market information. It hopes to achieve the Group's goal of being wherever customers are.

## (2) Favorable factors

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

The market demand for semiconductors is driven by 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. Important role of distributors

Given that global electronics manufacturers are reducing marketing costs and requiring application engineering support, the role of distributors in the electronics industry's supply chain is becoming increasingly important. For upstream suppliers, distributors provide the functions of product marketing, product integration, and customer service. For downstream customers, the distributors provide the functions of maintaining adequate suppliers, technical support, etc. At present, direct sales from semiconductor manufacturers to customers (Direct Account) account for more than 60% of their revenues, and remaining 30-40% of sales are through distributors. Semiconductor manufacturers still have considerable potential to release Direct Account. The Group's efforts and capabilities have been recognized by customers and suppliers in the long term. With the acceleration of global digitalization, many potential customers with rapid growth have emerged. 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 more significant in the future.

### C. Complete and diverse products lines

The Group's products lines cover all fields of electronics, such as automotive electronics, industrial and instrument, communication, datacenter and server, consumer electronics, PC and peripherals, and mobile phones. In addition, the Group also diversifies its markets to avoid excessive concentration of purchases. This

approach not only makes it convenient for customers to make purchases, but also reduces customers' inventory risks and saves procurement time and costs.

#### D.Excellent management team

The Group's front-end sales and marketing staff have years of experience in distribution sales and marketing and the Group is proud of its professional talents for technical support and back-end management. Externally, they can promote existing products, acquire new product lines, and address customer needs. Internally, they can continuously improve the Group's financial and business quality, which will position the Group as an industry leader.

### (3) Unfavorable factors and adaptation strategies

#### A.Fierce product competition and declined gross profit

Adaptation strategies:

- Adding product lines for special applications that are irreplaceable will reduce the Group's risk under price competition and highlight its own market advantage.
- For the general-purpose bulk components, adopting quantity purchase will provide customers with more competitive prices while retaining reasonable profits.
- Increasing the proportion of non-consumer electronic products with higher gross profit margins such as automotive electronics, industrial control, energy management, 5G related applications, smart Internet of Things, etc. will improve the product portfolio and gradually increase the Group's overall gross profit margin.
- In addition to providing traditional channel services, the Group strives to provide more value-added services, such as providing more technical application design services to expedite customers design processes, in order to seize market opportunities and ensure higher profit and market share.

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

Adaptation strategies:

- The Company will strengthen product and market development, set the Group's new directions and opportunities for new product and market trends, introduce new products, and develop new markets and customers in a timely manner to seize business opportunities.
- The Company will maintain good interactions with upstream suppliers and downstream customers, increase the value added of products, and prolong the product's life cycle by integrating the characteristics of products that meet customer needs through the strong R&D capabilities.
- The Company will regularly hold business meetings to determine sales plans and adjust sales forecasts based on the conditions of sales, orders, inventory, etc., to achieve accurate sales forecasts.
- The Company will pursue product completeness and diversification to avoid market risks associated with relying on a single product.
- The Company will implement the digital optimization 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 are 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, the exchange rate risk is mainly from the US dollar.

Adaptation strategies:

- Using the US dollar as the sales and purchase price currency reduces the exchange risks of different quoted currencies. By using the same currency in both sales and purchase, foreign currency assets and liabilities can be offset against each other to naturally hedge against currency risks.
- Using a unified accounting exchange rate set by the headquarters, the subsidiaries in different countries can adopt a consistent exchange rate standard. This approach minimizes unnecessary exchange gains and losses resulting from different accounting exchange rates. The Finance Department consistently 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 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
Application - specific standard product - wireless connectivity	Industrial and instrument, communication, consumer electronics, PC and peripherals, mobile phone, etc.
Application - specific standard product - wired connectivity	Automotive electronics, industrial and instrument, communication, datacenter and server, PC and peripherals, etc.
Application - specific standard product - others	Automotive electronics, industrial and instrument, datacenter and server, consumer electronics, PC and peripherals, etc.
Analog	Automotive electronics, industrial and instrument, datacenter and server, PC and peripherals, mobile phone, etc.
Application - specific integrated circuit	Communication, datacenter and server, consumer electronics, PC and peripherals
Microcomponents	Automotive electronics, industrial and instrument, communication, consumer electronics, PC and peripherals, etc.
Memory	Automotive electronics, industrial and instrument, communication, consumer electronics, PC and peripherals, etc.
Discrete	Automotive electronics, industrial and instrument, communication, consumer electronics, PC and peripherals, etc.
Optoelectronics	Automotive electronics, industrial and instrument, communication, consumer electronics, PC and peripherals, etc.
Others	Automotive electronics, industrial and instrument, datacenter and server, consumer electronics, PC and peripherals, 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 purchases or sales in the last two years, and sales as a percentage of total purchases or 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	2022				2023			
	Name	Amount	As a percentage of total purchase (%)	Relationship with issuer	Name	Amount	As a percentage of total purchase (%)	Relationship with issuer
1	A	203,059,255	35.30	None	A	262,721,376	45.20	None
2	B	65,882,139	11.45	None	B	60,655,523	10.44	None
3	Others	306,291,759	53.25	-	Others	257,828,769	44.36	-
	Net purchase	575,233,153	100.00	-	Net purchase	581,205,668	100.00	-

Reasons for changes: The Group has maintained a good relationship with major suppliers, so its inventory sources are stable. We currently act as agent for end products including mobile phone, automotive electronics, industrial and instrument, communication, datacenter and server, consumer electronics, PC and peripherals, etc. Revenue grew 4.08% in 2023, leading to an increase in purchases from suppliers in 2023 compared to 2022.

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	2022				2023			
	Name	Amount	Percentage of net sales (%)	Relationship with issuer	Name	Amount	Percentage of net sales (%)	Relationship with issuer
1	BB	86,666,027	15.17	None	AA	72,336,013	12.17	None
2	Others	484,531,091	84.83	-	Others	522,182,800	87.83	-
	Net sales amount	571,197,118	100.00	-	Net sales amount	594,518,813	100.00	-

Reasons for changes: The Group still achieved revenue growth in application areas such as automotive and datacenter, but was partially offset by revenue declines in application areas such as industrial and instrument, communication, personal computer, and mobile phone, leading to a slight increase in revenue in 2023 compared to 2022.

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 the most recent two years

Unit: thousands/ NT\$ thousands

Main Products \ Year	2022	2023
Analog	100,085,727	92,148,947
Application - Specific Integrated Circuit	28,708,893	80,952,618
Application - Specific Standard Product - Others	32,258,401	27,819,579
Application - Specific Standard Product - Wired Connectivity	90,130,928	94,792,471
Application - Specific Standard Product - Wireless Connectivity	187,807,271	175,260,960
Discrete	16,403,465	16,053,003
Memory	41,220,619	32,199,857
Microcomponents	40,299,213	44,100,866
Optoelectronics	17,154,853	12,644,995
Others	17,127,748	18,545,517
Total	571,197,118	594,518,813

Note: The Company has a wide variety of products and the statistical quantity units are different, therefore only the sales amounts of the products are listed.

## III. Employees

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

Year		2022	2023	As of April 18, 2024
Number of employees	Sales and Marketing	2,325	2,227	2,222
	Administration	356	361	361
	R&D	866	875	866
	Total	3,547	3,463	3,449
Average age		38.9	39.6	39.2
Average years of service		6.6	7.2	7.3
Education background	Ph.D	0.57%	0.55%	0.55%
	Master's	13.53%	14.21%	14.50%
	Bachelors Degree	80.60%	80.04%	79.82%
	Senior High School	5.30%	5.20%	5.13%
	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 participated in the New Taipei City Environmental Protection Bureau's guidance on green procurement for private enterprises, and won the Performance Excellence Award for "Promoting Green Procurement Plans for Private Enterprises and Groups" from the New Taipei City Environmental Protection Bureau for four consecutive years. The total amount declared at the end of 2023 was NT\$16.44 million, achieving annual growth of 5% for two consecutive years. We will continue to target annual growth of 5% in the future. The total amount spent on purchasing environmentally friendly labeled notebooks from China and overseas regions is NT\$10.66 million. In the future, we will continue prioritizing the selection of recyclable, low-pollution, and resource-saving green products to promote green product consumption.

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 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 and Vegetarian Bento event at the Taiwan headquarters. In China, a variety of healthy and balanced meals are also provided in 28 cities every Monday. 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.

- (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 small 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 2023, we purchased a total of 15.52 tons of fresh fruits throughout the year. Since the implementation, we have purchased 89.71 tons of fruits, and helped 22 farmers, making efforts to support local economies and charities. In recent years, subsidiaries in China have also successively adopted this activity, purchasing fresh fruits from various cities, and encouraging employees to eat more fruits and have a balanced diet.
- (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 issuing annual bonuses on specific holidays every year to keep employees happy during the holiday, a garden party called "Rice Dumplings for the Dragon Boat Festival" is held during the Dragon Boat Festival to prepare various flavors of meat dumplings and traditional snacks for employees to feast on. Vintage mini-games evoked everyone's childhood memories. Walking into the event venue was like walking into a time capsule, and the scene and atmosphere felt like the early days of Taiwan. During the Mid-Autumn Festival, we held the "WT Microelectronics 30 Mid-Autumn Festival Celebration", which included the Wugang Woodcutting Fun event to inspire teamwork and participation by both male and female employees. There were also activities like "Stack the Pomelo", which required good hand-eye coordination, and the kombucha DIY experience course. After the course, employees continued to cultivate Scoby yeast and shared it with others, which was also an effective way to promote healthy eating habits. During the Lunar New Year, employees received a healthy traditional oil gift

box from Beigang, Yunlin. We held the "WT Microelectronics 30 Celebrating the New Year of the Dragon" New Year activities. It included lantern art painting activities. Employees who completed the lantern painting received exquisite New Year gift boxes, and the lanterns carefully created by the employees were also hung at the New Year's garden party, which greatly enhanced the sense of participation and livened the New Year atmosphere of the garden party. At the New Year's Garden Party offered various of dessert and the interesting missions to collect points. The most talked-about activities were the "Lucky Red Envelope Lucky Lottery" and the DIY red envelope silk printing. The Lucky Red Envelope Lucky Lottery offered various prizes such as smart home appliances, electronics, lifestyle items, New Year's goods, and charitable items. The DIY red envelope silk printing included templates specially designed for the 30th anniversary of the Company, allowing employees to personally create their own Lunar New Year red envelopes. From the event, we could feel the joy and Lunar New Year atmosphere.

- (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 and CHR Healthy Citizen Commitment Enterprise by Health Magazine in 2023. We plan to continue applying for the Sports Enterprise Certification Review and join the CHR Healthy Citizen Enterprise Initiative promoted by the Health Magazine in 2024. We make 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 club conference held at the beginning of each year allows new employees to learn about and choose their favorite clubs to join. In addition to organizing exclusive courses and activities for members, various themed activities are also launched for all employees to participate in in order to strive for all-round and diversified club development:
- A. The Fun Run Club participated in 5 marathons, including Dahu Strawberry Culture Carnival Marathon, Matsu Beigan Hard Track Ultra Marathon, Beauty Skirt RUN, New Taipei City Gonggan Cup Road Run, and Banqiao Marathon Road Run. This year, a series of training courses were arranged based on the physical fitness, road running experience, and personal health status of each participating employee.

According to the different training levels, employees are recommended events based on the total kilometers and settings to choose the appropriate difficulty level. First-timers were able to complete the events healthily and safely within their own limits. After the competition, sharing sessions were organized where participants can share the problems and interesting stories they encountered during the event. Setting off in the early hours of the morning, running enthusiastically despite heavy rain, and facing scorching sun and sandstorms could not deter their determination to cross the finish line. Engaging in proper sports activities can effectively improve physical, mental, and spiritual health, embodying the true essence of the Company's continuous efforts to promote various sports.

- B. The Badminton Club held the "WT Microelectronics Cup Badminton Tournament" and the Basketball Club held the "WT Microelectronics Cup Invitational Tournament", inviting partner companies to form teams for a round-robin competition. A total of five teams participated in the event. Relatives and friends were invited to participate in the event and cheer for the participants. It increased motivation and spread health concepts to families and daily life, stimulating passion for sports. After four weeks of the round-robin competition, it expanded the scope of socialization among the employees, enhanced the interaction between suppliers, relieved work pressure, and exchanged the enthusiasm for sports between friends. In the future, we will adjust the format and scale of exchange competitions, increase the number of sessions, and organize competitive events for other sports clubs to enhance diversity.
- 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. The Floral Art Club organizes flower art courses periodically. The course contents include knowledge on various plants and bonsais. This is used to promote the important role of green plants in slowing down global warming and effectively enhance the green atmosphere in the office. Green living starts from all angles. The vases allow employees to bring their own pots for re-decoration, which not only breathes new life into the pots, but also allows the concept of recycling to be implemented indefinitely. The "New Year Flower and Rice Screen Hanging Decoration" course is held in conjunction with the New Year holiday. It combines traditional rice screens with seasonal flowers to create festive decorations, adding a different embellishment to home decorations during the Lunar New Year. In response to the Chinese Valentine's Day "Flowers and Words" course, fresh flowers are paired with round glass pots and displayed through a layered circular perspective to enhance a different experience of beauty for employees.

- E. The Cooking Club continues to align its course arrangements with the theme of enjoying health through vegetarianism, starting with healthy low-carbon diets. It promotes healthy eating among employees by encouraging the use of seasonal local ingredients and striving to consume a diverse range of whole foods as much as possible. In our busy daily lives, we often overlook the importance of a balanced diet. Imbalanced nutrition in meals can also increase health risks among employees. Starting from 2023, we are implementing activities promoting low-sugar and low-sodium diets. We focus on ingredient selection, seasoning combinations, and basic cooking techniques, aiming to make healthy eating effortless and balanced nutrient intake the top priority.
- 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. In 2024, we plan to organize mountain camping trips to explore the visual impact of starry nights in areas with low light pollution in the mountains. We aim to experience awakening in the morning amidst the sounds of insects and birds, and enjoy the comfort of light mist, morning dew, and dawn, which will undoubtedly bring another level of physical and mental well-being to our employees.
- G. The addition of the new golf club in 2023 has provided employees who do not usually have the chance to play golf with an opportunity to try it out. During the club's practice sessions every Tuesday evening after work, members can go to the golf course to experience and learn the sport. Experienced members are friendly and teach newcomers, and professional coaches are also hired to provide guidance. This initiative aims to make golf a fashionable, elegant, and accessible leisure activity within the Company. In 2024, the Company plans to hold the employee cup competitions, the WT Microelectronics Invitationals, and supplier and customer friendlies to gradually enhance employee's interest in and understanding of golf.
- (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.
- (10) The TV walls on each floor play Bloomberg TV, an international English-language financial network, every morning. This allows employees to access the latest international business and financial information. At other times, it shows different themes 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) The Company promotes concerts with charity groups. The Company provides tickets for the World Citizen Academy and Concert and the children's choir "Nice Voice" concert to enhance the cultivation of artistic and literary qualities among employees, increase their time with family and friends, and allow those who support the arts and social sharing to keep pace with the times. For the 30th anniversary events, the special exhibition features a quiz with prizes, which includes tickets to the "RE: Paul Chiang - Meditating Algorithm: Immersive in the life and works of Paul Chiang" by the renowned artist Paul Chiang in 2023. The exhibition tickets were well received by our employees. We plan to provide more high-quality, extensive, and diverse exhibition tickets in 2024 to promote art and culture.
- (12) 423 people and 85 groups participated in the series of weight loss activities held from October 2022 to January 2023, resulting in a total weight loss of 890 kilograms. 2024 will be the time to review employees' perseverance in maintaining their weight and staying in shape. 27 employees successfully completed the challenge. It is quite difficult to lose weight and fat, but to be able to maintain the same figure without losing weight for a year is an achievement worthy of commendation. We introduced the professional body composition analyzer InBody to enable employees to continuously monitor their health and physical condition. We provide regular monthly testing sessions, allowing individuals to discuss their measurement data with health managers. Based on this data, personalized diet and exercise plans are developed to address individual body conditions. This approach ensures a concrete implementation of a healthy lifestyle mindset based on the details.
- (13) 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 in 2023, 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 the monthly beach cleaning events, interaction and related knowledge teaching were enhanced. We started with deep cleanings of the beaches, promotion of effective waste treatment, promotion of personal responsibility, and the importance of not littering and waste classification at home and in the office. A total of 499 people participated in the 10 beach cleaning events in 2023, and we collected and disposed of 2,763.3 kilograms of marine waste. Among the three adopted beaches, each harbors different types of marine waste issues. The most challenging to address are

undoubtedly the small bottle caps, styrofoam fragments, straws, plastic ropes, etc. These wastes not only pose serious hazards to marine life but also make the clean up process quite difficult. When participating in beach cleanups, it is essential to prepare safety gloves to avoid hand injuries, a net to filter out small debris, and large burlap bags or containers specifically for collecting bulky waste. It is necessary to collect and categorize various types of waste found on the beach as much as possible. Through the monthly beach cleaning activities, employees can gain more knowledge and passion for marine environmental protection. In the early days of the activity, employees joined mostly out of curiosity and the desire to educate and entertain the children at home. However, as the goals of the monthly beach cleanups changed, the participating employees gradually fell in love with the ocean and wanted to do more to clean the beaches. Not only do they attend every monthly event, but they also try to increase the weight of the waste they collect every time. During the breaks, they also discuss and share information with each other, or strongly recommend other types of waste reduction activities they Company can organize. In 2024, we will select Baishawan and Zhuzihu Beach as the adopted beaches due to their consistently high levels of waste. We will adjust the content of our beach cleanup activities to demonstrate more effective efforts in protecting our oceans on Earth.

- (14) In order to increase the diversity of healthy sports, a series of point collection activities called "Pick Up and Go" were launched in conjunction with the beach cleanup. We encourage employees to actively participate in beach clean-up activities while also promoting healthy hiking for their own well-being. 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. A total of 1,022 people participated in the 10 hiking events throughout the year. Based on the observations and employee feedback, it has been determined that the current hiking trails have a difficulty level that is considered accessible to most employees. However, there is consensus that the difficulty level could be further increased. This could be achieved by adjusting the challenges for each forest trail or by arranging varying levels of difficulty based on age group and physical condition. Adjusting weekend health activities can serve as a means of cultivating health, balancing life, fostering social connections, or challenging oneself. In 2024, we plan to organize a "Health Passport" series of activities with a higher level of integration. The activities will include beach cleanups at Shimen Baishawan and Zhuzihu Beach on the North Coast of New Taipei City, hiking and walking challenges of varying difficulty levels, as well as home-based fitness training tasks. Employees can choose fitness tasks according to their own health and physical condition, which

is different from the weight loss program exercise courses in 2022. In 2024, we aim to focus more on individual fitness monitoring. During the weekly health exercise video submissions, we will pay closer attention to employees' exercise postures and physical responses after exercise. Combined with the quarterly consultation services provided by physical therapists, employees will have a better understanding of suitable exercise options for themselves.

- (15) The 2023 employee day trips include 18 different styles of travel routes, which employees can choose based on their interests and companionship, including parent-child experiences, extreme challenges, and scenic tours, with a total of 1,188 employees and their families participating. Short hotel trips will be launched in 2024, including well-known hotels in the different counties and cities in Taiwan, with green hotels as the priority to actively promote green tourism and for employees to bring their own toiletries to reduce the use and waste of disposable toiletries, further limiting the generation of waste.
- (16) The 30th anniversary of the WT Group invites employees to board a time machine back to Taipei in 1993, to understand WT Microelectronics' establishment, growth, and flourishing. The Company's achievements are based on the relentless efforts of the management team and all employees, joining hands to envision the unlimited possibilities of WT Microelectronics' future. We launched a series of activities for WT Microelectronics' 30th Anniversary, including the Naming Contest for the Special Exhibition, interactive wall of blessing cards, quiz games with prizes inside the exhibition, offering limited edition OMAR whisky gift boxes, as well as tickets and vouchers for well-known art and cultural exhibitions. At the year-end gala, precious memories from the past 30 years were transformed into a video retrospective, publicly thanking every dedicated WT Microelectronics member. Their efforts have always been the driving force propelling the Company forward. Therefore, we gave each employee a portable tea cup set and a fashionable and comfortable POLO shirt to express our gratitude to our employees.
- (17) As Taiwan's agricultural workforce ages, the number of people engaged in farming has been declining year by year. While many farmers have the ability to cultivate crops, there is a shortage of manpower during harvest. Additionally, Taiwan's unpredictable weather often results in damage to fruits and vegetables that are not harvested in time. The 2023 agricultural volunteer activities continued to encourage employees to go outdoors in a healthy way, while also rolling up their sleeves and working on farms. The activity mainly provides field assistance to small farmers in remote rural areas in Taiwan. It not only allows farmers to feel at ease, but also allows employees to acquire agricultural knowledge and practice good deeds. A total of 138 people participated in the activities. In 2024, we will continue the Love for Farms project. In addition to continuing to order fruits from small farmers, we will further plan activities to venture

into the fields in the south. This will allow employees and their families to work side by side with farmers.

## 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
17,587 people	458 sessions	27,398 hours

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 people.
- (2)R.O.C. Certified Internal Auditors: 2 people.
- (3)R.O.C. CPA: 2 people.

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 Labor Pension 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	Procedure for completing handover and returning all company documents and property		
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 2023, 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 safety inspections and 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. Periodically organize health education lectures and promote health knowledge to 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 one-on-one physical therapist consultations every quarter.
- c. Regularly implement employee health checkups and graded health management follow-up every year.
- d. The main floors are equipped with wrist blood pressure monitors, and AEDs are installed at the building entrance. First aid kits, forehead thermometers, ear

thermometers, alcohol disinfectant sprays, and medical-grade masks are provided to employees for use. Additionally, disinfectant hand sanitizers are prepared in the break rooms and restroom sinks to prevent infectious diseases and maintain employee 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. Use 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 suppliers, 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 structure

The Chief Information Security Officer acts as the team convener and assembles the information security team. The team includes the strategic group, technical group, and audit group. The officer is responsible for coordinating, planning, implementing, and analyzing information security incidents and regularly reports the compiled issues and implementation directions to the Board of Directors.

- (2) Information security policies

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 to review the information security policies and whether the procedures have been implemented regularly. The group proposes improvement plans and tracks subsequent implementation according to the audit report submitted by the audit unit.
  4. Execute regular information security risk assessments, prioritizing the order of treatments based on the size of the risk impact, probability of occurrence, and the cost required to improve the risk. Adopt the Plan-Do-Check-Act (PDCA) method, structure multi-layered information security defenses, establish key performance indicators for information security using the concept of defense-in-depth, and complete the PDCA cycle.
- (3) Specific management solutions
1. Implement anti-virus software protection on personal computers and servers and behavior analysis modules to enhance endpoint security.
  2. External Firewalls shall have application identification capabilities, intrusion protection, and advanced threat protection to enhance the detection and defense capabilities against external attacks.
  3. Internal Firewalls should list explicitly accessible services to prevent risk exposure.
  4. The identity module distinguishes between employees and visitors and isolating access paths .
  5. Besides basic spam detection, the junk mail protection system also includes an advanced threat protection (ATP)module, which enhances the ability to identify phishing email contents to prevent the theft of sensitive information.
  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. Outsource strengthened SOC/MDR with suppliers to provide 24/7 threat analysis and monitoring services.
  8. Base on the spirit of continuous threat exposure management (CTEM), the vulnerability management system detection and discover system vulnerabilities and continuous tracking and remediation.
  9. Implement multi-factor authentication and regularly perform weak password detection to reduce the risks of credential leakage and brute force attacks.
  10. Continue to implement social engineering drills and educational training to enhance employees awareness of information security .
  11. Continue to enhance professional training for information security personnel to ensure they possess the necessary expertise and obtain corresponding international information security certifications.

12. Joined cybersecurity cooperative organizations like TWCERT/CC to enhance collaborative defense systems and share threat intelligence .
  13. 13.ISO/IEC 27001:2013 and CNS 27001:2014 certifications have been obtained and validated, with regular ongoing verification conducted annually to maintain the validity of the certification. The validity period for the certification is from December 13, 2022, to October 31, 202.
- (4) Resources invested in information security management
1. The Group has deployed information security team consisting of 4 members. The team is responsible for investigating and responding to cybersecurity incidents, threat intelligence analysis, risk and vulnerability management, information security awareness training, and the assessment and implementation of new information security technologies and architectures.
  2. Regularly inspect information security vulnerabilities every week, review the corrections every month, and semi-annual regular convening of management review meetings .
  3. 122,708 endpoint threat incidents were successfully intercepted with anti-virus endpoint protection and behavior analysis modules.
  4. 1,197,576 junk emails and 777,875 threat emails were successfully intercepted with junk mail protection and threat protection modules.
  5. Continued social engineering drills and educational training were conducted. In 2023, 86,494 letters for social engineering drills were sent. Additionally, there was 1 digital education training session for the entire group and 1 reinforcement training session for core system-related personnel and supervisors.
  6. Professional training and cyber security certification: A total of 6 international certificates related to cyber security. More than 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 cyber 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 cyber 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/>).

VII. Material contracts

(As of the annual report publication date on April 18, 2024)

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	
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	



Nature of contract	The Parties	Term of contract	Content	Restriction clauses
Distributor Agreement [WT Microelectronics Co., Ltd.]	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	2024/1/1-2024/12/31 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	2008/1/20-2024/6/30.	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
	Wolfspeed, 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
	Alpha & Omega Semiconductor (Hong Kong)	2020/3/1-2024/6/30.	Agent distribution of semiconductor products	Restrictions on distribution territory
	Winbond Electronics Corporation	2024/1/1 -2024/12/31.	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

Nature of contract	The Parties	Term of contract	Content	Restriction clauses
Distributor Agreement [WT Microelectronics Co., Ltd.]	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
	NAVITAS SEMICONDUCTOR LIMITED	Perpetually effective since 2018/3/28.	Agent distribution of semiconductor products	Restrictions on distribution territory
	Calterah Semiconductor Technology (Shanghai) Co., Ltd.	2023/1/1-2024/12/31.	Agent distribution of semiconductor products	Restrictions on distribution territory
	InvenSense, Inc.,	Perpetually effective since 2022/5/22 unless a termination notice is issued.	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
	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
	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 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.]	Smarter Microelectronics (Guangzhou) Co., Ltd. and Smarter Microelectronics (Hong Kong) Limited	2022/1/1-2025/12/31.	Agent distribution of semiconductor products	Restrictions on distribution territory
	Ambiq Micro, Inc.	2023/12/21-2024/12/20 Unless terminated by either party, it shall be automatically renewed for one year.	Agent distribution of semiconductor products	Restrictions on distribution territory
	Chipways Communications Technology Co., Ltd.	2023/10/27-2024/10/26 Unless terminated by either party, it shall be automatically renewed.	Agent distribution of semiconductor products	Restrictions on distribution territory
	VISHAY INTERTECHNOLOGY ASIA PTE LTD	Perpetually effective since 2023/8/1.	Agent distribution of semiconductor products	Restrictions on distribution territory
	Thundercomm Technology Co., Ltd	2023/5/23-2024/5/22 Unless terminated by either party, it shall be automatically renewed for one year.	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
	Peirui Micro-Electrons Co., Ltd.	Perpetually effective since 2022/1/1	Agent distribution of semiconductor products	Restrictions on distribution territory
Distributor Agreement [Morrihan International Corp.]	Avago Technologies International Sales Pte. Limited	2008/1/20-2024/6/30.	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
	Hubei Siengine Technology Co., Ltd.	2023/11/10-2024/11/9 Unless terminated by either party, it shall be automatically renewed for one year.	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	2024/1/1 -2024/12/31 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

Nature of contract	The Parties	Term of contract	Content	Restriction clauses
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
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
	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.	Agent distribution of semiconductor products	Restrictions on distribution territory
Distributor Agreement [Excelpoint]	Bright Power Semiconductor Co., Ltd.	Perpetually effective since 2023/8/25.	Agent distribution of semiconductor products	Restrictions on distribution territory
	NAVITAS SEMICONDUCTOR LIMITED	Perpetually effective since 2023/4/18.	Agent distribution of semiconductor products	Restrictions on distribution territory

Nature of contract	The Parties	Term of contract	Content	Restriction clauses
Share purchase agreement	Future Electronics Inc.	Starting from 2023/9/14 until the fulfillment of the agreement.	Acquisition of all shares of Future Electronics Inc.	
Syndication Facility Agreement	Borrowers: WT Microelectronics Co., Ltd., Morrihan International Corp. Lenders: Mega International Commercial Bank Co., Ltd., First Commercial Bank, Ltd., DBS Bank (Taiwan) Ltd., Taipei Fubon Commercial Bank Co., Ltd., The Hongkong and Shanghai Banking Corporation Limited Taipei Branch, HSBC Bank (Taiwan) Limited, Hua Nan Commercial Bank, Ltd., Bank SinoPac Co. Ltd., TAIWAN BUSINESS BANK, LTD., E.SUN COMMERCIAL BANK, LTD., Oversea-Chinese Banking Corporation Limited. Taipei Branch, TAISHIN INTERNATIONAL BANK CO., LTD, The Shanghai Commercial & Savings Bank, Ltd., TAICHUNG COMMERCIAL BANK Co., Ltd., O-Bank Co., Ltd.	Starting from 2024/2/2, until full repayment.	A facility amount of NT\$ 60 billion was made available for utilization to the Borrowers by the Lenders to finance the acquisition of all shares of Future Electronics Inc	

## Chapter 6. Overview of the Company's Financial Status

### 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\$ thousands

Year		Financial information for the past five years (Note 1)				
		2019	2020	2021	2022	2023
Item						
Current assets		96,159,316	111,091,657	149,136,255	183,649,584	238,746,945
Property, plant and equipment (Note 2)		1,010,410	1,003,193	1,004,215	974,071	1,262,530
Intangible assets		1,883,859	1,911,613	1,972,777	3,371,512	3,339,635
Other assets (Note 2)		2,313,651	17,003,135	21,236,040	12,207,003	21,835,862
Total Assets		101,367,236	131,009,598	173,349,287	200,202,170	265,184,972
Current liabilities	Before distribution	75,682,313	82,612,742	110,582,313	124,816,197	177,888,805
	After distribution	77,327,424	85,202,369	115,283,345	128,898,262	180,167,243
Non-current liabilities		2,205,787	2,280,475	8,906,666	20,411,652	15,350,515
Total liabilities	Before distribution	77,888,100	84,893,217	119,488,979	145,227,849	193,239,320
	After distribution	79,533,211	87,482,844	124,190,011	149,309,914	195,517,758
Equity attributable to owners of the parent		23,478,394	46,078,017	53,767,865	54,105,345	71,108,783
Share capital		5,914,369	9,232,317	9,378,566	10,185,297	15,652,953
Capital surplus		9,531,836	20,094,981	20,444,778	25,294,109	25,680,674
Retained earnings	Before distribution	8,823,331	11,142,755	17,208,283	20,190,326	20,176,117
	After distribution	7,178,220	8,553,128	12,507,251	16,108,261	17,897,679
Other equity interest		(791,142)	5,607,964	6,736,238	(1,564,387)	9,599,039
Treasury shares		0	0	0	0	0
Non-controlling interests		742	38,364	92,443	868,976	836,869
Total equity	Before distribution	23,479,136	46,116,381	53,860,308	54,974,321	71,945,652
	After distribution	21,834,025	43,526,754	49,159,276	50,892,256	69,667,214

Note 1: The above financial information has 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 2024 Q1 financial statements have not been reviewed by the independent accountants, thus the relevant financial information is not disclosed in this report.

## 2. Condensed Balance Sheet (Parent Company Only)

Unit: NT\$ thousands

Year		Financial information for the past five years (Note 1)				
		2019	2020	2021	2022	2023
Item						
Current assets		65,048,475	75,268,446	98,224,684	105,311,850	120,319,208
Property, plant and equipment (Note 2)		487,709	442,017	431,785	342,059	322,886
Intangible assets		254,427	202,243	274,384	257,102	249,507
Other assets (Note 2)		19,370,382	34,796,717	41,388,532	39,011,237	60,080,834
Total Assets		85,160,993	110,709,423	140,319,385	144,922,248	180,972,435
Current liabilities	Before distribution	59,920,804	62,788,343	78,027,227	71,173,624	95,448,351
	After distribution	61,565,915	65,377,970	82,728,259	75,255,689	97,726,789
Non-current liabilities		1,761,795	1,843,063	8,524,293	19,643,279	14,415,301
Total liabilities	Before distribution	61,682,599	64,631,406	86,551,520	90,816,903	109,863,652
	After distribution	63,327,710	67,221,033	91,252,552	94,898,968	112,142,090
Share capital		5,914,369	9,232,317	9,378,566	10,185,297	15,652,953
Capital surplus		9,531,836	20,094,981	20,444,778	25,294,109	25,680,674
Retained earnings	Before distribution	8,823,331	11,142,755	17,208,283	20,190,326	20,176,117
	After distribution	7,178,220	8,553,128	12,507,251	16,108,261	17,897,679
Other equity interest		(791,142)	5,607,964	6,736,238	(1,564,387)	9,599,039
Treasury shares		0	0	0	0	0
Total shareholders' equity	Before distribution	23,478,394	46,078,017	53,767,865	54,105,345	71,108,783
	After distribution	21,833,283	43,488,390	49,066,833	50,023,280	68,830,345

Note 1: The above financial information has 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\$ thousands (Except EPS: NT\$)

Item \ Year	Financial information for the past five years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenue	335,187,151	353,152,195	447,896,117	571,197,118	594,518,813
Gross profit	10,800,405	10,774,422	16,986,639	19,832,155	18,406,264
Operating profit	5,253,230	5,315,969	10,557,129	11,782,617	8,199,923
Non-operating income and expenses	(1,944,145)	(517,200)	(377,304)	(1,871,475)	(3,004,558)
Profit before income tax	3,309,085	4,798,769	10,179,825	9,911,142	5,195,365
Profit for the year from continuing operations	2,531,247	3,794,576	7,855,168	7,600,364	3,978,834
Income (loss) on Discontinued Operations	0	0	0	0	0
Profit for the year	2,531,247	3,794,576	7,855,168	7,600,364	3,978,834
Other comprehensive income (loss) (net amount after tax)	(568,192)	6,569,424	2,139,842	(7,069,962)	10,914,983
Total comprehensive income	1,963,055	10,364,000	9,995,010	530,402	14,893,817
Profit attributable to owners of the parent	2,530,940	3,794,178	7,923,257	7,631,123	4,012,142
Profit attributable to non-controlling interest	307	398	(68,089)	(30,759)	(33,308)
Comprehensive income (loss) attributable to owners of the parent	1,962,768	10,363,641	10,062,378	551,844	14,929,690
Comprehensive income attributable to non-controlling interest	287	359	(67,368)	(21,442)	(35,873)
Earnings per share (Note 2)	4.32	5.22	9.96	8.61	4.24

Note 1: The above financial information has 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 2024 Q1 financial statements have not been reviewed by independent accountants, thus the relevant financial information is not disclosed in this report.



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

Unit: NT\$ thousands (Except EPS: NT\$)

Item \ Year	Financial information for the past five years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenue	273,996,730	288,646,964	353,800,743	419,523,201	379,590,206
Gross profit	4,744,426	5,123,566	8,508,400	8,366,441	7,034,578
Operating profit	2,308,434	2,285,528	5,522,576	4,767,477	2,581,539
Non-operating income and expenses	573,962	1,931,701	3,636,811	3,854,806	1,699,867
Profit before income tax from continuing operations	2,882,396	4,217,229	9,159,387	8,622,283	4,281,406
Profit for the year	2,530,940	3,794,178	7,923,257	7,631,123	4,012,142
Other comprehensive income (loss)	(568,172)	6,569,463	2,139,121	(7,079,279)	10,917,548
Total comprehensive income	1,962,768	10,363,641	10,062,378	551,844	14,929,690
Earnings per share (Note 2)	4.32	5.22	9.96	8.61	4.24

Note 1: The above financial information has 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
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	Hsu, Chieh-Ju and Wu, Han-Chi	Unqualified opinion
2022 (2022.1.1~2022.12.31)	PricewaterhouseCoopers Taiwan	Hsu, Chieh-Ju and Hsu, Yung-Chien	Unqualified opinion
2023 (2023.1.1~2023.12.31)	PricewaterhouseCoopers Taiwan	Hsu, Sheng-Chung Hsu, Chieh-Ju	Unqualified opinion

## II. Financial analysis for the past 5 fiscal years

### 1. Financial Analysis (Consolidated)

Item		Year	Financial analysis for the past 5 fiscal years (Note 1)				
			2019	2020	2021	2022	2023
Financial structure %	Debt to asset ratio		76.84	64.80	68.93	72.54	72.87
	Long-term fund to property, plant and Equipment		2,542.03	4,824.28	6,250.35	7,739.27	6,914.38
Liquidity %	Current ratio		127.06	134.47	134.86	147.14	134.21
	Quick ratio		66.00	79.84	73.91	73.92	79.62
	Times interest earned		4.28	9.78	24.50	7.97	3.34
Operating ability	Average collection turnover (times)		8.04	6.57	6.50	7.08	6.02
	Average days of collection		45	56	56	52	61
	Average inventory turnover (times)		7.00	7.60	7.78	7.02	6.18
	Average payables turnover (times)		7.75	6.80	6.91	7.46	5.10
	Average days of sales		52	48	47	52	59
	Property, plant and equipment turnover (times)		334.23	350.77	446.24	577.47	531.63
	Total assets turnover (times)		3.43	3.04	2.94	3.06	2.55
Profitability	Return on assets (%)		3.42	3.64	5.39	4.68	2.47
	Return on equity (%)		11.18	10.90	15.71	13.97	6.27
	Pre-tax income to paid-in capital ratio (%)		55.95	51.98	108.54	97.31	50.82
	Net profit margin (%)		0.76	1.07	1.75	1.33	0.67
	Earnings per share (NT\$)		4.32	5.22	9.96	8.61	4.24
Cash flows	Cash flow ratio (%) (Note 2)		3.79	-	-	-	23.06
	Cash flow adequacy ratio (%) (Note 2)		-	-	-	-	-
	Cash reinvestment ratio (%) (Note 2)		5.88	-	-	-	60.14
Leverage	Operating leverage		1.93	1.91	1.55	1.66	2.17
	Financial leverage		1.24	1.11	1.04	1.14	1.37

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. Times interest earned: Resulted from the FED raising interest rates in 2023 and the interest costs rising in response.
2. Average payables turnover: The increase in accounts payable at the end of the period was due to the growth in business scale and adjustments to the product portfolio in the fourth quarter of 2023.
3. Return on assets: In 2023, the decline in gross profit was affected by the overall environment and product portfolio and lead to the decline in profit after tax.
4. Return on equity, pre-tax income to paid-in capital ratio, and net profit margin: The decrease in gross profit in 2023 was affected by the overall environment and product portfolio. Additionally, the market interest rates rose due to the FED's interest rate hikes in the United States, leading to an increase in interest expenses and resulting in a decrease in both profits before tax and after tax.
5. Cash flow ratio: Mainly due to the increased cash flow from operating activities because of product portfolio adjustments leading to increased end-of-period accounts payable.
6. Operating leverage: In 2023, the decline in gross profit was due to the overall environment and product portfolio lead to the decline in operating profit.
7. Financial leverage: The decrease in gross profit in 2023 was affected by the overall environment and product portfolio. Additionally, the market interest rates rose due to the FED's interest rate hikes in the United States, leading to an increase in interest expenses.

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 asset ratio = Total Liabilities / Total Assets.

(2) Long-term fund to property, plant and equipment ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment.

2. Liquidity:

(1) Current ratio = Current Assets / Current Liabilities

(2) Quick ratio = (Current Assets – Inventories – Prepayments) / Current Liabilities.

(3) Times interest earned = Net income before income tax and Interest expense / Current interest expense.

3. Operating ability:

(1) Average collection turnover = Net Sales / Average Trade Receivables (including all accounts receivable and all notes receivable resulting from trade).

(2) Average days of collection = 365 / Average Collection Turnover.

(3) Average inventory turnover = Cost of goods sold / Average amount of inventory.

(4) Average payables turnover = Cost of Sales / Average Trade Payables (including all Accounts payable and all notes payable resulting from trade).

(5) Average days of sales = 365 / Average Inventory Turnover.

(6) Property, plant and equipment turnover = Net Sales / Average Net Property, Plant and Equipment.

(7) Total assets turnover = Net sales / Average total assets.

4. Profitability:

(1) Return on assets = (Net Income + Interest Expenses \* (1-Effective Tax Rate)) / Average Total Assets.

(2) Return on equity = Net Income / Average Equity.

(3) Net profit margin = Net Income / Net sales.

(4) Earnings per share = (Net Income Attributable to Shareholders of the Parent – Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding.

5. Cash flows:

(1) Cash flow ratio = Net cash flows from operating activities / Current liabilities.

(2) Cash flow adequacy ratio = Net cash flows from operating activities in the past five years / (Capital expenditure + Increase in inventory + Cash dividend) in the past five years.

(3) Cash reinvestment ratio = (Net cash flows from operating activities – Cash dividend) / (Gross margin of property, Plant and equipment + Long-term investment + Other non-current assets + Working capital).

6. Leverage:

(1) Operating leverage = (Net Operating Revenue – Variable Operating Cost and Expenses) / Operating profit.

(2) Financial leverage = Operating Profit / (Operating Profit – Interest Expense).

## 2. Financial Analysis (Parent Company Only)

Item		Financial analysis for the past 5 fiscal years (Note 1)				
		2019	2020	2021	2022	2023
Financial structure %	Debt to asset ratio	72.43	58.38	61.68	62.67	60.71
	Long-term fund to property, plant and Equipment	5,175.26	10,841.46	14,426.66	21,560.21	26,487.39
Liquidity %	Current ratio	108.56	119.88	125.89	147.96	126.06
	Quick ratio	52.46	71.02	62.60	66.07	64.33
	Times interest earned	5.06	13.55	42.37	10.67	4.32
Operating ability	Average collection turnover (times)	10.36	7.77	7.78	8.99	7.78
	Average days of collection	35	47	47	41	47
	Average inventory turnover (times)	8.02	8.91	8.72	7.70	6.43
	Average payables turnover (times)	7.61	6.81	7.18	8.03	5.66
	Average days of sales	46	41	42	47	57
	Property, plant and equipment turnover (times)	570.03	620.93	809.80	1,084.26	1,141.72
	Total assets turnover (times)	3.36	2.95	2.82	2.94	2.33
Profitability	Return on assets (%)	3.80	4.15	6.45	5.85	3.10
	Return on equity (%)	11.18	10.91	15.87	14.15	6.41
	Pre-tax income to paid-in capital ratio (%)	48.74	45.68	97.66	84.65	41.88
	Net profit margin (%)	0.92	1.31	2.24	1.82	1.06
	Earnings per share (NT\$)	4.32	5.22	9.96	8.61	4.24
Cash flows	Cash flow ratio (%) (Note 2)	0.36	-	-	-	30.91
	Cash flow adequacy ratio (%) (Note 2)	-	-	-	-	-
	Cash reinvestment ratio (%) (Note 2)	-	-	-	-	11.45
Leverage	Operating leverage	1.87	2.05	1.48	1.78	2.57
	Financial leverage	1.44	1.17	1.04	1.23	2.00

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 fund to property, plant, and equipment ratio: The reduction of long-term liabilities was mainly due to the fund utilization plans and adjustments to the syndicated loan credit lines and the drawdown amounts. The increase of the other equity interest is mainly due to the changes to the fair value of financial assets at fair value through other comprehensive income.
2. Times interest earned: Resulted from the FED raising interest rates in 2023 and the interest costs rising in response.
3. Average payables turnover: The increase in accounts payable at the end of the period was due to the growth in business scale and adjustments to the product portfolio in the fourth quarter of 2023.
4. Total assets turnover rate: Mainly due to the changes to the fair value of financial assets at fair value through other comprehensive income and acquisition of investments accounted for using equity method.
5. Return on assets: In 2023, the decline in gross profit due to the overall environment and product portfolio lead to the decline in profit after tax.
6. Return on equity, pre-tax income to paid-in capital ratio, and net profit margin: The decrease in gross profit in 2023 was influenced by the overall environment and product portfolio. Additionally, the market interest rates rose due to the FED's interest rate hikes in the United States, leading to an increase in interest expenses and resulting in a decrease in both profits before tax and after tax.
7. Operating leverage: In 2023, the decline in gross profit was due to the overall environment and product portfolio lead to the decline in operating profit.
8. Financial leverage: The decrease in gross profit in 2023 was affected by the overall environment and product portfolio. Additionally, the market interest rates rose due to the FED's interest rate hikes in the United States, leading to an increase in interest expenses.

\* 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 established the 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 2023 business report and financial statements. PricewaterhouseCoopers Taiwan audited the financial statements and issued an audit report. These 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

2024 Annual Shareholders' Meeting of WT Microelectronics Co., Ltd.

Audit Committee convener: Ding, Kung-Wha

February 26, 2024

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

The Company's 2023 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

2024 Annual Shareholders' Meeting of WT Microelectronics Co., Ltd.

Audit Committee convener: Ding, Kung-Wha

April 18, 2024

#### 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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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 2023 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 2023 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, which is recognised 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, 2023, the Group's inventories and allowance for inventory valuation losses were NT\$97,263,203 thousand and NT\$1,547,706 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.

The total assets of these subsidiaries as at December 31, 2023 and 2022 amounted to NT\$15,668,852 thousand and NT\$18,216,536 thousand, constituting 5.91% and 9.10% of the consolidated total assets, respectively. Revenue for the years ended December 31, 2023 and 2022 amounted to NT\$39,438,389 thousand and NT\$13,347,437 thousand, constituting 6.63% and 2.34% of the consolidated net operating revenue, respectively.

***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, 2023 and 2022.

***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.

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Hsu, Sheng-Chung

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Chieh-Ju, Hsu

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 16, 2024

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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, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 22,747,549	9	\$ 5,383,254	3
1110	Financial assets at fair value through profit or loss - current	6(2)	42,151	-	12,870	-
1120	Financial assets at fair value through other comprehensive income - current	6(3)	1,106,224	-	-	-
1170	Accounts receivable, net	6(4) and 7	111,636,650	42	84,568,116	42
1200	Other receivables	6(4)(5)	5,550,957	2	2,237,030	1
130X	Inventories	6(6)	95,715,497	36	90,547,237	45
1410	Prepayments		1,397,586	1	838,630	1
1470	Other current assets	6(1) and 8	550,331	-	62,447	-
11XX	<b>Total current assets</b>		<u>238,746,945</u>	<u>90</u>	<u>183,649,584</u>	<u>92</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	360,778	-	291,474	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	18,833,048	7	9,139,705	5
1550	Investments accounted for using equity method	6(7)	44,539	-	62,955	-
1600	Property, plant and equipment	6(8)	1,262,530	1	974,071	-
1755	Right-of-use assets	6(9)	1,030,253	1	830,030	-
1760	Investment property - net	6(10)	190,318	-	193,686	-
1780	Intangible assets	6(11)	3,339,635	1	3,371,512	2
1840	Deferred income tax assets	6(30)	828,845	-	1,078,254	1
1900	Other non-current assets		548,081	-	610,899	-
15XX	<b>Total non-current assets</b>		<u>26,438,027</u>	<u>10</u>	<u>16,552,586</u>	<u>8</u>
1XXX	<b>Total assets</b>		<u>\$ 265,184,972</u>	<u>100</u>	<u>\$ 200,202,170</u>	<u>100</u>

(Continued)



**WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(12)	\$ 19,821,848	8	\$ 38,340,556	19
2110	Short-term notes and bills payable	6(13)	349,848	-	1,049,386	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	41,185	-	11,372	-
2130	Contract liabilities - current	6(23)	1,461,903	1	904,038	1
2170	Accounts payable	7	147,955,015	56	77,996,735	39
2200	Other payables	6(14)	5,980,439	2	3,789,378	2
2230	Current income tax liabilities		745,342	-	1,627,567	1
2280	Lease liabilities - current		240,516	-	248,213	-
2320	Long-term liabilities, current portion	6(15)	88,382	-	-	-
2365	Refund liabilities - current	6(23)	1,127,279	-	778,605	-
2399	Other current liabilities		77,048	-	70,347	-
21XX	<b>Total current liabilities</b>		<u>177,888,805</u>	<u>67</u>	<u>124,816,197</u>	<u>63</u>
<b>Non-current liabilities</b>						
2540	Long-term loans	6(15)	12,644,242	5	17,786,449	9
2570	Deferred income tax liabilities	6(30)	1,031,875	-	856,757	-
2580	Lease liabilities - non-current		478,104	-	335,919	-
2600	Other non-current liabilities		1,196,294	1	1,432,527	1
25XX	<b>Total non-current liabilities</b>		<u>15,350,515</u>	<u>6</u>	<u>20,411,652</u>	<u>10</u>
2XXX	<b>Total liabilities</b>		<u>193,239,320</u>	<u>73</u>	<u>145,227,849</u>	<u>73</u>
<b>Equity attributable to owners of parent</b>						
Share capital 6(18)						
3110	Common stock		8,873,017	3	8,835,297	4
3120	Preferred stock		1,350,000	1	1,350,000	1
3130	Certificates of entitlement to new shares from convertible bonds		6,540	-	-	-
3140	Advance receipts for share capital		5,423,396	2	-	-
Capital surplus 6(19)						
3200	Capital surplus		25,680,674	9	25,294,109	13
Retained earnings 6(20)						
3310	Legal reserve		4,311,098	2	3,542,791	2
3320	Special reserve		1,564,387	1	-	-
3350	Unappropriated retained earnings		14,300,632	5	16,647,535	8
Other equity interest 6(21)						
3400	Other equity interest		9,599,039	4	(1,564,387)	(1)
31XX	<b>Equity attributable to owners of the parent</b>		<u>71,108,783</u>	<u>27</u>	<u>54,105,345</u>	<u>27</u>
36XX	Non-controlling interest	6(22)	<u>836,869</u>	<u>-</u>	<u>868,976</u>	<u>-</u>
3XXX	<b>Total equity</b>		<u>71,945,652</u>	<u>27</u>	<u>54,974,321</u>	<u>27</u>
Commitments and contingent liabilities 9						
Significant subsequent events 11						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 265,184,972</u>	<u>100</u>	<u>\$ 200,202,170</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, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Year ended December 31				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(23) and 7	\$ 594,518,813	100	\$ 571,197,118	100
5000	Operating costs	6(6) and 7	( 576,112,549)	( 97)	( 551,364,963)	( 97)
5900	Gross profit		18,406,264	3	19,832,155	3
	Operating expenses	6(28)				
6100	Selling expenses		( 6,383,289)	( 1)	( 5,533,094)	( 1)
6200	General and administrative expenses		( 3,059,840)	( 1)	( 1,860,504)	-
6300	Research and development expenses		( 755,450)	-	( 654,845)	-
6450	Impairment loss determined in accordance with IFRS 9	12(2)	( 7,762)	-	( 1,095)	-
6000	Total operating expenses		( 10,206,341)	( 2)	( 8,049,538)	( 1)
6900	Operating profit		8,199,923	1	11,782,617	2
	Non-operating income and expenses					
7100	Interest income	6(24)	151,614	-	39,036	-
7010	Other income	6(25)	594,130	-	421,482	-
7020	Other gains and losses	6(26)	148,295	-	129,302	-
7050	Finance costs	6(27)	( 3,880,037)	-	( 2,445,514)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	( 18,560)	-	( 15,781)	-
7000	Total non-operating income and expenses		( 3,004,558)	-	( 1,871,475)	-
7900	<b>Profit before income tax</b>		5,195,365	1	9,911,142	2
7950	Income tax expense	6(30)	( 1,216,531)	-	( 2,310,778)	( 1)
8200	<b>Profit for the year</b>		\$ 3,978,834	1	\$ 7,600,364	1

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Year ended December 31				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income (loss)</b>						
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>						
8311	Loss on remeasurements of defined benefit plans	6(16)	(\$ 2,115)	-	(\$ 5,747)	-
8316	Unrealised gain (loss) on valuation of equity investment instruments measured at fair value through other comprehensive income (loss)	6(21)(22)	11,228,827	2	( 11,414,478)	( 2)
8320	Share of other comprehensive loss of associates and joint ventures accounted for using equity method	6(21)	-	-	( 12,499)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	423	-	1,150	-
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		11,227,135	2	( 11,431,574)	( 2)
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations	6(21)(22)	( 312,036)	-	4,363,742	1
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method	6(21)	( 116)	-	( 2,130)	-
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		( 312,152)	-	4,361,612	1
8300	<b>Total other comprehensive income (loss) for the year</b>		\$ 10,914,983	2	(\$ 7,069,962)	( 1)
8500	<b>Total comprehensive income for the year</b>		\$ 14,893,817	3	\$ 530,402	-
Profit (loss) attributable to:						
8610	Owners of the parent		\$ 4,012,142	1	\$ 7,631,123	1
8620	Non-controlling interest		( 33,308)	-	( 30,759)	-
			\$ 3,978,834	1	\$ 7,600,364	1
Comprehensive income (loss) attributable to:						
8710	Owners of the parent		\$ 14,929,690	3	\$ 551,844	-
8720	Non-controlling interest		( 35,873)	-	( 21,442)	-
			\$ 14,893,817	3	\$ 530,402	-
Earnings per share (in dollars)						
9750	Basic earnings per share	6(31)	\$ 4.24		\$ 8.61	
9850	Diluted earnings per share		\$ 4.17		\$ 8.53	

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, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent												
	Capital				Retained Earnings							Non-controlling interest	Total equity
	Share capital - common stock	Preferred stock	Certificates of bond-to-stock conversion	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity interest	Total			
<b>2022</b>													
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(21)(22)	-	-	-	-	-	-	-	( 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(20)													
Legal reserve	-	-	-	-	-	865,516	-	( 865,516 )	-	-	-	-	
Cash dividends for common stock	-	-	-	-	-	-	-	( 4,431,032 )	-	( 4,431,032 )	-	( 4,431,032 )	
Cash dividends for preferred stock	-	-	-	-	-	-	-	( 270,000 )	-	( 270,000 )	-	( 270,000 )	
Issuance of shares - Global depository receipts 6(18)(19)	780,000	-	-	-	4,675,260	-	-	-	-	5,455,260	-	5,455,260	
Conversion of convertible bonds 6(18)(19)	80,374	-	( 51,498 )	-	47,760	-	-	-	-	76,636	-	76,636	
Cancellation of employee restricted shares 6(18)(19)	( 2,145 )	-	-	-	2,145	-	-	-	-	-	-	-	
Changes in restricted stocks to employees 6(19)(21)	-	-	-	-	( 3,320 )	-	-	-	3,320	-	-	-	
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	( 716 )	-	( 716 )	-	( 716 )	
Compensation cost of share-based payments 6(17)	-	-	-	-	127,486	-	-	102	94,983	222,571	-	222,571	
Changes in non-controlling interest 6(22)	-	-	-	-	-	-	-	-	-	-	797,975	797,975	
Disposal of financial assets at fair value through other comprehensive income 6(21)	-	-	-	-	-	-	-	57,163	( 57,163 )	-	-	-	
Redemption liability recognised as other equity 6(21)	-	-	-	-	-	-	-	-	( 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>\$ -</u>	<u>\$ 25,294,109</u>	<u>\$ 3,542,791</u>	<u>\$ -</u>	<u>\$ 16,647,535</u>	<u>(\$ 1,564,387)</u>	<u>\$ 54,105,345</u>	<u>\$ 868,976</u>	<u>\$ 54,974,321</u>	
<b>2023</b>													
Balance at January 1, 2023	\$ 8,835,297	\$ 1,350,000	\$ -	\$ -	\$ 25,294,109	\$ 3,542,791	\$ -	\$ 16,647,535	(\$ 1,564,387)	\$ 54,105,345	\$ 868,976	\$ 54,974,321	
Consolidated net income (loss)	-	-	-	-	-	-	-	4,012,142	-	4,012,142	( 33,308 )	3,978,834	
Other comprehensive income (loss) 6(21)(22)	-	-	-	-	-	-	-	( 1,692 )	10,919,240	10,917,548	( 2,565 )	10,914,983	
Total comprehensive income (loss)	-	-	-	-	-	-	-	4,010,450	10,919,240	14,929,690	( 35,873 )	14,893,817	
Appropriations of 2022 earnings: 6(20)													
Legal reserve	-	-	-	-	-	768,307	-	( 768,307 )	-	-	-	-	
Special reserve	-	-	-	-	-	-	1,564,387	( 1,564,387 )	-	-	-	-	
Cash dividends for common stock	-	-	-	-	-	-	-	( 3,812,065 )	-	( 3,812,065 )	-	( 3,812,065 )	
Cash dividends for preferred stock	-	-	-	-	-	-	-	( 270,000 )	-	( 270,000 )	-	( 270,000 )	
Capital injection 6(18)	-	-	-	5,423,396	-	-	-	-	-	5,423,396	-	5,423,396	
Employee stock options exercised 6(18)(19)	38,960	-	6,540	-	138,441	-	-	-	-	183,941	-	183,941	
Cancellation of employee restricted shares 6(18)(19)	( 1,240 )	-	-	-	1,240	-	-	-	-	-	-	-	
Changes in restricted stocks to employees 6(19)(21)	-	-	-	-	( 3,531 )	-	-	-	3,531	-	-	-	
Changes in ownership interests in subsidiaries 4(3)	-	-	-	-	-	-	-	( 1,707 )	-	( 1,707 )	-	( 1,707 )	
Compensation cost of share-based payments 6(17)	-	-	-	-	250,415	-	-	-	46,695	297,110	-	297,110	
Changes in non-controlling interest 6(22)	-	-	-	-	-	-	-	-	-	-	3,766	3,766	
Disposal of financial assets at fair value through other comprehensive income 6(21)	-	-	-	-	-	-	-	59,113	( 59,113 )	-	-	-	
Changes in redemption liability recognised as other equity 6(21)	-	-	-	-	-	-	-	-	253,073	253,073	-	253,073	
Balance at December 31, 2023	<u>\$ 8,873,017</u>	<u>\$ 1,350,000</u>	<u>\$ 6,540</u>	<u>\$ 5,423,396</u>	<u>\$ 25,680,674</u>	<u>\$ 4,311,098</u>	<u>\$ 1,564,387</u>	<u>\$ 14,300,632</u>	<u>\$ 9,599,039</u>	<u>\$ 71,108,783</u>	<u>\$ 836,869</u>	<u>\$ 71,945,652</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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 5,195,365	\$ 9,911,142
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(28)	448,487	380,125
Amortisation	6(28)	107,214	57,888
Impairment loss determined in accordance with IFRS 9	12(2)	7,762	1,095
Net gain on financial assets and liabilities at fair value through profit or loss	6(26)	( 235,377 )	( 598,787 )
Share-based payments	6(17)	297,110	222,571
Share of profit or loss of associates and joint ventures accounted for using equity method	6(7)	18,560	15,781
Loss on disposal of property, plant and equipment, net		968	1,517
Loss on disposal of intangible assets, net	6(26)	-	15,487
Loss on disposal of investments accounted for using equity method	6(7)	-	2,009
Impairment loss	6(11)	-	7,836
Interest expense	6(27)	2,253,878	1,436,773
Interest income	6(24)	( 151,614 )	( 39,036 )
Dividend income	6(25)	( 436,092 )	( 339,705 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		( 28,279,834 )	2,953,585
Other receivables		( 3,331,271 )	( 269,823 )
Inventories		( 4,815,087 )	( 8,380,057 )
Prepayments		( 564,798 )	119,768
Other current assets (including contract assets)		2,118	15,422
Changes in operating liabilities			
Financial assets and liabilities at fair value through profit or loss		255,639	650,239
Contract liabilities		567,790	131,703
Accounts payable		70,408,917	( 9,233,288 )
Other payables		2,144,551	94,661
Other current liabilities (including refund liabilities)		445,296	123,970
Net defined benefit liability		12,971	5,026
Cash inflow (outflow) generated from operations		44,352,553	( 2,714,098 )
Interest received		151,614	39,036
Dividends received		436,092	339,705
Interest paid		( 2,323,213 )	( 1,327,929 )
Income taxes paid		( 1,589,006 )	( 2,375,623 )
Net cash flows from (used in) operating activities		41,028,040	( 6,038,909 )

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		( \$ 88,568 )	( \$ 7,200 )
Proceeds from disposal of financial assets at fair value through profit or loss		-	1,306
Acquisition of financial assets at fair value through other comprehensive income		( 30,201 )	( 1,511,910 )
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	462,219	99,295
Increase in other financial assets		( 497,218 )	( 39,157 )
Acquisition of property, plant and equipment	6(33)	( 228,298 )	( 310,452 )
Proceeds from disposal of property, plant and equipment		5,418	91
Acquisition of intangible assets	6(11)	( 24,930 )	( 10,449 )
Increase in guarantee deposits		( 17,572 )	( 195,409 )
Decrease in guarantee deposits		8,900	11,248
Net cash payments for business combination	6(33)	( 199,306 )	( 3,041,127 )
Decrease in other non-current assets		( 129,084 )	17,673
Proceeds from disposal of investments accounted for using equity method		-	31,346
Net cash flows used in investing activities		( 738,640 )	( 4,954,745 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(34)	820,759,706	850,651,375
Decrease in short-term borrowings	6(34)	( 839,211,405 )	( 850,595,048 )
Decrease in short-term notes and bills payable	6(34)	( 716,769 )	( 1,010,053 )
Proceeds from long-term loans	6(34)	55,312,534	91,962,000
Repayments of long-term loans	6(34)	( 60,349,891 )	( 82,898,034 )
Payment of lease liabilities	6(34)	( 279,375 )	( 235,467 )
Increase in other non-current liabilities		5,089	4,331
Issuance of shares - Global depository receipts	6(18)	-	5,549,184
Issuance of shares - direct costs of Global depository receipts		-	( 93,924 )
Cash dividends paid	6(20)	( 4,082,065 )	( 4,701,032 )
Cash dividends paid to non-controlling interest	6(22)	-	( 588 )
Increase in non-controlling interest	6(33)	( 1,786 )	-
Employee stock options exercised		183,941	-
Capital injection	6(18)	5,423,396	-
Net cash flows (used in) from financing activities		( 22,956,625 )	8,632,744
Effect of exchange rate changes on cash and cash equivalents		31,520	3,064,588
Net increase in cash and cash equivalents		17,364,295	703,678
Cash and cash equivalents at beginning of year		5,383,254	4,679,576
Cash and cash equivalents at end of year		\$ 22,747,549	\$ 5,383,254

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, 2023 AND 2022

(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 16, 2024.

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<sup>®</sup>") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

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

Amendments to IAS 12, 'International tax reform - pillar two model rules'

The amendments give companies temporary relief from accounting for deferred income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). An entity shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	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.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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
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 21, 'Lack of exchangeability'	January 1, 2025

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 MATERIAL 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<sup>®</sup> Interpretations, and SIC<sup>®</sup> Interpretations that came into effect 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, 2023	December 31, 2022	
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.	Investment Company	100	100	
WT Microelectronics Co., Ltd.	Nuvision Technology Inc.	Trading Company	100	99.91	(b)
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	80	
WT Microelectronics Co., Ltd.	WT Solomon QCE Ltd.	Trading Company	100	100	
WT Microelectronics Co., Ltd.	WT Microelectronics (Hong Kong) Limited	Trading Company	100	100	
WT Microelectronics Co., Ltd.	WT Technology (H.K.) Limited	Trading Company	100	100	
WT Microelectronics Co., Ltd.	WT Microelectronics Singapore Pte. Ltd.	Trading Company	100	100	
WT Microelectronics Co., Ltd.	WT Technology Pte. Ltd.	Trading Company	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2023	December 31, 2022	
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	(d)
Wintech Microelectronics Holding Limited	Wintech Investment Co., Ltd.	Investment Company	100	100	
Wintech Microelectronics Holding Limited	Brillnics Inc.	Investment Company	61.23	61.65	(a)
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	Nino Capital Co., Ltd.	Investment Company	100	100	
Promising Investment Limited	Rich Web Ltd.	Investment Company	100	100	
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	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2023	December 31, 2022	
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	
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	
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	
WT Semiconductor Holdings Pte. Ltd.	Excelpoint Technology Pte. Ltd.	Investment Company	100	100	
Excelpoint Technology Pte. Ltd.	Excelpoint Systems (Pte) Ltd.	Trading Company	100	100	
Excelpoint Technology Pte. Ltd.	Excelpoint Systems (H.K.) Limited	Trading Company	100	100	
Excelpoint Technology Pte. Ltd.	Planetspark Pte. Ltd.	R&D and Investment Company	100	100	
Excelpoint Systems (Pte) Ltd.	Excelpoint Systems Sdn. Bhd.	Trading Company	100	100	
Excelpoint Systems (Pte) Ltd.	Excelpoint Systems (India) Private Limited	Selling and Technology Servicing	100	100	
Excelpoint Systems (Pte) Ltd.	Excelpoint Systems (USA) Inc.	Selling and Technology Servicing	100	100	
Excelpoint Systems (Pte) Ltd.	Excelpoint Systems Vietnam Company Limited	Trading Company	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2023	December 31, 2022	
Excelpoint Systems (H.K.) Limited	Excelpoint International Trading (Shanghai) Co., Ltd.	Trading Company	100	100	
Excelpoint Systems (H.K.) Limited	Synergy Electronics (H.K.) Limited	Trading Company	100	100	
Excelpoint Systems (H.K.) Limited	Synergy Electronics (Shenzhen) Co., Ltd.	Trading Company	100	100	
Analog Word Co., Ltd.	Leader's Technology Co., Ltd.	Selling and Technology Servicing	100	-	(c)

(a) Employees of Brillnics Inc. exercised employee stock options in installments for the years ended December 31, 2023 and 2022 and accordingly, the shareholder ratio decreased to 61.23% and 61.65%, respectively.

(b) As of March 31, 2023, the Group acquired the non-controlling interest in its 99.91% owned subsidiary, Nuvision Technology Inc., for a consideration of \$1,786 in cash, thereby increasing the Group's equity interest to 100%. Consequently, retained earnings decreased by \$532 and non-controlling interest decreased by \$1,192.

(c) In May 2023, the Group used cash to acquire all the equity interest in Leader's Technology Co., Ltd., which became a wholly-owned subsidiary of the Group and has been included in the consolidated financial statements since the date of acquisition.

(d) In November 2023, Wintech Microelectronics Limited has been dissolved and liquidated.

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	Principal place of business	Non-controlling interest		Ownership (%)	Ownership (%)
		December 31, 2023	December 31, 2022		
WT Semiconductor Holdings Pte. Ltd.	Singapore	\$ 771,790	\$ 805,586	20%	20%

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

Balance Sheet

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current assets	\$ 15,165,272	\$ 17,820,321
Non-current assets	1,999,839	1,731,241
Current liabilities	( 11,955,184)	( 14,398,953)
Non-current liabilities	( 245,968)	( 241,240)
Total net assets	<u>\$ 4,963,959</u>	<u>\$ 4,911,369</u>

Statement of comprehensive income

	Year ended <u>December 31, 2023</u>	September 6, 2022 (date of acquisition) to <u>December 31, 2022</u>
Revenue	\$ 39,438,389	\$ 13,347,437
(Loss) income for the period from continuing operations	( 166,786)	42,054
Other comprehensive (loss) income, net of tax	( 2,799)	825
Total comprehensive (loss) income for the period	<u>(\$ 169,585)</u>	<u>\$ 42,879</u>
Comprehensive (loss) income attributable to non-controlling interest	<u>(\$ 33,800)</u>	<u>\$ 8,309</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Statement of cash flows

	Year ended <u>December 31, 2023</u>	September 6, 2022 (date of acquisition) to <u>December 31, 2022</u>
Net cash flows generated from (used in) operating activities	\$ 1,336,160	(\$ 23,418)
Net cash flows used in investing activities	( 55,991)	( 3,907,098)
Net cash flows (used in) provided by financing activities	( 505,363)	4,708,029
Effect of exchange rate changes on cash and cash equivalents	( 14,733)	( 11,606)
Net increase in cash and cash equivalents	<u>760,073</u>	<u>765,907</u>
Cash and cash equivalents at beginning of period	<u>765,907</u>	<u>-</u>
Cash and cash equivalents at end of period	<u>\$ 1,525,980</u>	<u>\$ 765,907</u>

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 assets and 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	27 ~ 56 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 27 ~ 56 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 stock by exchanging a fixed amount of cash for a fixed number of common stock). 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—stock 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—stock 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 stock 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 – stock 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. Common stock is classified as equity. The classification of preferred stocks is determined according to the special rights attached to the preferred stocks based on the substance of the contract and the definition of financial liabilities and equity instruments. Preferred stocks are classified as liabilities when they have the basic characteristics 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, 2023.

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, 2023.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and revolving funds	\$ 2,614	\$ 2,532
Checking accounts and demand deposits	21,985,282	5,291,663
Time deposits	759,653	89,059
	<u>\$ 22,747,549</u>	<u>\$ 5,383,254</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, 2023 and 2022, the time deposits with maturity date over 3 months of \$546,080 and \$56,108, respectively, are recorded as 'other current assets.'

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

Assets	December 31, 2023	December 31, 2022
Current items:		
Beneficiary certificates	\$ 11,630	\$ 8,369
Equity instruments	5,778	4,501
Derivatives	179	-
Hybrid instrument	24,564	-
	<u>\$ 42,151</u>	<u>\$ 12,870</u>
Non-current items:		
Beneficiary certificates	\$ 296,852	\$ 218,573
Debt instruments	48,573	72,901
Hybrid instrument	15,353	-
	<u>\$ 360,778</u>	<u>\$ 291,474</u>
Liabilities	December 31, 2023	December 31, 2022
Current items:		
Derivatives	<u>\$ 41,185</u>	<u>\$ 11,372</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:

	Years ended December 31,	
	2023	2022
Derivatives	\$ 225,595	\$ 653,231
Beneficiary certificates	33,180	( 50,367)
Equity instruments	1,276	( 3,999)
Debt instruments	( 24,674)	( 78)
	<u>\$ 235,377</u>	<u>\$ 598,787</u>

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

	December 31, 2023		
	Contract amount (Notional principal) (In thousands)	Contract period	
<u>Derivative financial assets</u>			
Current items:			
Forward foreign exchange contracts	USD (BUY) 5,000	2023.12.27~2024.2.29	
<u>Derivative financial liabilities</u>			
Current items:			
Forward foreign exchange contracts	USD (BUY) 235,000	2023.11.28~2024.2.29	

	December 31, 2022	
Derivative financial liabilities	Contract amount (Notional principal) (In thousands)	Contract period

Current items:

Forward foreign exchange contracts    USD (BUY)    245,000    2022.12.28~2023.2.24

The Group entered into forward foreign exchange contracts to buy 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

Items	December 31, 2023	December 31, 2022
Current items:		
Equity instruments	\$ 1,106,224	\$ -
Non-current items:		
Equity instruments	\$ 18,833,048	\$ 9,139,705

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. The Group sold \$462,219 and \$99,295 of listed shares at fair value to satisfy its operating capital needs which resulted in a cumulative gain on disposal of \$59,113 and \$57,163 (accounted under unappropriated retained earnings) during the years ended December 31, 2023 and 2022, respectively.

C. Refer to Note 6(21) for information on changes in fair value recognised in other comprehensive income for the years ended December 31, 2023 and 2022.

D. The Group has no financial assets measured at fair value through other comprehensive income pledged to others as of December 31, 2023 and 2022.

(4) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	\$ 3,730,509	\$ 4,864,044
Accounts receivable	108,078,551	79,870,916
Less: Allowance for uncollectible accounts	( 172,410)	( 166,844)
Notes and accounts receivable, net	<u>111,636,650</u>	<u>84,568,116</u>
Overdue receivables	564,514	558,035
Less: Allowance for uncollectible accounts	( 564,514)	( 558,035)
	<u>\$ 111,636,650</u>	<u>\$ 84,568,116</u>

A. As of December 31, 2023 and 2022, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balance of accounts receivable and notes receivable amounted to \$76,162,982.

B. Transferred financial assets that are derecognised in their entirety

(a) As of December 31, 2023 and 2022, the Group had outstanding discounted notes receivable amounting to \$2,392,015 and \$3,469,692, 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, 2023</u>	<u>December 31, 2022</u>
Accounts receivable transferred		
(Amount derecognised)	<u>\$ 12,529,507</u>	<u>\$ 45,250,313</u>
Amount advanced	<u>\$ 9,818,349</u>	<u>\$ 44,041,088</u>
Amount retained (shown as 'other receivables')	<u>\$ 2,711,158</u>	<u>\$ 1,209,225</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) On December 31, 2023 and 2022, the Group has no accounts receivable for sales and advance payments.

D. As of December 31, 2023 and 2022, the interest rates for amounts advanced ranged between 1.60%~6.66% and 0.98%~6.184%, respectively.

E. As of December 31, 2023 and 2022, the total limits of the accounts receivable factoring were \$115,340,462 and \$109,611,520, respectively.

F. As of December 31, 2023 and 2022, the Group has issued a promissory note of \$185,399,231 and \$196,404,956, 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, 2023 and 2022.

H. As of December 31, 2023 and 2022, 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 \$67,187,035 and \$29,602,714, 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, 2023 and 2022, 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. The Group has no accounts receivable pledged to others.

K. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Other receivables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Amounts retained for accounts receivable factoring	\$ 2,711,158	\$ 1,209,225
VAT refund receivable	2,653,616	356,761
Input tax	27,054	331,571
Others	159,129	339,473
	<u>\$ 5,550,957</u>	<u>\$ 2,237,030</u>

(6) Inventories

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Merchandise inventory	\$ 97,263,203	\$ 91,966,231
Less: Allowance for inventory obsolescence and market value decline	( 1,547,706)	( 1,418,994)
	<u>\$ 95,715,497</u>	<u>\$ 90,547,237</u>

The cost recognised as expense for the year:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Cost of inventories sold	\$ 575,614,106	\$ 550,307,436
Services cost	376,343	429,098
Loss on decline in market value	121,642	194,947
Loss on disposal of inventory	-	432,670
Loss on physical inventory	458	812
	<u>\$ 576,112,549</u>	<u>\$ 551,364,963</u>



(7) Investments accounted for using equity method

	<u>2023</u>	<u>2022</u>
At January 1	\$ 62,955	\$ 118,457
Disposal of investments accounted for using equity method	-	( 33,355)
Share of loss of investments accounted for using equity method	( 18,560)	( 15,781)
Changes in other equity items	<u>144</u>	<u>( 6,366)</u>
At December 31	<u>\$ 44,539</u>	<u>\$ 62,955</u>

A. 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.

B. 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:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Loss for the year from continuing operations	(\$ 18,560)	(\$ 15,781)
Other comprehensive loss, net of tax	<u>( 116)</u>	<u>( 14,629)</u>
Total comprehensive loss	<u>(\$ 18,676)</u>	<u>(\$ 30,410)</u>

(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, 2023</u>					
Cost	\$ 163,048	\$ 588,709	\$ 685,819	\$ 743,025	\$ 2,180,601
Accumulated depreciation and impairment	<u>-</u>	<u>( 119,154)</u>	<u>( 561,409)</u>	<u>( 525,967)</u>	<u>( 1,206,530)</u>
	<u>\$ 163,048</u>	<u>\$ 469,555</u>	<u>\$ 124,410</u>	<u>\$ 217,058</u>	<u>\$ 974,071</u>
<u>2023</u>					
Opening net book amount	\$ 163,048	\$ 469,555	\$ 124,410	\$ 217,058	\$ 974,071
Acquired from business combinations	-	-	1,431	5,160	6,591
Additions	-	286,057	118,845	47,815	452,717
Disposals	-	-	( 5,604)	( 782)	( 6,386)
Reclassifications	-	-	17,595	( 17,595)	-
Depreciation charge	-	( 16,101)	( 62,280)	( 74,965)	( 153,346)
Net exchange differences	-	<u>( 33,264)</u>	<u>15,550</u>	<u>6,597</u>	<u>( 11,117)</u>
Closing net book amount	<u>\$ 163,048</u>	<u>\$ 706,247</u>	<u>\$ 209,947</u>	<u>\$ 183,288</u>	<u>\$ 1,262,530</u>
<u>At December 31, 2023</u>					
Cost	\$ 163,048	\$ 840,435	\$ 777,534	\$ 764,443	\$ 2,545,460
Accumulated depreciation and impairment	<u>-</u>	<u>( 134,188)</u>	<u>( 567,587)</u>	<u>( 581,155)</u>	<u>( 1,282,930)</u>
	<u>\$ 163,048</u>	<u>\$ 706,247</u>	<u>\$ 209,947</u>	<u>\$ 183,288</u>	<u>\$ 1,262,530</u>

	<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	\$ 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>
<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	<u>-</u>	<u>( 119,154)</u>	<u>( 561,409)</u>	<u>( 525,967)</u>	<u>( 1,206,530)</u>
	<u>\$ 163,048</u>	<u>\$ 469,555</u>	<u>\$ 124,410</u>	<u>\$ 217,058</u>	<u>\$ 974,071</u>

A. Office and other equipment at December 31, 2023 and 2022 were for the Group's own use and not for lease.

B. Refer to Note 6(32) for the details of acquisition of the property, plant and equipment due to business combinations for the years ended December 31, 2023 and 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, 2023</u>	<u>December 31, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 352,269	\$ 280,462
Buildings and structures	<u>677,984</u>	<u>549,568</u>
	<u>\$ 1,030,253</u>	<u>\$ 830,030</u>
	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 7,104	\$ 6,106
Buildings and structures	<u>284,669</u>	<u>237,569</u>
	<u>\$ 291,773</u>	<u>\$ 243,675</u>

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets (including the amounts acquired through business combinations) were \$447,656 and \$356,912, respectively. Refer to Note 6(32) for the details of the acquisition of right-of-use assets due to business combination for the year ended December 31, 2022.

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

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 29,291	\$ 15,393
Expense on short-term lease contracts	171,718	111,760

F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were \$480,384 and \$362,620, respectively.

(10) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2023</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>2023</u>			
Opening net book amount	\$ 145,251	\$ 48,435	\$ 193,686
Depreciation charge	-	( 3,368)	( 3,368)
Closing net book amount	<u>\$ 145,251</u>	<u>\$ 45,067</u>	<u>\$ 190,318</u>
<u>At December 31, 2023</u>			
Cost	\$ 147,148	\$ 106,068	\$ 253,216
Accumulated depreciation and impairment	( 1,897)	( 61,001)	( 62,898)
	<u>\$ 145,251</u>	<u>\$ 45,067</u>	<u>\$ 190,318</u>
	<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	-	( 2,304)	( 2,304)
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>

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

	Years ended December 31,	
	2023	2022
Rental income from the lease of the investment property	\$ <u>26,728</u>	\$ <u>13,635</u>
Direct operating expenses arising from the investment property that generated rental income during the year	\$ <u>3,368</u>	\$ <u>2,304</u>

B. The fair values of the investment property held by the Group as at December 31, 2023 and 2022 were \$732,243 and \$722,953, 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, 2023</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>2023</u>				
Opening net book amount	\$ 2,780,889	\$ 21,140	\$ 569,483	\$ 3,371,512
Additions	-	24,930	-	24,930
Acquired from business combinations	-	-	50,868	50,868
Amortisation charge (shown as 'general and administrative expenses')	-	( 15,122)	( 92,092)	( 107,214)
Net exchange differences	( 298)	( 3)	( 160)	( 461)
Closing net book amount	<u>\$ 2,780,591</u>	<u>\$ 30,945</u>	<u>\$ 528,099</u>	<u>\$ 3,339,635</u>
<u>At December 31, 2023</u>				
Cost	\$ 3,008,793	\$ 173,941	\$ 692,869	\$ 3,875,603
Accumulated amortisation and impairment	( 228,202)	( 142,996)	( 164,770)	( 535,968)
	<u>\$ 2,780,591</u>	<u>\$ 30,945</u>	<u>\$ 528,099</u>	<u>\$ 3,339,635</u>

	<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	<u>100,665</u>	<u>468</u>	<u>4,161</u>	<u>105,294</u>
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>

- A. Refer to Note 6(32) for the details of the acquisition of intangible assets due to business combinations for the years ended December 31, 2023 and 2022.
- B. Goodwill is allocated to the Group's cash-generating units identified according to operating segment as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Greater China Region	\$ 1,187,384	\$ 1,187,421
All other segments	<u>1,593,207</u>	<u>1,593,468</u>
	<u>\$ 2,780,591</u>	<u>\$ 2,780,889</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, 2023 and 2022 was both 0%-5%; the

assumption used for discount rate is the weighted average capital cost of the Group. As of December 31, 2023 and 2022, the key valuations used for pre-tax discount rate to reflect risk of related cash-generating units were 5.71%~9.18% and 7.02%~10.02%, respectively. Based on the aforementioned assessment, impairment loss on goodwill of \$0 and \$7,836 was recognised for the years ended December 31, 2023 and 2022, respectively.

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

(12) Short-term borrowings

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Credit loans	\$ 19,821,848	\$ 38,340,556
Interest rates per annum	<u>1.70%~6.424%</u>	<u>1.4917%~5.97%</u>

(13) Short-term notes and bills payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commercial paper	\$ 350,000	\$ 1,050,000
Amortisation of discount	( 152)	( 614)
	<u>\$ 349,848</u>	<u>\$ 1,049,386</u>
Coupon rate	<u>1.35%~1.40%</u>	<u>1.3%~1.84%</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, 2023</u>	<u>December 31, 2022</u>
Accrued VAT payable	\$ 2,430,469	\$ 433,968
Salaries and bonuses payable	1,441,687	1,806,626
Services payable	858,100	97,051
Finance costs payable	150,998	297,358
Freight payable	141,041	179,947
Insurance expense payable	117,707	88,595
Technical service fees payable	86,263	93,583
Others	<u>754,174</u>	<u>792,250</u>
	<u>\$ 5,980,439</u>	<u>\$ 3,789,378</u>



(15) Long-term loans

		December 31, 2023		
Type of loans	Period	Credit line	Interest rate	Amount
Mid-term syndicated loans (note A)	2021.7.29 ~2026.7.29	\$ 12,000,000	2.093% ~6.7865%	\$ 7,655,750
Mid-term syndicated loans (note A)	2022.6.27 ~2027.6.27	24,000,000	2.0930%	4,500,000
Mid-term borrowings (Export-Import Bank of the Republic of China)	2023.4.24 ~2028.4.24	400,000	2.023%	400,000
Mid-term borrowings (United Overseas Bank)	2020.4.28 ~2025.4.27	93,160	2%	31,943
Mid-term borrowings (United Overseas Bank)	2020.5.27 ~2025.5.26	116,450	2%	66,777
Mid-term borrowings (DBS Bank Ltd.)	2020.6.24 ~2025.6.23	23,290	2%	8,969
Mid-term borrowings (United Overseas Bank)	2021.4.5 ~2026.4.4	116,450	2%	69,185
				12,732,624
Less: Long-term borrowings, current portion				( 88,382)
				\$ 12,644,242

		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
				17,786,449
				\$ 17,786,449

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. On August 2, 2023, the Company's Board of Directors resolved to sign a syndicated loan agreement with a financial institution amounting to \$20 billion. As of December 31, 2023, the Company has not yet drawdown the loan. As stipulated in the syndicated loan agreement, the Company's liquidity ratio shall be at least 100%, net debt ratio shall be no more than 280% and interest coverage ratio shall be at least 200%.

C. The Group's financial ratios in the consolidated financial statements for the years ended December 31, 2023 and 2022 have met the required covenants under the abovementioned borrowing contract.

D. The Group's liquidity risk is provided in Note 12.

#### (16) 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, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	\$ 223,995	\$ 219,430
Fair value of plan assets	( 165,099)	( 160,589)
Net defined benefit liability	<u>\$ 58,896</u>	<u>\$ 58,841</u>
Shown as 'other non-current assets'	<u>\$ 7,806</u>	<u>\$ 7,395</u>
Shown as 'other non-current liabilities'	<u>\$ 66,702</u>	<u>\$ 66,236</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, 2023			
Balance at January 1	\$ 219,430	\$ 160,589	\$ 58,841
Current service cost	1,624	-	1,624
Interest (expense) income	<u>2,892</u>	<u>2,122</u>	<u>770</u>
	<u>223,946</u>	<u>162,711</u>	<u>61,235</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	594	( 594)
Change in financial assumptions	1,918	-	1,918
Experience adjustments	<u>791</u>	<u>-</u>	<u>791</u>
	<u>2,709</u>	<u>594</u>	<u>2,115</u>
Pension fund contribution	-	4,454	( 4,454)
Paid pension	<u>( 2,660)</u>	<u>( 2,660)</u>	<u>-</u>
Balance at December 31	<u>\$ 223,995</u>	<u>\$ 165,099</u>	<u>\$ 58,896</u>

	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	( <u>5,555</u> )	( <u>5,555</u> )	<u>-</u>
Balance at December 31	<u>\$ 219,430</u>	<u>\$ 160,589</u>	<u>\$ 58,841</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, 2023 and 2022 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,	
	2023	2022
Discount rate	<u>1.2%~1.3%</u>	<u>1.3%~1.4%</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 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 4,286)	\$ 4,410	\$ 3,769	(\$ 3,688)
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 4,573)	\$ 4,714	\$ 4,083	(\$ 3,987)

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, 2024 amount to \$4,337.
- (g) As of December 31, 2023, 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 14%~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, 2023 and 2022 were \$463,340 and \$317,922, respectively.

(17) Share-based payment

- A. For the years ended December 31, 2023 and 2022, 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 common stock 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 common stock, 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, 2023 and 2022 are disclosed as follows:

	2023		
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	Weighted-average remaining contractual period
Options outstanding at January 1	30,148	\$ 58.58	
Options exercised	( 4,550)	40.43	
Options forfeited	( 671)	62.00	
Options outstanding at December 31	<u>24,927</u>	57.77	3.07 years
Options exercisable at December 31	<u>1,295</u>		
	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

- D. The weighted-average stock price of stock options was \$76.06 (in dollars) for the year ended December 31, 2023. As of December 31, 2022, the Group had no exercisable stock options.
- E. Details of the employee restricted shares for the years ended December 31, 2023 and 2022 are disclosed as follows:

	<u>2023</u>	<u>2022</u>
	No. of shares (in thousands)	No. of shares (in thousands)
Shares outstanding at January 1	4,090	5,666
Shares redeemed at beginning of year but not yet retired	29	62
Shares vested	( 1,342)	( 1,395)
Shares forfeited	( 125)	( 214)
Shares redeemed, not yet forfeited	( 14)	( 29)
Shares outstanding at December 31	<u>2,638</u>	<u>4,090</u>

- F. Compensation cost of share-based payment of \$297,110 and \$222,571 was recognised for the years ended December 31, 2023 and 2022, respectively.

(18) Share capital

As of December 31, 2023, the Company's authorised capital was \$20,000,000, including partial preferred stocks, consisting of 2 billion shares (including 300 million shares reserved for employee stock options), and the paid-in capital was \$10,223,017 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 common stock (including certificate of entitlement to new shares from convertible bonds) outstanding are as follows:

	<u>2023</u>	<u>2022</u>
	Shares (in thousands)	Shares (in thousands)
At January 1	883,530	802,857
Employee stock options exercised	4,550	-
Cancellation of employee restricted shares	( 125)	( 214)
Issuance of shares - Global depositary receipts	-	78,000
Shares converted from bonds	-	2,887
At December 31	<u>887,955</u>	<u>883,530</u>

- B. For the year ended December 31, 2022, all convertible bonds of the Company have been converted into 41,174 thousand common stocks. Convertible bonds amounting to \$77,100 in total par value have been requested for conversion into 2,887 thousand common stock.



- C. For the year ended December 31, 2023, employees of the Company exercised employee stock options, which have been converted into 4,550 thousand common stocks. There are still 654 thousand common stocks which were recorded under 'certificate of entitlement to new shares from convertible bonds' because the change in registration has not yet been completed as of December 31, 2023.
- D. For the years ended December 31, 2023 and 2022, the Company has retrieved 125 thousand and 214 thousand of employee restricted shares, respectively, for not satisfying vesting conditions, and the Company cancelled and retired the shares in accordance with the regulations.
- E. On September 28, 2023, the Board of Directors resolved to increase the Company's capital by issuing 135 million new shares with a par value of \$10 (in dollars) per share. The effective date of capital injection was January 9, 2024. As of February 16, 2024, the capital injection had been registered but not yet approved by the regulatory authority. As of December 31, 2023, the Company has received \$5,423,396 which was recorded as 'advance receipts for share capital'.

#### Global depositary receipts

On February 24, 2022, the Company's Board of Directors resolved to increase capital by issuing common stock 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, 2023, there were no global depositary receipts in circulation.

#### Preferred stock

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 stocks 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 stocks are as follows:

- A. Expiration date: The Company's Class A preferred stocks are perpetual. The shareholders of Class A preferred stocks cannot request the Company to retire the preferred stocks 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 stocks 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 stocks 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 stocks in first priority.
- The Company has discretion in dividend distribution of Class A preferred stocks. The Company could choose not to distribute dividends of preferred stocks 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 stocks 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 stocks have priority over shareholders of common stocks in distributing the Company’s residual properties and have the same priority with other preferred stockholders of the Company, but behind the general creditor. In addition, the limit is the amount calculated by shares of outstanding preferred stocks issued and the issue price when distributing.
- F. Right to vote and be elected: The shareholders of Class A preferred stocks have no right to vote and be elected as directors in the common stock holders’ 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 stocks.
- G. Conversion to common shares: Class A preferred stocks could not be converted to common shares.

H. The preemptive rights for shareholders of Class A preferred stocks 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 stocks can be used to offset against accumulated deficit but cannot be capitalised during the issuance period.

(19) Capital surplus

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:

	2023				
	<u>Share premium</u>	<u>Employee stock options</u>	<u>Restricted stocks to employees</u>	<u>Net change in equity of associates and subsidiaries</u>	<u>Total</u>
At January 1	\$ 24,968,223	\$ 154,122	\$ 160,354	\$ 11,410	\$ 25,294,109
Vesting of employee restricted shares	53,188	-	( 53,188)	-	-
Cancellation of employee restricted shares	-	-	1,240	-	1,240
Changes in restricted stocks to employees	-	-	( 3,531)	-	( 3,531)
Employee stock options exercised	170,738	( 32,297)	-	-	138,441
Compensation cost of share-based payments	-	250,415	-	-	250,415
At December 31	<u>\$ 25,192,149</u>	<u>\$ 372,240</u>	<u>\$ 104,875</u>	<u>\$ 11,410</u>	<u>\$ 25,680,674</u>

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>

(20) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to 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 Stocks, and distribution of such earnings shall be 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 2023 and May 2022, the distribution information of the Company's 2022 and 2021 earnings, respectively, is as follows:

	Years ended December 31,			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 768,307		\$ 865,516	
Special reserve	1,564,387		-	
Dividends on preferred stock	270,000	\$ 2.000	270,000	\$ 2.000
Cash dividends of common stockholders	<u>3,812,065</u>	4.300	<u>4,431,032</u>	5.500
	<u>\$ 6,414,759</u>		<u>\$ 5,566,548</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.

(21) Other equity items

	Unrealised (losses) gains on valuation	Currency translation	Others	Total
At January 1, 2023	(\$ 891,781)	\$ 673,456	(\$ 1,346,062)	(\$ 1,564,387)
Valuation adjustment on equity instruments:				
– Group	11,229,333	-	-	11,229,333
Disposals reclassified as retained earnings	( 59,113)	-	-	( 59,113)
Currency translation differences:				
– Group	-	( 309,977)	-	( 309,977)
– Associates	-	( 116)	-	( 116)
Changes in employee restricted shares	-	-	3,531	3,531
Increase in redemption liability recognised as other equity	-	-	253,073	253,073
Compensation cost of share-based payments	-	-	46,695	46,695
At December 31, 2023	<u>\$ 10,278,439</u>	<u>\$ 363,363</u>	<u>(\$ 1,042,763)</u>	<u>\$ 9,599,039</u>
	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>

(22) Non-controlling interests

	<u>2023</u>	<u>2022</u>
At January 1	\$ 868,976	\$ 92,443
Share attributable to non-controlling interest:		
Loss for the year	( 33,308)	( 30,759)
Increase in non-controlling interests	3,766	798,563
Cash dividends paid	-	( 588)
Comprehensive income (loss) for the year:		
Exchange differences on translation of foreign financial statements	( 2,059)	9,904
Unrealised loss from financial assets at fair value through other comprehensive income	( 506)	( 587)
At December 31	<u>\$ 836,869</u>	<u>\$ 868,976</u>

- A. The Company's subsidiary, Brillnics Inc., increased its capital and employees of Brillnics Inc. exercised employee stock options, 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 transactions with non-controlling interest resulting from the capital increase of the Company's subsidiary, Nuvision Technology Inc., at March 31, 2023.
- C. The Company's subsidiary, WT Semiconductor Holdings Pte. Ltd., increased its non-controlling interest resulting from the capital increase in September 2022.

(23) Operating revenue

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Contract revenue		
Sales of electronic components	\$ 593,682,568	\$ 570,475,062
Services revenue	668,302	525,422
Other operating revenue	167,943	196,634
	<u>\$ 594,518,813</u>	<u>\$ 571,197,118</u>

A. The Group derives revenue from the transfer of goods at a point in time and services over time in the following major products:

	Year ended December 31, 2023		
	Greater China Region	Others	Total
Timing of revenue recognition			
At a point in time			
Application-Specific Standard			
Product-Wireless Connectivity	\$ 172,725,927	\$ 2,535,033	\$ 175,260,960
Application-Specific Standard			
Product-Wired Connectivity	88,829,114	5,963,357	94,792,471
Analog	81,594,005	10,554,942	92,148,947
Application-Specific Integrated			
Circuit	79,548,998	1,403,620	80,952,618
Microcomponents	33,779,138	10,321,728	44,100,866
Memory	20,875,653	11,324,204	32,199,857
Application-Specific Standard			
Product-Others	22,850,671	4,968,908	27,819,579
Discrete	13,729,237	2,323,766	16,053,003
Optoelectronics	11,823,642	821,353	12,644,995
Others	12,564,068	5,313,147	17,877,215
Over time			
Services	668,302	-	668,302
	\$ 538,988,755	\$ 55,530,058	\$ 594,518,813



	Year ended December 31, 2022		
	Greater China Region	Others	Total
Timing of revenue recognition			
At a point in time			
Application-Specific Standard			
Product-Wireless Connectivity	\$ 186,141,595	\$ 1,665,676	\$ 187,807,271
Analog	92,295,124	7,790,603	100,085,727
Application-Specific Standard			
Product-Wired Connectivity	74,015,004	16,115,924	90,130,928
Memory	37,545,081	3,675,538	41,220,619
Microcomponents	33,535,654	6,763,559	40,299,213
Application-Specific Standard			
Product-Others	29,307,485	2,950,916	32,258,401
Application-Specific Integrated			
Circuit	8,388,556	20,320,337	28,708,893
Optoelectronics	16,312,138	842,715	17,154,853
Discrete	14,421,078	1,982,387	16,403,465
Others	13,196,564	3,405,762	16,602,326
Over time			
Services	525,422	-	525,422
	<u>\$ 505,683,701</u>	<u>\$ 65,513,417</u>	<u>\$ 571,197,118</u>

In order to comply with the semiconductor industry, the Group disclosed revenue amount of major products by reference to semiconductor component classification of Gartner Inc. for the years ended December 31, 2023 and 2022.

B. The Group has recognised the following revenue-related contract liabilities provisions for estimated sales discounts:

	December 31, 2023	December 31, 2022	January 1, 2022
Refund liabilities			
-sales discounts and returns	\$ <u>1,127,279</u>	\$ <u>778,605</u>	\$ <u>658,325</u>
Contract liabilities			
-advance sales receipts	\$ <u>1,461,903</u>	\$ <u>904,038</u>	\$ <u>373,803</u>

C. Revenue recognised that was included in the contract liability balance at the beginning of the year:

	Years ended December 31,	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year	\$ 377,193	\$ 207,554
<b>(24) <u>Interest income</u></b>		
	Years ended December 31,	
	2023	2022
Interest income from bank deposits	\$ 150,773	\$ 38,772
Other interest income	841	264
	<u>\$ 151,614</u>	<u>\$ 39,036</u>
<b>(25) <u>Other income</u></b>		
	Years ended December 31,	
	2023	2022
Dividend income	\$ 436,092	\$ 339,705
Grant revenue	89,355	52,488
Other income	68,683	29,289
	<u>\$ 594,130</u>	<u>\$ 421,482</u>
<b>(26) <u>Other gains and losses</u></b>		
	Years ended December 31,	
	2023	2022
Loss on disposal of intangible assets	\$ -	(\$ 15,487)
Foreign exchange loss, net	( 45,839)	( 413,746)
Gain on financial assets and liabilities at fair value through profit or loss	235,377	598,787
Other losses	( 41,243)	( 40,252)
	<u>\$ 148,295</u>	<u>\$ 129,302</u>
<b>(27) <u>Finance costs</u></b>		
	Years ended December 31,	
	2023	2022
Interest expense:		
Bank borrowings	\$ 2,207,355	\$ 1,411,394
Others	46,523	25,379
Financing charges on accounts receivable factoring	1,563,328	949,356
Other finance costs	62,831	59,385
	<u>\$ 3,880,037</u>	<u>\$ 2,445,514</u>

(28) Expenses by nature

	Years ended December 31,	
	2023	2022
Employee benefit expense	\$ 5,899,371	\$ 5,023,129
Depreciation	\$ 448,487	\$ 380,125
Amortisation	\$ 107,214	\$ 57,888

(29) Employee benefit expense

	Years ended December 31,	
	2023	2022
Employee benefit expense		
Wages and salaries	\$ 4,946,823	\$ 4,249,899
Labour and health insurance fees	149,165	146,734
Pension costs	465,734	319,550
Other personnel expenses	337,649	306,946
Total (shown as ‘Operating expenses’)	\$ 5,899,371	\$ 5,023,129

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, 2023 and 2022, employees’ compensation was accrued at \$43,600 and \$87,500, respectively; while directors’ remuneration was accrued at \$26,571 and \$35,000, respectively. The aforementioned amounts were recognised in salary expenses.

Employees’ compensation and directors’ remuneration for 2023 and 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in profit or loss for 2023 and 2022, 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,	
	2023	2022
Current tax:		
Current tax on profit for the year	\$ 727,319	\$ 2,313,558
Tax on undistributed surplus earnings	63,616	154,694
Prior year income tax under (over) estimation	121	(602)
Total current tax	<u>791,056</u>	<u>2,467,650</u>
Deferred tax:		
Origination and reversal of temporary differences	425,475	(156,872)
Total deferred tax	<u>425,475</u>	<u>(156,872)</u>
Income tax expense	<u>\$ 1,216,531</u>	<u>\$ 2,310,778</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	2023	2022
Remeasurement of defined benefit obligations	<u>\$ 423</u>	<u>\$ 1,150</u>

B. Reconciliation between income tax expense and accounting profit

	2023	2022
Tax calculated based on profit before tax and statutory tax rate	\$ 1,928,473	\$ 3,065,295
Expenses disallowed by tax regulation	(775,679)	(908,609)
Tax on undistributed earnings	63,616	154,694
Prior year income tax under (over) estimation	121	(602)
Income tax expense	<u>\$ 1,216,531</u>	<u>\$ 2,310,778</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

Year ended December 31, 2023					
	January 1	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	\$ 506,453	(\$ 66,237)	\$ -	(\$ 14)	\$ 440,202
Allowance for doubtful accounts	31,406	1,523	-	( 209)	32,720
Reserve for inventory obsolescence and market price decline	267,045	15,398	-	365	282,808
Others	<u>273,350</u>	<u>( 201,080)</u>	<u>462</u>	<u>383</u>	<u>73,115</u>
	<u>\$ 1,078,254</u>	<u>(\$ 250,396)</u>	<u>\$ 462</u>	<u>\$ 525</u>	<u>\$ 828,845</u>
– Deferred tax liabilities:					
Foreign investment income using equity method	(\$ 836,238)	(\$ 129,996)	\$ -	\$ -	(\$ 966,234)
Others	<u>( 20,519)</u>	<u>( 45,083)</u>	<u>( 39)</u>	<u>-</u>	<u>( 65,641)</u>
	<u>(\$ 856,757)</u>	<u>(\$ 175,079)</u>	<u>(\$ 39)</u>	<u>\$ -</u>	<u>(\$1,031,875)</u>

Year ended December 31, 2022						
	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	\$ 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	<u>( 81,205)</u>	<u>-</u>	<u>62,032</u>	<u>( 1,346)</u>	<u>-</u>	<u>( 20,519)</u>
	<u>(\$ 741,999)</u>	<u>\$ -</u>	<u>(\$ 113,412)</u>	<u>(\$ 1,346)</u>	<u>\$ -</u>	<u>(\$ 856,757)</u>

The information on deferred tax assets acquired through business combinations for the year ended December 31, 2022 is provided in Note 6(32).

- 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, 2023 and 2022, the temporary differences that were not recognised as deferred tax liabilities were \$4,052,497 and \$3,856,689, respectively.
- E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.
- F. The Group has applied the exception to the requirements to recognise and disclose information on deferred tax assets and liabilities related to Pillar Two income taxes.
- G. The Group's exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:

The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). The Pillar Two legislation was enacted in South Korea, Japan and Vietnam, and will take effect from January 1, 2024. For companies incorporated in Singapore, the Pillar Two legislation has yet to be enacted and is expected to take effect from January 1, 2025. The Group has no related current tax exposure as of December 31, 2023.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group is in the process of assessing its exposure to the Pillar Two legislation when it becomes effective. This assessment indicates that for companies registered in South Korea, Japan, Vietnam and Singapore, the average effective tax rate based on accounting profit is 15% for the year ended December 31, 2023. Due to the complexities in applying the legislation and calculating GloBE income as well as the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12, the Group is currently evaluating the relevant matters in applying the legislation.

The Group has applied the amendments to IAS 12, 'Income tax' issued on May 23, 2023 and applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

(31) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of common stock outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 4,012,142		
Less: Dividends of preferred stock	( 270,000)		
Profit used to calculate basic earnings per share	<u>\$ 3,742,142</u>	<u>883,169</u>	<u>\$ 4.24</u>
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 4,012,142		
Less: Dividends of preferred stock	( 270,000)		
Profit used to calculate diluted earnings per share	3,742,142	883,169	
Assumed conversion of all dilutive potential common stock:			
Restricted stocks to employees	-	2,567	
Employee stock options	-	11,592	
Employees' compensation	-	581	
Profit used to calculate diluted earnings per share attributable to shareholders of the parent plus assumed conversion of all dilutive potential common stock	<u>\$ 3,742,142</u>	<u>897,909</u>	<u>\$ 4.17</u>

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of common stock 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 stock	( 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 stock	( 270,000)		
Profit used to calculate diluted earnings per share	7,361,123	855,236	
Assumed conversion of all dilutive potential common stock:			
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 common stock	<u>\$ 7,361,124</u>	<u>862,547</u>	<u>\$ 8.53</u>

(32) Business combination

As of December 31, 2023 and 2022, the Group's mergers are as follows:

- A. On September 14, 2023, the Company's audit committee and Board of Directors resolved to enter into a definitive agreement for the acquisition of all the shares of Future Electronics Inc. The trading counterparty is Alonim Investments Inc. The transfer price of all the shares of Future Electronics Inc. is estimated to be US\$3.8 billion (approximately NT\$121,524,000 thousand) and will be adjusted in accordance with the contract. As of December 31, 2023, the Company has not yet received all the approvals from the Investment Commission of the respective countries. The transaction is expected to be completed after receiving all the necessary approvals.
- B. The Group acquired all the equity interest of Leader's Technology Co., Ltd. ("LEADER Company"):
  - (a) The Company's subsidiary, Analogworld Co., Ltd., acquired all the equity interest of LEADER Company in May 2023, and the effective date for the share conversion was set on May 3, 2023. LEADER Company is primarily engaged in the distribution and sales of electronic components with the Korea region as its primary market.



- (b) The following table summarises the consideration paid for LEADER Company and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>May 3, 2023</u>
Purchase consideration	
Cash	\$ 204,289
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	4,983
Accounts receivable	189,005
Other receivables	17,787
Inventories	298,853
Other current assets	21,411
Property, plant and equipment	6,591
Other non-current assets	2,444
Short-term borrowings	( 183,102)
Accounts payable	( 126,813)
Other payables	( 20,535)
Current income tax liabilities	( 12,090)
Other current liabilities	( 8,246)
Long-term loans	( 1,485)
Other non-current liabilities	( 35,382)
Total identifiable net assets	153,421
Fair value of the identifiable net assets-customer relationship	<u>50,868</u>
Goodwill	<u>\$ -</u>

- (c) The operating revenue and loss before income tax included in the consolidated statement of comprehensive income since May 3, 2023 contributed by LEADER Company was \$635,892 and \$17,830, respectively. Had LEADER Company been consolidated from January 1, 2023, the consolidated statement of comprehensive income for the years ended December 31, 2023 would show operating revenue of \$594,835,555 and profit before income tax of \$5,227,184.
- (d) As of December 31, 2023, 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.
- C. 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 Pthuyay, sold his shares held in EXCELPOINT Company and acquired 20% equity interest in WT SEMICONDUCTOR. After the acquisition, the Company and Mr. Albert Pthuyay 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 acquired and liabilities assumed	
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	468,846
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.

(33) Supplemental cash flow information

A. Cash paid for property, plant and equipment:

	Years ended December 31,	
	2023	2022
Purchase of property, plant and equipment	\$ 452,717	\$ 99,390
Add: Opening balance of payable on equipment	770	24,780
Ending balance of prepayments for business facilities	1,091	223,501
Less: Ending balance of payable on equipment	( 2,772)	( 770)
Opening balance of prepayments for business facilities	( 223,501)	( 36,457)
Effect of foreign exchange	( 7)	8
Cash paid during the year	<u>\$ 228,298</u>	<u>\$ 310,452</u>

B. Cash paid for business combinations:

	Years ended December 31,	
	2023	2022
Current assets	\$ 532,039	\$ 16,198,350
Property, plant and equipment	6,591	91,561
Goodwill	-	875,175
Acquired identifiable intangible assets	50,868	489,028
Other non-current assets	2,444	324,574
Current liabilities	( 350,786)	( 12,899,384)
Non-current liabilities	( 36,867)	( 248,866)
Fair value of assets acquired and liabilities assumed	204,289	4,830,438
Adjustment of contingent consideration	-	1,996
Add: Opening balance of payable for investment	-	6,100
Acquired cash from business combinations	( 4,983)	( 1,006,354)
Non-controlling interests	-	( 791,053)
Cash paid during the year	<u>\$ 199,306</u>	<u>\$ 3,041,127</u>

C. Financing activities with no cash flow effects

Convertible bonds payable

	Years ended December 31,	
	2023	2022
Conversion of bonds payable	\$ -	\$ 28,876
Capital surplus of bonds payable conversion	-	47,760
Conversion of convertible bonds payable	-	( 76,636)
Cash paid during the year	<u>\$ -</u>	<u>\$ -</u>

D. Transactions with non-controlling interest

	Years ended December 31,					
	2023		2022			
Acquisition of equity of subsidiary	\$	1,786	\$	-		
<b>(34) <u>Changes in liabilities from financing activities</u></b>						
		Long-term and short-term borrowings (Note)	Short-term notes and bills payable	Lease liability	Liabilities from financing activities-gross	
At January 1, 2023	\$	56,127,005	\$ 1,049,386	\$ 584,132	\$ 57,760,523	
Changes in cash flow from financing activities	(	23,489,056)	( 716,769)	( 279,375)	( 24,485,200)	
Impact of changes in foreign exchange rate	(	268,064)	-	( 33,793)	( 301,857)	
Interest expense from amortisation	-	-	17,231	-	17,231	
Increase in lease liability	-	-	-	447,656	447,656	
Acquired from business combinations		184,587	-	-	184,587	
At December 31, 2023	\$	32,554,472	\$ 349,848	\$ 718,620	\$ 33,622,940	
		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	\$	56,127,005	\$ 1,049,386	\$ -	\$ 584,132	\$ 57,760,523

Note: Including current portions of long-term loans and bonds payable.

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
JCD Optical Corporation Limited	Associate
Qwave Technology Co., Ltd.	Associate
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

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Sales of goods:		
- Entity with significant influence over the Group	\$ 6,724,364	\$ 4,938,756
- Associates	2,035	1,841
	<u>\$ 6,726,399</u>	<u>\$ 4,940,597</u>

The collection terms with related parties were 30 to 120 days after the end of next month and the products were categorised and priced taking into consideration the inventory cost, market and other conditions.

#### B. Purchases

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Purchases of goods:		
- Entity with significant influence over the Group	\$ 1,070,315	\$ 1,675,354
- Associates	-	6,585
	<u>\$ 1,070,315</u>	<u>\$ 1,681,939</u>

The credit term to related parties is 30 to 45 days after the end of next month and the purchase prices were categorised and priced taking into consideration the market prices and other conditions.

#### C. Receivables from related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable:		
- Entity with significant influence over the Group	\$ 641,771	\$ 533,247
- Associates	954	871
	<u>\$ 642,725</u>	<u>\$ 534,118</u>

D. Payables to related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable:		
- Entity with significant influence over the Group	\$ <u>113,901</u>	\$ <u>164,955</u>

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Salaries and other short-term employee benefits	\$ 130,217	\$ 185,380
Post-employment benefits	773	1,044
Share-based payment	21,367	33,132
	\$ <u>152,357</u>	\$ <u>219,556</u>

8. PLEGGED 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, 2023</u>	<u>December 31, 2022</u>
Other current assets:			
Bank deposits	Bid bond	\$ <u>2,978</u>	\$ <u>2,979</u>

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT

COMMITMENT

(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, 2023</u>	<u>December 31, 2022</u>
Outstanding letters of credit	\$ <u>9,432,143</u>	\$ <u>7,542,994</u>

B. Guarantee for customs duties

The total guarantee for customs duties is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Customs duties guarantee	\$ <u>51,000</u>	\$ <u>45,000</u>

C. Regarding the commitments arising from the business combination, refer to Note 6(32) for details.

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) On January 19, 2024, the Company's Board of Directors resolved the disposal of 4,500,000 common shares of Asmedia Technology Inc. with a share price of \$1,750 (in dollars) for a total consideration of \$7.875 billion.

(2) Refer to Note 6(18)E for details.

## 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.

For the years ended December 31, 2023 and 2022, the Group's strategy was to maintain the financial debt ratio below 250%.

### (2) Financial instruments

#### A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</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	\$ 397,151	\$ 299,843
Financial assets designated as at fair value through profit or loss on initial recognition	<u>5,778</u>	<u>4,501</u>
	<u>\$ 402,929</u>	<u>\$ 304,344</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	\$ 19,939,272	\$ 9,139,705
Qualifying debt instruments	<u>67,187,035</u>	<u>29,602,714</u>
	<u>\$ 87,126,307</u>	<u>\$ 38,742,419</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 22,747,549	\$ 5,383,254
Accounts receivable	44,449,615	54,965,402
Other receivables	5,550,957	2,237,030
Other financial assets (shown as 'other current assets')	549,058	59,087
Guarantee deposits paid (shown as 'other non-current assets')	<u>333,160</u>	<u>318,260</u>
	<u>\$ 73,630,339</u>	<u>\$ 62,963,033</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	<u>\$ 41,185</u>	<u>\$ 11,372</u>
Financial liabilities at amortised cost		
Short-term borrowings	\$ 19,821,848	\$ 38,340,556
Short-term notes and bills payable	349,848	1,049,386
Accounts payable	147,955,015	77,996,735
Other accounts payable	5,980,439	3,789,378
Long-term loans (including current portion)	12,732,624	17,786,449
Guarantee deposits received (shown as 'other non-current liabilities')	<u>7,559</u>	<u>7,586</u>
	<u>\$ 186,847,333</u>	<u>\$ 138,970,090</u>
Lease liability	<u>\$ 718,620</u>	<u>\$ 584,132</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, 2023					
	Foreign currency		Book value (NTD)	Sensitivity analysis	
	amount (in thousands)	Exchange rate		Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$3,523,067	30.705	\$108,175,772	1%	\$1,081,758
USD:KRW	20,922	1,289.4	642,410	1%	6,424
USD:RMB	9,089	7.100	279,078	1%	2,791
RMB:USD	38,124	0.141	164,879	1%	1,649
<u>Foreign operations</u>					
USD:NTD	643,057	30.705	19,744,639		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	3,538,818	30.705	108,659,407	1%	1,086,594
USD:RMB	237,381	7.100	7,288,784	1%	72,888
USD:KRW	34,913	1,289.4	1,072,004	1%	10,720

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	1,267.30	461,295	1%	4,613
USD:RMB	10,124	6.959	310,908	1%	3,109
RMB:USD	34,948	0.144	154,233	1%	1,542
<u>Foreign operations</u>					
USD:NTD	598,522	30.71	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	6.959	7,312,143	1%	73,121
USD:KRW	27,018	1,267.30	829,723	1%	8,297

- v. The total exchange loss, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022 amounted to \$45,839 and \$413,746, 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, 2023 and 2022 would have increased/decreased by \$2,514 and \$2,435, 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 \$199,393 and \$91,397, 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, 2023 and 2022, 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, 2023 and 2022 would have decreased/increased by \$66,897 and \$118,615, 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:

	Notes and accounts receivable	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Not past due	\$ 105,301,863	\$ 79,260,707
Up to 90 days	6,269,239	5,342,232
91 to 180 days	123,828	94,466
Over 180 days	<u>678,644</u>	<u>595,590</u>
	<u>\$ 112,373,574</u>	<u>\$ 85,292,995</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, 2023 and 2022, 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, 2023</u>	<u>Individual</u>	<u>Group A &amp; B</u>	<u>Group C</u>	<u>Group D</u>	<u>Total</u>
Expected loss rate	85.71%	0.05%	0.08%~61.54%	0.05%~38.90%	
Total book value	<u>\$ 622,047</u>	<u>\$ 74,284,224</u>	<u>\$ 33,017,482</u>	<u>\$ 4,449,821</u>	<u>\$ 112,373,574</u>
Loss allowance	<u>\$ 533,176</u>	<u>\$ 36,845</u>	<u>\$ 92,611</u>	<u>\$ 74,292</u>	<u>\$ 736,924</u>
<u>December 31, 2022</u>	<u>Individual</u>	<u>Group A &amp; 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>

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>2023</u>	<u>2022</u>
At January 1	\$ 724,879	\$ 700,899
Provision for impairment	7,762	1,095
Effect of exchange rate changes	<u>4,283</u>	<u>22,885</u>
At December 31	<u>\$ 736,924</u>	<u>\$ 724,879</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(15)) 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, 2023

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Short-term borrowings (Note)	\$ 19,914,960	\$ -	\$ -	\$ 19,914,960
Lease liability	253,608	370,192	213,612	837,412
Long-term loans (Note)	<u>88,587</u>	<u>13,983,695</u>	<u>-</u>	<u>14,072,282</u>
	<u>\$ 20,257,155</u>	<u>\$ 14,353,887</u>	<u>\$ 213,612</u>	<u>\$ 34,824,654</u>

December 31, 2022

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
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>

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, 2023 and 2022, 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 and long-term loans (including current portion), 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, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 44,630	\$ -	\$ 263,852	\$ 308,482
Equity instruments	5,778	-	-	5,778
Debt instruments	284	-	48,289	48,573
Derivative instruments	-	179	-	179
Hybrid instruments	-	-	39,917	39,917
Financial assets at fair value through other comprehensive income				
Equity instruments	19,736,078	-	203,194	19,939,272
Accounts receivable that are expected to be factored	-	-	67,187,035	67,187,035
	<u>\$19,786,770</u>	<u>\$ 179</u>	<u>\$ 67,742,287</u>	<u>\$87,529,236</u>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 41,185</u>	<u>\$ -</u>	<u>\$ 41,185</u>

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 30,689	\$ -	\$ 196,253	\$ 226,942
Equity instruments	4,501	-	-	4,501
Debt instruments	276	-	72,625	72,901
Financial assets at fair value through other comprehensive income				
Equity instruments	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>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 11,372</u>	<u>\$ -</u>	<u>\$ 11,372</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, 2023 and 2022, 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, 2023 and 2022:

	Financial instruments	
	2023	2022
At January 1	\$ 30,038,813	\$ 17,120,013
Acquired during the year	118,771	25,002
Disposed during the year	( 6,982)	-
Acquired from business combinations	-	106,147
Losses recognised in profit or loss	( 5,444)	( 31,452)
Gains (losses) recognised in other comprehensive income	12,830	( 9,766)
Increase in accounts receivable that are expected to be factored	44,562,219	19,727,162
Decrease in accounts receivable that are expected to be factored	( 6,977,898)	( 6,909,365)
Effect of exchange rate changes	( 22)	11,072
At December 31	<u>\$ 67,742,287</u>	<u>\$ 30,038,813</u>

(a) For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

(b) Refer to Note 6(32) for the details of the acquisition of financial instruments due to business combination for the year ended December 31, 2022.

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, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Unlisted shares	\$ 5,730	Market comparable companies	Price to earnings ratio multiple	1.15~1.96 (1.54)	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
	48,416	Most recent non-active market price	Not applicable	-	Not applicable
Unlisted preferred stocks	26,556	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
			Discount for lack of marketability	30%	
	21,733	Market comparable companies	Price to earnings ratio multiple	4.94~11.37 (8.29)	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
	100,454	Most recent non-active market price	Not applicable	-	Not applicable
Convertible bonds	39,917	Most recent non-active market price	Not applicable	-	Not applicable
Venture capital shares	48,594	Net asset value	Not applicable	-	Not applicable
Private equity fund	263,852	Net asset value	Not applicable	-	Not applicable

	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
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
	18,426	Most recent non-active market price	Not applicable	-	Not applicable
Unlisted preferred stocks	26,560	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
			Discount for lack of marketability	30%	
	46,065	Most recent non-active market price	Not applicable	-	Not applicable
	107,300	Most recent non-active market price	Not applicable	-	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

### 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 year (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>2023</u>	<u>2022</u>
Revenue from external customers	<u>\$ 538,988,755</u>	<u>\$ 505,683,701</u>
Segment income	<u>\$ 4,447,040</u>	<u>\$ 9,024,316</u>
Segment assets (Note)	<u>\$ -</u>	<u>\$ -</u>
Depreciation and amortisation	<u>\$ 446,606</u>	<u>\$ 320,578</u>
Finance costs	<u>\$ 3,517,134</u>	<u>\$ 2,281,585</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,	
	2023	2022
<u>Operating revenue</u>		
Total reported segment revenue	\$ 538,988,755	\$ 505,683,701
Other operating segment revenue	55,530,058	65,513,417
Total operating revenue	<u>\$ 594,518,813</u>	<u>\$ 571,197,118</u>

	Years ended December 31,	
	2023	2022
<u>Profit and loss</u>		
Income of reported segment	\$ 4,447,040	\$ 9,024,316
Income of other operating segments	748,325	886,826
Income before income tax from continuing operations	<u>\$ 5,195,365</u>	<u>\$ 9,911,142</u>

(4) Information on products and services

Refer to Note 6(23) for the related information.

(5) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 78,149,044	\$ 3,522,227	\$ 84,373,636	\$ 3,583,399
China	321,826,282	1,616,027	361,370,198	1,265,512
Others	194,543,487	882,341	125,453,284	806,452
	<u>\$ 594,518,813</u>	<u>\$ 6,020,595</u>	<u>\$ 571,197,118</u>	<u>\$ 5,655,363</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,	
	2023	2022
Customer A	\$ 72,336,013	\$ 20,931,705
Customer B	66,948,037	86,666,027
	<u>\$ 139,284,050</u>	<u>\$ 107,597,732</u>

WT Microelectronics Co., Ltd. and subsidiaries

Loans to others

Year ended December 31, 2023

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 the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	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
													Item	Value			
1	WINTech MICROELECTRONICS HOLDING LIMITED	WINTech MICROELECTRONICS LTD.	Other receivables - related parties	Y	\$ 8,712,900	\$ 6,755,100	\$ 6,325,230	5.65%	Short-term financing	\$ -	Business Operation	\$ -	-	\$ -	\$ 10,285,560	\$ 10,285,560	Note 2
1	WINTech MICROELECTRONICS HOLDING LIMITED	BRILLNICS (HK) LIMITED	Other receivables - related parties	Y	61,420	-	-	1.00%	Short-term financing	-	Business Operation	-	-	-	10,285,560	10,285,560	Note 2
2	BSI SEMICONDUCTOR PTE. LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Other receivables - related parties	Y	321,107	303,980	303,980	6.61%-6.84%	Short-term financing	-	Business Operation	-	-	-	595,399	595,399	Note 2
3	MSD HOLDING PTE. LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Other receivables - related parties	Y	90,818	85,974	85,974	6.35%	Short-term financing	-	Business Operation	-	-	-	101,360	101,360	Note 2
4	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD.	Other receivables - related parties	Y	270,248	92,115	92,115	5.05%	Short-term financing	-	Business Operation	-	-	-	1,255,397	1,255,397	Note 2
4	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	Other receivables - related parties	Y	46,110	-	-	4.93%	Short-term financing	-	Business Operation	-	-	-	1,255,397	1,255,397	Note 2
5	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	SHANGHAI UQ IOT TECH., INC.	Temporary payment	N	6,691	-	-	3.50%	Short-term financing	-	Business Operation	-	-	-	512,325	683,100	Note 3
5	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Other receivables - related parties	Y	620,228	605,472	605,472	3.65%	Short-term financing	-	Business Operation	-	-	-	1,707,751	1,707,751	Note 2
6	WINTech INVESTMENT CO., LTD.	WINTech MICROELECTRONICS LTD.	Other receivables - related parties	Y	256,209	128,961	128,961	5.65%	Short-term financing	-	Business Operation	-	-	-	1,075,451	1,075,451	Note 2
7	EXCELPOINT SYSTEMS (PTE) LTD.	EXCELPOINT SYSTEMS VIETNAM COMPANY LIMITED	Other receivables - related parties	Y	27,635	27,635	27,635	5.05%-5.97%	Short-term financing	-	Business Operation	-	-	-	849,399	849,399	Note 2
8	WT TECHNOLOGY KOREA CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Other receivables - related parties	Y	197,200	190,480	166,670	4.60%	Short-term financing	-	Business Operation	-	-	-	703,597	703,597	Note 2
9	PLANETSPARK PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD.	Other receivables - related parties	Y	124,280	110,538	110,538	5.55%	Short-term financing	-	Business Operation	-	-	-	232,109	232,109	Note 2
9	PLANETSPARK PTE. LTD.	SPACEAGE LABS LTE LTD.	Other receivables - non related parties	N	8,785	8,626	8,626	7.50%	Short-term financing	-	Business Operation	-	-	-	92,844	92,844	Note 4

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 and company's with short-term capital needs is as follows: limit on loans granted by the Company and subsidiaries single party is 30% of the company's net assets, based on the most recent financial statements of the company, ceiling on total loans granted by a company is 40% of the company's net assets.

Note 4: The policy for loans between the Company and subsidiaries and company's with short-term capital needs is as follows: limit on loans granted by the Company and subsidiaries single party is 40% of the company's net assets, based on the most recent financial statements of the company, ceiling on total loans granted by a 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, 2023

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed  Company name	Relationship with the endorser / guarantor (Note 2)	Limit on endorsements / guarantees provided for a single party (Note 3)	Maximum outstanding endorsement / guarantee amount as of December 31, 2023	Outstanding endorsement / guarantee amount at December 31, 2023	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
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	2	\$ 284,435,132	\$ 800,000	\$ 800,000	\$ 800,000	\$ -	1.13%	\$ 284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	2	284,435,132	155,350	-	-	-	0.00%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	2	284,435,132	389,220	368,460	308,626	-	0.52%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	2	284,435,132	1,297,400	1,228,200	-	-	1.73%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	2	284,435,132	2,432,625	2,302,875	-	-	3.24%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	2	284,435,132	68,114	64,481	4,751	-	0.09%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	2	284,435,132	1,622	1,535	164	-	0.00%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	2	284,435,132	2,270	2,149	344	-	0.00%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN SINGAPORE PTE. LTD.	2	284,435,132	324,350	307,050	-	-	0.43%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	2	284,435,132	6,296,995	6,001,707	864,960	-	8.44%	284,435,132	Y	N	Y	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	2	284,435,132	2,092,390	2,018,747	172,992	-	2.84%	284,435,132	Y	N	Y	
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	2	284,435,132	1,820,950	1,726,835	1,334,445	-	2.43%	284,435,132	Y	N	N	
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	2	18,830,955	5,085,670	-	-	-	0.00%	18,830,955	N	N	N	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	2	18,830,955	61,420	-	-	-	0.00%	18,830,955	N	N	Y	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	2	18,830,955	30,710	-	-	-	0.00%	18,830,955	N	N	Y	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	2	18,830,955	5,130,317	614,100	76,127	-	48.92%	18,830,955	N	N	N	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	PLANETSPARK PTE. LTD.	2	18,830,955	111,430	-	-	-	0.00%	18,830,955	N	N	N	Note 4
2	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	2	38,230,710	61,420	-	-	-	0.00%	38,230,710	N	N	Y	Note 4
2	EXCELPOINT SYSTEMS (H.K.) LIMITED	SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	2	38,230,710	30,710	-	-	-	0.00%	38,230,710	N	N	Y	Note 4
3	ANALOG WORLD CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	2	1,621,604	37,222	35,953	-	-	8.87%	1,621,604	N	N	N	Note 5

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: For a single party who owns directly and indirectly more than 50% voting shares of the Company should not be in excess of 400% of the Company's net assets, which are based on the latest financial statements audited or reviewed by the Company's CPA.

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.

Note 5: Analog World Co., Ltd. for a single enterprise and the total limit of endorsement guarantees should not be in excess of 400% 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, 2023

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, 2023				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
WT MICROELECTRONICS CO., LTD.	Common stock	TERAWINS, INC.	None	2	666,248	\$ 5,730	2.19	\$ 5,730	
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	-	48,594	6.73	48,594	
WT MICROELECTRONICS CO., LTD.	Common stock	ASMEDIA TECHNOLOGY INC.	None	2	9,000,000	16,335,000	12.98	16,335,000	
WT MICROELECTRONICS CO., LTD.	Funds	YUANTA GLOBAL 5G & NEXGEN TELECOMMUNICATION COMPONENTS ETF	None	3	350,000	11,630	-	11,630	
WT MICROELECTRONICS CO., LTD.	Private equity funds	FUH HWA ENERGY - EFFICIENT FUND	None	4	9,443,802	95,477	-	95,477	
WT MICROELECTRONICS CO., LTD.	Funds	FUH HWA TAIWAN GOOD INCOME FUND TWD	None	4	3,000,000	33,000	-	33,000	
WT MICROELECTRONICS CO., LTD.	Common stock	SINO-AMERICAN SILICON PRODUCTS INC.	None	1	5,644,000	1,106,224	0.96	1,106,224	
WT MICROELECTRONICS CO., LTD.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	473,000	39,779	0.39	39,779	
WT MICROELECTRONICS CO., LTD.	Private equity funds	FUH HWA GLOBAL IOT AND TECH FUND	None	4	10,010,010	107,808	-	107,808	
WT MICROELECTRONICS CO., LTD.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	260,000	118,300	0.47	118,300	
WT MICROELECTRONICS CO., LTD.	Common stock	NICHIDENBO CORPORATION	None	2	1,000,000	58,100	0.47	58,100	
WT MICROELECTRONICS CO., LTD.	Ordinary shares raised through the private placement	NICHIDENBO CORPORATION	None	2	30,000,000	1,580,700	14.11	1,580,700	
WT MICROELECTRONICS CO., LTD.	Common stock	DAYPOWER ENERGY CO., LTD.	None	2	1,000,000	12,500	10.00	12,500	
NUVISION TECHNOLOGY INC.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	196,000	16,484	0.16	16,484	
NUVISION TECHNOLOGY INC.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	307,000	139,685	0.56	139,685	
MORRIHAN INTERNATIONAL CORP.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	688,000	57,861	0.56	57,861	
MORRIHAN INTERNATIONAL CORP.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	329,000	149,695	0.60	149,695	
WINTech MICROELECTRONICS HOLDING LTD.	Preferred stock	AMMAX BIO, INC.	None	4	301,100	26,556	0.81	26,556	
WINTech MICROELECTRONICS HOLDING LTD.	Bonds	EXXON MOBIL CORPORATION	None	4	100	284	-	284	
WINTech MICROELECTRONICS HOLDING LTD.	Private equity funds	CATHAY PRIVATE EQUITY ECOLOGY LIMITED PARTNERSHIP	None	4	-	12,339	-	12,339	



Securities held by	Type of securities	Name of securities	Relationship with the securities issuer	General ledger account (Note)	As of December 31, 2023				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
WINTECH MICROELECTRONICS HOLDING LTD.	Preferred stock	AVIVA TECHNOLOGY HOLDING	None	4	659,034	\$ 21,733	1.77	\$ 21,733	
WINTECH MICROELECTRONICS HOLDING LTD.	Common stock	DRAGON YI INVESTMENT LTD.	None	2	600,000	18,423	19.35	18,423	
WINTECH MICROELECTRONICS HOLDING LTD.	Private equity funds	IMPACT SCIENCE VENTURES FUND I, L.P	None	4	-	48,228	-	48,228	
WINTECH MICROELECTRONICS HOLDING LTD.	Common stock	SHANGHAI UQ IOT TECH., INC.	None	2	-	17,493	13.33	17,493	
MILESTONE INVESTMENT CO., LTD.	Common stock	GRAND FORTUNE SECURITIES CO., LTD.	None	3	447,871	5,778	0.11	5,778	
MILESTONE INVESTMENT CO., LTD.	Common stock	GRAND FORTUNE SECURITIES CO., LTD.	None	2	7,140,443	92,112	1.80	92,112	
EXCELPOINT TECHNOLOGY PTE. LTD.	Common stock	ANSWER TECHNOLOGY CO., LTD.	None	2	498,169	26,739	0.75	26,739	
EXCELPOINT TECHNOLOGY PTE. LTD.	Common stock	IWOW TEACHNOLOGY LTD.	None	2	3,000,000	15,399	1.14	15,399	
PLANETSPARK PTE. LTD.	Convertible bonds	MERIDIAN INNOVATION PTE LTD.	None	3	-	24,564	-	24,564	
PLANETSPARK PTE. LTD.	Preferred stock	MERIDIAN INNOVATION PTE LTD.	None	2	1,307,790	100,454	-	100,454	
PLANETSPARK PTE. LTD.	Convertible bonds	VIVO SURGICAL PRIVATE LIMITED	None	4	-	15,353	-	15,353	

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, 2023

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, 2023		Addition		Disposal			Balance as at December 31, 2023		
					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.	SINO-AMERICAN SILICON PRODUCTS INC.	Note 1	Non related parties	-	7,889,000	\$ 1,100,516	-	\$ -	2,245,000	\$ 402,557	\$375,994	\$ 26,563	5,644,000	\$ 1,106,224
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Note 2	Capital injection	Note 3	283,760,000	5,790,209	240,000,000	12,000,000	-	-	-	-	523,760,000	17,062,050

Note 1 : General ledger account 'Financial assets at fair value through other comprehensive income', gains (losses) on disposal are directly transferred from other comprehensive income to retained earnings; the balance as at December 31, 2023 includes gains (losses) on valuation.

Note 2 : General ledger account 'Investments accounted for using equity method', the balance as at December 31, 2023 includes investment profit and adjustments.

Note 3 : The counterparty is a subsidiary of the Company.

WT Microelectronics Co., Ltd. and subsidiaries  
Purchases or sales of goods from or to related parties reaching NTD\$100 million or 20% of paid-in capital or more  
Year ended December 31, 2023

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	\$115,851,902	31	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.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	179,429	-	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.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	48,748,316	13	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	12,488,389	24	
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Sales	2,990,730	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	633,536	1	
WT MICROELECTRONICS CO., LTD.	WINTech MICROELECTRONICS LTD.	Affiliates	Sales	13,375,460	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	542,443	1	
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	6,352,264	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	1,460,863	3	
WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	Affiliates	Sales	532,800	-	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.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	10,102,462	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	2,001,231	4	
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Sales	4,257,501	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	577,952	1	
WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Affiliates	Sales	318,778	-	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	75,832	-	
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Purchases	3,359,781	-	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	( 2,818,352)	4	
WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Purchases	5,049,535	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	( 388,518)	-	
WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Purchases	765,542	-	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	( 242,235)	-	
WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Purchases	541,025	-	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	( 12,134)	-	
WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Purchases	388,868	-	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	( 124,325)	-	
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	2,792,999	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	497,915	16	
NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	2,961,549	15	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	758,801	24	
NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Sales	1,059,650	5	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	406,837	13	
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	349,531	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	137,419	4	
NUVISION TECHNOLOGY INC.	WINTech MICROELECTRONICS LTD.	Affiliates	Sales	567,606	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	177,162	6	
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	2,278,229	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	768,215	2	
MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	386,854	-	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	150,383	-	
MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Sales	96,286,445	37	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	17,826,766	42	
MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Sales	1,368,562	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	160,000	-	
MORRIHAN INTERNATIONAL CORP.	WINTech MICROELECTRONICS LTD.	Affiliates	Sales	794,212	-	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	112,797	-	

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	
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	\$ 628,481	17	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	\$ 209,512	22
MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Sales	328,157	6	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	49,483	4
HONGTECH ELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	2,359,847	38	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	-	-
WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	3,005,106	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	1,071,712	15
WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	11,976,608	80	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	6,036,819	85
WT MICROELECTRONICS (SHENZHEN) CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	196,710	5	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	-	-
EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Sales	171,845	-	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	700,807	11

WT Microelectronics Co., Ltd. and subsidiaries  
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
December 31, 2023

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	\$ 12,488,389	5.21	\$ -		\$ 5,570,158	\$ -
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	633,536	2.17	-		455,405	-
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	1,460,863	4.59	-		63,713	-
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	2,001,231	5.88	-		957,399	-
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	577,952	8.98	13,655	Collection after the period	-	-
WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	542,443	23.22	-		355,854	-
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS CO., LTD.	Affiliates	388,518	8.36	-		214,935	-
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	497,915	4.81	-		411,577	-
NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	758,801	4.66	-		122,822	-
NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	406,837	2.66	-		-	-
NUVISION TECHNOLOGY INC.	WINTECH MICROELECTRONICS LTD.	Affiliates	177,162	5.00	-		153,557	-
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	137,419	4.28	-		-	-
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS CO., LTD.	Affiliates	2,818,352	2.38	-		2,481,013	-
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	768,215	4.18	-		457,601	-
MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	150,383	3.94	-		122,822	-
MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	17,826,766	9.47	-		17,309,523	-
MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	160,000	8.61	-		100,148	-
MORRIHAN INTERNATIONAL CORP.	WINTECH MICROELECTRONICS LTD.	Affiliates	112,797	5.83	-		76,763	-
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS CO., LTD.	Affiliates	242,235	4.79	-		240,928	-
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	209,512	2.31	-		-	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	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	\$ 6,036,819	2.21	\$ 1,497,307	Collection after the period	\$ 432,373	-
WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	1,071,712	1.73	222,490	Collection after the period	-	-
HONGTECH ELECTRONICS CO., LTD.	WT MICROELECTRONICS CO., LTD.	Affiliates	124,325	3.94	-		-	-
EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	700,807	0.17	355,391	Collection after the period	-	-

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, 2023

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4)			Percentage of total operating revenues or total assets (Note 5)
				General ledger account	Amount	Transaction terms	
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Sales	\$ 115,851,902	(Note 3)	19
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	48,748,316	(Note 3)	8
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	12,488,389	(Note 3)	5
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Sales	2,990,730	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Accounts receivable	633,536	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	13,375,460	(Note 3)	2
0	WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	Accounts receivable	542,443	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	6,352,264	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	1,460,863	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	10,102,462	(Note 3)	2
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	2,001,231	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Sales	4,257,501	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Accounts receivable	577,952	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	179,429	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	Affiliates	Sales	532,800	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Affiliates	Sales	318,778	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Purchases	3,359,781	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Accounts payable	2,818,352	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Purchases	5,049,535	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Accounts payable	388,518	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Purchases	765,542	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Accounts payable	242,235	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Purchases	388,868	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Accounts payable	124,325	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Purchases	541,025	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	2,961,549	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	758,801	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	2,792,999	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	497,915	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Sales	1,059,650	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Accounts receivable	406,837	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	349,531	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	137,419	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	567,606	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WINTECH MICROELECTRONICS LTD.	Affiliates	Accounts receivable	177,162	(Note 3)	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4)			Percentage of total operating revenues or total assets (Note 5)
				General ledger account	Amount	Transaction terms	
2	MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Sales	\$ 96,286,445	(Note 3)	16
2	MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	17,826,766	(Note 3)	7
2	MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	2,278,229	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	768,215	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Sales	1,368,562	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Accounts receivable	160,000	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WINTech MICROELECTRONICS LTD.	Affiliates	Sales	794,212	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WINTech MICROELECTRONICS LTD.	Affiliates	Accounts receivable	112,797	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	386,854	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	150,383	(Note 3)	-
3	TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	628,481	(Note 3)	-
3	TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	209,512	(Note 3)	-
4	MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Sales	328,157	(Note 3)	-
5	HONGTECH ELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	2,359,847	(Note 3)	-
6	WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	11,976,608	(Note 3)	2
6	WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	6,036,819	(Note 3)	2
6	WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	3,005,106	(Note 3)	1
6	WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Accounts receivable	1,071,712	(Note 3)	-
7	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Sales	171,845	(Note 3)	-
7	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	700,807	(Note 3)	-
8	WT MICROELECTRONICS (SHENZHEN) CO.,	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	196,710	(Note 3)	-

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, 2023

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, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance at December 31, 2023	Balance at December 31, 2022	Number of shares	Ownership (%)	Book value			
WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS HOLDING LIMITED	British Virgin Islands	Holding company	\$ 2,520,875	\$ 2,520,875	78,752,905	99.65	\$ 10,242,629	\$ 119,111	\$ 119,111	Subsidiary
WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Taiwan	Sales of electronic components	1,781,829	1,781,829	73,949,070	100.00	2,830,797	835,384	835,384	Subsidiary
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Taiwan	Sales of electronic components	15,106,620	3,106,620	523,760,000	100.00	17,062,050	1,141,146	1,141,146	Subsidiary
WT MICROELECTRONICS CO., LTD.	BSI SEMICONDUCTOR PTE. LTD.	Singapore	Holding company	486,289	486,289	7,544,002	100.00	829,776	29,530	29,530	Subsidiary
WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Taiwan	Sales of electronic components	323,751	323,030	28,227,197	100.00	1,281,461	425,856	425,781	Subsidiary
WT MICROELECTRONICS CO., LTD.	MILESTONE INVESTMENT CO., LTD.	Taiwan	General investment	61,985	61,985	4,500,000	100.00	110,589	1,434	1,434	Subsidiary
WT MICROELECTRONICS CO., LTD.	SINYIE INVESTMENT CO., LTD.	Taiwan	General investment	52,000	52,000	2,900,000	100.00	35,304	( 18)	( 18)	Subsidiary
WT MICROELECTRONICS CO., LTD.	MSD HOLDINGS PTE. LTD.	Singapore	Sales of electronic components	215,559	215,559	200,001	100.00	232,889	1,897	1,897	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	1,852,960	263,222	263,222	Subsidiary
WT MICROELECTRONICS CO., LTD.	ANALOG WORLD CO., LTD.	South Korea	Sales of electronic components	397,230	397,230	120,000	100.00	498,079	38,709	34,154	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT SEMICONDUCTOR HOLDINGS PTE. LTD.	Singapore	Holding company	4,057,274	4,057,274	96,318,912	80.00	3,971,167	( 166,786)	( 133,429)	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY (H.K.) LIMITED	Hong Kong	Sales of electronic components	4,808	4,808	1,000,000	100.00	4,855	( 36)	( 36)	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Hong Kong	Sales of electronic components	402,761	402,761	12,527,632	100.00	614,186	119,594	119,594	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Hong Kong	Sales of electronic components	451,386	451,386	110,000,000	100.00	514,278	42,691	42,691	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Singapore	Sales of electronic components	128,849	128,849	1,500,000	100.00	353,045	201,091	201,091	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Singapore	Sales of electronic components	156,727	156,727	5,000,000	100.00	156,696	489	489	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	PROMISING INVESTMENT LIMITED	Mauritius	General investment	940,571	940,571	30,632,506	100.00	833,906	( 137,155)	Note 1	Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance at December 31, 2023	Balance at December 31, 2022	Number of shares	Ownership (%)	Book value			
WINTECH MICROELECTRONICS HOLDING LIMITED	WINTECH INVESTMENT CO., LTD.	Belize	General investment	\$ 645,448	\$ 645,448	21,020,957	100.00	\$ 1,075,451	\$ 97,986	Note 1	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	WINTECH MICROELECTRONICS LTD.	Belize	Sales of electronic components	92,118	92,118	3,000,100	100.00	( 322,735)	( 327,547)	Note 1	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	WINTECH MICROELECTRONICS LIMITED	British Virgin Islands	Holding company	-	154	-	-	-	-	Note 1	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	JCD OPTICAL (CAYMAN) CO., LTD.	Cayman Islands	Holding company	72,891	72,891	5,869,093	19.80	15,978	( 62,754)	Note 1	Associates
WINTECH MICROELECTRONICS HOLDING LIMITED	JOY CAPITAL LTD.	Seychelles	General investment	36,846	36,846	1,200,000	17.65	11,456	( 3,178)	Note 1	Associates
WINTECH MICROELECTRONICS HOLDING LIMITED	RAINBOW STAR GROUP LIMITED	British Virgin Islands	General investment	30,705	30,705	18,924	24.65	17,105	( 21,967)	Note 1	Associates
WINTECH MICROELECTRONICS HOLDING LIMITED	BRILLNICS INC.	Cayman Islands	Holding company	1,196,390	1,196,390	49,336,630	61.24	102,778	238	Note 1	Subsidiary
PROMISING INVESTMENT LIMITED	NINO CAPITAL CO., LTD.	Samoa	Holding company	9,549	9,549	311,000	100.00	33,679	1,810	Note 1	Subsidiary
PROMISING INVESTMENT LIMITED	RICH WEB LTD.	British Virgin Islands	Holding company	705,430	705,430	22,974,430	100.00	714,541	( 138,967)	Note 1	Subsidiary
WINTECH INVESTMENT CO., LTD.	WT MICROELECTRONICS (MALAYSIA) SDN. BHD.	Malaysia	Sales of electronic components	3,340	3,340	500,000	100.00	2,357	52	Note 1	Subsidiary
WINTECH INVESTMENT CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	South Korea	Sales of electronic components	559,043	559,043	3,800,000	95.47	942,434	90,854	Note 1	Subsidiary
ANALOG WORLD CO., LTD.	LEADER'S TECHNOLOGY CO.,LTD	South Korea	Sales of electronic components	212,037	-	10,000	100.00	223,009	15,404	Note 1	Subsidiary
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (THAILAND) LIMITED.	Thailand	Sales of electronic components	2,691	2,691	300,000	100.00	1,886	39	Note 1	Subsidiary
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS INDIA PRIVATE LIMITED	India	Sales of electronic components	2,651	2,651	700,000	100.00	1,662	1,076	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	119,111	Note 1	Subsidiary
MORRIHAN INTERNATIONAL CORP.	ASIA LATEST TECHNOLOGY LIMITED	Mauritius	Holding company	37,771	37,771	1,120,000	100.00	43,718	( 157)	Note 1	Subsidiary
BSI SEMICONDUCTOR PTE. LTD.	WT TECHNOLOGY KOREA CO., LTD.	South Korea	Sales of electronic components	53,259	53,259	180,472	4.53	28,632	90,854	Note 1	Subsidiary
BSI SEMICONDUCTOR PTE. LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	South Korea	Sales of electronic components	24,082	24,082	53,505	100.00	233,269	16,447	Note 1	Subsidiary
TECHMOSA INTERNATIONAL INC.	MORRIHAN SINGAPORE PTE. LTD.	Singapore	Sales of electronic components	210,451	210,451	9,500,000	100.00	2,144,779	1,023,556	Note 1	Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance at December 31, 2023	Balance at December 31, 2022	Number of shares	Ownership (%)	Book value			
MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Taiwan	Sales of electronic components	\$ 115,000	\$ 115,000	11,500,000	100.00	\$ 409,036	\$ 179,036	Note 1	Subsidiary
MAXTEK TECHNOLOGY CO., LTD.	LACEWOOD INTERNATIONAL CORP.	British Virgin Islands	Sales of electronic components	194,366	194,366	29,500	100.00	95,628	3,842	Note 1	Subsidiary
BRILLNICS INC.	BRILLNICS (HK) LIMITED	Hong Kong	Manufacture of electronic components	1,965,519	1,965,519	64,013,000	100.00	188,402	153,986	Note 1	Subsidiary
BRILLNICS INC.	BRILLNICS SINGAPORE PTE. LTD.	Singapore	Manufacture of electronic components	23,029	23,029	750,002	100.00	( 9,124)	( 3,961)	Note 1	Subsidiary
BRILLNICS (HK) LIMITED	BRILLNICS JAPAN INC.	Japan	Manufacture of electronic components	21,720	21,720	100,000	100.00	25,687	1,488	Note 1	Subsidiary
BRILLNICS (HK) LIMITED	BRILLNICS (TAIWAN) INC.	Taiwan	Manufacture of electronic components	16,694	16,694	1,669,410	100.00	38,788	6,439	Note 1	Subsidiary
WT SEMICONDUCTOR HOLDINGDS PTE. LTD.	EXCELPOINT TECHNOLOGY PTE. LTD.	Singapore	Holding company	5,089,016	5,089,016	120,398,640	100.00	4,964,229	( 166,786)	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	Hong Kong	Sales of electronic components	489,783	489,783	27,793,961	100.00	2,548,714	7,318	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	Singapore	Sales of electronic components	274,119	274,119	11,000,000	100.00	849,399	( 48,567)	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	PLANETSPARK PTE. LTD.	Singapore	R&D and investment of company	337,755	92,115	11,000,001	100.00	232,109	( 24,950)	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS SDN. BHD.	Malaysia	Sales of electronic components	1	1	100	100.00	3,644	820	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS (INDIA) PVT LTD	India	Sales and services of technology	355	355	50,000	100.00	( 65,538)	7,394	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS (USA) INC.	USA	Sales and services of technology	31	31	1,000	100.00	1,425	363	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS VIETNAM COMPANY LIMITED	Vietnam	Sales of electronic components	9,212	9,212	-	100.00	( 13,691)	( 23,479)	Note 1	Subsidiary
EXCELPOINT SYSTEMS (H.K.) LIMITED	SYNERGY ELECTRONICS (H.K.) LIMITED	Hong Kong	Sales of electronic components	3,071	3,071	100,000	100.00	3,046	( 249)	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, 2023

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, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investment in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
SHANGHAI WT MICROELECTRONICS CO., LTD.	International trade, entrepot trade and etc.	\$ 9,212	2	\$ 9,212	\$ -	\$ -	\$ 9,212	\$ 1,811	100.00	\$ 1,811	\$ 33,603	\$ -	Note 5
WT MICROELECTRONICS (SHENZHEN) CO., LTD.	International trade, entrepot trade and etc.	699,362	2	645,532	-	-	645,532	(138,964)	100.00	(138,964)	714,433	-	Note 6
WT MICROELECTRONICS (SHANGHAI) CO., LTD.	International trade	1,079,281	2	588,001	-	-	588,001	201,607	100.00	201,607	1,707,751	-	Note 7
WT MICROELECTRONICS (SHANGHAI) TECHNOLOGY CO., LTD.	Technical service, international trade, entrepot trade and etc.	40,838	3	30,705	-	-	30,705	(157)	100.00	(157)	43,709	-	Note 4
JCD OPTICAL CORPORATION	Production and sales of optoelectronic materials and components	156,596	2	20,389	-	-	20,389	(54,729)	19.80	(10,836)	6,776	-	Note 8
SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	International trade, entrepot trade and etc.	7,858	2	-	-	-	-	(2,809)	80.00	2,247	(293,901)	-	Note 9
EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	International trade, entrepot trade and etc.	46,058	2	-	-	-	-	27,654	80.00	(22,123)	(235,516)	-	Note 9
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	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.	\$ 1,293,839	\$ 2,109,726		\$ 43,167,391									

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, 2023

Table 10

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
ASMEDIA TECHNOLOGY INC.	179,000,000	17.49%
WPG HOLDINGS LIMITED	161,393,867	15.77%
SHAO YANG INVESTMENT CO., LTD.	74,950,426	7.32%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preferred stock 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, 2023, the number of shares held by the chairman under his own name and under the names of others was 116,773,613 shares, and the shareholding ratio was 11.42%. 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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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 2023 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 2023 parent company only financial statements are stated as follows:

#### **Recognition of supplier rebates**

##### Description

Refer to Note 4(12) 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, which is recognised 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(12) 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, 2023, the Company's inventories and allowance for inventory valuation losses were NT\$58,937,516 thousand and NT\$995,221 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 Company'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\$4,964,229 thousand and NT\$5,132,040 thousand, constituting 2.74% and 3.54% of the parent company only total assets as at December 31, 2023 and 2022, respectively, and the comprehensive (loss) income recognised from associates and joint ventures accounted for under the equity method amounted to (NT\$169,428) thousand and NT\$41,041 thousand, constituting 1.13% and 7.44% of the parent company only total comprehensive income for the years then ended, respectively.

***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.

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Hsu, Sheng-Chung

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Chieh-Ju, Hsu

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 16, 2024

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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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 8,217,742	4	\$ 436,001	-
1110	Financial assets at fair value through profit or loss - current	6(2)	11,809	-	8,369	-
1120	Financial assets at fair value through other comprehensive income - current	6(3)	1,106,224	1	-	-
1170	Accounts receivable, net	6(4)	32,962,995	18	24,333,779	17
1180	Accounts receivable, net - related parties	7	18,330,170	10	21,353,336	15
1200	Other receivables	6(4)(5)	775,816	-	892,543	1
130X	Inventories	6(6)	57,942,295	32	57,815,094	40
1410	Prepayments		<u>972,157</u>	<u>1</u>	<u>472,728</u>	<u>-</u>
11XX	<b>Total current assets</b>		<u>120,319,208</u>	<u>66</u>	<u>105,311,850</u>	<u>73</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	236,285	-	196,885	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	18,201,735	10	8,718,841	6
1550	Investments accounted for using equity method	6(7)	40,590,761	23	28,978,617	20
1600	Property, plant and equipment	6(8)	322,886	-	342,059	-
1755	Right-of-use assets	6(9)	152,205	-	136,807	-
1760	Investment property, net	6(10)	89,445	-	92,000	-
1780	Intangible assets	6(11)	249,507	-	257,102	-
1840	Deferred income tax assets	6(29)	537,562	1	615,455	1
1900	Other non-current assets		<u>272,841</u>	<u>-</u>	<u>272,632</u>	<u>-</u>
15XX	<b>Total non-current assets</b>		<u>60,653,227</u>	<u>34</u>	<u>39,610,398</u>	<u>27</u>
1XXX	<b>Total assets</b>		<u>\$ 180,972,435</u>	<u>100</u>	<u>\$ 144,922,248</u>	<u>100</u>

(Continued)

WT MICROELECTRONICS CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>					
2100	Short-term borrowings	6(12)	\$ 10,895,000	6	\$ 16,952,187	12
2110	Short-term notes and bills payable	6(13)	299,900	-	699,629	1
2120	Financial liabilities at fair value	6(2)				
	through profit or loss - current		18,183	-	5,178	-
2130	Contract liabilities - current	6(22) and 7	107,514	-	181,952	-
2170	Accounts payable		77,541,627	43	49,389,178	34
2180	Accounts payable - related parties	7	3,693,776	2	1,094,714	1
2200	Other payables	6(14)	2,447,888	2	1,760,298	1
2220	Other payables - related parties	7	4,826	-	7,163	-
2230	Current income tax liabilities		180,798	-	617,968	-
2280	Lease liabilities - current		103,283	-	93,870	-
2365	Refund liabilities - current	6(22)	134,766	-	353,997	-
2399	Other current liabilities		20,790	-	17,490	-
21XX	<b>Total current liabilities</b>		<u>95,448,351</u>	<u>53</u>	<u>71,173,624</u>	<u>49</u>
	<b>Non-current liabilities</b>					
2540	Long-term loans	6(15)	12,555,750	7	17,613,000	12
2570	Deferred income tax liabilities	6(29)	733,599	-	657,122	1
2580	Lease liabilities - non-current		51,243	-	45,974	-
2600	Other non-current liabilities		1,074,709	1	1,327,183	1
25XX	<b>Total non-current liabilities</b>		<u>14,415,301</u>	<u>8</u>	<u>19,643,279</u>	<u>14</u>
2XXX	<b>Total liabilities</b>		<u>109,863,652</u>	<u>61</u>	<u>90,816,903</u>	<u>63</u>
	<b>Equity</b>					
	Share capital	6(18)				
3110	Common stock		8,873,017	5	8,835,297	6
3120	Preferred stock		1,350,000	1	1,350,000	1
3130	Certificates of entitlement to new shares from convertible bonds		6,540	-	-	-
3140	Advance receipts for share capital		5,423,396	3	-	-
	Capital surplus	6(19)				
3200	Capital surplus		25,680,674	14	25,294,109	17
	Retained earnings	6(20)				
3310	Legal reserve		4,311,098	2	3,542,791	2
3320	Special reserve		1,564,387	1	-	-
3350	Unappropriated retained earnings		14,300,632	8	16,647,535	12
	Other equity interest	6(21)				
3400	Other equity interest		9,599,039	5	(1,564,387)	(1)
3XXX	<b>Total equity</b>		<u>71,108,783</u>	<u>39</u>	<u>54,105,345</u>	<u>37</u>
	Commitments and contingent liabilities	9				
	Significant subsequent events	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 180,972,435</u>	<u>100</u>	<u>\$ 144,922,248</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, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Year ended December 31				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(22) and 7	\$ 379,590,206	100	\$ 419,523,201	100
5000	Operating costs	6(6) and 7	( 372,555,628)	( 98)	( 411,156,760)	( 98)
5900	Gross profit		<u>7,034,578</u>	<u>2</u>	<u>8,366,441</u>	<u>2</u>
	Operating expenses	6(27) and 7				
6100	Selling expenses		( 2,165,918)	( 1)	( 2,323,407)	( 1)
6200	General and administrative expenses		( 1,866,203)	-	( 907,598)	-
6300	Research and development expenses		( 427,532)	-	( 366,151)	-
6450	Impairment gain (loss) determined in accordance with IFRS 9	12(2)	<u>6,614</u>	-	<u>( 1,808)</u>	-
6000	Total operating expenses		<u>( 4,453,039)</u>	<u>( 1)</u>	<u>( 3,598,964)</u>	<u>( 1)</u>
6900	Operating profit		<u>2,581,539</u>	<u>1</u>	<u>4,767,477</u>	<u>1</u>
	Non-operating income and expenses					
7100	Interest income	6(23)	29,507	-	6,375	-
7010	Other income	6(24)	463,231	-	328,501	-
7020	Other gains and losses	6(25)	352,952	-	395,286	-
7050	Finance costs	6(26)	( 2,227,864)	( 1)	( 1,453,858)	-
7070	Share of profit of associates and joint ventures accounted for using equity method		<u>3,082,041</u>	<u>1</u>	<u>4,578,502</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>1,699,867</u>	-	<u>3,854,806</u>	<u>1</u>
7900	<b>Profit before income tax</b>		<u>4,281,406</u>	<u>1</u>	<u>8,622,283</u>	<u>2</u>
7950	Income tax expense	6(29)	( 269,264)	-	( 991,160)	-
8200	<b>Profit for the year</b>		<u>\$ 4,012,142</u>	<u>1</u>	<u>\$ 7,631,123</u>	<u>2</u>
	<b>Other comprehensive income (loss)</b>					
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311	Loss on remeasurement of defined benefit plan	6(16)	( \$ 1,827)	-	( \$ 14,309)	-
8316	Unrealised gain (loss) on valuation of equity instruments measured at fair value through other comprehensive income	6(21)	<u>11,031,855</u>	<u>3</u>	<u>( 11,098,184)</u>	<u>( 3)</u>
8330	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	6(30)	<u>197,248</u>	-	<u>( 321,356)</u>	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	<u>365</u>	-	<u>2,862</u>	-
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		<u>11,227,641</u>	<u>3</u>	<u>( 11,430,987)</u>	<u>( 3)</u>
	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations	6(21)	( 200,971)	-	3,463,635	1
8380	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method	6(30)	<u>( 109,122)</u>	-	<u>888,073</u>	-
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		<u>( 310,093)</u>	-	<u>4,351,708</u>	<u>1</u>
8300	<b>Total other comprehensive income (loss) for the year</b>		<u>\$ 10,917,548</u>	<u>3</u>	<u>( \$ 7,079,279)</u>	<u>( 2)</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 14,929,690</u>	<u>4</u>	<u>\$ 551,844</u>	-
	Earnings per share (in dollars)	6(31)				
9750	Basic earnings per share		<u>\$ 4.24</u>		<u>\$ 8.61</u>	
9850	Diluted earnings per share		<u>\$ 4.17</u>		<u>\$ 8.53</u>	

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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital				Retained Earnings				Other Equity Interest			Total equity
		Share capital - common stock	Preference stock	Certificates of bond-to-stock conversion	Advance receipts for share capital	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	
<b>2022</b>													
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(21)	-	-	-	-	-	-	-	(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(20)	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	-	-	865,516	-	(865,516)	-	-	-	-
Cash dividends for common stock		-	-	-	-	-	-	-	(4,431,032)	-	-	-	(4,431,032)
Cash dividends for preferred stock		-	-	-	-	-	-	-	(270,000)	-	-	-	(270,000)
Issuance of shares - Global depositary receipts	6(18)(19)	780,000	-	-	-	4,675,260	-	-	-	-	-	-	5,455,260
Conversion of convertible bonds	6(18)(19)	80,374	-	(51,498)	-	47,760	-	-	-	-	-	-	76,636
Cancellation of employee restricted shares	6(18)(19)	(2,145)	-	-	-	2,145	-	-	-	-	-	-	-
Changes in restricted stocks to employees	6(19)(21)	-	-	-	-	(3,320)	-	-	-	-	-	3,320	-
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	(716)	-	-	-	(716)
Compensation cost of share-based payments	6(17)	-	-	-	-	127,486	-	-	102	-	-	94,983	222,571
Disposal of financial assets at fair value through other comprehensive income	6(21)	-	-	-	-	-	-	-	57,163	-	(57,163)	-	-
Redemption liability recognised as other equity	6(21)	-	-	-	-	-	-	-	-	-	-	(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
<b>2023</b>													
Balance at January 1, 2023		\$ 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
Profit for the year		-	-	-	-	-	-	-	4,012,142	-	-	-	4,012,142
Other comprehensive income (loss)	6(21)	-	-	-	-	-	-	-	(1,692)	(310,093)	11,229,333	-	10,917,548
Total comprehensive income (loss)		-	-	-	-	-	-	-	4,010,450	(310,093)	11,229,333	-	14,929,690
Appropriations of 2022 earnings:	6(20)	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	-	-	768,307	-	(768,307)	-	-	-	-
Special reserve		-	-	-	-	-	-	1,564,387	(1,564,387)	-	-	-	-
Cash dividends for common stock		-	-	-	-	-	-	-	(3,812,065)	-	-	-	(3,812,065)
Cash dividends for preferred stock		-	-	-	-	-	-	-	(270,000)	-	-	-	(270,000)
Capital injection	6(18)	-	-	-	5,423,396	-	-	-	-	-	-	-	5,423,396
Employee stock options exercised	6(18)(19)	38,960	-	6,540	-	138,441	-	-	-	-	-	-	183,941
Cancellation of employee restricted shares	6(18)(19)	(1,240)	-	-	-	1,240	-	-	-	-	-	-	-
Changes in restricted stocks to employees	6(19)(21)	-	-	-	-	(3,531)	-	-	-	-	-	3,531	-
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	(1,707)	-	-	-	(1,707)
Compensation cost of share-based payments	6(17)	-	-	-	-	250,415	-	-	-	-	-	46,695	297,110
Disposal of financial assets at fair value through other comprehensive income	6(21)	-	-	-	-	-	-	-	59,113	-	(59,113)	-	-
Change in redemption liability recognised as other equity	6(21)	-	-	-	-	-	-	-	-	-	-	253,073	253,073
Balance at December 31, 2023		\$ 8,873,017	\$ 1,350,000	\$ 6,540	\$ 5,423,396	\$ 25,680,674	\$ 4,311,098	\$ 1,564,387	\$ 14,300,632	\$ 363,363	\$ 10,278,439	(\$ 1,042,763)	\$ 71,108,783

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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 4,281,406	\$ 8,622,283
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(27)	179,910	198,871
Amortisation	6(27)	31,879	27,526
Impairment (gain) loss determined in accordance with IFRS 9	12(2)	( 6,614 )	1,808
Net gain on financial assets and liabilities at fair value through profit or loss	6(25)	( 108,490 )	( 137,498 )
Share-based payments	6(17)	297,110	222,571
Share of profit of subsidiaries accounted for using equity method		( 3,082,041 )	( 4,578,502 )
Interest expense	6(26)	1,293,505	895,184
Interest income	6(23)	( 29,507 )	( 6,375 )
Dividend income	6(24)	( 425,333 )	( 307,470 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		( 8,841,898 )	( 2,511,484 )
Accounts receivable - related parties		3,023,166	3,948,618
Other receivables		116,727	( 132,621 )
Inventories		( 127,201 )	( 8,885,822 )
Prepayments		( 499,429 )	( 19,130 )
Changes in operating liabilities			
Financial assets and liabilities at fair value through profit or loss		78,655	174,717
Contract liabilities		( 74,438 )	128,755
Accounts payable		28,152,449	( 1,480,556 )
Accounts payable - related parties		2,599,062	75,015
Other payables		745,062	235,583
Other current liabilities		( 215,931 )	( 139,955 )
Net defined benefit liability		( 1,212 )	( 2,062 )
Cash inflow (outflow) generated from operations		27,386,837	( 3,670,544 )
Interest received		29,507	6,375
Dividends received		3,982,359	3,438,025
Interest paid		( 1,340,274 )	( 814,015 )
Income taxes paid		( 552,065 )	( 1,341,193 )
Net cash flows from (used in) operating activities		<u>29,506,364</u>	<u>( 2,381,352 )</u>

(Continued)

WT MICROELECTRONICS CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		\$ -	(\$ 7,200)
Acquisition of financial assets at fair value through other comprehensive income	12(2)	( 12,500 )	( 1,373,511 )
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	455,237	-
Proceeds from capital reduction of subsidiaries accounted for using equity method		-	1,123,988
Acquisition of investments accounted for using equity method		( 12,000,000 )	( 5,202,072 )
Acquisition of property, plant and equipment	6(33)	( 16,765 )	( 73,964 )
Acquisition of intangible assets	6(11)	( 24,284 )	( 10,244 )
Increase in guarantee deposits		( 24,698 )	( 195,324 )
Decrease in guarantee deposits		13,059	5,188
Decrease (increase) in other non-current assets		11,419	( 32,002 )
Net cash flows used in investing activities		( 11,598,532 )	( 5,765,141 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(34)	545,797,020	634,071,185
Decrease in short-term borrowings	6(34)	( 551,854,207 )	( 638,478,621 )
Decrease in short-term notes and bills payable	6(34)	( 413,996 )	( 1,006,899 )
Proceeds from long-term loans	6(34)	42,716,900	95,099,300
Repayment of long-term loans	6(34)	( 47,774,150 )	( 85,236,700 )
(Decrease) increase in guarantee deposits received		( 14 )	6,434
Payment of lease liabilities	6(34)	( 124,070 )	( 133,435 )
Issuance of shares - Global depositary receipts	6(18)	-	5,549,184
Issuance of shares - Direct costs of Global depositary receipts	6(18)	-	( 93,924 )
Cash dividends paid	6(20)	( 4,082,065 )	( 4,701,032 )
Capital injection	6(18)	5,423,396	-
Employee stock options exercised		183,941	-
Increase in non-controlling interest	6(7)	( 1,786 )	-
Net cash flows (used in) from financing activities		( 10,129,031 )	5,075,492
Effect of exchange rate changes on cash and cash equivalents		2,940	2,438,523
Net increase (decrease) in cash and cash equivalents		7,781,741	( 632,478 )
Cash and cash equivalents at beginning of year		436,001	1,068,479
Cash and cash equivalents at end of year		\$ 8,217,742	\$ 436,001

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, 2023 AND 2022

(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 16, 2024.

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<sup>®</sup>”) Accounting Standards 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 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
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

Amendments to IAS 12, ‘International tax reform – pillar two model rules’

The amendments give companies temporary relief from accounting for deferred income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). An entity shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	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.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as 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
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 21, 'Lack of exchangeability'	January 1, 2025

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 MATERIAL 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<sup>®</sup> Interpretations, and SIC<sup>®</sup> 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 assets and 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 estimated costs of completion and the estimated costs necessary to make the sale.

(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	27 ~ 56 years
Office equipment	4 years
Other assets	3 ~ 6 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 27 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) and does not give rise to equal taxable and deductible temporary differences. 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. Common stock is classified as equity. The classification of preferred stocks is determined according to the special rights attached to the preferred stocks based on the substance of the contract and the definition of financial liabilities and equity instruments. Preferred stocks are classified as liabilities when they have the basic characteristics 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, 2023.

#### B. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company 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, 2023.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and revolving funds	\$ 1,699	\$ 1,313
Checking accounts and demand deposits	8,216,043	434,688
	<u>\$ 8,217,742</u>	<u>\$ 436,001</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, 2023</u>	<u>December 31, 2022</u>
Current items:		
Beneficiary certificates	\$ 11,630	\$ 8,369
Derivatives	179	-
	<u>\$ 11,809</u>	<u>\$ 8,369</u>
Non-current items:		
Beneficiary certificates	<u>\$ 236,285</u>	<u>\$ 196,885</u>
<u>Liabilities</u>		
Current items:		
Derivatives	<u>\$ 18,183</u>	<u>\$ 5,178</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>2023</u>	<u>2022</u>
Derivatives	\$ 65,829	\$ 183,922
Beneficiary certificates	42,661	(46,424)
	<u>\$ 108,490</u>	<u>\$ 137,498</u>

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

December 31, 2023			
Derivative financial assets	Contract amount (Notional principal) (In thousands)		Contract period
Current items:			
Forward foreign exchange contracts	USD (BUY)	5,000	2023.12.27~2024.2.29
Derivative financial liabilities	Contract amount (Notional principal) (In thousands)		Contract period
Current items:			
Forward foreign exchange contracts	USD (BUY)	100,000	2023.12.27~2024.2.29
December 31, 2022			
Derivative financial liabilities	Contract amount (Notional principal) (In thousands)		Contract period
Current items:			
Forward foreign exchange contracts	USD (BUY)	65,000	2022.12.19~2023.2.24

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, 2023	December 31, 2022
Current items:		
Equity instruments	\$ 1,106,224	\$ -
Non-current items:		
Equity instruments	\$ 18,201,735	\$ 8,718,841

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. The Company sold \$455,237 of listed shares at fair value to satisfy its operating capital needs which resulted in a cumulative gain on disposal of \$59,113 (accounted under unappropriated retained earnings) during the year ended December 31, 2023. For the year ended December 31, 2022, the Company had no disposal of listed shares.

C. Refer to Note 6(21) for information on changes in fair value recognised in other comprehensive income for the years ended December 31, 2023 and 2022.

D. The Company has no financial assets measured at fair value through other comprehensive income pledged to others as of December 31, 2023 and 2022.

(4) Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	\$ 222,116	\$ 129,452
Accounts receivable	32,871,484	24,341,482
Less: Allowance for uncollectible accounts	( 130,605)	( 137,155)
Notes and accounts receivable, net	<u>32,962,995</u>	<u>24,333,779</u>
Overdue receivables	189,021	189,085
Less: Allowance for uncollectible accounts	( 189,021)	( 189,085)
Overdue receivables, net (shown as 'other non-current assets')	<u>-</u>	<u>-</u>
	<u>\$ 32,962,995</u>	<u>\$ 24,333,779</u>

A. As of December 31, 2023 and 2022, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balance of accounts receivable and notes receivable amounted to \$21,704,743.

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, 2023</u>	<u>December 31, 2022</u>
Accounts receivable transferred (Amount derecognised)	<u>\$ 6,570,083</u>	<u>\$ 23,060,365</u>
Amount advanced	<u>\$ 6,179,515</u>	<u>\$ 22,488,244</u>
Amount retained (shown as 'other receivables')	<u>\$ 390,568</u>	<u>\$ 572,121</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) As of December 31, 2023 and 2022, the Company has no accounts receivable for sales or advance payments.

- D. As of December 31, 2023 and 2022, the interest rates for amounts advanced ranged between 1.60%~6.66% and 0.98%~6.184%, respectively.
- E. As of December 31, 2023 and 2022, the total limits of the accounts receivable factoring were \$64,854,172 and \$70,073,476, respectively.
- F. As of December 31, 2023 and 2022, the Company has issued a promissory note of \$76,189,580 and \$83,186,761, respectively, as performance guarantee against any business dispute.
- G. Refer to Note 6(26) for information on financing charges on accounts receivable factoring for the years ended December 31, 2023 and 2022.
- H. As of December 31, 2023 and 2022, 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 \$25,035,726 and \$13,921,881, 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, 2023 and 2022, 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. The Company has no accounts receivable pledged to others.
- K. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Other receivables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Amounts retained for accounts receivable factoring	\$ 390,568	\$ 572,121
VAT refund receivable	321,463	247,390
Others	63,785	73,032
	<u>\$ 775,816</u>	<u>\$ 892,543</u>

(6) Inventories

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Merchandise inventory	\$ 58,937,516	\$ 58,820,204
Less: Allowance for inventory obsolescence and market value decline	( 995,221)	( 1,005,110)
	<u>\$ 57,942,295</u>	<u>\$ 57,815,094</u>

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2023	2022
Cost of inventories sold	\$ 372,565,875	\$ 410,495,043
(Gain on recovery of) loss on decline in market value	( 10,272)	229,034
Loss on disposal of inventory	-	432,670
Loss on physical inventory	25	13
	<u>\$ 372,555,628</u>	<u>\$ 411,156,760</u>

For the year ended December 31, 2023, the Company reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because the Company sold some inventories with net realizable value lower than its cost.

(7) Investments accounted for using equity method

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries:		
Morrihan International Corp.	\$ 17,062,050	\$ 5,790,209
Wintech Microelectronics Holding Limited	10,242,629	10,181,859
WT Semiconductor Holdings Pte. Ltd.	3,971,167	4,105,540
Techmosa International Inc.	2,830,797	2,661,565
Maxtek Technology Co., Ltd.	1,852,960	2,072,091
Nuvision Technology Inc.	1,281,461	1,250,701
BSI Semiconductor Pte. Ltd.	829,776	804,407
WT Microelectronics (Hong Kong) Limited	614,186	496,404
WT Solomon QCE Limited	514,278	472,282
Analog World Co., Ltd.	498,079	470,521
WT Microelectronics Singapore Pte. Ltd.	353,045	154,886
MSD Holdings Pte. Ltd.	232,889	229,256
WT Technology Pte. Ltd.	156,696	156,240
Milestone Investment Co., Ltd.	110,589	92,442
Sinyie Investment Co., Ltd.	35,304	35,323
WT Technology (H. K.) Limited	4,855	4,891
	<u>\$ 40,590,761</u>	<u>\$ 28,978,617</u>

- A. Refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2023 for the information regarding the Company's subsidiaries.
- B. For the years ended December 31, 2023 and 2022, the Company received cash dividends arising from investments accounted for using equity method amounting to \$3,557,026 and \$3,136,036, respectively.
- C. On March 31, 2023, the Company acquired the non-controlling interest in its 99.91% owned subsidiary, Nuvision Technology Inc., for a consideration of \$1,786 in cash, thereby increasing the Company's equity interest to 100%. Consequently, retained earnings decreased by \$532.



D. 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, 2023</u>					
Cost	\$ 163,048	\$ 148,480	\$ 248,468	\$ 269,332	\$ 829,328
Accumulated depreciation and impairment	-	( 75,816)	( 213,491)	( 197,962)	( 487,269)
	<u>\$ 163,048</u>	<u>\$ 72,664</u>	<u>\$ 34,977</u>	<u>\$ 71,370</u>	<u>\$ 342,059</u>
<u>2023</u>					
Opening net book amount	\$ 163,048	\$ 72,664	\$ 34,977	\$ 71,370	\$ 342,059
Additions	-	-	20,170	14,650	34,820
Depreciation charge	-	( 4,102)	( 16,307)	( 33,584)	( 53,993)
Closing net book amount	<u>\$ 163,048</u>	<u>\$ 68,562</u>	<u>\$ 38,840</u>	<u>\$ 52,436</u>	<u>\$ 322,886</u>
<u>At December 31, 2023</u>					
Cost	\$ 163,048	\$ 148,480	\$ 261,415	\$ 280,683	\$ 853,626
Accumulated depreciation and impairment	-	( 79,918)	( 222,575)	( 228,247)	( 530,740)
	<u>\$ 163,048</u>	<u>\$ 68,562</u>	<u>\$ 38,840</u>	<u>\$ 52,436</u>	<u>\$ 322,886</u>
	<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	-	( 108,540)	( 213,922)	( 170,408)	( 492,870)
	<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	-	( 5,166)	( 25,033)	( 35,676)	( 65,875)
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	-	( 75,816)	( 213,491)	( 197,962)	( 487,269)
	<u>\$ 163,048</u>	<u>\$ 72,664</u>	<u>\$ 34,977</u>	<u>\$ 71,370</u>	<u>\$ 342,059</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 and parking space.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings and structures	\$ 152,205	\$ 136,807
	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings and structures	\$ 123,362	\$ 131,506

- D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$140,869 and \$49,844, respectively.
- E. The information on income or expense accounts relating to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 4,152	\$ 3,127
Expense on short-term lease contracts	125,796	81,953

- F. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were \$254,018 and \$218,515, respectively.

(10) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2023</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>
<u>2023</u>			
Opening net book amount as at January 1	\$ 62,411	\$ 29,589	\$ 92,000
Depreciation charge	-	( 2,555)	( 2,555)
Closing net book amount as at December 31	<u>\$ 62,411</u>	<u>\$ 27,034</u>	<u>\$ 89,445</u>
<u>At December 31</u>			
Cost	\$ 62,411	\$ 68,969	\$ 131,380
Accumulated depreciation and impairment	-	( 41,935)	( 41,935)
	<u>\$ 62,411</u>	<u>\$ 27,034</u>	<u>\$ 89,445</u>
	<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>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Rental income from the lease of investment property	<u>\$ 24,186</u>	<u>\$ 11,089</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 2,555</u>	<u>\$ 1,490</u>

B. The fair value of the investment property held by the Company as at December 31, 2023 and 2022 were \$567,563 and \$523,103, 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, 2023</u>				
Cost	\$ 387,437	\$ 111,513	\$ 90,751	\$ 589,701
Accumulated amortisation and impairment	( 208,133)	( 95,088)	( 29,378)	( 332,599)
	<u>\$ 179,304</u>	<u>\$ 16,425</u>	<u>\$ 61,373</u>	<u>\$ 257,102</u>
<u>2023</u>				
Opening net book amount	\$ 179,304	\$ 16,425	\$ 61,373	\$ 257,102
Additions	-	24,284	-	24,284
Amortisation charge (shown as 'general and administrative expenses')	<u>-</u>	<u>( 13,729)</u>	<u>( 18,150)</u>	<u>( 31,879)</u>
Closing net book amount	<u>\$ 179,304</u>	<u>\$ 26,980</u>	<u>\$ 43,223</u>	<u>\$ 249,507</u>
<u>At December 31, 2023</u>				
Cost	\$ 387,437	\$ 135,797	\$ 90,751	\$ 613,985
Accumulated amortisation and impairment	( 208,133)	( 108,817)	( 47,528)	( 364,478)
	<u>\$ 179,304</u>	<u>\$ 26,980</u>	<u>\$ 43,223</u>	<u>\$ 249,507</u>

	<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	( 208,133)	( 85,713)	( 11,227)	( 305,073)
	<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')	-	( 9,375)	( 18,151)	( 27,526)
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	( 208,133)	( 95,088)	( 29,378)	( 332,599)
	<u>\$ 179,304</u>	<u>\$ 16,425</u>	<u>\$ 61,373</u>	<u>\$ 257,102</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Greater China Region	<u>\$ 179,304</u>	<u>\$ 179,304</u>

B. 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, 2023 and 2022 was 0%~5%; the assumption used for discount rate is the weighted average capital cost of the Company. As of December 31, 2023 and 2022, the key valuations used for pre-tax discount rate to reflect risk of related cash-generating units were 5.71%~9.18% and 7.02%~10.02%, respectively. Based on the aforementioned assessment, no impairment loss on goodwill was recognised for the years ended December 31, 2023 and 2022.

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

(12) Short-term borrowings

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Credit loans	\$ 10,895,000	\$ 16,952,187
Interest rate per annum	<u>1.72%~1.85%</u>	<u>1.4917%~5.29%</u>

(13) Short-term notes and bills payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commercial paper	\$ 300,000	\$ 700,000
Amortisation of discount	( 100)	( 371)
	<u>\$ 299,900</u>	<u>\$ 699,629</u>
Coupon rate	<u>1.35%</u>	<u>1.3%~1.7%</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, 2023</u>	<u>December 31, 2022</u>
Salaries and bonuses payable	\$ 898,189	\$ 1,020,030
Services payable	833,785	70,619
Insurance expense payable	103,185	78,446
Freight payable	101,522	132,756
Finance costs payable	96,875	184,588
Technical service fees payable	70,911	71,871
Accrued VAT payable	62,904	12,448
Pension payable	14,892	13,372
System maintenance payable	12,009	4,200
Others	253,616	171,968
	<u>\$ 2,447,888</u>	<u>\$ 1,760,298</u>

(15) Long-term loans

Type of loans	Period	<u>December 31, 2023</u>		
		<u>Credit line</u>	<u>Interest rate</u>	<u>Amount</u>
Mid-term syndicated loans (note A)	2021.7.29~ 2026.7.29	\$ 12,000,000	2.0930%~ 6.7865%	\$ 7,655,750
Mid-term syndicated loans (note A)	2022.6.27~ 2027.6.27	24,000,000	2.0930%	4,500,000
Mid-term borrowings (Export-Import Bank of the Republic of China)	2023.4.24~ 2028.4.24	400,000	2.0230%	400,000
				<u>\$ 12,555,750</u>

Type of loans	Period	December 31, 2022		
		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
				<u>\$ 17,613,000</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. On August 2, 2023, the Company's Board of Directors resolved to sign a syndicated loan agreement with a financial institution amounting to \$20 billion. As of December 31, 2023, the Company has not yet drawdown the loan. As stipulated in this syndicated loan agreement, the Company's liquidity ratio shall be at least 100%, net debt ratio shall be no more than 280% and interest coverage ratio shall be at least 200%.

C. The Company's financial ratios in the consolidated financial statements for the years ended December 31, 2023 and 2022 have met the required covenants under the abovementioned borrowing contract.

D. The Company's liquidity risk is provided in Note 12.

## (16) 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, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	\$ 183,932	\$ 180,408
Fair value of plan assets	( 129,652)	( 126,742)
Net defined benefit liability (Shown as 'other non-current liabilities')	<u>\$ 54,280</u>	<u>\$ 53,666</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, 2023			
Balance at January 1	\$ 180,408	\$ 126,742	\$ 53,666
Current service cost	1,537	-	1,537
Interest (expense) income	<u>2,345</u>	<u>1,648</u>	<u>697</u>
	<u>184,290</u>	<u>128,390</u>	<u>55,900</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	475	( 475)
Change in financial assumptions	1,315	-	1,315
Experience adjustments	<u>987</u>	<u>-</u>	<u>987</u>
	<u>2,302</u>	<u>475</u>	<u>1,827</u>
Pension fund contribution	-	3,447	( 3,447)
Paid pension	<u>( 2,660)</u>	<u>( 2,660)</u>	<u>-</u>
Balance at December 31	<u>\$ 183,932</u>	<u>\$ 129,652</u>	<u>\$ 54,280</u>



	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
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	1,088	798	290
	<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	31,597	-	31,597
	<u>22,768</u>	<u>8,459</u>	<u>14,309</u>
Pension fund contribution	-	3,494	( 3,494)
Balance at December 31	<u>\$ 180,408</u>	<u>\$ 126,742</u>	<u>\$ 53,666</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, 2023 and 2022 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,	
	2023	2022
Discount rate	<u>1.2%</u>	<u>1.3%</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 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 3,262)	\$ 3,351	\$ 2,830	(\$ 2,774)
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 3,504)	\$ 3,605	\$ 3,091	(\$ 3,024)

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, 2024 amount to \$3,326.
  - (g) As of December 31, 2023, 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, 2023 and 2022 were \$52,583 and \$51,359, respectively.

(17) Share-based payment

A. For the years ended December 31, 2023 and 2022, 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 common stock 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 common stock, 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, 2023 and 2022 are disclosed as follows:

	2023		
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	Weighted-average remaining contractual period
Options outstanding at January 1	30,148	\$ 58.58	
Options exercised	( 4,550)	40.43	
Options forfeited	( <u>671</u> )	62.00	
Options outstanding at December 31	<u>24,927</u>	57.77	3.07 years
Options exercisable at December 31	<u>1,295</u>		

	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

D. The weighted-average stock price of stock options was \$76.06 (in dollars) for the year ended December 31, 2023. As of December 31, 2022, the Company had no exercisable stock options.

E. Details of the employee restricted shares for the years ended December 31, 2023 and 2022 are disclosed as follows:

	2023	2022
	No. of shares (in thousands)	No. of shares (in thousands)
Shares outstanding at January 1	4,090	5,666
Shares redeemed at beginning of year but not yet retired	29	62
Shares vested	( 1,342)	( 1,395)
Shares redeemed, not yet forfeited	( 14)	( 29)
Shares forfeited	( 125)	( 214)
Shares outstanding at December 31	<u>2,638</u>	<u>4,090</u>

F. Compensation cost of share-based payment of \$297,110 and \$222,571 was recognised for the years ended December 31, 2023 and 2022, respectively.

(18) Share capital

As of December 31, 2023, the Company's authorised capital was \$20,000,000, including partial preferred stocks, consisting of 2 billion shares (including 300 million shares reserved for employee stock options), and the paid-in capital was \$10,223,017 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 common stock (including certificate of entitlement to new shares from convertible bonds) outstanding are as follows:

	<u>2023</u>	<u>2022</u>
	<u>Shares (in thousands)</u>	<u>Shares (in thousands)</u>
At January 1	883,530	802,857
Employee stock options exercised	4,550	-
Cancellation of employee restricted shares	( 125)	( 214)
Issuance of shares - Global depository receipts	-	78,000
Shares converted from bonds	-	2,887
At December 31	<u>887,955</u>	<u>883,530</u>

B. For the year ended December 31, 2022, all convertible bonds of the Company have been converted into 41,174 thousand common stocks. Convertible bonds amounting to \$77,100 in total par value have been requested for conversion into 2,887 thousand common stock.

C. For the year ended December 31, 2023, employees of the Company exercised employee stock options, which have been converted into 4,550 thousand common stocks. There are still 654 thousand common stocks which were recorded under 'certificate of entitlement to new shares from convertible bonds' because the change in registration has not yet been completed as of December 31, 2023.

D. For the years ended December 31, 2023 and 2022, the Company has retrieved 125 thousand and 214 thousand of employee restricted shares, respectively, for not satisfying vesting conditions, and the Company cancelled and retired the shares in accordance with the regulations.

E. On September 28, 2023, the Board of Directors resolved to increase the Company's capital by issuing 135 million new shares with a par value of \$10 (in dollars) per share. The effective date of capital injection was January 9, 2024. As of February 16, 2024, the capital injection had registered but was not yet approved by regulatory authority. As of December 31, 2023, the Company has received \$5,423,396 which was recorded as 'advance receipts for share capital'.

### Global depositary receipts

On February 24, 2022, the Company's Board of Directors resolved to increase capital by issuing common stock 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, 2023, there were no global depositary receipts in circulation.

### Preferred stock

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 stocks 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 stocks are as follows:

- A. Expiration date: The Company's Class A preferred stocks are perpetual. The shareholders of Class A preferred stocks cannot request the Company to retire the preferred stocks 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 stocks 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 stocks 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 stocks in first priority.

The Company has discretion in dividend distribution of Class A preferred stocks. The Company could choose not to distribute dividends of preferred stocks 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 stocks 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 stocks have priority over shareholders of common shares in distributing the Company's residual properties and have the same priority with other preferred stockholders of the Company, but behind the general creditor. In addition, the limit is the amount calculated by shares of outstanding preferred stocks issued and the issue price when distributing.
- F. Right to vote and be elected: The shareholders of Class A preferred stocks 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 stocks could not be converted to common shares.
- H. The preemptive rights for shareholders of Class A preferred stocks 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 stocks can be used to offset against accumulated deficit but cannot be capitalised during the issuance period.

(19) 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:



	2023					
	Share premium	Employee stock options	Restricted stocks to employees	Net change in equity of subsidiaries	Total	
At January 1	\$ 24,968,223	\$ 154,122	\$ 160,354	\$ 11,410	\$ 25,294,109	
Vesting of employee restricted shares	53,188	-	( 53,188)	-	-	
Cancellation of employee restricted shares	-	-	1,240	-	1,240	
Changes in restricted stocks to employees	-	-	( 3,531)	-	( 3,531)	
Employee stock options exercised	170,738	( 32,297)	-	-	138,441	
Compensation cost of share-based payments	-	250,415	-	-	250,415	
At December 31	<u>\$ 25,192,149</u>	<u>\$ 372,240</u>	<u>\$ 104,875</u>	<u>\$ 11,410</u>	<u>\$ 25,680,674</u>	
	2022					
	Share premium	Employee stock options	Stock options	Restricted stocks to employees	Net change in equity of subsidiaries	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>

(20) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to 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 stock, and distribution of such earnings shall be 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 authorized, 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 2023 and May 2022, the distribution information of the Company's 2022 and 2021 earnings, respectively, is as follows:

	Years ended December 31,			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 768,307		\$ 865,516	
Special reserve	1,564,387		-	
Dividends on preferred stock	270,000	\$ 2.000	270,000	\$ 2.000
Cash dividends of ordinary shareholders	<u>3,812,065</u>	4.300	<u>4,431,032</u>	5.500
	<u>\$ 6,414,759</u>		<u>\$ 5,566,548</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.

(21) Other equity items

	Unrealised (losses) gains on valuation	Currency translation	Others	Total
At January 1, 2023	(\$ 891,781)	\$ 673,456	(\$1,346,062)	(\$ 1,564,387)
Valuation adjustment on equity instruments				
- The Company	11,031,855	-	-	11,031,855
- Subsidiaries	197,478	-	-	197,478
Disposals reclassified as retained earnings				
- The Company	( 59,113)	-	-	( 59,113)
Currency translation differences				
- Translation of foreign operations	-	( 200,971)	-	( 200,971)
- Subsidiaries and associates	-	( 109,122)	-	( 109,122)
Changes in restricted stocks to employees	-	-	3,531	3,531
Increase in redemption liability recognised as other equity	-	-	253,073	253,073
Compensation cost of share-based payments	-	-	46,695	46,695
At December 31, 2023	<u>\$ 10,278,439</u>	<u>\$ 363,363</u>	<u>(\$1,042,763)</u>	<u>\$ 9,599,039</u>

	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				
- 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	-	-	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> )

(22) Operating revenue

	Years ended December 31,	
	2023	2022
Contract revenue		
Sales of electronic components	\$ 379,426,167	\$ 419,308,650
Other operating revenue	164,039	214,551
	<u>\$ 379,590,206</u>	<u>\$ 419,523,201</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, 2023	December 31, 2022	January 1, 2022
Refund liabilities - sales discounts and returns	<u>\$ 134,766</u>	<u>\$ 353,997</u>	<u>\$ 424,448</u>
Contract liabilities - advance sales receipts	<u>\$ 107,514</u>	<u>\$ 181,952</u>	<u>\$ 53,197</u>

C. Revenue recognised that was included in the contract liability balance at the beginning of the year:

	Years ended December 31	
	2023	2022
Revenue recognised that was included in the contract liability balance at beginning of the year	\$ 148,251	\$ 30,912

(23) Interest income

	Years ended December 31,	
	2023	2022
Interest income from bank deposits	\$ 29,507	\$ 6,375

(24) Other income

	Years ended December 31,	
	2023	2022
Dividend income	\$ 425,333	\$ 307,470
Rental income	24,186	11,133
Other income	13,712	9,898
	\$ 463,231	\$ 328,501

(25) Other gains and losses

	Years ended December 31,	
	2023	2022
Foreign exchange gain, net	\$ 248,983	\$ 268,530
Gain on financial assets and liabilities at fair value through profit or loss	108,490	137,498
Other losses	(4,521)	(10,742)
	\$ 352,952	\$ 395,286

(26) Finance costs

	Years ended December 31,	
	2023	2022
Interest expense		
Bank borrowings	\$ 1,275,086	\$ 885,134
Others	18,419	10,050
Financing charges on accounts receivable factoring	908,602	525,468
Other finance costs	25,757	33,206
	\$ 2,227,864	\$ 1,453,858

(27) Expenses by nature

	Years ended December 31,	
	2023	2022
Employee benefit expense	\$ 1,898,993	\$ 1,930,140
Depreciation	179,910	198,871
Amortisation	31,879	27,526
Total (shown as 'Operating expenses')	<u>\$ 2,110,782</u>	<u>\$ 2,156,537</u>

(28) Employee benefit expense

	Years ended December 31,	
	2023	2022
Employee benefit expense		
Wages and salaries	\$ 1,640,968	\$ 1,669,473
Labour and health insurance fees	99,478	98,953
Pension costs	54,817	52,791
Directors' remuneration	29,085	37,107
Other personnel expenses	74,645	71,816
Total (shown as 'Operating expenses')	<u>\$ 1,898,993</u>	<u>\$ 1,930,140</u>

- A. For the years ended December 31, 2023 and 2022, the Company had 948 and 957 employees, including 6 and 5 non-employee directors, respectively.
- B. For the years ended December 31, 2023 and 2022, the average employee benefit expenses were \$1,985 and \$1,988, respectively, while the average employee wages and salaries were \$1,742 and \$1,754, respectively; the variation on adjustments in the average employee wages and salaries was 0.68%.
- C. Since the Company has set up an audit committee, the supervisor's remuneration for the years ended December 31, 2023 and 2022 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, 2023 and 2022, employees' compensation was accrued at \$43,600 and \$87,500, respectively; while directors' remuneration was accrued at \$26,571 and \$35,000, respectively. The aforementioned amounts were recognised in salary expenses. Employees' compensation and directors' remuneration for 2023 and 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in profit or loss for 2023 and 2022, 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.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense

	Years ended December 31,	
	2023	2022
Current tax:		
Current tax on profit for the year	\$ 51,121	\$ 895,368
Tax on undistributed surplus earnings	63,416	154,430
Prior year income tax over estimation	( 8)	-
Total current tax	<u>114,529</u>	<u>1,049,798</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>154,735</u>	<u>( 58,638)</u>
Income tax expense	<u>\$ 269,264</u>	<u>\$ 991,160</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2023	2022
Remeasurement of defined benefit obligations	<u>\$ 365</u>	<u>\$ 2,862</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	\$ 856,281	\$ 1,724,457
Expenses disallowed by tax regulation	( 650,425)	( 887,727)
Tax on undistributed earnings	63,416	154,430
Prior year income tax over estimation	( 8)	-
Income tax expenses	<u>\$ 269,264</u>	<u>\$ 991,160</u>



C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	Year ended December 31, 2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
-Deferred tax assets:				
Allowance for sales returns and discounts	\$ 352,118	(\$ 55,091)	\$ -	\$ 297,027
Reserve for inventory obsolescence and market price decline	203,993	( 2,054)	-	201,939
Unrealised foreign exchange loss	23,436	( 23,436)	-	-
Others	35,908	2,323	365	38,596
	<u>\$ 615,455</u>	<u>(\$ 78,258)</u>	<u>\$ 365</u>	<u>\$ 537,562</u>
-Deferred tax liabilities:				
Foreign investment income using equity method	(\$ 657,122)	(\$ 29,101)	\$ -	(\$ 686,223)
Unrealised foreign exchange gain	-	( 47,376)	-	( 47,376)
	<u>(\$ 657,122)</u>	<u>(\$ 76,477)</u>	<u>\$ -</u>	<u>(\$ 733,599)</u>
	Year ended December 31, 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	32,025	1,021	2,862	35,908
	<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	( 1,219)	1,219	-	-
	<u>(\$ 631,773)</u>	<u>(\$ 25,349)</u>	<u>\$ -</u>	<u>(\$ 657,122)</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, 2023 and 2022, the temporary differences of unrecognised deferred tax liabilities were \$4,052,497 and \$3,856,689, respectively.
- E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.
- F. The Company has applied the exception to the requirements to recognise and disclose information on deferred tax assets and liabilities related to Pillar Two income taxes.
- G. The Company's exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:

The Company is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). The Pillar Two legislation was enacted in South Korea, Japan and Vietnam, and will take effect from January 1, 2024. For companies incorporated in Singapore, the Pillar Two legislation has yet to be enacted and is expected to take effect from January 1, 2025. The Company has no related current tax exposure as of December 31, 2023.

Under the Pillar Two legislation, the Company is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate.

The Company is in the process of assessing its exposure to the Pillar Two legislation when it comes into effect. This assessment indicates that for companies registered in South Korea, Japan, Vietnam and Singapore, the average effective rate based on accounting profit is 15% for the year ended December 31, 2023. Due to the complexities in applying the legislation and calculating GloBE income as well as the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12, the Company is currently evaluating the relevant matters in applying the legislation. The Company has applied the amendments to IAS 12 'Income tax' issued on May 23, 2023 and applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

(30) Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Subsidiaries and associates:		
Components of other comprehensive income that will not be reclassified to profit or loss		
- Valuation adjustment on equity instruments	\$ 197,478	(\$ 328,206)
- Net (loss) gain on defined benefit plan	( 230)	6,850
	<u>197,248</u>	<u>( 321,356)</u>
Components of other comprehensive income that will be reclassified to profit or loss		
- Currency translation differences	( 109,122)	888,073
	<u>( 109,122)</u>	<u>888,073</u>
	<u>\$ 88,126</u>	<u>\$ 566,717</u>

(31) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of common stock outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 4,012,142		
Less: Dividends of preferred stock	( 270,000)		
Profit used to calculate basic earnings per share	<u>\$ 3,742,142</u>	<u>883,169</u>	<u>\$ 4.24</u>
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 4,012,142		
Less: Dividends of preferred stock	( 270,000)		
Profit used to calculate diluted earnings per share	3,742,142	883,169	
Assumed conversion of all dilutive potential common stock:			
Restricted stocks to employees	-	2,567	
Employee stock options	-	11,592	
Employees' compensation	-	581	
Profit used to calculate diluted earnings per share attributable to shareholders of the parent plus assumed conversion of all dilutive potential common stock	<u>\$ 3,742,142</u>	<u>897,909</u>	<u>\$ 4.17</u>

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of common stock 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 stock	( 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 stock	( 270,000)		
Profit used to calculate diluted earnings per share	7,361,123	855,236	
Assumed conversion of all dilutive potential common stock:			
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 common stock	<u>\$ 7,361,124</u>	<u>862,547</u>	<u>\$ 8.53</u>

(32) Business combinations

On September 14, 2023, the Company's audit committee and Board of Directors resolved to enter into a definitive agreement for the acquisition of all the shares of Future Electronics Inc. The trading counterparty is Alonim Investments Inc. The transfer price of all the shares of Future Electronics Inc. is estimated to be US\$3.8 billion (approximately NT\$121,524,000 thousand) and will be adjusted according to the contract. As of December 31, 2023, the Company has not yet received all approvals from Investment of Commission of the respective countries. The transaction is expected to be completed after receiving all the necessary approvals.

(33) Supplemental cash flow information

A. Cash paid for property, plant and equipment:

	Years ended Decemer 31,	
	2023	2022
Purchase of property, plant and equipment	\$ 34,820	\$ 69,639
Add: Opening balance of payable on equipment	626	24,580
Ending balance of prepayments for business facilities	-	16,828
Less: Ending balance of payable on equipment	( 1,853)	( 626)
Opening balance of prepayments for business facilities	( 16,828)	( 36,457)
Cash paid during the year	<u>\$ 16,765</u>	<u>\$ 73,964</u>

B. Financing activities with no cash flow effects:

	December 31, 2023	December 31, 2022
Conversion of bonds payable	\$ -	\$ 28,876
Capital surplus of bonds payable conversion	-	47,760
Conversion of convertible bonds payable	-	( 76,636)
Cash paid during the year	<u>\$ -</u>	<u>\$ -</u>

(34) Changes in liabilities from financing activities

	Long-term and short-term borrowings (Note)	Short-term notes and bills payable	Lease liability	Liabilities from financing activities - gross
At January 1, 2023	\$ 34,565,187	\$ 699,629	\$ 139,843	\$ 35,404,659
Changes in cash flow from financing activities	( 11,114,437)	( 413,996)	( 124,070)	( 11,652,503)
Increase in lease liability	-	-	140,869	140,869
Interest expense from amortisation	-	14,267	-	14,267
Changes in other non-cash items	-	-	( 2,116)	( 2,116)
At December 31, 2023	<u>\$ 23,450,750</u>	<u>\$ 299,900</u>	<u>\$ 154,526</u>	<u>\$ 23,905,176</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, 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>

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
Leader's Technology Co., Ltd.	Indirectly reinvested subsidiary of the Company
Excelpoint Vietnam Company Limited	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,	
	2023	2022
Sales of goods:		
- Subsidiaries		
Morrihan International Corp.	\$ 115,851,902	\$ 120,584,047
WT Microelectronics (Hong Kong) Limited	48,748,316	42,469,991
Others	38,226,805	52,058,930
- Entity with significant influence over the Group	<u>3,340,752</u>	<u>2,910,252</u>
	<u>\$ 206,167,775</u>	<u>\$ 218,023,220</u>

The collection terms with related parties were 60 to 120 days after the end of next month and the products were categorised and priced taking into consideration the inventory cost, market and other conditions.

B. Purchases

	Years ended December 31,	
	2023	2022
Purchases of goods:		
- Subsidiaries	\$ 10,135,200	\$ 11,675,999
- Associates	-	6,585
- Entity with significant influence over the Group	<u>959,194</u>	<u>1,481,613</u>
	<u>\$ 11,094,394</u>	<u>\$ 13,164,197</u>

The credit term to related parties is 30 to 90 days after the end of next month and the purchase prices were categorised and priced taking into consideration the market prices and other conditions.

C. Receivables from related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable:		
- Subsidiaries		
WT Microelectronics (Hong Kong) Limited	\$ 12,488,389	\$ 6,232,757
WT Microelectronics Singapore Pte. Ltd.	2,001,231	1,433,444
Morrihan International Corp.	-	8,931,307
Others	3,298,016	4,465,331
- Entity with significant influence over the Group	<u>542,534</u>	<u>290,497</u>
	<u>\$ 18,330,170</u>	<u>\$ 21,353,336</u>



D. Payables to related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable:		
- Subsidiaries		
Morrihan International Corp.	\$ 2,818,352	\$ -
Nuvision Technology Inc.	388,518	819,287
Others	378,694	150,223
- Entity with significant influence over the Group	<u>108,212</u>	<u>125,204</u>
	<u>\$ 3,693,776</u>	<u>\$ 1,094,714</u>

E. Property transactions

Acquisition of financial assets:

	<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Year ended December 31, 2023 Consideration</u>
Morrihan International Corp.	Investments accounted for using equity method	240,000,000	shares	<u>\$ 12,000,000</u>

F. Contract liabilities and refund liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Contract liabilities – current (Advance sales receipts):		
- Subsidiaries	<u>\$ 78,852</u>	<u>\$ 19,661</u>
Refund liabilities (Sales discounts and returns):		
- Entity with significant influence over the Group	<u>\$ 10</u>	<u>\$ 31</u>

G. Commissions

(a) Commissions expense

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
-Subsidiaries	<u>\$ 55,104</u>	<u>\$ 54,949</u>

(b) Commissions payable (shown as ‘other payables to related parties’)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
- Subsidiaries	<u>\$ 4,826</u>	<u>\$ 6,013</u>

H. Endorsements and guarantees provided to related parties

As of December 31, 2023 and 2022, 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, 2023</u>	<u>December 31, 2022</u>
- Subsidiaries	<u>\$ 14,822,039</u>	<u>\$ 14,485,310</u>

(3) Key management compensation

	Years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	\$ 119,367	\$ 186,037
Post-employment benefits	773	1,044
Share-based payment	21,367	33,133
	<u>\$ 141,507</u>	<u>\$ 220,214</u>

8. PLEDGED ASSETS

None.

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, 2023</u>	<u>December 31, 2022</u>
Outstanding letters of credit	<u>\$ 4,339,063</u>	<u>\$ 4,289,730</u>

B. Provision of endorsements and guarantees

Refer to Note 7(2)H for the provision of endorsements and guarantees to subsidiaries for bank borrowings.

C. Refer to Note 6(32) for commitments generated from business combinations.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) On January 19, 2024, the Company's Board of Directors resolved the disposal of 4,500,000 common shares of ASMedia Technology Inc. with a share price of \$1,750 (in dollars) for a total consideration of \$7.875 billion.

(2) Refer to Note 6(18)E. for details.

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.

For the years ended December 31, 2023 and 2022, the Company's strategy was to maintain the financial debt ratio below 250%.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</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	\$ 248,094	\$ 205,254
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	\$ 19,307,959	\$ 8,718,841
Qualifying debt instruments	25,035,726	13,921,881
	<u>\$ 44,343,685</u>	<u>\$ 22,640,722</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 8,217,742	\$ 436,001
Accounts receivable	26,257,439	31,765,234
Other receivables	775,816	892,543
Guarantee deposits paid (shown as 'other non-current assets')	253,398	241,835
	<u>\$ 35,504,395</u>	<u>\$ 33,335,613</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 18,183	\$ 5,178
Financial liabilities at amortised cost		
Short-term borrowings	\$ 10,895,000	\$ 16,952,187
Short-term notes and bills payable	299,900	699,629
Accounts payable	81,235,403	50,483,892
Other accounts payable	2,452,714	1,767,461
Long-term borrowings	12,555,750	17,613,000
Guarantee deposits received (shown as 'other non-current liabilities')	6,419	6,434
	<u>\$ 107,445,186</u>	<u>\$ 87,522,603</u>
Lease liability	<u>\$ 154,526</u>	<u>\$ 139,844</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, 2023					
	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	1,710,882	30.705	\$ 52,532,632	1%	\$ 525,326
<u>Foreign operations</u>					
USD:NTD	568,668	30.705	17,460,514		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	2,062,064	30.705	63,315,675	1%	633,157
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	30.710	\$ 44,747,787	1%	\$ 447,478
<u>Foreign operations</u>					
USD:NTD	557,074	30.710	17,119,200		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	1,424,170	30.710	43,736,261	1%	437,363

- 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, 2023 and 2022, amounted to \$248,983 and \$268,530, 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, 2023 and 2022 would have increased/decreased by \$1,983 and \$1,642, 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 \$193,080 and \$87,188, 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, 2023 and 2022, 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, 2023 and 2022 would have decreased/increased by \$48,499 and \$74,104 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, 2023</u>	<u>December 31, 2022</u>
Not past due	\$ 50,214,533	\$ 44,640,572
Up to 90 days	1,170,392	1,070,781
91 to 180 days	14,688	105,090
Over 180 days	213,178	196,912
	<u>\$ 51,612,791</u>	<u>\$ 46,013,355</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, 2023 and 2022, 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, 2023</u>	<u>Individual</u>	<u>Group A &amp; B</u>	<u>Group C</u>	<u>Group D</u>	<u>Total</u>
Expected loss rate	100.00%	0.05%	0.4%~100%	1.83%~2.78%	
Total book value	\$ 209,612	\$ 43,284,559	\$ 7,201,313	\$ 917,307	\$ 51,612,791
Loss allowance	\$ 209,612	\$ 19,487	\$ 68,284	\$ 22,252	\$ 319,626
<u>December 31, 2022</u>	<u>Individual</u>	<u>Group A &amp; 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	\$ 237,393	\$ 37,869,258	\$ 7,079,287	\$ 827,417	\$ 46,013,355
Loss allowance	\$ 201,196	\$ 19,881	\$ 56,258	\$ 48,905	\$ 326,240

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>2023</u>	<u>2022</u>
At January 1	\$ 326,240	\$ 324,432
(Gain on reversal of) provision for impairment	( 6,614)	1,808
At December 31	<u>\$ 319,626</u>	<u>\$ 326,240</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:

December 31, 2023

	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Total</u>
Short-term borrowings (Note)	\$ 10,945,655	\$ -	\$ 10,945,655
Lease liability	106,438	51,559	157,997
Long-term loans (Note)	-	13,888,528	13,888,528
	<u>\$ 11,052,093</u>	<u>\$ 13,940,087</u>	<u>\$ 24,992,180</u>



December 31, 2022

	<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)	<u>620,746</u>	<u>18,267,871</u>	<u>18,888,617</u>
	<u>\$17,771,754</u>	<u>\$ 18,314,212</u>	<u>\$ 36,085,966</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, 2023 and 2022, 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 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, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value				
through profit or loss				
Beneficiary certificates	\$ 44,630	\$ -	\$ 203,285	\$ 247,915
Derivative instruments	-	179	-	179
Financial assets at fair value				
through other comprehensive				
income				
Equity securities	19,238,103	-	69,856	19,307,959
Accounts receivable that are				
expected to be factored	-	-	25,035,726	25,035,726
	<u>\$19,282,733</u>	<u>\$ 179</u>	<u>\$25,308,867</u>	<u>\$44,591,779</u>

Liabilities

Recurring fair value measurements

Financial liabilities at fair value

through profit or loss

Derivative instruments	<u>\$ -</u>	<u>\$ 18,183</u>	<u>\$ -</u>	<u>\$ 18,183</u>
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December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<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

Recurring fair value measurements

Financial liabilities at fair value

through profit or loss

Derivative instruments	<u>\$ -</u>	<u>\$ 5,178</u>	<u>\$ -</u>	<u>\$ 5,178</u>
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- (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:

	Listed shares	Open-end fund
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, 2023 and 2022, 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, 2023 and 2022:

	<u>Equity securities and beneficiary certificates</u>	
	<u>2023</u>	<u>2022</u>
At January 1	\$ 14,140,971	\$ 8,470,803
Acquired during the year	12,500	7,200
Gain (losses) recognised in profit or loss	28,720	( 27,510)
Recorded as unrealised gain (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	12,831	( 10,057)
Increase in accounts receivable that are expected to be factored	14,091,369	8,790,741
Decrease in accounts receivable that are expected to be factored	( 2,977,524)	( 3,090,206)
At December 31	<u>\$ 25,308,867</u>	<u>\$ 14,140,971</u>

For the years ended December 31, 2023 and 2022, 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:

	<u>Fair value at December 31, 2023</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 8,762	Market comparable companies	Price to earnings ratio multiple	1.15~1.96 (1.54)	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
	12,500	Most recent nonactive market price	Not applicable	-	Not applicable
Venture capital shares	48,594	Net asset value	Not applicable	-	Not applicable
Private equity fund	203,285	Net asset value	Not applicable	-	Not applicable

	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

### 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 Notes 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, 2023

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 the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	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
													Item	Value			
1	WINTECH MICROELECTRONICS HOLDING LIMITED	WINTECH MICROELECTRONICS LTD.	Other receivables - related parties	Y	\$ 8,712,900	\$ 6,755,100	\$ 6,325,230	5.65%	Short-term financing	\$ -	Business Operation	\$ -	-	\$ -	\$ 10,285,560	\$ 10,285,560	Note 2
1	WINTECH MICROELECTRONICS HOLDING LIMITED	BRILLNICS (HK) LIMITED	Other receivables - related parties	Y	61,420	-	-	1.00%	Short-term financing	-	Business Operation	-	-	-	10,285,560	10,285,560	Note 2
2	BSI SEMICONDUCTOR PTE. LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Other receivables - related parties	Y	321,107	303,980	303,980	6.61%~6.84%	Short-term financing	-	Business Operation	-	-	-	595,399	595,399	Note 2
3	MSD HOLDING PTE. LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Other receivables - related parties	Y	90,818	85,974	85,974	6.35%	Short-term financing	-	Business Operation	-	-	-	101,360	101,360	Note 2
4	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	Other receivables - related parties	Y	270,248	92,115	92,115	5.05%	Short-term financing	-	Business Operation	-	-	-	1,255,397	1,255,397	Note 2
4	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	Other receivables - related parties	Y	46,110	-	-	4.93%	Short-term financing	-	Business Operation	-	-	-	1,255,397	1,255,397	Note 2
5	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	SHANGHAI UQ IOT TECH., INC.	Temporary payment	N	6,691	-	-	3.50%	Short-term financing	-	Business Operation	-	-	-	512,325	683,100	Note 3
5	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD	Other receivables - related parties	Y	620,228	605,472	605,472	3.65%	Short-term financing	-	Business Operation	-	-	-	1,707,751	1,707,751	Note 2
6	WINTECH INVESTMENT CO., LTD.	WINTECH MICROELECTRONICS LTD.	Other receivables - related parties	Y	256,209	128,961	128,961	5.65%	Short-term financing	-	Business Operation	-	-	-	1,075,451	1,075,451	Note 2
7	EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS VIETNAM COMPANY LIMITED	Other receivables - related parties	Y	27,635	27,635	27,635	5.05%~5.97%	Short-term financing	-	Business Operation	-	-	-	849,399	849,399	Note 2
8	WT TECHNOLOGY KOREA CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Other receivables - related parties	Y	197,200	190,480	166,670	4.60%	Short-term financing	-	Business Operation	-	-	-	703,597	703,597	Note 2
9	PLANETSPARK PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	Other receivables - related parties	Y	124,280	110,538	110,538	5.55%	Short-term financing	-	Business Operation	-	-	-	232,109	232,109	Note 2
9	PLANETSPARK PTE. LTD.	SPACEAGE LABS LTE LTD.	Other receivables - non related parties	N	8,785	8,626	8,626	7.50%	Short-term financing	-	Business Operation	-	-	-	92,844	92,844	Note 4

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 and company's with short-term capital needs is as follows: limit on loans granted by the Company and subsidiaries single party is 30% of the company's net assets, based on the most recent financial statements of the company, ceiling on total loans granted by a company is 40% of the company's net assets.

Note 4: The policy for loans between the Company and subsidiaries and company's with short-term capital needs is as follows: limit on loans granted by the Company and subsidiaries single party is 40% of the company's net assets, based on the most recent financial statements of the company, ceiling on total loans granted by a 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, 2023

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Company name	Party being endorsed/guaranteed		Maximum outstanding endorsement / guarantee amount as of December 31, 2023	Outstanding endorsement / guarantee amount at December 31, 2023	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)	Limit on endorsements / guarantees provided for a single party (Note 3)										
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	2	\$ 284,435,132	\$ 800,000	\$ 800,000	\$ 800,000	\$ -	1.13%	\$ 284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	2	284,435,132	155,350	-	-	-	0.00%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	2	284,435,132	389,220	368,460	308,626	-	0.52%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	2	284,435,132	1,297,400	1,228,200	-	-	1.73%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	2	284,435,132	2,432,625	2,302,875	-	-	3.24%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	2	284,435,132	68,114	64,481	4,751	-	0.09%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	2	284,435,132	1,622	1,535	164	-	0.00%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	2	284,435,132	2,270	2,149	344	-	0.00%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN SINGAPORE PTE. LTD.	2	284,435,132	324,350	307,050	-	-	0.43%	284,435,132	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	2	284,435,132	6,296,995	6,001,707	864,960	-	8.44%	284,435,132	Y	N	Y	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	2	284,435,132	2,092,390	2,018,747	172,992	-	2.84%	284,435,132	Y	N	Y	
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	2	284,435,132	1,820,950	1,726,835	1,334,445	-	2.43%	284,435,132	Y	N	N	
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	2	18,830,955	5,085,670	-	-	-	0.00%	18,830,955	N	N	N	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	2	18,830,955	61,420	-	-	-	0.00%	18,830,955	N	N	Y	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	2	18,830,955	30,710	-	-	-	0.00%	18,830,955	N	N	Y	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	2	18,830,955	5,130,317	614,100	76,127	-	48.92%	18,830,955	N	N	N	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	PLANETSPARK PTE. LTD.	2	18,830,955	111,430	-	-	-	0.00%	18,830,955	N	N	N	Note 4
2	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	2	38,230,710	61,420	-	-	-	0.00%	38,230,710	N	N	Y	Note 4
2	EXCELPOINT SYSTEMS (H.K.) LIMITED	SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	2	38,230,710	30,710	-	-	-	0.00%	38,230,710	N	N	Y	Note 4
3	ANALOG WORLD CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	2	1,621,604	37,222	35,953	-	-	8.87%	1,621,604	N	N	N	Note 5

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: For a single party who owns directly and indirectly more than 50% voting shares of the Company should not be in excess of 400% of the Company's net assets, which are based on the latest financial statements audited or reviewed by the Company's CPA.

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.

Note 5: Analog World Co., Ltd. for a single enterprise and the total limit of endorsement guarantees should not be in excess of 400% the Company's net assets.



WT Microelectronics Co., Ltd.

Holding of marketable securities (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2023

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, 2023				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
WT MICROELECTRONICS CO., LTD.	Common stock	TERAWINS, INC.	None	2	666,248	\$ 5,730	2.19	\$ 5,730	
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	-	48,594	6.73	48,594	
WT MICROELECTRONICS CO., LTD.	Common stock	ASMEDIA TECHNOLOGY INC.	None	2	9,000,000	16,335,000	12.98	16,335,000	
WT MICROELECTRONICS CO., LTD.	Funds	YUANTA GLOBAL 5G & NEXGEN TELECOMMUNICATION COMPONENTS ETF	None	3	350,000	11,630	-	11,630	
WT MICROELECTRONICS CO., LTD.	Private equity funds	FUH HWA ENERGY - EFFICIENT FUND	None	4	9,443,802	95,477	-	95,477	
WT MICROELECTRONICS CO., LTD.	Funds	FUH HWA TAIWAN GOOD INCOME FUND TWD	None	4	3,000,000	33,000	-	33,000	
WT MICROELECTRONICS CO., LTD.	Common stock	SINO-AMERICAN SILICON PRODUCTS INC.	None	1	5,644,000	1,106,224	0.96	1,106,224	
WT MICROELECTRONICS CO., LTD.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	473,000	39,779	0.39	39,779	
WT MICROELECTRONICS CO., LTD.	Private equity funds	FUH HWA GLOBAL IOT AND TECH FUND	None	4	10,010,010	107,808	-	107,808	
WT MICROELECTRONICS CO., LTD.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	260,000	118,300	0.47	118,300	
WT MICROELECTRONICS CO., LTD.	Common stock	NICHIDENBO CORPORATION	None	2	1,000,000	58,100	0.47	58,100	
WT MICROELECTRONICS CO., LTD.	Ordinary shares raised through the private placement	NICHIDENBO CORPORATION	None	2	30,000,000	1,580,700	14.11	1,580,700	
WT MICROELECTRONICS CO., LTD.	Common stock	DAYPOWER ENERGY CO., LTD.	None	2	1,000,000	12,500	10.00	12,500	
NUVISION TECHNOLOGY INC.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	196,000	16,484	0.16	16,484	
NUVISION TECHNOLOGY INC.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	307,000	139,685	0.56	139,685	
MORRIHAN INTERNATIONAL CORP.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	688,000	57,861	0.56	57,861	
MORRIHAN INTERNATIONAL CORP.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	329,000	149,695	0.60	149,695	
WINTech MICROELECTRONICS HOLDING LTD.	Preferred stock	AMMAX BIO, INC.	None	4	301,100	26,556	0.81	26,556	
WINTech MICROELECTRONICS HOLDING LTD.	Bonds	EXXON MOBIL CORPORATION	None	4	100	284	-	284	
WINTech MICROELECTRONICS HOLDING LTD.	Private equity funds	CATHAY PRIVATE EQUITY ECOLOGY LIMITED PARTNERSHIP	None	4	-	12,339	-	12,339	

Securities held by	Type of securities	Name of securities	Relationship with the securities issuer	General ledger account (Note)	As of December 31, 2023				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
WINTECH MICROELECTRONICS HOLDING LTD.	Preferred stock	AVIVA TECHNOLOGY HOLDING	None	4	659,034	\$ 21,733	1.77	\$ 21,733	
WINTECH MICROELECTRONICS HOLDING LTD.	Common stock	DRAGON YI INVESTMENT LTD.	None	2	600,000	18,423	19.35	18,423	
WINTECH MICROELECTRONICS HOLDING LTD.	Private equity funds	IMPACT SCIENCE VENTURES FUND I, L.P	None	4	-	48,228	-	48,228	
WINTECH MICROELECTRONICS HOLDING LTD.	Common stock	SHANGHAI UQ IOT TECH., INC.	None	2	-	17,493	13.33	17,493	
MILESTONE INVESTMENT CO., LTD.	Common stock	GRAND FORTUNE SECURITIES CO., LTD.	None	3	447,871	5,778	0.11	5,778	
MILESTONE INVESTMENT CO., LTD.	Common stock	GRAND FORTUNE SECURITIES CO., LTD.	None	2	7,140,443	92,112	1.80	92,112	
EXCELPOINT TECHNOLOGY PTE. LTD.	Common stock	ANSWER TECHNOLOGY CO., LTD.	None	2	498,169	26,739	0.75	26,739	
EXCELPOINT TECHNOLOGY PTE. LTD.	Common stock	IWOW TEACHNOLOGY LTD.	None	2	3,000,000	15,399	1.14	15,399	
PLANETSPARK PTE. LTD.	Convertible bonds	MERIDIAN INNOVATION PTE LTD.	None	3	-	24,564	-	24,564	
PLANETSPARK PTE. LTD.	Preferred stock	MERIDIAN INNOVATION PTE LTD.	None	2	1,307,790	100,454	-	100,454	
PLANETSPARK PTE. LTD.	Convertible bonds	VIVO SURGICAL PRIVATE LIMITED	None	4	-	15,353	-	15,353	

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, 2023

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, 2023		Addition		Disposal			Balance as at December 31, 2023		
					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.	SINO-AMERICAN SILICON PRODUCTS INC.	Note 1	Non related parties	-	7,889,000	\$ 1,100,516	-	\$ -	2,245,000	\$ 402,557	\$375,994	\$ 26,563	5,644,000	\$ 1,106,224
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Note 2	Capital injection	Note 3	283,760,000	5,790,209	240,000,000	12,000,000	-	-	-	-	523,760,000	17,062,050

Note 1 : General ledger account 'Financial assets at fair value through other comprehensive income', gains (losses) on disposal are directly transferred from other comprehensive income to retained earnings; the balance as at December 31, 2023 includes gains (losses) on valuation.

Note 2 : General ledger account 'Investments accounted for using equity method', the balance as at December 31, 2023 includes investment profit and adjustments.

Note 3 : The counterparty is a subsidiary of the Company.

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, 2023

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	\$ 115,851,902	31	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.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	179,429	-	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.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	48,748,316	13	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	12,488,389	24	
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Sales	2,990,730	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	633,536	1	
WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	13,375,460	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	542,443	1	
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	6,352,264	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	1,460,863	3	
WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	Affiliates	Sales	532,800	-	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.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	10,102,462	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	2,001,231	4	
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Sales	4,257,501	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	577,952	1	
WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Affiliates	Sales	318,778	-	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	75,832	-	
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Purchases	3,359,781	-	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	( 2,818,352)	4	
WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Purchases	5,049,535	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	( 388,518)	-	
WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Purchases	765,542	-	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	( 242,235)	-	
WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Purchases	541,025	-	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	( 12,134)	-	
WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Purchases	388,868	-	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	( 124,325)	-	
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	2,792,999	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	497,915	16	
NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	2,961,549	15	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	758,801	24	
NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Sales	1,059,650	5	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	406,837	13	
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	349,531	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	137,419	4	
NUVISION TECHNOLOGY INC.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	567,606	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	177,162	6	
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	2,278,229	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	768,215	2	
MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	386,854	-	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	150,383	-	
MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Sales	96,286,445	37	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	17,826,766	42	
MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Sales	1,368,562	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	160,000	-	
MORRIHAN INTERNATIONAL CORP.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	794,212	-	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	112,797	-	

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)
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	\$ 628,481	17	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	\$ 209,512	22	
MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Sales	328,157	6	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	49,483	4	
HONGTECH ELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	2,359,847	38	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	-	-	
WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	3,005,106	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	1,071,712	15	
WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	11,976,608	80	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	6,036,819	85	
WT MICROELECTRONICS (SHENZHEN) CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	196,710	5	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	-	-	
EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Sales	171,845	-	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	700,807	11	

WT Microelectronics Co., Ltd.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	\$ 12,488,389	5.21	\$ -		\$ 5,570,158	\$ -
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	633,536	2.17	-		455,405	-
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	1,460,863	4.59	-		63,713	-
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	2,001,231	5.88	-		957,399	-
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	577,952	8.98	13,655	Collection after the period	-	-
WT MICROELECTRONICS CO., LTD.	WINTech MICROELECTRONICS LTD.	Affiliates	542,443	23.22	-		355,854	-
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS CO., LTD.	Affiliates	388,518	8.36	-		214,935	-
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	497,915	4.81	-		411,577	-
NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	758,801	4.66	-		122,822	-
NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	406,837	2.66	-		-	-
NUVISION TECHNOLOGY INC.	WINTech MICROELECTRONICS LTD.	Affiliates	177,162	5.00	-		153,557	-
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	137,419	4.28	-		-	-
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS CO., LTD.	Affiliates	2,818,352	2.38	-		2,481,013	-
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	768,215	4.18	-		457,601	-
MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	150,383	3.94	-		122,822	-
MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	17,826,766	9.47	-		17,309,523	-
MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	160,000	8.61	-		100,148	-
MORRIHAN INTERNATIONAL CORP.	WINTech MICROELECTRONICS LTD.	Affiliates	112,797	5.83	-		76,763	-
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS CO., LTD.	Affiliates	242,235	4.79	-		240,928	-
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	209,512	2.31	-		-	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	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	\$ 6,036,819	2.21	\$ 1,497,307	Collection after the period	\$ 432,373	-
WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	1,071,712	1.73	222,490	Collection after the period	-	-
HONGTECH ELECTRONICS CO., LTD.	WT MICROELECTRONICS CO., LTD.	Affiliates	124,325	3.94	-		-	-
EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	700,807	0.17	355,391	Collection after the period	-	-

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, 2023

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4)			Percentage of total operating revenues or total assets (Note 5)
				General ledger account	Amount	Transaction terms	
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Sales	\$ 115,851,902	(Note 3)	19
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	48,748,316	(Note 3)	8
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	12,488,389	(Note 3)	5
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Sales	2,990,730	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Accounts receivable	633,536	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	13,375,460	(Note 3)	2
0	WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	Accounts receivable	542,443	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	6,352,264	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	1,460,863	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	10,102,462	(Note 3)	2
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	2,001,231	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Sales	4,257,501	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Accounts receivable	577,952	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	179,429	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	Affiliates	Sales	532,800	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Affiliates	Sales	318,778	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Purchases	3,359,781	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Accounts payable	2,818,352	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Purchases	5,049,535	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Accounts payable	388,518	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Purchases	765,542	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Accounts payable	242,235	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Purchases	388,868	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Accounts payable	124,325	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Purchases	541,025	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	2,961,549	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	758,801	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	2,792,999	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	497,915	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Sales	1,059,650	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Accounts receivable	406,837	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	349,531	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	137,419	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	567,606	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WINTECH MICROELECTRONICS LTD.	Affiliates	Accounts receivable	177,162	(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		
2	MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Sales	\$ 96,286,445	(Note 3)	16
2	MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	17,826,766	(Note 3)	7
2	MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	2,278,229	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	768,215	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Sales	1,368,562	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Accounts receivable	160,000	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	794,212	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WINTECH MICROELECTRONICS LTD.	Affiliates	Accounts receivable	112,797	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	386,854	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	150,383	(Note 3)	-
3	TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	628,481	(Note 3)	-
3	TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	209,512	(Note 3)	-
4	MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Sales	328,157	(Note 3)	-
5	HONGTECH ELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	2,359,847	(Note 3)	-
6	WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	11,976,608	(Note 3)	2
6	WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	6,036,819	(Note 3)	2
6	WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	3,005,106	(Note 3)	1
6	WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Accounts receivable	1,071,712	(Note 3)	-
7	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Sales	171,845	(Note 3)	-
7	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	700,807	(Note 3)	-
8	WT MICROELECTRONICS (SHENZHEN) CO.,	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	196,710	(Note 3)	-

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, 2023

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, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance at December 31, 2023	Balance at December 31, 2022	Number of shares	Ownership (%)	Book value			
WT MICROELECTRONICS CO., LTD.	WINTech MICROELECTRONICS HOLDING LIMITED	British Virgin Islands	Holding company	\$ 2,520,875	\$ 2,520,875	78,752,905	99.65	\$ 10,242,629	\$ 119,111	\$ 119,111	Subsidiary
WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Taiwan	Sales of electronic components	1,781,829	1,781,829	73,949,070	100.00	2,830,797	835,384	835,384	Subsidiary
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Taiwan	Sales of electronic components	15,106,620	3,106,620	523,760,000	100.00	17,062,050	1,141,146	1,141,146	Subsidiary
WT MICROELECTRONICS CO., LTD.	BSI SEMICONDUCTOR PTE. LTD.	Singapore	Holding company	486,289	486,289	7,544,002	100.00	829,776	29,530	29,530	Subsidiary
WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Taiwan	Sales of electronic components	323,751	323,030	28,227,197	100.00	1,281,461	425,856	425,781	Subsidiary
WT MICROELECTRONICS CO., LTD.	MILESTONE INVESTMENT CO., LTD.	Taiwan	General investment	61,985	61,985	4,500,000	100.00	110,589	1,434	1,434	Subsidiary
WT MICROELECTRONICS CO., LTD.	SINYIE INVESTMENT CO., LTD.	Taiwan	General investment	52,000	52,000	2,900,000	100.00	35,304	( 18)	( 18)	Subsidiary
WT MICROELECTRONICS CO., LTD.	MSD HOLDINGS PTE. LTD.	Singapore	Sales of electronic components	215,559	215,559	200,001	100.00	232,889	1,897	1,897	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	1,852,960	263,222	263,222	Subsidiary
WT MICROELECTRONICS CO., LTD.	ANALOG WORLD CO., LTD.	South Korea	Sales of electronic components	397,230	397,230	120,000	100.00	498,079	38,709	34,154	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT SEMICONDUCTOR HOLDINGS PTE. LTD.	Singapore	Holding company	4,057,274	4,057,274	96,318,912	80.00	3,971,167	( 166,786)	( 133,429)	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY (H.K.) LIMITED	Hong Kong	Sales of electronic components	4,808	4,808	1,000,000	100.00	4,855	( 36)	( 36)	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Hong Kong	Sales of electronic components	402,761	402,761	12,527,632	100.00	614,186	119,594	119,594	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Hong Kong	Sales of electronic components	451,386	451,386	110,000,000	100.00	514,278	42,691	42,691	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Singapore	Sales of electronic components	128,849	128,849	1,500,000	100.00	353,045	201,091	201,091	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Singapore	Sales of electronic components	156,727	156,727	5,000,000	100.00	156,696	489	489	Subsidiary
WINTech MICROELECTRONICS HOLDING LIMITED	PROMISING INVESTMENT LIMITED	Mauritius	General investment	940,571	940,571	30,632,506	100.00	833,906	( 137,155)	Note 1	Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance at December 31, 2023	Balance at December 31, 2022	Number of shares	Ownership (%)	Book value			
WINTech MICROELECTRONICS HOLDING LIMITED	WINTech INVESTMENT CO., LTD.	Belize	General investment	\$ 645,448	\$ 645,448	21,020,957	100.00	\$ 1,075,451	\$ 97,986	Note 1	Subsidiary
WINTech MICROELECTRONICS HOLDING LIMITED	WINTech MICROELECTRONICS LTD.	Belize	Sales of electronic components	92,118	92,118	3,000,100	100.00	( 322,735)	( 327,547)	Note 1	Subsidiary
WINTech MICROELECTRONICS HOLDING LIMITED	WINTech MICROELECTRONICS LIMITED	British Virgin Islands	Holding company	-	154	-	-	-	-	Note 1	Subsidiary
WINTech MICROELECTRONICS HOLDING LIMITED	JCD OPTICAL (CAYMAN) CO., LTD.	Cayman Islands	Holding company	72,891	72,891	5,869,093	19.80	15,978	( 62,754)	Note 1	Associates
WINTech MICROELECTRONICS HOLDING LIMITED	JOY CAPITAL LTD.	Seychelles	General investment	36,846	36,846	1,200,000	17.65	11,456	( 3,178)	Note 1	Associates
WINTech MICROELECTRONICS HOLDING LIMITED	RAINBOW STAR GROUP LIMITED	British Virgin Islands	General investment	30,705	30,705	18,924	24.65	17,105	( 21,967)	Note 1	Associates
WINTech MICROELECTRONICS HOLDING LIMITED	BRILLNICS INC.	Cayman Islands	Holding company	1,196,390	1,196,390	49,336,630	61.24	102,778	238	Note 1	Subsidiary
PROMISING INVESTMENT LIMITED	NINO CAPITAL CO., LTD.	Samoa	Holding company	9,549	9,549	311,000	100.00	33,679	1,810	Note 1	Subsidiary
PROMISING INVESTMENT LIMITED	RICH WEB LTD.	British Virgin Islands	Holding company	705,430	705,430	22,974,430	100.00	714,541	( 138,967)	Note 1	Subsidiary
WINTech INVESTMENT CO., LTD.	WT MICROELECTRONICS (MALAYSIA) SDN. BHD.	Malaysia	Sales of electronic components	3,340	3,340	500,000	100.00	2,357	52	Note 1	Subsidiary
WINTech INVESTMENT CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	South Korea	Sales of electronic components	559,043	559,043	3,800,000	95.47	942,434	90,854	Note 1	Subsidiary
ANALOG WORLD CO., LTD.	LEADER'S TECHNOLOGY CO.,LTD	South Korea	Sales of electronic components	212,037	-	10,000	100.00	223,009	15,404	Note 1	Subsidiary
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (THAILAND) LIMITED.	Thailand	Sales of electronic components	2,691	2,691	300,000	100.00	1,886	39	Note 1	Subsidiary
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS INDIA PRIVATE LIMITED	India	Sales of electronic components	2,651	2,651	700,000	100.00	1,662	1,076	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	119,111	Note 1	Subsidiary
MORRIHAN INTERNATIONAL CORP.	ASIA LATEST TECHNOLOGY LIMITED	Mauritius	Holding company	37,771	37,771	1,120,000	100.00	43,718	( 157)	Note 1	Subsidiary
BSI SEMICONDUCTOR PTE. LTD.	WT TECHNOLOGY KOREA CO., LTD.	South Korea	Sales of electronic components	53,259	53,259	180,472	4.53	28,632	90,854	Note 1	Subsidiary
BSI SEMICONDUCTOR PTE. LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	South Korea	Sales of electronic components	24,082	24,082	53,505	100.00	233,269	16,447	Note 1	Subsidiary
TECHMOSA INTERNATIONAL INC.	MORRIHAN SINGAPORE PTE. LTD.	Singapore	Sales of electronic components	210,451	210,451	9,500,000	100.00	2,144,779	1,023,556	Note 1	Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance at December 31, 2023	Balance at December 31, 2022	Number of shares	Ownership (%)	Book value			
MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Taiwan	Sales of electronic components	\$ 115,000	\$ 115,000	11,500,000	100.00	\$ 409,036	\$ 179,036	Note 1	Subsidiary
MAXTEK TECHNOLOGY CO., LTD.	LACEWOOD INTERNATIONAL CORP.	British Virgin Islands	Sales of electronic components	194,366	194,366	29,500	100.00	95,628	3,842	Note 1	Subsidiary
BRILLNICS INC.	BRILLNICS (HK) LIMITED	Hong Kong	Manufacture of electronic components	1,965,519	1,965,519	64,013,000	100.00	188,402	153,986	Note 1	Subsidiary
BRILLNICS INC.	BRILLNICS SINGAPORE PTE. LTD.	Singapore	Manufacture of electronic components	23,029	23,029	750,002	100.00	( 9,124)	( 3,961)	Note 1	Subsidiary
BRILLNICS (HK) LIMITED	BRILLNICS JAPAN INC.	Japan	Manufacture of electronic components	21,720	21,720	100,000	100.00	25,687	1,488	Note 1	Subsidiary
BRILLNICS (HK) LIMITED	BRILLNICS (TAIWAN) INC.	Taiwan	Manufacture of electronic components	16,694	16,694	1,669,410	100.00	38,788	6,439	Note 1	Subsidiary
WT SEMICONDUCTOR HOLDINGDS PTE. LTD.	EXCELPOINT TECHNOLOGY PTE. LTD.	Singapore	Holding company	5,089,016	5,089,016	120,398,640	100.00	4,964,229	( 166,786)	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	Hong Kong	Sales of electronic components	489,783	489,783	27,793,961	100.00	2,548,714	7,318	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	Singapore	Sales of electronic components	274,119	274,119	11,000,000	100.00	849,399	( 48,567)	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	PLANETSPARK PTE. LTD.	Singapore	R&D and investment of company	337,755	92,115	11,000,001	100.00	232,109	( 24,950)	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS SDN. BHD.	Malaysia	Sales of electronic components	1	1	100	100.00	3,644	820	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS (INDIA) PVT LTD	India	Sales and services of technology	355	355	50,000	100.00	( 65,538)	7,394	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS (USA) INC.	USA	Sales and services of technology	31	31	1,000	100.00	1,425	363	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS VIETNAM COMPANY LIMITED	Vietnam	Sales of electronic components	9,212	9,212	-	100.00	( 13,691)	( 23,479)	Note 1	Subsidiary
EXCELPOINT SYSTEMS (H.K.) LIMITED	SYNERGY ELECTRONICS (H.K.) LIMITED	Hong Kong	Sales of electronic components	3,071	3,071	100,000	100.00	3,046	( 249)	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, 2023

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, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investment in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
SHANGHAI WT MICROELECTRONICS CO., LTD.	International trade, entrepot trade and etc.	\$ 9,212	2	\$ 9,212	\$ -	\$ -	\$ 9,212	\$ 1,811	100.00	\$ 1,811	\$ 33,603	\$ -	Note 5
WT MICROELECTRONICS (SHENZHEN) CO., LTD.	International trade, entrepot trade and etc.	699,362	2	645,532	-	-	645,532	(138,964)	100.00	(138,964)	714,433	-	Note 6
WT MICROELECTRONICS (SHANGHAI) CO., LTD.	International trade	1,079,281	2	588,001	-	-	588,001	201,607	100.00	201,607	1,707,751	-	Note 7
WT MICROELECTRONICS (SHANGHAI) TECHNOLOGY CO., LTD.	Technical service, international trade, entrepot trade and etc.	40,838	3	30,705	-	-	30,705	(157)	100.00	(157)	43,709	-	Note 4
JCD OPTICAL CORPORATION	Production and sales of optoelectronic materials and components	156,596	2	20,389	-	-	20,389	(54,729)	19.80	(10,836)	6,776	-	Note 8
SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	International trade, entrepot trade and etc.	7,858	2	-	-	-	-	(2,809)	80.00	2,247	(293,901)	-	Note 9
EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	International trade, entrepot trade and etc.	46,058	2	-	-	-	-	27,654	80.00	(22,123)	(235,516)	-	Note 9
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	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.	\$ 1,293,839	\$ 2,109,726		\$ 43,167,391									

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, 2023

Table 10

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
ASMEDIA TECHNOLOGY INC.	179,000,000	17.49%
WPG HOLDINGS LIMITED	161,393,867	15.77%
SHAO YANG INVESTMENT CO., LTD.	74,950,426	7.32%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preferred stock 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, 2023, the number of shares held by the chairman under his own name and under the names of others was 116,773,613 shares, and the shareholding ratio was 11.42%.  
The abovementioned information is provided in the "Market Observation Post System".

WT MICROELECTRONICS CO., LTD.  
DETAILS OF CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2023  
(Expressed in thousands of New Taiwan dollars)

STATEMENT 1

Items	Summary					Amount
Petty cash and cash on hand						\$ 1,699
Cash in banks						
Demand deposits						5,447,394
Checking accounts						7,152
Foreign currency deposits	USD	88,996	Thousand	Exchange	30.705	2,761,497
	SGD	767	Thousand	Exchange	23.29	
	HKD	2,755	Thousand	Exchange	3.929	
	EUR	3	Thousand	Exchange	33.98	
	RMB	12	Thousand	Exchange	4.3248	
	JPY	101	Thousand	Exchange	0.2172	
						<u>\$ 8,217,742</u>

WT MICROELECTRONICS CO., LTD.  
DETAILS OF ACCOUNTS RECEIVABLE  
DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars)

STATEMENT 2

Customer name	Summary	Amount	Note
<u>Non-related parties</u>			
A customer		\$ 3,990,575	
B customer		1,678,028	
Others		27,424,997	The balance of each customer has not exceeded 5% of the accounts receivable.
		<u>33,093,600</u>	
Less: Allowance for uncollectible accounts		( <u>130,605</u> )	
		<u>32,962,995</u>	
<u>Related parties</u>			
WT Microelectronics (Hong Kong) Limited		\$ 12,488,389	
Others		5,841,781	
		<u>18,330,170</u>	
		<u>\$ 51,293,165</u>	



WT MICROELECTRONICS CO., LTD.  
DETAILS OF INVENTORIES  
DECEMBER 31, 2023  
(Expressed in thousands of New Taiwan dollars)

STATEMENT 3

Items	Summary	Amount		Note
		Cost	Net realisable value	
Merchandise inventory		\$ 58,937,516	<u>\$ 85,220,198</u>	
Less: Allowance for inventory obsolescence and market value decline		( 995,221)		
		<u>\$ 57,942,295</u>		

**WT MICROELECTRONICS CO., LTD.**  
**MOVEMENT SUMMARY OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(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 collateral
	Number of shares	Amount	Number of shares	Amount (Note 1)	Number of shares	Amount (Note 2)	Ownership		Amount	Price	Total price	
							Number of shares	(%)				
Morrihan International Corp. Wintech Microelectronics Holding Limited	283,760,000	\$ 5,790,209	240,000,000	\$ 13,248,251	-	(\$ 1,976,410)	523,760,000	100.00%	\$ 17,062,050	-	\$ 17,062,108	None
WT Semiconductor Holdings Pte. Ltd.	78,752,905	10,181,859	-	119,111	-	( 58,341)	78,752,905	99.65%	10,242,629	-	10,285,560	None
Techmosa International Inc.	96,318,912	4,105,540	-	1,263	-	( 135,636)	96,318,912	80.00%	3,971,167	-	3,971,167	None
Maxtek Technology Co., Ltd.	73,949,070	2,661,565	-	838,159	-	( 668,927)	73,949,070	100.00%	2,830,797	-	2,261,554	None
Nuvision Technology Inc.	70,220,331	2,072,091	-	264,149	-	( 483,280)	70,220,331	100.00%	1,852,960	-	1,606,658	None
BSI Semiconductor Pte. Ltd.	28,216,904	1,250,701	10,293	506,482	-	( 475,722)	28,227,197	100.00%	1,281,461	-	1,281,461	None
WT Microelectronics (Hong Kong) Limited	7,544,002	804,407	-	29,530	-	( 4,161)	7,544,002	100.00%	829,776	-	595,399	None
WT Solomon QCE Limited	12,527,632	496,404	-	119,594	-	( 1,812)	12,527,632	100.00%	614,186	-	614,186	None
Analog World Co., Ltd.	110,000,000	472,282	-	42,691	-	( 695)	110,000,000	100.00%	514,278	-	514,278	None
WT Microelectronics Singapore Pte. Ltd.	120,000	470,521	-	34,154	-	( 6,596)	120,000	100.00%	498,079	-	405,401	None
MSD Holdings Pte. Ltd.	1,500,000	154,886	-	201,091	-	( 2,932)	1,500,000	100.00%	353,045	-	353,045	None
WT Technology Pte. Ltd.	200,001	229,256	-	3,633	-	-	200,001	100.00%	232,889	-	101,360	None
Milestone Investment Co., Ltd.	5,000,000	156,240	-	489	-	( 33)	5,000,000	100.00%	156,696	-	156,696	None
Sinyie Investment Co., Ltd.	4,500,000	92,442	-	21,785	-	( 3,638)	4,500,000	100.00%	110,589	-	113,605	None
WT Technology (H. K.) Limited	2,900,000	35,323	-	-	-	( 19)	2,900,000	100.00%	35,304	-	35,304	None
	1,000,000	4,891	-	-	-	( 36)	1,000,000	100.00%	4,855	-	4,855	None
		<u>\$ 28,978,617</u>		<u>\$ 15,430,382</u>		<u>(\$ 3,818,238)</u>			<u>\$ 40,590,761</u>		<u>\$ 39,362,637</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 and losses and other comprehensive loss in subsidiaries accounted for using equity method.

WT MICROELECTRONICS CO., LTD.  
DETAILS OF ACCOUNTS PAYABLE  
DECEMBER 31, 2023  
(Expressed in thousands of New Taiwan dollars)

STATEMENT 5

Supplier name	Summary	Amount	Note
<u>Non-related parties</u>			
F Company		\$ 26,857,951	
G Company		21,664,208	
H Company		7,235,352	
I Company		5,141,537	
J Company		4,007,176	
Others		12,635,403	The balance of each supplier has not exceeded 5% of the accounts payable.
		<u>77,541,627</u>	
<u>Related parties</u>			
Morrihan International Corp.		\$ 2,818,352	
Others		<u>875,424</u>	
		<u>3,693,776</u>	
		<u>\$ 81,235,403</u>	

WT MICROELECTRONICS CO., LTD.  
DETAILS OF OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(Expressed in thousands of New Taiwan dollars)

STATEMENT 6

Items	Quantity (in thousands)	Amount
Application-Specific Standard Product	3,917,480	\$ 164,954,258
-Wireless Connectivity		
Analog	6,266,001	67,380,653
Microcomponents	943,103	39,264,020
Application-Specific Standard Product		
-Wired Connectivity	550,758	37,159,647
Memory	1,120,533	19,315,248
Application-Specific Standard Product		
-Others	380,229	16,779,883
Discrete	4,522,872	15,002,101
Optoelectronics	640,433	8,263,321
Application-Specific Integrated Circuit	49,041	3,958,426
Others	443,250	7,512,649
		<u>\$ 379,590,206</u>

WT MICROELECTRONICS CO., LTD.  
DETAILS OF OPERATING COST  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(Expressed in thousands of New Taiwan dollars)

STATEMENT 7

	Amount
Inventory at the beginning of the year	\$ 58,820,204
Add : Purchased	372,710,995
Less : Inventory at the end of the year	( 58,937,516)
Inventory transferred to sample expenses	( 20,635)
Inventory transferred to research expenses	( 7,173)
Cost of goods sold	372,565,875
Gain on reversal of decline in market value	( 10,272)
Loss on physical inventory	25
Operating costs	\$ 372,555,628

WT MICROELECTRONICS CO., LTD.  
DETAILS OF OPERATING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(Expressed in thousands of New Taiwan dollars)

STATEMENT 8

Items	Selling Expenses	Administrative expenses	Research and development expenses	Impairment gain determined in accordance with IFRS 9	Total	Notes
Wages and salaries	\$ 959,063	\$ 379,709	\$ 302,196	\$ -	\$ 1,640,968	
Service expense	34,249	1,056,973	5	-	1,091,227	
Freight	294,185	1,066	-	-	295,251	
Depreciation expense	74,688	87,431	17,791	-	179,910	
Entertainment expense	200,945	20,543	1,956	-	223,444	
Insurance expense	127,552	41,413	20,984	-	189,949	
Impairment gain determined in accordance with IFRS 9	-	-	-	( 6,614)	( 6,614)	
Rental expense	104,573	33,795	6,758	-	145,126	
Other expenses	370,663	245,273	77,842	-	693,778	The balance of each expense account has not exceeded 3% of the total operating expenses
	<u>\$ 2,165,918</u>	<u>\$ 1,866,203</u>	<u>\$ 427,532</u>	<u>(\$ 6,614)</u>	<u>\$ 4,453,039</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 Company's Financial Position and Financial Performance, and a Listing of Risk

### I. Financial position

#### Comparative analysis of financial status

Unit: NT\$ thousands

Item	Year	2023	2022	Difference	
				Amount	%
Cash and cash equivalents		22,747,549	5,383,254	17,364,295	322.56
Accounts receivable, net		111,636,650	84,568,116	27,068,534	32.01
Other accounts receivable		5,550,957	2,237,030	3,313,927	148.14
Financial assets at fair value through other comprehensive income - non-current		18,833,048	9,139,705	9,693,343	106.06
Short-term borrowings		19,821,848	38,340,556	(18,518,708)	(48.30)
Accounts payable		147,955,015	77,996,735	69,958,280	89.69
Long-term loans		12,644,242	17,786,449	(5,142,207)	(28.91)
Other equity interest		9,599,039	(1,564,387)	11,163,426	(713.60)
<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) Cash and cash equivalents: Mainly due to the cash capital injection at the end of the period.</p> <p>(2) Accounts receivable, net: In 2023, the accounts receivable increased compared to the previous period. The main reason for the increase was the increased Q4 revenue in 2023 compared to the same period in 2022, leading to the simultaneous increase in accounts receivable.</p> <p>(3) Other accounts receivable: Mainly due to the increase in business tax refund receivable following the expansion of the Company's revenue scale.</p> <p>(4) Financial assets at fair value through other comprehensive income - non-current: The main reason is the changes in fair value to the listed equity investments.</p> <p>(5) Short-term borrowings: The main reason is that the Group adjusted the working capital needs and the decreased in drawdown short-term bank loans to cope with the other financing tools of the Group.</p> <p>(6) Accounts payable: Mainly due to the increased revenue scale in Q4 2023 compared to the same period in 2022, leading to the simultaneous increase in accounts payable.</p> <p>(7) Long-term loans: The main reason is that the Group adjusted the working capital needs and decreased in drawdown long-term bank loans to cope with the other financing tools of the Group.</p> <p>(8) Other equity interest: The main reason is the changes to the fair value of financial assets at fair value through other comprehensive income, leading to an increase of other equity interest.</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\$ thousands

Item	Year		Increase (Decrease)	Proportion of change (%)
	2023	2022		
Net operating revenue	594,518,813	571,197,118	23,321,695	4.08
Operating costs	(576,112,549)	(551,364,963)	(24,747,586)	4.49
Gross profit	18,406,264	19,832,155	(1,425,891)	(7.19)
Operating expenses	(10,206,341)	(8,049,538)	(2,156,803)	26.79
Operating profit	8,199,923	11,782,617	(3,582,694)	(30.41)
Non-operating income and expenses	(3,004,558)	(1,871,475)	(1,133,083)	60.54
Profit before income tax	5,195,365	9,911,142	(4,715,777)	(47.58)
Income tax expense	(1,216,531)	(2,310,778)	1,094,247	(47.35)
Profit for the year	3,978,834	7,600,364	(3,621,530)	(47.65)
Analysis of changes in ratios (the difference reaches 20% or above and the amount of change reaches NT\$50 million or above):				
1. Operating expenses: Mainly due to the increase in one-time expenses related to mergers and acquisitions in 2023.				
2. Non-Operating Income and Expenses: The main reason is the FED raising interest rates interest in 2023 and the market rates rising in respons, 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, considering marke trends, macroeconomics development, and the needs of major customers, the Group expects 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\$ thousands

2023 Beginning Cash Balance (1)	Net cash flow from operating activities throughout the year (2)	Net cash flow from non-operating activities (3)	December 31, 2023 Cash balance (1)+(2)+(3)
5,383,254	41,028,040	(23,663,745)	22,747,549
Analysis of changes:			
<ul style="list-style-type: none"> <li>Operating activities: The net cash inflow from operating activities was mainly due to the increase in accounts payable in 2023.</li> <li>Non-Operating Activities: The net cash outflow from non-operating activities was mainly due to the decrease in long- term and short-term borrowings and the distribution of cash dividends in 2023.</li> </ul>			

### (II) Improvement plan for insufficient liquidity: There is no liquidity insufficiency.

(III)Cash liquidity analysis for the coming year

Unit: NT\$ thousands

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
22,747,549	6,916,786	(16,655,507)	13,008,828	0	0

1. Analysis of changes in cash flow in the coming year (2024):

- (1) Net cash flow from operating activities: In recent years, the Company has focused on adjusting accounts receivable turnover days and accounts payable turnover days, effectively managing working capital requirements, resulting in net cash inflows from operating activities.
- (2) Net cash flow from non-operating activities: The projected cash outflow from non-operating activities in the upcoming year is primarily attributed to the capital requirements of investment activities. To address the outflow of funds from investment activities in addition to cash and funds from operating activities, we plan to increase financial borrowings and engage in direct market fundraising.

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, part of its long-term strategy. In 2023, the share of profit of associates and joint ventures accounted for using the equity method was NT\$3,082,041 thousand. The Company will continue its 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 focus on bank loans and proceeds from accounts receivables factoring. The Finance Department closely monitors changes in the financial interest rate markets, adjusting borrowing amounts based on daily funding needs, shortens the timing difference between funding supply and demand in order to keep interest expenses effectively under control. In March 2022, the Federal Reserve initiated a cycle of interest rate hikes, bringing the US federal funds rate to the range of 5.25-5.50%. The Group shortened the duration of capital retention, improved the efficiency of capital utilization, and simultaneously enhanced its bargaining power with banks, thus mitigating

the impact of interest rate hikes on profits and losses within a reasonable range. This year, the market estimates that with effective control over unemployment and inflation in the United States, the Federal Reserve may consider initiating interest rate cuts. If the United States initiates interest rate cuts, it could further reduce the Company's interest expenses. In 2023, revenue grew by 4.08%, and financial costs were NT\$3,880,037 thousand, increasing by NT\$1,434,523 thousand compared to 2022. Financial costs accounted for 0.65% of the revenue in 2023. The Group continues to manage interest rate fluctuation risks within a reasonable range.

In terms of exchange rate, the IC components purchased by the Group are predominantly priced in USD, and sales are also denominated in USD. Therefore, fluctuations in exchange rates will affect the revenue and profit of the Group. However, the offsetting effect of USD purchases and sales results in a relatively low net exposure position in USD. The net foreign currency exchange loss in 2023 was NT\$45,839 thousand, accounting for 0.01% of the overall revenue. The Finance Department conducted foreign exchange hedging to mitigate potential exchange loss on USD positions. No significant impact on the overall net income after tax.

In terms of inflation, the Group closely monitor market price fluctuations and maintains good relationships with suppliers and customers to minimize any significant impact on the Group due to inflation.

In the future, the Group will adopt a sound and conservative risk management principle, and immediately assess and respond to changes in interest rates, 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 focuses on its core operations, 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 primarily a professional marketing distributor for electronic components. In response to the rapid changes in the semiconductor industry, the only way to create added value for products and business opportunities is through professional division 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
3KW digital power reference design for 48V AI servers	Firmware adjustment	NT\$ 10,000,000	2024/12/20	1. Efficiency optimization 2. Switching loss 3. Conduction loss

(IV) Major changes in government policies and laws locally and globally and the impact on the Group's financial position and business operations :

The group's legal, finance, accounting and stock affair departments are responsible for timely collecting important information regarding domestic and foreign markets information and regulatory changes. In addition, in order to appropriately react to domestic and foreign regulatory changes, we consult with professionals of respective fields whenever 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 to stabilize the source of profit. As of the present time, no technology changes or industry changes have affected the Group's financial position or business activities.
2. Information security risks and response measures: The Group has established comprehensive network and information security protection mechanisms. However, it cannot guarantee the complete prevention of third-party attacks crashing critical corporate systems. 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.

- (5) Strengthen continuous operations and conduct relevant DR drills periodically every year for identified high-risk events (power outage, air conditioning failure, etc.).

(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. The Company has been ranked in the top 5% of listed companies in the corporate governance evaluation for three consecutive years (2020 to 2022). Chairman Cheng, Wen-Tsung was included in Taiwan's "Harvard Business Review" 2022 Taiwan Business Leaders Top 100 Survey, ranking 18th. The building and maintenance of corporate image depends on the actual results of various indicators and appropriate risk control. So far, there has been no corporate crisis caused by bad corporate image.

(VII) Risk associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

Acquire all shares of the Canadian company Future Electronics Inc. in cash:

To enter the semiconductor distribution market in Europe and America and establish a comprehensive global presence to expand its operational scale and enhance business performance, the Board of Directors approved and signed a share purchase agreement on September 14, 2023, to acquire all shares of Future Electronics Inc. (hereinafter referred to as "Future"), a Canadian company, for US\$3.8 billion in cash. The acquisition was approved by the Board of Directors/directors of the Company and its significant subsidiary Morrihan International Corp. on January 9, 2024, to establish a new Canadian joint venture WT Morrihan Investment Limited, which acquired 100% of Future's shares and completed on April 2, 2024.

Benefits of the merger:

- Builds a world-class global electronic components distributor: After the merger, the Company will be able to (1) provide uninterrupted cross-border services to global customers; (2) achieve geographic diversification; and (3) provide a full range of products, application engineering expertise, and superior logistics management services.
- Improves supply chain resilience to benefit suppliers and customers: After the merger, the Company will be able to provide a more complete product range, wider customer coverage, and extensive market intelligence through this transaction, further enhancing the strength of supply chain solutions and conducive to improving the resilience of the overall industry chain.

- Through the same corporate culture and dual headquarters structure, we can create a stronger global team: The merger will bring together two companies that share a common entrepreneurial spirit, long-term employee retention, and a commitment to providing exceptional supply chain services to partners around the world. With the dual headquarters in Taipei and Montreal, employees of both companies will be given more and better growth opportunities.
- Creates excellent financial performance: The Company's long-term financial performance will be strengthened through product diversification, a more balanced geographical combination, and higher operating margins. In the first full fiscal year after the completion of the merger, WT Microelectronics' earnings per share is expected to increase immediately.

(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) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

The Company's directors (the Company does not have 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 or institutional investment, financing plans, 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.

During the most recent year and up to the date of the publication of the Annual Report, there have been no significant transfers or changes in ownership of the Company's shares by directors or other shareholders holding more than ten percent of the Company's equity, except for a transaction by the major shareholder, WPG Holdings, which disposed of 40,000,000 common shares of the Company on November 13, 2023, for the purpose of optimizing capital utilization and realizing investment gains.

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken.

The Group has a strong team of professional managerial officers, and changes in management rights do not affect the operations of the Group.

(XII) List of any final and pending litigation, other legal actions or administrative proceedings that would have material impacts on shareholders' equity or stock price, brought by or against the Company and the Company's directors, supervisors, presidents, de facto responsible person, major shareholders with more than 10% of the shares, and subsidiaries. The following information of the aforementioned disputes should be disclosed: the underlying disputes, the amount of the claim or in controversy, the commencement date of the proceedings, the parties involved, and the status of the proceedings as of the printing date of the annual report: None.

(XIII) Other major risks and response measures:

The rise of national security protectionism impacted the supply chains of IT products, and may accelerate the transfer and distribution of supply chains. The rapid development of artificial intelligence (AI) technology and the transformation of the electronics supply chain are new challenges we now face. Additionally, uncertainties in global economic recovery post-pandemic, global currency inflation, and geopolitical uncertainties pose downward risks to global long-term economic growth. The Group will continue to closely monitor changes in the macroenvironment, and flexibly adjust the organization and business activities, as well as increase working capital, to respond to various changes.

VII. Other important matters

None.

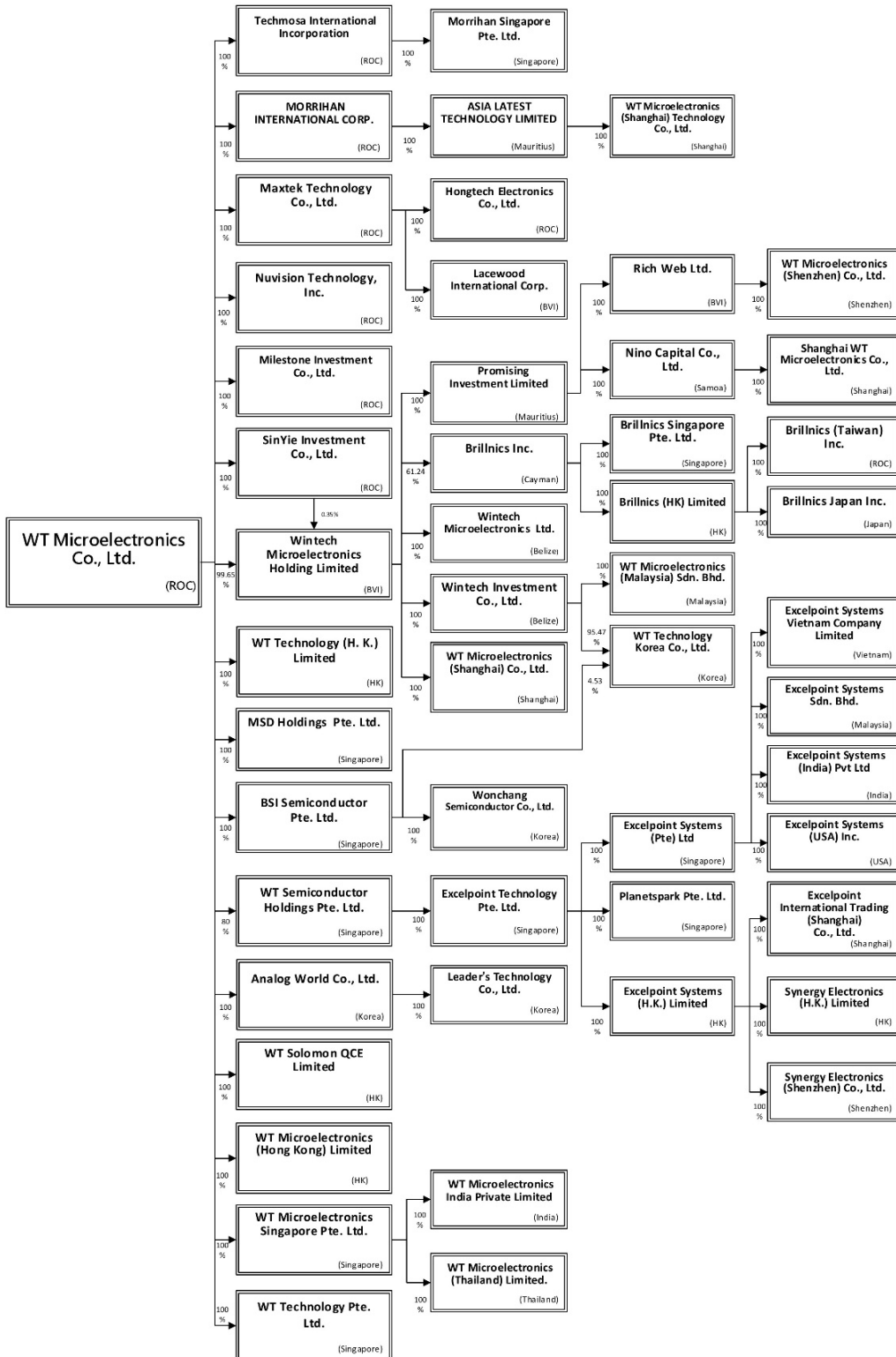
# Chapter 8. Other items deserving special mention

## I. Information related to the Company's affiliates

### (I) Organization chart of the Company's affiliates

Updated : Dec. 31, 2023

**WT Affiliated Enterprises Chart**





## (II) Information on the Company's affiliates

December 31, 2023

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	USD 79,031,160	Holding
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	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	Investment
Nuvision Technology Inc.	1998.03.30	4F., No. 738, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)	NTD 282,271,970	Trading 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 5,237,600,000	Trading 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.)	NTD 702,203,310	Trading 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.)	NTD 115,000,000	Trading of electronic components
Techmosa International Incorporation	1989.04.14	8F., No. 738, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)	NTD 739,490,700	Trading of electronic components
Asia Latest Technology Limited	2000.09.06	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	USD 1,120,000	Holding
WT Microelectronics (Shanghai) Technology Co., Ltd.	2003.07.17	Room 318, 3F of the A5 warehouse centralized area, No. 530, Zhending Road, Waigaoqiao Free Trade Zone, Shanghai, China	USD 1,330,000	Technical services, international trade, entrepot trade, 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
Promising Investment Limited	1999.09.27	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	USD 30,632,506	Investment
WT Technology Pte. Ltd.	2006.12.29	111 Somerset Road, #13-33, 111 Somerset, Singapore (238164)	USD 5,000,000	Trading of electronic components
Wintech Microelectronics Ltd.	2000.09.07	60 Market Square, P.O. Box 364, Belize City, Belize	USD 3,000,100	Trading of electronic components
Wintech Investment Co., Ltd.	2000.09.07	60 Market Square, P.O. Box 364, Belize City, Belize	USD 21,020,957	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	Trading of electronic components
WT Technology (H.K.) Limited	2001.01.10	Unit 103, 1 <sup>st</sup> Floor, Hutchison Logistics Centre, 18 Container Port Road South, Kwai Chung, New Territories, Hong Kong	HKD 1,000,000	Trading of electronic components
Nino Capital Co., Ltd.	2000.09.11	Vistra Corporate Services Centre, Ground Floor NPF Building,	USD 311,000	Holding

Name of enterprise	Date of Establishment	Address	Paid-in capital	Main business and products
		Beach Road, Apia, Samoa		
Rich Web Ltd.	2001.07.03	3rd Floor, Yamraj Building, Market Square, Road Town, Tortola, British Virgin Islands	USD 22,974,430	Holding
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	Trading 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 RMB 2,483,040	International trade, entrepot trade, 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, etc.
WT Microelectronics Singapore Pte. Ltd.	2001.10.03	2 Serangoon North Avenue 5 #05-01 Singapore (554911)	SGD 1,500,000	Trading 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	Trading 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	INR 7,000,000	Trading of electronic components
WT Microelectronics (Malaysia) Sdn. Bhd.	2003.02.20	No. 60, Sri Bahari Road, 10050, Georgetown, Pulau Pinang, Malaysia	MYR 500,000	Trading of electronic components
BSI Semiconductor Pte. Ltd.	2004.04.28	111 Somerset Road, #13-33, 111 Somerset, Singapore (238164)	SGD 7,544,002	Trading of electronic components
Morrihan Singapore Pte. Ltd.	1992.07.04	2 Serangoon North Avenue 5 #05-01 Singapore(554911)	SGD 9,500,000	Trading 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	Trading of electronic components
WT Technology Korea Co., Ltd.	2007.03.01	3F, Hanwon Bldg., 19, Hwangsaoul-Ro 258 Beon-Gil, Bundang-Gu, Seongnam-Si, Gyeonggi-Do, Korea	KRW 1,990,236,000	Trading of electronic components
Leader's Technology Co., Ltd.	2004.05.11	A-2503, Daesung D-Polis, Seobusaet-gil, Geumcheon-gu, Seoul, Republic of Korea	KRW 50,000,000	Trading of electronic components
MSD Holdings Pte. Ltd.	2008.06.18	1 North Bridge Road #18-06 High Street Centre Singapore 179094	USD 200,000 SGD 1	Trading 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	Trading of electronic components
Analog World Co., Ltd.	1993.07.01	7F, Hanwon Bldg., 19, Hwangsaoul-Ro 258 Beon-Gil, Bundang-Gu, Seongnam-Si, Gyeonggi-Do, Korea	KRW 600,000,000	Trading 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

Name of enterprise	Date of Establishment	Address	Paid-in capital	Main business and products
Brillnics Inc.	2014.04.25	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 – 1205 Cayman Islands	USD 57,972,495.71	Holding
Brillnics (Taiwan) Inc	2014.05.15	4F, No. 49, Guangming 6th Rd., Zhubei City, Hsinchu County, Taiwan	NTD 16,694,100	R&D
Brillnics Singapore Pte. Ltd.	2019.01.11	111 Somerset Road, #13-33, 111 Somerset, Singapore (238164)	SGD 2 USD 750,000	Electronics Component Manufacturing
Brillnics (HK) Limited	2014.03.10	Room 712, Wellborne Commercial Centre, No.8 Java Road, North Point Hong Kong	USD 64,013,000	Electronics Component Manufacturing
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	R&D
Excelpoint Technology Pte. Ltd.	2001.05.18	15 Changi Business Park Central 1 #06-00 Singapore (486057)	SGD 62,564,705.5	Trading 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	Trading of electronic components
Planetspark Pte. Ltd.	2009.09.03	15 Changi Business Park Central 1, #05-06/07, Singapore (486057)	USD 11,000,000 SGD 1	R&D and investments
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	Trading of electronic components
Excelpoint Systems Vietnam Company Limited	2022.11.29	24th Floor, Block B of Song Da Building, Pham Hung Street, My Dinh 1 Ward, Nam Tu Liem District, Hanoi City, Vietnam	VND 6,932,400,000	Trading 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	Trading 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 technical services
Excelpoint Systems (USA) Inc.	2018.10.09	9920 Pacific Heights Blvd, Suite 150 PMB # 9653 San Diego, CA 92121, USA	USD 1,000	Sales and technical services
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, 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	Trading of electronic components
Synergy Electronics (Shenzhen) Co., Ltd.	2003.02.25	1606, Global Digital Building, No. 9, Gaoxin Central Avenue 3rd, Science & Industry Park, Nanshan District, Shenzhen, China	HKD 2,000,000	International trade, entrepot trade, 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:

December 31, 2023; 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	Representative of Juristic person, WT Microelectronics Co., Ltd.: Cheng, Wen-Tsung	70,220,331	100.00
Hongtech Electronics Co., Ltd.	Chairman	Representative of Juristic person, Maxtek Technology Co., Ltd.: Cheng, Wen-Tsung	11,500,000	100.00
SinYie Investment Co., Ltd.	Chairman	Representative of Juristic person, WT Microelectronics Co., Ltd.: Cheng, Wen-Tsung	2,900,000	100.00
Milestone Investment Co., Ltd.	Chairman	Representative of Juristic person, WT Microelectronics Co., Ltd.: Cheng, Wen-Tsung	4,500,000	100.00
Nuvision Technology Inc.	Chairman	Representative of Juristic person, WT Microelectronics Co., Ltd.: Cheng, Wen-Tsung	28,227,197	100.00
Morrihan International Corp.	Chairman	Representative of Juristic person, WT Microelectronics Co., Ltd.: Cheng, Wen-Tsung	523,760,000	100.00
Techmosa International Incorporation	Chairman	Representative of Juristic person, 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		
WT Microelectronics (Shanghai) Co., Ltd.	Executive Director	Hsu, Wen-Ting	-	-
	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 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	-	-

Name of enterprise	Title	Name or Representative	Shares held	
			Number of shares	Shareholding percentage
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	-	-
	Supervisor	Ming Wang	-	-
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	-	-
Wonchang Semiconductor Co.,Ltd.	Representative Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
	Director	Yoo, Hyung-Jin	-	-
	Supervisor	Yang, Shing-Yu	-	-
WT Technology Korea Co., Ltd.	Representative Director	Cheng, Wen-Tsung	-	-
	Director	Hsu, Wen-Hung	-	-
	Director	Yoo, Hyung-Jin	-	-
	Supervisor	Yang, Shing-Yu	-	-
Leader's Technology 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	Representative of Juristic person, Brillnics (HK)	1,669,410	100.00

Name of enterprise	Title	Name or Representative	Shares held	
			Number of shares	Shareholding percentage
		Limited: Cheng, Wen-Tsung		
	Director	Representative of Juristic person, Brillnics (HK) Limited: Hsu, Wen-Hung	1,669,410	100.00
	Director	Representative of Juristic person, Brillnics (HK) Limited: Wu, Shou-Gwo	1,669,410	100.00
Brillnics Inc.	Director	Cheng, Wen-Tsung	2,090,347	2.59
	Director	Hsu, Wen-Hung	145,070	0.18
	Director	Wuu, Shou-Gwo	3,187,036	3.96
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	Wuu, Shou-Gwo	-	-
	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	-	-
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 Choon	-	-
Excelpoint Systems Vietnam Company Limited	Director	Chan Tung Hong	-	-
	Director	Kwan Wai Leon	-	-
	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	Chan Tung Hong	-	-
	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	Irene Zhong	-	-
Synergy Electronics (H.K.) Limited	Director	Phuay Yong Hen	-	-
	Director	Phuay Yong Choon	-	-
	Director	Fu Man Yan	-	-
Synergy Electronics (Shenzhen) Co., Ltd.	Chairman	Phuay Yong Hen	-	-
	Vice Chairman	Tan Jin Tiong	-	-
	Director	Phuay Yong Choon	-	-

## (VI) Overview of affiliated enterprises

December 31, 2023; Unit: NT\$ thousands

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	2,426,652	10,285,560	0	10,285,560	0	(582)	119,111	1
WT Microelectronics Singapore Pte. Ltd.	34,935	2,949,726	2,596,681	353,045	11,238,613	229,354	201,091	134
Milestone Investment Co., Ltd.	45,000	113,630	10	113,620	0	(19)	1,450	0
Promising Investment Limited	940,571	987,663	153,757	833,906	0	(217)	(137,155)	(4)
Wintech Microelectronics Ltd.	92,118	7,129,739	7,452,474	(322,735)	14,981,715	(69)	(327,547)	(109)
Wintech Investment Co., Ltd.	645,448	1,075,451	0	1,075,451	0	(65)	97,986	5
WT Microelectronics (Hong Kong) Limited	384,661	14,879,190	14,265,004	614,186	55,101,861	281,309	119,594	10
Nino Capital Co., Ltd.	9,549	33,679	0	33,679	0	0	1,810	6
Rich Web Ltd.	705,430	714,541	0	714,541	0	0	(138,967)	(6)
WT Technology (H.K.) Limited	3,929	4,648	(208)	4,855	0	(87)	(36)	0
Shanghai WT Microelectronics Co., Ltd.	9,212	120,719	87,116	33,603	136,196	1,070	1,811	0
WT Microelectronics (Shenzhen) Co., Ltd.	699,362	2,219,237	1,504,804	714,433	3,833,484	(72,135)	(138,964)	0
WT Microelectronics(Malaysia) Sdn., Bhd.	3,340	2,968	611	2,357	11,552	195	52	0
WT Microelectronics (Thailand) Limited.	2,691	2,827	940	1,887	14,419	47	39	0
WT Microelectronics India Private Limited.	2,651	5,875	4,213	1,663	27,841	958	1,076	2
SinYie Investment Co., Ltd.	29,000	42,917	7,613	35,304	0	(18)	(18)	0
Nuvision Technology Inc.	282,272	5,572,113	4,290,548	1,281,565	20,028,085	689,564	425,856	15
WT Microelectronics (Shanghai) Co., Ltd.	1,079,281	9,233,966	7,526,215	1,707,751	14,008,712	152,646	201,607	0
WT Technology Pte. Ltd.	153,525	2,582,782	2,426,086	156,696	9,977,973	55,793	489	0
Maxtek Technology Co., Ltd.	702,203	3,103,056	1,496,550	1,606,506	5,519,685	117,300	263,222	4
Hongtech Electronics Co., Ltd.	115,000	1,285,334	876,298	409,036	6,270,550	357,443	179,036	16
Lacewood International Corp.	90,580	95,641	13	95,628	0	(47)	3,842	130
WT Solomon QCE Limited	432,190	1,503,471	989,193	514,278	4,276,373	64,133	42,691	0
Morrihan International Corp.	2,837,600	78,887,667	61,825,269	17,062,398	262,560,774	2,098,684	1,141,146	4
Asia Latest Technology Limited	34,390	43,718	0	43,718	0	0	(157)	0
WT Microelectronics (Shanghai) Technology Co., Ltd.	40,838	31,328	(12,382)	43,709	0	(454)	(157)	0
BSI Semiconductor Pte. Ltd.	175,700	597,953	2,554	595,399	0	(147)	29,530	4
Morrihan Singapore Pte. Ltd.	221,255	19,405,415	17,260,636	2,144,779	97,048,053	1,310,488	1,023,556	108
Wonchang Semiconductor Co., Ltd.	12,740	283,558	51,747	231,811	583,267	17,532	16,447	307
WT Technology Korea Co., Ltd.	47,388	1,541,737	838,140	703,597	4,962,468	141,111	90,854	12
Techmosa International Inc.	739,491	4,382,826	2,121,282	2,261,544	3,737,995	(51,362)	835,384	11
MSD Holdings Pte. Ltd.	6,141	101,780	420	101,360	0	(87)	1,897	9
Analog World Co., Ltd.	14,286	620,730	215,329	405,401	1,471,202	33,841	38,709	323
LEADERS TECHNOLOGY CO.,LTD	1,191	477,819	300,315	177,504	637,493	21,255	15,404	1,540
Brillnics Inc.	1,779,948	182,096	20,364	161,733	0	(9,485)	238	0
Brillnics (HK) Limited	1,965,519	316,064	127,681	188,383	823,362	(1,973)	21,730	0
Brillnics Singapore Pte. Ltd.	23,029	1,997	11,121	(9,124)	0	(11,941)	(12,011)	(16)
Brillnics Japan Inc.	21,720	79,134	53,434	25,700	239,097	11,386	6,475	65
Brillnics (Taiwan) Inc.	16,694	33,165	(5,702)	38,867	177,415	8,436	9,898	6
WT SEMICONDUCTOR HOLDINGS PTE. LTD.	5,089,016	4,964,112	153	4,963,958	0	(132)	(166,786)	(2)
Shi Hui Electronics (Shenzhen) Co., Ltd.	7,858	219,616	513,517	(293,901)	509,722	3,840	2,809	0
Excelpoint International Trading (Shanghai)	46,058	2,217,995	2,453,511	(235,516)	2,771,533	(11,034)	(27,654)	0

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)
Co., Ltd.								
EXCELPOINT TECHNOLOGY PTE. LTD.	1,457,132	1,258,272	2,875	1,255,397	0	8,734	7,858	0
EXCELPOINT SYSTEMS (H.K.) LIMITED	376,962	7,478,970	4,930,256	2,548,714	16,848,305	119,682	7,318	0
EXCELPOINT SYSTEMS (PTE) LTD	293,265	9,411,174	8,561,775	849,399	21,082,985	145,621	(48,567)	(4)
PLANETSPARK PTE. LTD.	337,755	326,756	94,647	232,109	468	(29,713)	(24,950)	(2)
EXCELPOINT SYSTEMS SDN. BHD.	1	4,115	472	3,644	0	649	820	8,195
EXCELPOINT SYSTEMS (INDIA) PVT LTD	189	78,821	144,359	(65,538)	33,213	9,061	7,394	148
EXCELPOINT SYSTEMS (USA) INC.	31	1,735	310	1,425	0	540	363	363
EXCELPOINT SYSTEMS VIETNAM COMPANY LIMITED	9,681	20,422	34,113	(13,691)	2,353	(28,184)	(23,479)	0
SYNERGY ELECTRONICS (H.K.) LIMITED	3,071	3,847	801	3,046	3,526	(249)	(249)	(2)

Note: The financial information has been audited or reviewed by an independent auditor in 2023; the balance sheet items are translated using the spot exchange rate at year-end, while P&L items are translated using the YTD average spot exchange rate.

(VII) Consolidated financial declaration statement of affiliated enterprises and consolidated financial statement: Please refer to pages 244 to 458.

(VIII) Affiliation report: N/A.

II. Private placement of securities in the most recent fiscal year and as of the publication date of the Annual Report

None.

III. Holding or disposal of shares of the Company by the Company's subsidiaries during the most recent fiscal year and up to the publication date of the Annual Report

None.

IV. Other matters that require additional description

None.

Chapter 9. Any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication 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**