

(English Translation)  
**Winbond Electronics Corporation**

**2023 Annual General Shareholders Meeting  
Agenda Handbook<sup>1</sup>**

**Shareholders meeting will be held by means of physical shareholders meeting**

**Date: May 30, 2023**

**Time: 9:00 A.M.**

**Place: No.539, Sec. 2, Wenxing Rd., Zhubei City, Hsinchu County 302052,  
Taiwan (R.O.C.)**

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<sup>1</sup> This translation is for reference only. In the event of any discrepancy between the Chinese version and this translation, the Chinese version shall prevail.

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## **Procedure and Agenda for the 2023 Annual General Meeting of Shareholders**

I. Announcement of the Commencement of the Meeting

II. Opening Speech of the Chairman

III. Meeting Agenda

A. Matters to be reported

1. Business report of fiscal year 2022.

2. Audit Committee's review report on 2022 audited financial statements and report

3. Report on distribution of employee and director compensations for 2022

4. Report on distribution of cash dividends from the 2022 profit

5. Other matters to be reported

B. Matters to be recognized and discussed and election of directors

1. To recognize business report and financial statements of fiscal year 2022

2. To recognize the proposal for distribution of the 2022 profit

3. To elect the directors (including independent directors) of the 13<sup>th</sup> term

Voting by poll for Motions Nos. 1 to 2 and to proceed with the election of directors:

4. To discuss the release of directors (including independent directors) from the non-competition restrictions

Voting by poll for Motion No. 4:

IV. Other Extemporaneous Matters and Motions

V. Adjournment

## Matters to be reported

1. Business report of fiscal year 2022  
Both the Company's business report and financial statements of fiscal year 2022 are hereby presented (please refer to Attachment 1 for details). Please examine. To be reported by the President.
2. Audit Committee's review report on 2022 audited financial statements and report  
The Audit Committee's review report is hereby presented (please refer to Attachment 3 for details). Please examine.
3. Report on distribution of employee and director compensations for 2022  
According to the Company's 2022 earnings audited by the certified public accountants, it is proposed to, in accordance with Article 22 of the Company's Articles of Incorporation, allot 1% of the earnings to be director compensation, which is NT\$153,939,912 in total, and allot 2% of the earnings to be employee compensation, which is NT\$307,879,824 in total. All of the above amounts will be paid in cash. The aforesaid ratios and amounts for allocation have been approved by the Company's Compensation Committee and Board of Directors, respectively.
4. Report on distribution of cash dividends from the 2022 profit  
Based on the authorization of Article 240 of the Company Act and the Articles of Incorporation of the Company, the Board of Directors meeting held on March 14, 2023 has resolved to distribute cash dividends amounting to NT\$3,980,000,193 for 2022, at NT\$1 in cash per common share. The Chairman of the Board of Directors is authorized to modify the cash dividend per share distributable to shareholders based on the actual number of the outstanding shares in the Company as of the ex-dividend record date, if such distributable amount of cash dividend per share is changed due to changes in the number of the outstanding shares in the Company arising from any event such as a share buyback by the Company. In the calculation of the cash dividend to be distributed to each shareholder, the amount thereof will be rounded to the nearest whole New Taiwan dollar, with the amount below one New Taiwan dollar being unconditionally discarded. All fractional amounts thereof less than one New Taiwan dollar will be credited to the Company's other income.
5. Other matters to be reported:
  - (1) Report on the shareholdings of all directors of the Company:
    - a. According to Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Share Ownership Ratios of Directors and Supervisors of Public Companies, the minimum combined shareholdings of all directors of the Company should be 95,520,005 shares. The Company has set up an Audit Committee and thus the requirement on the minimum shareholdings of all supervisors is not applicable.
    - b. Please refer to Attachment 4 for the shareholding of each director and the shareholdings of all directors as of the record date for determining the shareholders eligible to attend this annual general shareholders meeting.
    - c. The aggregate shareholdings of all directors of the Company meet the minimum shareholding required by laws and regulations.
  - (2) During the period for accepting shareholders' proposals and nomination of director candidates, no shareholder submitted any written proposal or nomination to the Company for the Company's 2023 annual general shareholders meeting in accordance with Article 172-1 and Article 192-1 of the Company Act.

## Matters to be recognized and discussed and election of directors

### Motion 1: (proposed by the Board of Directors)

Proposal: The business report and financial statements of fiscal year 2022 are hereby presented. Please acknowledge and recognize the same.

Explanation:

1. Please refer to Attachment 1 for the business report and financial statements of fiscal year 2022.
2. The aforementioned financial statements had been approved by the Board of Directors. After being audited by the certified public accountants, such financial statements, together with the business report, had been submitted to and reviewed by the Audit Committee.

### Motion 2: (proposed by the Board of Directors)

Proposal: The proposal for distribution of the 2022 profit is hereby presented. Please acknowledge and recognize the same.

Explanation:

1. The Company made a profit of NT\$12,927,165,250 after tax in 2022. The proposed statement of profit distribution is as follows.
2. The distribution of cash dividends for common shares has been approved by the resolution of the Board of Directors held on March 14, 2023.

Winbond Electronics Corporation  
Statement of Profit Distribution  
For the year ended December 31, 2022

(Unit : NT\$)

Items	Total
Unappropriated Earnings, Beginning of Year	\$15,393,855,198
Plus : Net Income of 2022	\$12,927,165,250
Plus : Gain on Disposals of investments in equity instruments designated as at fair value through other comprehensive income and the cumulative gain or loss transferred to retained earnings	300,524,739
Plus : Gains on Remeasurement of Defined Benefit Plans	159,407,249
Net Income of 2022 and other adjustments transferred to retained earnings in 2022	13,387,097,238
Minus : 10% Legal Reserve Appropriated	(1,338,709,724)
Earnings Available for Distribution as of December 31, 2022	\$27,442,242,712
Distributable items:	
Cash Dividends to Common Shareholders (NT\$ 1 per share)	(3,980,000,193)
Unappropriated Earnings, End of Year	\$23,462,242,519

(Note: Distribution of the Company's profit or make up its losses for the end of half of 2022: None.)

Chairman: Arthur Yu-Cheng Chiao

Manager: Pei-Ming Chen

Chief Accountant: Chin-Feng Yang

### Motion 3: Election of Directors (proposed by the Board of Directors)

Proposal: It is proposed to elect directors (including independent directors) of the thirteenth term.

Explanation:

1. The directors (including independent directors) of the twelfth term were elected at the annual general shareholders meeting on June 12, 2020 and their term of office will expire on June 11, 2023. As the annual general shareholders meeting of this year is brought forward to May 30, 2023, it is proposed to re-elect all of the directors (including independent directors) of the thirteenth term of the Company in advance in accordance with Article 199-1 of the Company Act.
2. According to Article 13 of the Articles of Incorporation, the Company has nine to eleven directors and the number of independent directors should not be less than three and should account for not less than one-fifth of the total number of directors. The term of office of directors shall be three

years. The twentieth-first meeting of the Board of Directors of the twelfth term passed a resolution that the total number of the directors (including independent directors) of the thirteenth term shall be eleven (inclusive of four independent directors); the newly-elected directors will take office after the 2023 annual general shareholders meeting, and their term of office should be effective from May 30, 2023 to May 29, 2026.

3. The Company's directors (including independent directors) of the thirteenth term shall be elected according to its candidate nomination system. The list of director candidates (including independent directors) for this election has been reviewed and approved by the twenty-first meeting of the Board of Directors of the twelfth term. Please refer to Attachment 5 for the list of director candidates.

**Voting by Poll for Motion Nos. 1 to 2 and Election:**

**Motion 4:** (proposed by the Board of Directors)

Proposal: It is proposed to release the directors (including independent directors) of the Company from non-competition restrictions. Please review and approve the same.

Explanation:

1. It is conducted in accordance with Paragraph 1 of Article 209 of the Company Act.
2. Please refer to Attachment 6 for the items of competitive conduct of the newly elected directors of the thirteenth term who act as directors or managerial officers in other companies which engage in the same businesses as those of the Company.
3. It is proposed to release the newly elected directors of the thirteenth term from the non-competition restrictions starting from the date on which such directors take office as the Company's directors.
4. The proposal was approved by the Board of Directors.

**Voting by Poll for Motion 4 :**

**Other Extemporary Matters and Motions:**

Meeting Adjourned.

# **Attachment**

## Winbond Electronics Corporation 2022 Business Report

Central banks around the world have raised interest rates to curb inflation arising from conflicts between Ukraine and Russia, rising energy prices, and China's zero COVID policy in 2022. Tightened fiscal policies have significantly slowed manufacturing activity, weakened global stock and bond market performance, and signaled a clear trend toward an economic downturn. For Winbond, operations in the first half of the year remained at peak levels thanks to the flow of electronic products and remote business opportunities presented by the pandemic. In the latter half of 2022, however, business growth has been hampered by diminished demand for consumer electronics, alleviated material shortages, and the accumulated inventory stemming from supply chain imbalances during the pandemic. Nevertheless, with the easing of the pandemic, the pace of innovation-driven operations in the electronic and electrical manufacturing industries is expected to slowly but gradually pick up pace. We are confident that we can overcome the challenges of the current global economic and political situation as well as continue to work closely with our partners to provide them with total memory solutions, ultimately reaching the goal of stability and growth together.

### **Financial Performance**

In 2022, our consolidated revenue amounted to NT\$94.53 billion, a decrease of 5.06% compared to 2021, mainly due to the impact of inventory adjustments and weakened demand for consumer electronics. Memory and logic products constituted 56% and 44% of consolidated revenue respectively. The gross margin was 46% and the operating margin was 17%. Our net earnings after tax were NT\$15.0 billion (NT\$12.9 billion attributed to the parent company) while earnings per share were NT\$3.25.

### **Market and Product Applications**

Winbond's memory business is dedicated to the design, fabrication, and distribution of Code Storage Flash Memory and Specialty DRAM. The two product lines are the cornerstones of the Company's robust operation. Our logic IC business provides eight major solutions—microcontroller applications, smart home, cloud security, motion sensing technologies, battery monitoring, IoT applications, semiconductor components, and IC foundry, and we are always seeking to expand its product lineup to give our clients the most comprehensive service possible.

In terms of product application, Winbond's memory IC products are balanced across the four major sectors of electronics. In 2022, the communication applications product line remains the major revenue source of our memory business, accounting for 29% of its total revenue. Automotive and industrial products were unaffected by the economic downturn in the second half of the year, accounting for 27% of our total revenue, with uninterrupted growth thanks to the growing adoption of electric vehicles and the advancement of smart technologies. Attributable to a wave of replacements due to software upgrades, computer and peripheral products generated 24% of our total revenue, with only 20% on consumer products as less was spent on electronics during the post-pandemic period. Our automotive applications also showed significant growth, accounting for 40% of our logic IC revenue. Communications and consumer products revenue were at 22% each, on par with the previous year. Although the smartphone market weakened, sales of our CSP MOSFETs for lithium-ion mobile battery protection performed well, which continue to increase our market share and help maintain our momentum. Revenue from computer and peripheral products and applications decreased slightly to 16%.

### **Capacity Planning**

Winbond's Kaohsiung Fab has commenced operations according to plan with a capacity of 10,000 wafers per month expected to go toward our 2023 revenue. Our latest DRAM 25nm technology will



provide 2G/4G DDR3 and other higher-end niche products to meet the demand for IoT, smart systems, automotive, industrial, and metaverse applications. Facilities will continue to be built in Kaohsiung Fab module A based on market and business prospects.

The CTSP Fab in Central Taiwan Science Park is currently producing 58,000 wafers per month while catering to Code Storage Flash Memory and Specialty DRAM product lines. With the Kaohsiung Fab now having Specialty DRAM capacity, we will be able to progressively increase our Code Storage Flash Memory fabrication at the CTSP Fab, thus maintaining our leading position in the market.

### **Product Innovation and Technology Development**

To bolster our competitive advantage, Winbond is proactively incorporating green design thinking into the core product design process. We have completed verification of using Flash memory in Low Temperature Soldering (LTS) processes that conform with Joint Electron Device Engineering Council (JEDEC) standards, which effectively reduces our carbon footprint. The process flow for Surface Mount Technology (SMT) has been streamlined and shortened to reduce production costs. Vigorous growth of the Internet of Vehicles has highlighted network security risks and the rising significance of information security functions for vehicular systems and software. In 2022, Winbond became the world's first memory manufacturer to match international industry standards with ISO/SAE 21434 Road Vehicles—Cybersecurity Engineering certification.

A multitude of resources have been invested in our logic IC business, developing various types of products that are in demand. For automotive products, we are developing novel Human-Machine Interface solutions with vehicular communication security technology that supports quick startup and high-resolution displays. We verified our battery deterioration diagnosis technology in collaboration with international manufacturers to build a circular ecosystem for recycling automotive batteries. For industrial control systems, we launched the first MA35D1 series microprocessor based on the dual-core 64-bit Arm® Cortex®-A35 and single-core Cortex®-M4 architectures to target the need for high-performance edge computing in industrial IoT. On top of breakthroughs in computing, communications, and consumer products, we are always looking to bring new products and applications to the market.

For the development of in-house memory technologies, our latest DRAM 25nm technology has been put into production as the main line of the Kaohsiung Fab. The development of next-generation DRAM 20nm processes is on schedule and projected to enter production in the second half of 2023, providing yet another solid foundation and driving force for our long-term growth. Regarding flash processes, Winbond is developing NOR Flash 45nm and NAND Flash 24nm processes in response to future market demand for high density memory. Our goal is to increase the technological competitive edges of both Winbond and our clients by strengthening core technologies and value-added products.

### **Corporate Sustainability**

Winbond established the Sustainable Development Committee in May, which is directly supervised by the Board of Directors and headed by the Chairman. In August, we joined the Taiwan Climate Partnership (TCP), a major climate initiative organization, with the Chairman serving as director and group convener. In November, Winbond acquired 1,000 tons of CO<sub>2</sub>e high-quality blue carbon credits from the Singaporean Climate Impact X (CIX), some of which were used to offset carbon emissions for the zero-carbon 35<sup>th</sup> Anniversary ESG Family Day. For green products, we have successfully developed an 1.2V Serial NOR Flash—the first of its kind that supports ultra-low voltage operations which significantly reduce energy consumption.

Winbond gives back to society by serving breakfasts for students and children in rural areas and supporting STSP Charity Month activities aimed at improving the lives and quality of life for economically disadvantaged families. Regarding environmental protection, in 2022, Winbond combined efforts to adopt and maintain the HouFeng Bikeway. To foster interdisciplinary semiconductor talent, Winbond joined hands with National Cheng Kung University to plan and develop the Winbond × NCKU Semiconductor Leadership Program.

Winbond's robust profitability and outstanding performance in sustainability and corporate

governance allow us to pass the rigorous review of investment institutions and be selected as a constituent of their investment indices. In 2022, we were included in the FTSE4Good Emerging Index, FTSE4Good TIP Taiwan ESG Index, and TWSE Corporate Governance 100 Index while ranking in the top 6%-20% ranking in the TWSE Corporate Governance Evaluation for multiple years consecutively.

## **Honors and Awards**

In 2022, Winbond received numerous awards for innovation and sustainable development. Our TrustME® W77Q Secure Flash Memory was crowned the winner at the 2022 China OFweek 7th IoT& AI Innovative Technology Product Awards. The product supports secure storage and startup, root of trust, and system recovery, which allows a simple drop-in replacement for existing NOR Flash devices. Furthermore, our HYPERRAM™ 3.0 product was recognized at the 7<sup>th</sup> China IoT Technology Innovation Award in 2022 by Elecfans for its low pin count, low power consumption, and ease of control, which substantially improve the performance of IoT end devices.

The NuMicro® M030G/M031G series microcontrollers launched by our logic IC business with a complete platform solution for optical transceiver applications were named Microcontroller/Interface of the Year at the ASPENCORE World Electronics Achievement Awards (WEAA) and Promising Product of the Year at the 2022 EE Awards Asia: Asian Golden Selection Award.

In terms of sustainable development, Winbond has stayed true to our commitment to corporate governance and environmental sustainability. In 2022, we won three awards at the 2022 Taiwan Corporate Sustainability Awards (TCSA): In addition to once again winning the IT & IC Manufacturing Platinum Award and the Talent Development Leadership Award, we took home our first Top 100 Sustainability Exemplary Taiwanese Company Award. These accomplishments are exemplary of the recognition by external organizations for our performance and results in striking a balance between corporate sustainability, ESG management, and business resilience.

## **Future Prospects**

Winbond celebrated its 35th anniversary in 2022, and we treasure all the highs and lows in our 35 years of operation as invaluable experience and cornerstone for tackling future challenges. Through continuous refinement, we have significantly accelerated our R&D roadmap. We have seen particular success in the progress of our NOR Flash 45mm, DRAM 20mm, and NAND Flash 24mm technology development, which are expected to hit mass production and begin contributing to the Company's revenues in the near future. In addition to strengthening the competitiveness of its core products, Winbond continues to base its operation on providing comprehensive localized services and a flexible and stable supply of products. We will continue to stand by our global customers to strive for mutual growth.

Lastly but most importantly, Winbond, with its vision to “be a hidden champion in providing sustainable semiconductors to enrich human life,” has long been committed to corporate sustainability management. In the coming year, our management strategies will remain focused on green R&D, digital innovation, identification of material sustainability topics and opportunities, optimization of manufacturing processes, minimization of energy use, procurement of renewable energy, investment in forest capital and carbon credits, and other sustainability concerns. We hope to achieve our “coprosperity with society” and “net zero by 2050” goals using all available and ethical means.

Chairman: Arthur Yu-Cheng Chiao

President: Pei-Ming Chen

CAO: Chin-Feng Yang

# WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 20,402,936	11	\$ 30,914,427	20
Current financial assets at fair value through profit or loss (Notes 4 and 7)	223,532	-	215,748	-
Current financial assets at fair value through other comprehensive income (Notes 4 and 8)	14,587,832	8	10,977,904	7
Accounts receivable, net (Notes 4 and 9)	9,137,746	5	11,515,593	8
Accounts receivable due from related parties, net (Note 31)	735,659	-	639,262	-
Finance lease receivables - current (Notes 4, 10 and 31)	96,731	-	-	-
Other receivables (Notes 11 and 31)	558,836	-	1,267,026	1
Inventories (Notes 4, 5 and 12)	21,448,078	12	15,940,688	10
Other current assets	1,346,173	1	1,036,085	1
Total current assets	<u>68,537,523</u>	<u>37</u>	<u>72,506,733</u>	<u>47</u>
<b>NON-CURRENT ASSETS</b>				
Non-current financial assets at fair value through profit or loss (Notes 4 and 7)	121,775	-	69,200	-
Non-current financial assets at fair value through other comprehensive income (Notes 4 and 8)	3,056,829	2	3,481,435	2
Investments accounted for using equity method (Notes 4 and 13)	9,971,440	5	8,286,463	5
Property, plant and equipment (Notes 4 and 14)	93,806,639	51	61,079,605	40
Right-of-use assets (Notes 4 and 15)	2,224,481	1	2,796,920	2
Investment properties (Notes 4 and 16)	1,798,160	1	2,005,598	1
Intangible assets (Notes 4 and 17)	782,603	1	1,072,985	1
Deferred income tax assets (Notes 4 and 25)	1,191,547	1	774,072	1
Finance lease receivables - non-current (Notes 4, 10 and 31)	123,451	-	-	-
Other non-current assets (Notes 6 and 31)	2,550,545	1	667,273	1
Total non-current assets	<u>115,627,470</u>	<u>63</u>	<u>80,233,551</u>	<u>53</u>
<b>TOTAL</b>	<u>\$ 184,164,993</u>	<u>100</u>	<u>\$ 152,740,284</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 18)	\$ 1,069,040	-	\$ 1,430,417	1
Current financial liabilities at fair value through profit or loss (Notes 4 and 7)	7,412	-	-	-
Notes and accounts payable	5,202,743	3	6,256,539	4
Accounts payable due to related parties (Note 31)	1,188,928	1	1,344,195	1
Payables on machinery and equipment	3,535,586	2	4,462,326	3
Other payables (Note 31)	9,735,007	5	9,946,855	6
Current tax liabilities (Notes 4 and 25)	2,123,413	1	2,704,871	2
Provisions - current (Notes 4 and 20)	132,473	-	532,948	-
Lease liabilities - current (Notes 4 and 15)	276,015	-	333,791	-
Long-term borrowings - current portion (Note 18)	3,171,429	2	785,000	1
Other current liabilities (Note 31)	1,334,708	1	847,989	1
Total current liabilities	<u>27,776,754</u>	<u>15</u>	<u>28,644,931</u>	<u>19</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Notes 4 and 19)	9,968,462	5	9,956,086	6
Long-term borrowings (Notes 18 and 27)	34,278,073	19	13,348,865	9
Provisions - non-current (Notes 4 and 20)	2,733,351	2	2,966,575	2
Lease liabilities - non-current (Notes 4 and 15)	2,052,762	1	2,682,609	2
Net defined benefit liabilities - non-current (Notes 4 and 21)	1,892,594	1	2,621,015	2
Other non-current liabilities (Note 31)	2,729,281	1	2,486,691	1
Total non-current liabilities	<u>53,654,523</u>	<u>29</u>	<u>34,061,841</u>	<u>22</u>
Total liabilities	<u>81,431,277</u>	<u>44</u>	<u>62,706,772</u>	<u>41</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Notes 4 and 22)</b>				
Share capital	39,800,002	22	39,800,002	26
Capital surplus	7,785,918	4	7,786,124	5
Retained earnings				
Legal reserve	3,434,165	2	2,074,570	1
Unappropriated earnings	28,780,952	15	20,733,450	14
Exchange differences on translation of the financial statements of foreign operations	(654,652)	-	(861,389)	(1)
Unrealized gains on financial assets measured at fair value through other comprehensive income	15,016,611	8	12,911,356	9
Total equity attributable to owners of the parent	94,162,996	51	82,444,113	54
<b>NON-CONTROLLING INTERESTS</b>	<u>8,570,720</u>	<u>5</u>	<u>7,589,399</u>	<u>5</u>
Total equity	<u>102,733,716</u>	<u>56</u>	<u>90,033,512</u>	<u>59</u>
<b>TOTAL</b>	<u>\$ 184,164,993</u>	<u>100</u>	<u>\$ 152,740,284</u>	<u>100</u>

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

# WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 31)	\$ 94,529,790	100	\$ 99,569,924	100
OPERATING COSTS (Notes 12 and 31)	<u>51,478,707</u>	<u>54</u>	<u>57,088,857</u>	<u>58</u>
GROSS PROFIT	<u>43,051,083</u>	<u>46</u>	<u>42,481,067</u>	<u>42</u>
OPERATING EXPENSES (Note 31)				
Selling expenses	2,547,825	3	2,572,816	3
General and administrative expenses	8,301,233	9	6,044,264	6
Research and development expenses	15,818,706	17	15,379,855	15
Expected credit (gain) loss (Note 9)	<u>(151,262)</u>	<u>-</u>	<u>56,210</u>	<u>-</u>
Total operating expenses	<u>26,516,502</u>	<u>29</u>	<u>24,053,145</u>	<u>24</u>
INCOME FROM OPERATIONS	<u>16,534,581</u>	<u>17</u>	<u>18,427,922</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 31)	154,580	-	58,948	-
Dividend income (Note 31)	634,979	1	404,585	-
Other income (Notes 15, 27 and 31)	540,182	1	477,608	1
Share of profit (loss) of associates	512,295	1	197,908	-
Gains (losses) on disposal of property, plant and equipment (Note 31)	357,146	-	174,642	-
Gains (losses) on disposal of intangible assets (Note 31)	91	-	(4,803)	-
Gains (losses) on disposal of investments	-	-	(436)	-
Gains (losses) on disposal of non-current held for sale assets	36,181	-	30,371	-
Gains (losses) on foreign exchange (Note 34)	968,662	1	(106,710)	-
Gains (losses) on financial instruments at fair value through profit or loss	(962,983)	(1)	64,345	-
Interest expense (Notes 15, 27 and 31)	(94,874)	-	(205,883)	-
Other expenses (Note 31)	(522,402)	(1)	(512,458)	-
Impairment loss recognized on property, plant and equipment	<u>(112,266)</u>	<u>-</u>	<u>(782,949)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>1,511,591</u>	<u>2</u>	<u>(204,832)</u>	<u>-</u>
INCOME BEFORE INCOME TAX	18,046,172	19	18,223,090	18
INCOME TAX EXPENSE (Notes 4 and 25)	<u>3,059,620</u>	<u>3</u>	<u>3,222,968</u>	<u>3</u>
NET INCOME	<u>14,986,552</u>	<u>16</u>	<u>15,000,122</u>	<u>15</u>

(Continued)

# WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Components of other comprehensive income (loss) that will not be reclassified to profit or loss:				
Gains (losses) on remeasurement of defined benefit plans (Note 21)	\$ 215,816	-	\$ (116,564)	-
Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	2,811,664	3	3,417,063	3
Share of other comprehensive income (loss) of associates accounted for using the equity method	(529,691)	-	1,901,619	2
Income tax expense related to remeasurement of defined benefit plans	(5,812)	-	-	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>225,926</u>	<u>-</u>	<u>(1,015,187)</u>	<u>(1)</u>
Other comprehensive income (loss)	<u>2,717,903</u>	<u>3</u>	<u>4,186,931</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 17,704,455</u>	<u>19</u>	<u>\$ 19,187,053</u>	<u>19</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 12,927,165	14	\$ 13,594,643	14
Non-controlling interests	<u>2,059,387</u>	<u>2</u>	<u>1,405,479</u>	<u>1</u>
	<u>\$ 14,986,552</u>	<u>16</u>	<u>\$ 15,000,122</u>	<u>15</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 15,699,089	17	\$ 17,775,735	18
Non-controlling interests	<u>2,005,366</u>	<u>2</u>	<u>1,411,318</u>	<u>1</u>
	<u>\$ 17,704,455</u>	<u>19</u>	<u>\$ 19,187,053</u>	<u>19</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 3.25</u>		<u>\$ 3.42</u>	
Diluted	<u>\$ 3.23</u>		<u>\$ 3.41</u>	

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

(Concluded)

**WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Parent								
	Share Capital	Capital Surplus	Retained Earnings		Other Equity		Total	Non-controlling Interests	Total Equity
			Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income			
BALANCE AT JANUARY 1, 2021	\$ 39,800,002	\$ 7,770,865	\$ 1,913,317	\$ 8,094,753	\$ (271,328)	\$ 8,141,510	\$ 65,449,119	\$ 5,143,568	\$ 70,592,687
Appropriation of 2020 earnings (Note 22)									
Legal reserve appropriated	-	-	161,253	(161,253)	-	-	-	-	-
Cash dividends	-	-	-	(796,000)	-	-	(796,000)	-	(796,000)
Total appropriations	-	-	161,253	(957,253)	-	-	(796,000)	-	(796,000)
Net income for the year ended December 31, 2021	-	-	-	13,594,643	-	-	13,594,643	1,405,479	15,000,122
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	(92,951)	(590,061)	4,864,104	4,181,092	5,839	4,186,931
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	13,501,692	(590,061)	4,864,104	17,775,735	1,411,318	19,187,053
Changes in ownership interests in subsidiaries	-	15,259	-	-	-	-	15,259	1,183,301	1,198,560
Disposal of investments in equity instruments designated at fair value through other comprehensive income (Notes 8 and 22)	-	-	-	94,258	-	(94,258)	-	-	-
Cash dividends distributed by subsidiaries (Note 22)	-	-	-	-	-	-	-	(148,788)	(148,788)
BALANCE AT DECEMBER 31, 2021	39,800,002	7,786,124	2,074,570	20,733,450	(861,389)	12,911,356	82,444,113	7,589,399	90,033,512
Appropriation of 2021 earnings (Note 22)									
Legal reserve appropriated	-	-	1,359,595	(1,359,595)	-	-	-	-	-
Cash dividends	-	-	-	(3,980,000)	-	-	(3,980,000)	-	(3,980,000)
Total appropriations	-	-	1,359,595	(5,339,595)	-	-	(3,980,000)	-	(3,980,000)
Net income for the year ended December 31, 2022	-	-	-	12,927,165	-	-	12,927,165	2,059,387	14,986,552
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	159,408	206,737	2,405,779	2,771,924	(54,021)	2,717,903
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	13,086,573	206,737	2,405,779	15,699,089	2,005,366	17,704,455
Changes in ownership interests in subsidiaries	-	8	-	-	-	-	8	8	16
Changes in equity of associates accounted for using equity method	-	(214)	-	-	-	-	(214)	-	(214)
Disposal of investments in equity instruments designated at fair value through other comprehensive income (Notes 8 and 22)	-	-	-	300,524	-	(300,524)	-	-	-
Cash dividends distributed by subsidiaries (Note 22)	-	-	-	-	-	-	-	(1,024,053)	(1,024,053)
BALANCE AT DECEMBER 31, 2022	\$ 39,800,002	\$ 7,785,918	\$ 3,434,165	\$ 28,780,952	\$ (654,652)	\$ 15,016,611	\$ 94,162,996	\$ 8,570,720	\$ 102,733,716

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

# WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 18,046,172	\$ 18,223,090
Adjustments for:		
Depreciation expense	9,195,254	11,361,984
Amortization expense	354,103	293,856
Carbon offset	174	-
Expected credit (gain) loss recognized on accounts receivable	(151,262)	56,210
(Gains) losses on financial assets and liabilities at fair value through profit or loss	10,041	1,058
Interest expense	94,874	205,883
Interest income	(154,580)	(58,948)
Dividend income	(634,979)	(404,585)
Share of (profit) loss of associates	(512,295)	(197,908)
(Gains) losses on disposal of property, plant and equipment	(357,146)	(174,642)
(Gains) losses on disposal of non-current held for sale assets	(36,181)	(30,371)
(Gains) losses on disposal of investments	-	436
(Gains) losses on disposal of intangible assets	(91)	4,803
Impairment loss on property, plant and equipment	112,266	782,949
Gains on lease modification	(111,231)	(15)
Changes in operating assets and liabilities		
(Increase) decrease in financial assets and liabilities at fair value through profit or loss	51,928	(19,867)
(Increase) decrease in accounts receivable	2,452,548	(1,845,248)
(Increase) decrease in accounts receivable due from related parties	(96,397)	(561,502)
(Increase) decrease in other receivables	540,209	294,673
(Increase) decrease in inventories	(5,507,390)	(1,799,274)
(Increase) decrease in other current assets	(310,088)	(297,781)
(Increase) decrease in other non-current assets	(1,859,498)	(774)
Increase (decrease) in notes and accounts payable	(1,053,285)	(314,890)
Increase (decrease) in accounts payable due to related parties	(155,267)	(321,808)
Increase (decrease) in other payables	140,930	3,818,970
Increase (decrease) in other current liabilities	308,338	325,658
Increase (decrease) in other non-current liabilities	(964,949)	(303,820)
Cash flows generated by (used in) operations	19,402,198	29,038,137
Interest received	150,955	53,059
Dividends received	726,400	459,437
Interest paid	(552,169)	(436,963)
Income taxes paid	(4,031,232)	(720,486)
Net cash flows generated by (used in) operating activities	<u>15,696,152</u>	<u>28,393,184</u>

(Continued)

# WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of investments accounted for using equity method	\$ (568,772)	\$ -
Acquisitions of financial assets at fair value through profit or loss	(96,958)	(178,957)
Acquisitions of financial assets at fair value through other comprehensive income	(1,521,393)	(219,676)
Proceeds from disposal of financial assets at fair value through other comprehensive income	18,535	310,667
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	1,000	4,500
Net cash flow from acquisition of subsidiaries	-	(77,934)
Proceeds from disposal of non-current held for sale assets	55,200	279,897
Acquisitions of property, plant and equipment	(42,164,653)	(9,819,828)
Proceeds from disposal of property, plant and equipment	369,674	959,954
Acquisitions of right-of-use assets	(2,167)	-
(Increase) decrease in refundable deposits	(29,160)	442,799
(Increase) decrease in other receivables - time deposits	128,267	13,008
Acquisitions of intangible assets	(381,342)	(314,310)
Proceeds from disposal of intangible assets	356	-
Increase (decrease) in investment payable	(362,643)	-
(Increase) decrease in finance lease receivables	<u>71,848</u>	<u>-</u>
Net cash flows generated by (used in) investing activities	<u>(44,482,208)</u>	<u>(8,599,880)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	(361,377)	(390,793)
Proceeds from long-term borrowings	23,150,000	4,931,600
Repayments of long-term borrowings	-	(5,000,000)
Cash dividends paid	(3,980,000)	(796,000)
Change in non-controlling interests	(1,024,053)	(148,788)
Repayments of lease liabilities	(339,177)	(381,264)
Increase (decrease) in guarantee deposits	<u>433,932</u>	<u>1,982,200</u>
Net cash flows generated by (used in) financing activities	<u>17,879,325</u>	<u>196,955</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>395,240</u>	<u>(820,138)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(10,511,491)	19,170,121
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>30,914,427</u>	<u>11,744,306</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 20,402,936</u>	<u>\$ 30,914,427</u>

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

(Concluded)



# WINBOND ELECTRONICS CORPORATION

## BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 8,684,164	6	\$ 20,226,289	16
Current financial assets at fair value through profit or loss (Notes 4 and 7)	48,712	-	50,057	-
Current financial assets at fair value through other comprehensive income (Notes 4 and 8)	14,587,832	9	10,977,904	9
Accounts receivable, net (Notes 4 and 9)	3,588,202	2	5,556,897	4
Accounts receivable due from related parties, net (Note 26)	1,179,039	1	1,944,639	2
Other receivables (Note 26)	256,731	-	283,312	-
Inventories (Notes 4, 5 and 10)	13,044,368	8	9,195,814	7
Other current assets	<u>861,614</u>	<u>1</u>	<u>680,687</u>	<u>1</u>
Total current assets	<u>42,250,662</u>	<u>27</u>	<u>48,915,599</u>	<u>39</u>
<b>NON-CURRENT ASSETS</b>				
Non-current financial assets at fair value through other comprehensive income (Notes 4 and 8)	579,064	-	29,086	-
Investments accounted for using equity method (Notes 4 and 11)	20,926,478	14	18,878,347	15
Property, plant and equipment (Notes 4 and 12)	87,575,274	56	55,352,300	44
Right-of-use assets (Notes 4 and 13)	1,562,419	1	1,558,921	1
Investment properties (Notes 4 and 14)	275,254	-	285,814	-
Intangible assets (Notes 4 and 15)	18,158	-	43,999	-
Deferred income tax assets (Notes 4 and 21)	810,000	1	445,000	1
Other non-current assets (Notes 6 and 26)	<u>2,009,285</u>	<u>1</u>	<u>435,513</u>	<u>-</u>
Total non-current assets	<u>113,755,932</u>	<u>73</u>	<u>77,028,980</u>	<u>61</u>
<b>TOTAL</b>	<u>\$ 156,006,594</u>	<u>100</u>	<u>\$ 125,944,579</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 16)	\$ -	-	\$ 1,430,417	1
Notes payable	102,011	-	61,648	-
Accounts payable	2,691,742	2	3,520,195	3
Accounts payable due to related parties (Note 26)	462,039	-	913,581	1
Payables on machinery and equipment	3,382,521	2	4,393,748	3
Other payables (Note 26)	5,423,560	4	5,157,125	4
Current tax liabilities (Notes 4 and 21)	1,386,821	1	2,256,788	2
Lease liabilities - current (Notes 4 and 13)	87,383	-	75,578	-
Long-term borrowings - current portion (Note 16)	3,100,000	2	785,000	1
Other current liabilities	<u>75,372</u>	<u>-</u>	<u>93,942</u>	<u>-</u>
Total current liabilities	<u>16,711,449</u>	<u>11</u>	<u>18,688,022</u>	<u>15</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Notes 4 and 17)	9,968,462	7	9,956,086	8
Long-term borrowings (Notes 16 and 23)	32,849,502	21	11,848,865	9
Lease liabilities - non-current (Notes 4 and 13)	1,541,922	1	1,535,495	1
Net defined benefit liabilities - non-current (Notes 4 and 18)	379,105	-	944,555	1
Other non-current liabilities (Note 26)	<u>393,158</u>	<u>-</u>	<u>527,443</u>	<u>1</u>
Total non-current liabilities	<u>45,132,149</u>	<u>29</u>	<u>24,812,444</u>	<u>20</u>
Total liabilities	<u>61,843,598</u>	<u>40</u>	<u>43,500,466</u>	<u>35</u>
<b>EQUITY (Note 19)</b>				
Share capital	39,800,002	25	39,800,002	32
Capital surplus	7,785,918	5	7,786,124	6
Retained earnings				
Legal reserve	3,434,165	2	2,074,570	2
Unappropriated earnings	28,780,952	19	20,733,450	16
Exchange differences on translation of the financial statements of foreign operations	(654,652)	(1)	(861,389)	(1)
Unrealized gains on financial assets measured at fair value through other comprehensive income	<u>15,016,611</u>	<u>10</u>	<u>12,911,356</u>	<u>10</u>
Total equity	<u>94,162,996</u>	<u>60</u>	<u>82,444,113</u>	<u>65</u>
<b>TOTAL</b>	<u>\$ 156,006,594</u>	<u>100</u>	<u>\$ 125,944,579</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

# WINBOND ELECTRONICS CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 26)	\$ 51,139,171	100	\$ 57,532,802	100
OPERATING COSTS (Notes 10 and 26)	<u>27,181,153</u>	<u>53</u>	<u>32,775,614</u>	<u>57</u>
GROSS PROFIT	<u>23,958,018</u>	<u>47</u>	<u>24,757,188</u>	<u>43</u>
OPERATING EXPENSES (Note 26)				
Selling expenses	1,229,028	3	1,200,719	2
General and administrative expenses	4,672,592	9	2,756,183	5
Research and development expenses	6,610,718	13	6,088,149	10
Expected credit (gain) loss (Note 9)	<u>(39,000)</u>	<u>-</u>	<u>34,000</u>	<u>-</u>
Total operating expenses	<u>12,473,338</u>	<u>25</u>	<u>10,079,051</u>	<u>17</u>
INCOME FROM OPERATIONS	<u>11,484,680</u>	<u>22</u>	<u>14,678,137</u>	<u>26</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	59,527	-	25,480	-
Dividend income (Note 26)	551,906	1	336,520	-
Other income (Notes 23 and 26)	164,340	-	87,948	-
Share of profit (loss) of subsidiaries and associates	2,925,842	6	1,985,911	3
Gains (losses) on disposal of property, plant and equipment (Note 26)	53,438	-	41,973	-
Gains (losses) on disposal of non-current held for sale assets	36,181	-	30,371	-
Gains (losses) on foreign exchange (Note 29)	809,964	2	(109,015)	-
Gains (losses) on financial instruments at fair value through profit or loss	(822,862)	(2)	48,733	-
Interest expense (Notes 13, 23 and 26)	(59,527)	-	(136,158)	-
Other expenses	(159,052)	-	(165,769)	-
Gains (losses) on disposal of investments	-	-	(436)	-
Impairment loss recognized on property, plant and equipment (Note 12)	<u>(112,266)</u>	<u>-</u>	<u>(782,949)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>3,447,491</u>	<u>7</u>	<u>1,362,609</u>	<u>2</u>
INCOME BEFORE INCOME TAX	14,932,171	29	16,040,746	28
INCOME TAX EXPENSE (Notes 4 and 21)	<u>2,005,006</u>	<u>4</u>	<u>2,446,103</u>	<u>4</u>
NET INCOME	<u>12,927,165</u>	<u>25</u>	<u>13,594,643</u>	<u>24</u>

(Continued)

# WINBOND ELECTRONICS CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Components of other comprehensive income (loss) that will not be reclassified to profit or loss:				
Gains (losses) on remeasurement of defined benefit plans (Note 18)	\$ 92,216	-	\$ (51,661)	-
Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	2,857,430	6	2,176,120	4
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	(384,459)	(1)	2,646,694	4
Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(43,322)	-	(22,955)	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	<u>250,059</u>	<u>1</u>	<u>(567,106)</u>	<u>(1)</u>
Other comprehensive income (loss)	<u>2,771,924</u>	<u>6</u>	<u>4,181,092</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 15,699,089</u>	<u>31</u>	<u>\$ 17,775,735</u>	<u>31</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 3.25</u>		<u>\$ 3.42</u>	
Diluted	<u>\$ 3.23</u>		<u>\$ 3.41</u>	

The accompanying notes are an integral part of the financial statements.

(Concluded)

## WINBOND ELECTRONICS CORPORATION

### STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Share Capital	Capital Surplus	Retained Earnings		Other Equity		Total Equity
			Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2021	\$ 39,800,002	\$ 7,770,865	\$ 1,913,317	\$ 8,094,753	\$ (271,328)	\$ 8,141,510	\$ 65,449,119
Appropriation of 2020 earnings (Note 19)							
Legal reserve appropriated	-	-	161,253	(161,253)	-	-	-
Cash dividends	-	-	-	(796,000)	-	-	(796,000)
Total appropriations	-	-	161,253	(957,253)	-	-	(796,000)
Net income for the year ended December 31, 2021	-	-	-	13,594,643	-	-	13,594,643
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	(92,951)	(590,061)	4,864,104	4,181,092
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	13,501,692	(590,061)	4,864,104	17,775,735
Changes in ownership interests in subsidiaries	-	15,259	-	-	-	-	15,259
Disposal of investments in equity instruments designated at fair value through other comprehensive income (Note 19)	-	-	-	94,258	-	(94,258)	-
BALANCE AT DECEMBER 31, 2021	39,800,002	7,786,124	2,074,570	20,733,450	(861,389)	12,911,356	82,444,113
Appropriation of 2021 earnings (Note 19)							
Legal reserve appropriated	-	-	1,359,595	(1,359,595)	-	-	-
Cash dividends	-	-	-	(3,980,000)	-	-	(3,980,000)
Total appropriations	-	-	1,359,595	(5,339,595)	-	-	(3,980,000)
Net income for the year ended December 31, 2022	-	-	-	12,927,165	-	-	12,927,165
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	159,408	206,737	2,405,779	2,771,924
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	13,086,573	206,737	2,405,779	15,699,089
Changes in ownership interests in subsidiaries	-	8	-	-	-	-	8
Changes in equity of associates accounted for using equity method	-	(214)	-	-	-	-	(214)
Disposal of investments in equity instruments designated at fair value through other comprehensive income (Note 19)	-	-	-	300,524	-	(300,524)	-
BALANCE AT DECEMBER 31, 2022	\$ 39,800,002	\$ 7,785,918	\$ 3,434,165	\$ 28,780,952	\$ (654,652)	\$ 15,016,611	\$ 94,162,996

The accompanying notes are an integral part of the financial statements.

# WINBOND ELECTRONICS CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 14,932,171	\$ 16,040,746
Adjustments for:		
Depreciation expense	8,113,063	10,231,678
Amortization expense	52,841	53,712
Expected credit (gain) loss recognized on accounts receivable	(39,000)	34,000
(Gains) losses on financial assets and liabilities at fair value through profit or loss	7,525	(11,677)
Interest expense	59,527	136,158
Interest income	(59,527)	(25,480)
Dividend income	(551,906)	(336,520)
Share of (profit) loss of subsidiaries and associates	(2,925,842)	(1,985,911)
(Gains) losses on disposal of investments	-	436
(Gains) losses on disposal of property, plant and equipment	(53,438)	(41,973)
(Gains) losses on disposal of non-current held for sale assets	(36,181)	(30,371)
Impairment loss on property, plant and equipment	112,266	782,949
Unrealized profit (loss) on the transactions with subsidiaries	(66,340)	93,720
Carbon offset	174	-
Gains on lease modification	-	(15)
Changes in operating assets and liabilities		
(Increase) decrease in financial assets and liabilities at fair value through profit or loss	45,778	-
(Increase) decrease in accounts receivable	2,007,695	(1,762,452)
(Increase) decrease in accounts receivable due from related parties	765,600	(867,138)
(Increase) decrease in other receivables	30,252	(56,187)
(Increase) decrease in inventories	(3,848,554)	(1,276,190)
(Increase) decrease in other current assets	(180,927)	(204,647)
(Increase) decrease in other non-current assets	(1,761,996)	-
Increase (decrease) in notes payable	40,363	(124,081)
Increase (decrease) in accounts payable	(827,941)	158,062
Increase (decrease) in accounts payable due to related parties	(451,542)	35,621
Increase (decrease) in other payables	256,911	2,804,097
Increase (decrease) in other current liabilities	(18,570)	22,589
Increase (decrease) in other non-current liabilities	(516,481)	27,238
Cash flows generated by (used in) operations	15,085,921	23,698,364
Interest received	58,914	23,337
Dividends received	1,718,099	1,081,156
Interest paid	(518,173)	(374,197)
Income taxes paid	(3,243,031)	(109,456)
Net cash flows generated by (used in) operating activities	<u>13,101,730</u>	<u>24,319,204</u>

(Continued)

# WINBOND ELECTRONICS CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of investments accounted for using equity method	\$ (400,070)	\$ (357,898)
Acquisitions of financial assets at fair value through profit or loss	(51,958)	-
Acquisitions of financial assets at fair value through other comprehensive income	(1,321,011)	(10,000)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	18,535	-
Proceeds from capital reduction of investments accounted for using equity method	-	16,116
Proceeds from disposal of non-current held for sale assets	55,200	279,897
Acquisitions of property, plant and equipment	(40,798,805)	(9,292,410)
Proceeds from disposal of property, plant and equipment	53,660	61,082
Acquisitions of right-of-use assets	(2,167)	-
(Increase) decrease in refundable deposits	167,545	(81,309)
Acquisitions of intangible assets	(937)	(6,070)
Acquisitions of investment properties	(572)	(2,712)
Net cash flows generated by (used in) investing activities	<u>(42,280,580)</u>	<u>(9,393,304)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	(1,430,417)	1,430,417
Proceeds from long-term borrowings	23,150,000	4,931,600
Repayments of long-term borrowings	-	(5,000,000)
Cash dividends paid	(3,980,000)	(796,000)
Repayments of lease liabilities	(102,858)	(83,965)
Net cash flows generated by (used in) financing activities	<u>17,636,725</u>	<u>482,052</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(11,542,125)</b>	<b>15,407,952</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>20,226,289</u>	<u>4,818,337</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 8,684,164</u>	<u>\$ 20,226,289</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)



## 勤業眾信

勤業眾信聯合會計師事務所  
11073 台北市信義區松仁路100號20樓

Deloitte & Touche  
20F, Taipei Nan Shan Plaza  
No. 100, Songren Rd.,  
Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988  
Fax:+886 (2) 4051-6888  
www.deloitte.com.tw

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Winbond Electronics Corporation

### Opinion

We have audited the accompanying consolidated financial statements of Winbond Electronics Corporation (the “Company”) and its subsidiaries (collectively referred as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public 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 consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Occurrence of Sales Revenue from Specific Series of Flash Memory Products

The sales revenue of Winbond Electronics Corporation and its subsidiaries are mainly from the sale of DRAM IC products, Flash Memory products and Logic IC products.

As the gross profit margin and the proportion of sales revenue from the specific series of flash memory products are higher than that of other product series, and given that the gross profit of the specific series is significant to the net income of the year, we considered the occurrence of sales revenue from specific series of products as a key audit matter of the Company's consolidated financial statements for the year ended December 31, 2022.

The audit procedures that we performed in response to the abovementioned key audit matter included understanding the design and implementation of the key internal controls and testing the effectiveness of the relevant controls over sales revenue, and selecting samples of revenue items to verify the occurrence of the transactions.

### **Other Matter**

We have also audited the parent company only financial statements of Winbond Electronics Corporation as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

### **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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is 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 maintain professional skepticism throughout the audit. We also:


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

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

We also provide those charged with governance with statements 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 for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Kuo-Tyan Hong and Wen-Yea Shyu.



Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 16, 2023

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail*

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Winbond Electronics Corporation

### Opinion

We have audited the accompanying financial statements of Winbond Electronics Corporation (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Occurrence of Sales Revenue from Specific Series of Flash Memory Products

The sales revenue of Winbond Electronics Corporation is mainly from the sale of DRAM IC products and Flash Memory products.

As the gross profit margin and the proportion of sales revenue from the specific series of flash memory products are higher than that of other product series, and given that the gross profit of the specific series is significant to the net income of the year, we considered the occurrence of sales revenue from specific series of products as a key audit matter of the Company's financial statements for the year ended December 31, 2022.

The audit procedures that we performed in response to the abovementioned key audit matter included understanding the design and implementation of the key internal controls and testing the effectiveness of the relevant controls over sales revenue, and selecting samples of revenue items to verify the occurrence of the transactions.

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

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

In preparing the financial statements, management is 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Kuo-Tyan Hong and Wen-Yea Shyu.

The image shows two handwritten signatures in black ink. The first signature is on the left and is more stylized, while the second signature on the right is written in a more legible, cursive style and includes the name 'Wen-yea Shyu'.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 16, 2023

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Attachment 3

## **Audit Committee's Review Report**

To: The 2023 Annual General Meeting of Shareholders

The Board of Directors has prepared the Company's 2022 Business Report, the financial statements (including the consolidated financial statements) and proposal for distribution of earnings. The financial statements have been audited by Kuo-Tyan Hong and Wen-Yea Shyu from Deloitte & Touche, which has been retained by the Board of Directors as independent auditors. The independent auditors have issued an unmodified opinion. The Audit Committee has reviewed and determined the above Business Report, the financial statements, and proposal for distribution of earnings to be correct and accurate. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, it is hereby submitted for your review and perusal.

Winbond Electronics Corporation

Chairman of the Audit Committee : Allen Hsu

Date: March 14 2023

**Winbond Electronics Corporation**  
**Shareholdings of All Directors**

Book closure date: April 1, 2023

Position	Name	Current shareholding (Shares)	Shareholding ratio (%)
Chairman	Arthur Yu-Cheng Chiao	63,472,995	1.59%
Vice Chairman	Tung-Yi Chan	551,000	0.01%
Director	Yung Chin	11,778,797	0.30%
Independent Director	Allen Hsu	0	0.00%
Independent Director	Stephen T. Tso	0	0.00%
Independent Director	Francis Tsai	0	0.00%
Independent Director	Jerry Hsu	0	0.00%
Director	Walsin Lihwa Corporation (Representative: Fred Pan)	883,848,423	22.20%
Director	Chin-Xin Investment Co., Ltd (Representative: Yuan-Mou Su)	240,003,072	6.03%
Director	Jamie Lin	0	0.00%
Director	Wei-Hsin Ma	0	0.00%
Shareholdings of All Directors		1,199,654,287	30.14%

**Note:** This Company had a total of 3,980,000,193 issued shares as of April 1, 2023

**Winbond Electronics Corporation**  
**List of Candidate for Directors and Independent Directors**

<b>Title</b>	<b>Name</b>	<b>Education</b>	<b>Work Experience</b>	<b>Current Job</b>	<b>Shareholding (Unit:Share)</b>	<b>Has s/he served three consecutive terms as Independent Director / Reason</b>
Director	Arthur Yu-Cheng Chiao	University of Washington Masters of Electrical Engineer and Business Administration	Chairman, WALSIN LIHWA CORPORATION Chairman, NUVOTON TECHNOLOGY CORPORATION Supervisor, MiTAC Holdings Corporation Chairman, Taiwan Electrical and Electronic Manufacturers' Association	Chairman and CEO, Winbond Electronics Corporation Director, NUVOTON TECHNOLOGY CORPORATION Director, WALSIN LIHWA CORPORATION Independent Director, Taiwan Cement Corporation Director, MiTAC Holdings Corporation	63,472,995	N/A
Director	Chin Xin Investment Co., Ltd.	Not applicable	Director, WALSIN LIHWA CORPORATION Director, NUVOTON TECHNOLOGY CORPORATION Director, HannStar Board Corp. Director, Global Investment Holdings Co., Ltd. Director, Glorystone Inc.	Director, Winbond Electronics Corporation Director, WALSIN LIHWA CORPORATION Director, NUVOTON TECHNOLOGY CORPORATION Director, HannStar Board Corp. Director, Global Investment Holdings Co., Ltd. Director, Glorystone Inc.	240,003,072	N/A
Director	Yung Chin	Master in Applied Mathematics, Washington University	Chief Auditor, WALSIN LIHWA CORPORATION Vice President, Winbond Electronics Corporation	Director, Winbond Electronics Corporation Chairman, Theaceae Conservation Corporation	11,778,797	N/A
Director	WALSIN LIHWA CORPORATION	Not applicable	Director, Winbond Electronics Corporation Director, Walsin Technology Corporation Director, WALTON ADVANCED ENGINEERING, INC. Director, HannStar Display Corporation	Director, Winbond Electronics Corporation Director, Walsin Technology Corporation Director, WALTON ADVANCED ENGINEERING, INC. Director, HannStar Display Corporation	883,848,423	N/A
Director	Jamie Lin	MBA, New York University Stern School of Business BS, Chemical Engineering (minor in economics), National Taiwan University	Founder, APPWORKS VENTURES CO., LTD. Director, HannsTouch Solution Incorporated Independent Director, Kingwaytek Technology Corporation Limited Independent Director, TAIWAN TAOMEET CO., LED.	Director and President, TAIWAN MOBILE CO., LTD. Chairman and Partner, APPWORKS VENTURES CO., LTD. Director, Momo.com Inc. Managing Director, Taiwan Internet E-commerce Association Common Convener, Asian Silicon Valley Private Sector Advisory Committee Member, National Digital Innovation Economy Promotion Team, Executive Yuan Director, Winbond Electronics Corporation	0	N/A



Director	Wei-Hsin Ma	Ph.D., College of Humanities and Social Sciences of National Tsing Hua MBA for Senior Managers, Peking University Department of East Asian Languages, UC Berkeley	Chairman, Yuanta Securities Investment Trust Corporation Chairman, HannStar Display Corporation	Chairman, HannsTouch Solution Incorporated Chairman, Golden Apple Investment Company Chairman, YINWANG INVESTMENT CO., LTD. Chairman, Torch Investment Co., Ltd. Director, WALSIN LIHWA CORPORATION Director, HannStar Display Corporation Director, Winbond Electronics Corporation Directors, UNITED INTEGRATED SERVICES CO., LTD. Director, Glorystone Inc. Director, Hanns Blegrain Ltd. Supervisor, Pottery Inc.	0	N/A
Director	ELAINE SHIHLAN CHANG	THE WHARTON SCHOOL, UNIVERSITY OF PENNSYLVANIA Master of Business Administration Candidate; Major in Marketing & Operations and major Finance Philadelphia, PA  WELLESLEY COLLEGE Bachelor of Arts in Economics, Wellesley, MA	Time Inc (New York) Magazine Business Manager Google Inc (New York, Singapore) Financial Manager of Greater China Region	General Manager of International Business Development for Chia Hsin RMC Corp.(Taiwan) and she is also assigned as Vice President for LDC Holtels & Resorts Group.	0	N/A
Independent Director	Allen Hsu	MBA, National Chengchi University, Further Education, Wharton College	Chairman, ALTEK CORPORATION Chairman, TAIWAN MASK CORPORATION Chairman, MYSON CENTURY, INC. Chairman, Chingis Technology Corporation Independent Director, ANZ Bank (Taiwan) Limited	Chairman, Unus Tech Co., Ltd. Chairman, 3R LIFE SCIENCES LTD. Chairman, You Yuan Investment Ltd. Director, Innodisk Corporation Director, ACME ELECTRONICS CORPORATION Director, Baoyue Investment Co., Ltd. Independent Director, NUVOTON TECHNOLOGY CORPORATION Independent Director, Winbond Electronics Corporation	0	Yes (Note)
Independent Director	Stephen T. Tso	Ph.D & MS From Materials Science and Engineering U.C Berkeley	President, WaferTech General Manager, MCVD Applied Mate CIO & Sr. V.P, TMSC	Independent Director, AOPEN Incorporated Independent Director, Winbond Electronics Corporation	0	No

Independent Director	Chung-Ming Kuan	Ph.D. in Economics, University of California (San Diego)	Associate Professor (with tenure), University of Illinois, Urbana-Champaign Professor, National Taiwan University Distinguished Research Fellow and Director, Institute of Economics, Academia Sinica Minister without Portfolio, Executive Yuan Minister, Council for Economic Planning And Development, Executive Yuan Minister, National Development Council President, National Taiwan University	NTU University Chair Professor, Department of Finance, National Taiwan University	0	No
Independent Director	LI -JONG PEIR	Ph.D. Management of Information Systems, National Chengchi University Johns Hopkins U., M.S. The George Washington U. MBA	President, Taiwan Cement Corporation HSBC Taiwan CEO	Chairman, TCC INFORMATION SYSTEMS CORP. Chairman, VIDEOLAND INC. Director, NHOA S.A. CEO, 1 PRODUCTION FILM CO.	0	No

Note : Mr. Allen Hsu is familiar with relevant laws and regulations, and has abundant experience in the industry. Further, Mr. Allen Hsu has a certain level of understanding of the Company, and is able to provide proper guidance and professional advice on the operations of the Company, which is of great benefit to the Company. Therefore, the Board of Directors decides to continuously nominate Mr. Allen Hsu as an independent director candidate after prudent evaluation.

## Attachment 6

### Explanations of involvement of directors in acts for themselves or others which fall into the field of the Company's business

## (1) Arthur Yu-Cheng Chiao :

Names of other companies Where he served	Title	Business items same or similar to the Company's
NUVOTON TECHNOLOGY CORPORATION	Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture CC01120 Data Storage Media Manufacture and Duplication F401010 International Trade I301010 Software Design Services I501010 Product Designing
Walsin Technology Corporation	Director	CC01080 Electronic Parts and Components Manufacture
Nuvoton Technology Holdings Japan	Representative Director	The company mainly engages in general investments.
Nuvoton Technology Corp. America	Director	Design, sales and service of semiconductor
Marketplace Management Limited	Director	The company mainly engages in general investments.
Nuvoton Investment Holding Ltd.	Director	The company mainly engages in general investments.
Song Yong Investment Corporation	Director	The company mainly engages in general investments.
Goldbond LLC	Manager	The company mainly engages in general investments.

## (2) Chin-Xin Investment Co., Ltd. :

Names of other companies Where he served	Title	Business items same or similar to the Company's
NUVOTON TECHNOLOGY CORPORATION	Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture CC01120 Data Storage Media Manufacture and Duplication F401010 International Trade I301010 Software Design Services I501010 Product Designing
HannStar Board Corp.	Director	CC01080 Electronic Parts and Components Manufacture
Glorystone Inc.	Director	ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
Global Investment Holdings Co., Ltd.	Director	H201010 Investment

## (3) Yung Chin :

Names of other companies Where he served	Title	Business items same or similar to the Company's
Nuvoton Electronics Technology (H.K.) Ltd.	Director	Sales of semiconductor

## (4) WALSIN LIHWA CORPORATION :

Names of other companies Where he served	Title	Business items same or similar to the Company's
Walsin Technology Corporation	Director	CC01080 Electronic Parts and Components Manufacture
WALTON ADVANCED ENGINEERING, INC.	Director	CC01080 Electronic Parts and Components Manufacture
HannStar Display Corporation	Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture CC01120 Data Storage Media Manufacture and Duplication F401010 International Trade
Waltuo Green Resources Corporation	Director	F401010 International Trade
MIN MAW PRECISION INDUSTRY CORP.	Director	F401010 International Trade
WALSIN INFO-ELECTRIC INC.	Director	CC01080 Electronic Parts and Components Manufacture F401010 International Trade I301010 Software Design Services I301020 Data Processing Services

## (5) Jamie Lin :

Names of other companies Where he served	Title	Business items same or similar to the Company's
APPWORKS FUND III CO., LTD.	Chairman	F401010 International Trade
WeMo Corp.	Director	I301010 Software Design Services I301020 Data Processing Services

## (6) Wei-Hsin Ma :

Names of other companies Where he served	Title	Business items same or similar to the Company's
HannsTouch Solution Incorporated	Chairman	CC01080 Electronic Parts and Components Manufacture F401010 International Trade
HannStar Display Corporation	Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture CC01120 Data Storage Media Manufacture and Duplication F401010 International Trade
Golden Apple Investment	Chairman	CC01120 Data Storage Media Manufacture and

Company		Duplication F401010 International Trade
Glorystone Inc.	Director	ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
YINWANG INVESTMENT Co., LTD.	Chairman	H201010 Investment ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
Torch Investment Co., Ltd.	Chairman	H201010 Investment
UNITED INTEGRATED SERVICES CO., LTD.	Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture I301010 Software Design Services
Hanns Blegrain Ltd.	Director	Investment

(7) Allen Hsu :

Names of other companies Where he served	Title	Business items same or similar to the Company's
NUVOTON TECHNOLOGY CORPORATION	Independent Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture CC01120 Data Storage Media Manufacture and Duplication F401010 International Trade I301010 Software Design Services I501010 Product Designing
Innodisk Corporation	Director	CC01080 Electronic Parts and Components Manufacture F401010 International Trade I301010 Software Design Services I501010 Product Designing
ACME ELECTRONICS CORPORATION	Director	CC01080 Electronic Parts and Components Manufacture F401010 International Trade
Unus Tech Co., Ltd.	Chairman	F401010 International Trade I301010 Software Design Services I501010 Product Designing
3R LIFE SCIENCES LTD.	Chairman	F401010 International Trade

(8) Chung-Ming Kuan :

Names of other companies Where he served	Title	Business items same or similar to the Company's
Vpon Holdings Inc.	Independent Director	I301020 Data Processing Services

(9) LI -JONG PEIR :

Names of other companies Where he served	Title	Business items same or similar to the Company's
TCC INFORMATION SYSTEMS CORP.	Chairman	Information software design
NHOA S.A	Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture F401010 International Trade
VIDEOLAND INC.	Chairman	F401010 International Trade
1 PRODUCTION FILM CO.	Director / CEO	ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

# Appendix

Appendix 1

**Winbond Electronics Corporation (hereinafter the "Company")  
"Rules Governing the Conduct of Shareholders Meeting"**

The eleventh amendment was adopted by  
the Shareholders' Meeting of May 31, 2022

Article 1

Unless otherwise provided by laws and regulations, all shareholders meetings of the Company shall be conducted in accordance with these Rules.

Article 2

The shareholders meetings of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations. The method as to how a shareholders meeting will be convened and any changes to how the Company convenes its shareholders meeting shall be resolved by the Board of Directors, and shall be made no later than mailing the convention notice of the shareholders meeting.

All shareholders shall be served with the convention notice of an annual shareholders meeting at least 30 days prior to the meeting, except for those shareholders each holding less than 1,000 registered shares that may be notified by means of an announcement on the Market Observation Post System at least 30 days prior to the meeting. All shareholders shall be served with the convention notice of a special shareholders meeting at least 15 days prior to the meeting, except for those shareholders each holding less than 1,000 registered shares that may be notified by means of an announcement on the Market Observation Post System at least 15 days prior to the meeting.

Convention notices and announcements shall state the reasons for the meeting and the time and location for shareholders, solicitors and proxies (collectively "shareholders") to register for attendance, and other matters that should be noted. The convention notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the shareholders.

The matters specified in Paragraph 5 of Article 172 of the Company Act, or Article 26-1 or Article 43-6 of the Securities and Exchange Act and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed among the reasons and explained in the notice for the meeting, and may not be proposed as extemporary motions. The essential contents of the matters specified in Paragraph 5 of Article 172 of the Company Act may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

The reasons for convening the shareholders meeting have been stated for re-election of all directors as well as their inauguration date. After the completion of re-election in said shareholders meeting, such inauguration date may not be altered by ad hoc motion or other means in the same meeting.

The Company shall prepare the shareholders' meeting agenda handbook or make it available for shareholders' review in accordance with the deadline and method stipulated in Article 6 of the "Regulations Governing Content and Compliance Requirements for Shareholders Meeting Agenda Handbooks of Public Companies".

When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures to shareholders who have difficulties in attending the virtual shareholders' meeting online.



### Article 3

The shareholders holding one percent or more of the total number of issued shares of the Company may propose in writing to the Company a proposal for discussion at an annual shareholders meeting; provided that only one matter shall be allowed in each single proposal. In case a proposal submitted by shareholder(s) contains more than one matter, such proposal shall not be included in the agenda of the shareholders meeting. The number of words of a proposal submitted by a shareholder shall be limited to not more than 300 words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders meeting. The "300 words" includes the reasons and punctuation marks. If any of the circumstances listed in Paragraph 4 of Article 172-1 of the Company Act occurs to the proposal submitted by any shareholder, the Board of Directors of the Company may ignore that proposal. Shareholders may submit proposals to urge the Company to promote public interests or fulfill its social responsibilities. Such proposals are each limited to one item in accordance with Article 172-1 of the Company Act. No proposal containing more than one item will be included in the meeting agenda.

The Company shall announce the acceptance of shareholders' proposal, the place and the period for shareholders to submit proposals to be discussed at the shareholders meeting prior to the commencement of the close period for share transfer. The period for accepting such proposals shall not be less than 10 days.

Shareholders submit proposals to be discussed at the shareholders meeting shall attend the shareholders meeting in person or by proxy, and participate in discussion of those proposals.

The Company shall, prior to the delivery of the convention notice, notify all the shareholders who had submitted the proposals of the proposal screening results, and shall incorporate in the convention notice the proposals conforming to the requirements set out in this article. With regard to the proposals submitted by shareholders but not included in the agenda of the shareholders meeting, the Board of Directors shall explain reasons why such proposals are not included in the agenda of the shareholders meeting.

### Article 4

Prior to any shareholders meeting, a shareholder may appoint a proxy to attend the meeting by issuing a power of attorney in the form provided by the Company stating the scope of authorization.

Each shareholder may issue one power of attorney only, and may appoint one person only to serve as a proxy. The written proxy must be delivered to the Company at least five days prior to each shareholders meeting. If two or more written proxies forms are received from a shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the Company receives the written proxy, in case the shareholder issuing the said proxy intends to attend the shareholders meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice in writing shall be delivered to the Company two days prior to the date of the shareholders meeting; otherwise, the voting right exercised by the authorized proxy at the meeting shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

### Article 5

Except that the "shareholder" referred to in Articles 2, 3 and 4 of these Rules means the shareholders in person, the "shareholder" referred to in these Rules means the shareholder himself/herself/itself and the proxy appointed by the shareholder in accordance with the laws

and regulations.

#### Article 6

The time for accepting shareholder attendance registrations shall be at least 30 minutes prior to the commencement of the meeting. The place for accepting shareholder attendance registrations shall be clearly marked and sufficient and competent personnel shall be assigned to handle the registrations. The Company shall prepare an attendance book for attending shareholders to sign in, or shareholder present may hand in an attendance card in lieu of signing on the attendance book. For virtual shareholders' meetings, accepting shareholder attendance registration shall begin at least 30 minutes before the meeting starts and shareholders shall register their attendance on the virtual meeting platform for the shareholders' meeting. Shareholders completing attendance registration will be deemed attending the shareholders' meeting in person.

The number of shares representing shareholders present at the meeting shall be calculated in accordance with those indicated in the attendance book or the attendance card and those checked in on the virtual meeting platform, plus the number of shares whose voting right exercised in writing or by way of electronic transmission. Each shareholder attending the shareholders meeting in person (or proxy) shall wear an attendance pass and submit the attendance card in lieu of sign-in.

In the event of a virtual shareholders' meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and such information shall continue to be disclosed until the end of the meeting.

#### Article 6-1

To convene a virtual shareholders' meeting, the Company shall include the following particulars in the convention notice of the shareholders' meeting:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - B. Shareholders not having registered to attend the affected virtual shareholders' meeting previously shall not attend the postponed or resumed session.
  - C. In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, satisfies the quorum for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
  - D. Actions to be taken if the outcome of all proposals have been announced and extemporary motion has not been carried out.
3. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders who have difficulties in attending a virtual shareholders' meeting online shall be specified.

## Article 7

Attendance and voting at the shareholders meeting shall be determined based on the number of shares.

## Article 8

Unless otherwise restricted by, or subject to evasion in accordance with, the laws and regulations, and shares having no voting right in accordance with Paragraph 2 of Article 179 of the Company Law, a shareholder shall have one voting right in respect of each share.

The method for exercising the voting right shall be described in the convention notice of the shareholders meeting if the voting right will be exercised in writing or by way of electronic transmission. A shareholder who exercises his/her/its voting right at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders meeting in person, but shall be deemed to have waived his/her/its voting right with respect to any extemporaneous motions and any amendments or replacements to the original proposals at the said shareholders meeting.

In case a shareholder elects to exercise his/her/its voting right in writing or by way of electronic transmission, his/her/its declaration of intention shall be delivered to the Company no later than two days prior to the scheduled shareholders meeting. If two or more declarations of intention are delivered to the Company, the first declaration of intention received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In case a shareholder who has exercised his/her/its voting right in writing or by way of electronic transmission intends to attend the shareholders meeting in person or online, the shareholder shall, two days prior to the shareholders meeting and in the same manner previously used in exercising his/her/its voting right, deliver a separate declaration of intention to revoke his/her/its previous declaration of intention made in exercising the voting right under the preceding paragraph. In the absence of a timely revocation of the previous declaration of intention, the voting right exercised in writing or by way of electronic transmission shall prevail. In case a shareholder has exercised his/her/its voting right in writing or by way of electronic transmission and has also authorized a proxy to attend the shareholders meeting on his/her/its behalf, then the voting right exercised by the authorized proxy for the said shareholder shall prevail.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with this Article decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn their votes and attended the shareholders' meeting online, they shall not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal, except for extraordinary motions.

If the Company allows its shareholders to exercise their voting rights in writing or by way of electronic transmission, the Company shall finish the counting and verification of the votes cast in writing or by way of electronic transmission before the shareholders meeting.

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and disclose the

same in accordance with the time limit specified in Article 44-5 of the Guidelines for the Handling of Share Affairs of Companies Publicly Issuing Shares. In the event of a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and such information shall continue to be disclosed until the end of the meeting.

#### Article 9

Shareholders meetings shall be held at the Company's premises or at another place that is convenient for shareholders to attend and suitable for such meetings. Shareholders meetings shall not start earlier than 9:00 AM or later than 3:00 PM.

The restrictions on the place of the meeting set forth in the preceding paragraph shall not apply when the Company convenes a virtual shareholders' meeting.

When the Company convenes a virtual-only shareholders' meeting, both the chairman and the minutes taker shall be at the same location in Taiwan, and the chairman shall announce the address of their location when the meeting is called to order.

#### Article 10

If a shareholders meeting is convened by the Board of Directors, the Chairman of the Board of Directors shall be the chairman presiding at the meeting. If the Chairman of the Board of Directors is on leave or cannot perform his duties for some reason, the Vice-Chairman shall preside at the meeting on the Chairman's behalf. If the Company does not have a Vice-Chairman or the Vice-Chairman is on leave or cannot perform his duties for some reason, the Chairman of the Board of Directors shall appoint a managing director to serve on his behalf. If there are no managing directors, the Chairman of the Board of Directors shall appoint a director to serve on his behalf. If the Chairman of the Board of Directors has not appointed any representative, the managing directors or directors shall nominate a person among themselves to preside at the shareholders meeting.

If a shareholders meeting is convened by any person entitled to convene the meeting other than the Board of Directors, such person shall be the meeting's chairman; provided that if this meeting is convened by two or more persons, the chairman of the meeting shall be elected from among themselves.

#### Article 11

The Company may appoint lawyer(s) or certified public accountant(s) engaged by the Company, or relevant persons, to attend a shareholders meeting.

Persons handling affairs of the shareholders meeting shall wear identification cards or arm badges.

#### Article 12

The chairman of the shareholders meeting may order disciplinary officers (or security guards) to assist in keeping order at the meeting place. Such disciplinary officers (or security guards) shall wear arm badges marked "Disciplinary Personnel" when assisting in keeping order at the meeting place.

#### Article 13

Persons attending the shareholders meeting shall not bring anything that is harmful to the safety of others' life, body, freedom or property.

#### Article 14

During the shareholders meeting, the chairman may request the police present at the meeting place to keep order.

#### Article 15

The process of the shareholders meeting shall be audio recorded or video recorded in its entirety and these records shall be preserved for at least one year. If the Company allows shareholders to exercise their voting right in writing or by way of electronic transmission, the related written and media data shall also be preserved for at least one year. However, if a lawsuit has been instituted by any shareholder pursuant to Article 189 of the Company Act, the records and data involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

When the Company convenes a virtual shareholders' meeting, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of vote counting by the Company, and make continuous and uninterrupted audio and video recording of the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders' meeting, the Company is advised to make audio and video recording of the back-end operation interface of the virtual meeting platform.

#### Article 16

The chairman shall announce the commencement of the shareholders meeting and relevant information such as the number of non-voting rights and the number of shares present at the time scheduled for the meeting; During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented by shareholders present at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented by shareholders present at the meeting and a new tally of votes is released during the meeting. But if the number of shares represented by the shareholders present at the meeting is less than one-half of all issued shares of the Company at the time scheduled for the meeting, the chairman may announce the postponement of the meeting. The shareholders meeting can only be postponed twice and the time of the postponement shall not be more than one hour in aggregate. After the second postponement, if there are not enough shareholders representing one-third or more of the total issued shares, the chairman shall declare the meeting aborted. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting aborted on the virtual meeting platform.

If after two postponements as set forth in the preceding paragraph, the number of shares represented by the shareholders present at the meeting is still less than one-half of all issued shares of the Company but the shareholders present at the meeting represent more than one-third of all issued shares, provisional resolutions may be made in accordance with Paragraph 1 of Article 175 of the Company Act, and be notified to each shareholder to convene another shareholders meeting within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register with the Company in accordance with Article 8.

If the number of the shares represented by the shareholders present at the shareholders meeting reaches one-half of all issued shares of the Company prior to the end of the meeting, the chairman may submit the foregoing provisional resolutions to the shareholders meeting for approval in accordance with Article 174 of the Company Act.

#### Article 17

The agenda of the meeting shall be set by the Board of Directors if the meeting is convened

by the Board of Directors. The shareholders meeting shall be conducted according to the agenda, and unless otherwise provided by these Rules or laws and regulations, the agenda shall not be changed without the resolution of the shareholders meeting.

The above provision also applies to the shareholders meeting convened by any person entitled to convene such meeting other than the Board of Directors.

Unless otherwise resolved at the meeting, the chairman cannot announce adjournment of the meeting before all the items (including extemporaneous motions) listed in the agenda made according to the preceding two paragraphs are completed.

After the meeting is adjourned, shareholders cannot designate another person as chairman and continue the meeting at the same or other place.

#### Article 18

When a shareholder present at the meeting wishes to speak, he/she shall fill in a speech note specifying the summary of his/her speech, the shareholder's account number (or the number of attendance pass) and the account name of the shareholder. The chairman shall determine the sequence of shareholders' speeches.

If any shareholder present at the meeting submits a speech note but does not speak, no speech should be deemed to have been made by the shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the speech note submitted by such shareholder, the contents of the actual speech shall prevail. The proxy's speech shall be complied with the written proxy, documents of public solicitation and advertisement. Unless otherwise provided by laws and regulations, the shareholders appointing a proxy to attend the shareholders meeting shall agree with any speeches and voting made by the proxy in the shareholders meeting.

When a shareholder speaks at the meeting, unless otherwise permitted by the chairman and the speaking shareholder, no other shareholders shall interrupt the speech of the speaking shareholder; otherwise the chairman shall stop such interruption.

#### Article 19

The same shareholder may not speak more than twice for the same motion without the chairman's permission, and each speech time may not exceed 5 minutes.

The chairman may stop the speech of any shareholder who violates the above provision or when such speech is out of the scope of the motion.

#### Article 20

A legal entity serving as proxy to attend a shareholders meeting may designate only one representative to attend such meeting.

The number of representatives that a legal-entity shareholder appointed to attend the shareholders meeting should not exceed the number of directors to be elected at a shareholders meeting if there is an election of directors at that shareholders meeting, or the number of directors elected for a term of office if there is no election of directors at that shareholders meeting, and only one representative can speak for each motion.

#### Article 21

After the speech of the shareholder(s) present at the shareholders meeting, the chairman may respond in person or designate relevant person(s) to respond to the speech.

#### Article 21-1

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing on the virtual meeting platform during the period from the chairman calling the meeting to order until the chairman declaring the meeting adjourned.

No more than two questions on the same proposal may be raised. Each question shall contain no more than 200 words. The provisions in Articles 18 to 20 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, the company may disclose the questions to the public on the virtual meeting platform.

#### Article 22

When the chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.

#### Article 23

Unless otherwise provided by the Company Act or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the meeting. The voting right of shareholders shall be calculated according to the voting right that shareholders may exercise in accordance with the Company Act or the Company's Articles of Incorporation.

A motion is adopted by vote.

When the Company convenes a virtual shareholders' meeting, after the chairman calls the meeting to order, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chairman announces the voting session ends or will be deemed abstained from voting if they fail to cast votes during the voting session.

#### Article 24

The chairman shall appoint persons responsible for checking and counting ballots during votes on motions. The results of resolution shall be announced at the place and recorded in the minutes of the meeting. The persons responsible for checking ballots must be shareholders and shall monitor the voting procedure, prevent from inappropriate voting behaviors, examine ballots and monitor the records of the persons responsible for counting ballots. A ballot shall be invalid and shall not be calculated under any of the following conditions:

1. a ballot is not in the form provided by the Company;
2. a ballot is not thrown in the ballot box;
3. a blank ballot without writing words or expressing opinion regarding the motions;
4. a ballot with other words thereon other than those required to be filled in;
5. the handwriting on a ballot is too blurred or indistinct to be readable or is altered;
6. a ballot is used by the proxy who violates the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies"; or
7. any violation of laws or regulations or voting guidelines made by the Company.

The standard for recognition of invalid ballots in case the exercise of voting right in writing by shareholders is carried out in conformity *mutatis mutandis* with the Subparagraphs 1, 3, 4, 5 and 7 of the preceding paragraph. If there is any doubt or disputes, the shareholders agree to authorize the Company's verification section to decide.

In addition, the standard for recognition of invalid ballots in case the exercise of voting right by electronic transmission by shareholders is carried out in conformity *mutatis mutandis* with Subparagraph 7 of the preceding paragraph, as well as in compliance with the relevant regulations of the authority.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chairman announces the voting session ends, and results of votes and elections shall be announced immediately. In the event of a virtual shareholders' meeting, the Company shall disclose results of votes and election on the virtual meeting platform according to the

regulations, and this disclosure shall continue at least 15 minutes after the chairman has announced the meeting adjourned.

#### Article 25

During the meeting, the chairman may, at his discretion, set time for intermission.

#### Article 26

In case of an air-raid alarm, an earthquake or other force majeure event, the chairman shall immediately announce to suspend the meeting and evacuate respectively. Once the reason of suspending the meeting is eliminated, the chairman shall decide if the meeting will resume.

#### Article 26-1

In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to assist with communication technical issues.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall separately declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, that if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairman has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph above, the number of shares represented by, and voting rights and election rights exercised at the affected shareholders' meeting by, the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postponed or resumed session, shall be counted towards the total number of shares, number of voting rights and number of election rights presented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held in accordance with the second paragraph above, no further discussion or resolution is required for proposals on which votes have been cast and counted and results have been announced, or a list of elected directors has been announced.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in the second paragraph above, if the total number of shares represented by shareholders present at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still satisfies the quorum for a shareholders' meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as set forth in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in



accordance with the requirements listed under Paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under the second half of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph above.

#### Article 27

Resolutions adopted at a shareholders meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The minutes of the meeting may be made and distributed by electronic way.

With regard to the distribution of the minutes in the foregoing paragraph, the minutes may be distributed by way of an announcement on the Market Observation Post System, instead of actual distribution of the minutes.

The minutes must faithfully record the meeting's date (year, month, day), place, chairman's name, resolution method, summary of proceedings, and results of resolutions. The minutes of shareholders' meeting shall be preserved for as long as the Company exists.

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the names of the chairman and the minutes taker, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convene a virtual-only shareholders' meeting, in addition to compliance with the requirements set forth in the preceding paragraph, the Company shall also specify alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online in the meeting minutes.

#### Article 28

Any matter concerned that is not provided in these Rules shall be handled in accordance with the Company Law and the related laws and regulations, and the relevant provisions of the Articles of Incorporation of the Company.

#### Article 29

These Rules shall be effective from the date they are approved by the shareholders' meeting. The same applies in the case of amendments.

## Appendix 2

### Winbond Electronics Corporation (hereinafter the "Company") "Rules Governing Election of Directors "

The Ninth amendment was adopted by  
the Shareholders' Meeting of August 12, 2021

#### **Article 1**

The election of directors of the Company shall be handled in accordance with these Rules.

#### **Article 2**

The candidate nomination system provided in Article 192-1 of the Company Act and the cumulated voting with single name registered on the ballot will be used for the election of directors. Each share has the number of exercisable votes same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates set forth on the list of candidates of directors. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed an elected director. Independent directors and non-independent directors shall be elected at the same time but the number of the elected independent directors and non-independent directors shall be separately calculated. The attendance card number of the electors may be used on the ballot instead of the name of the electors. The candidate nomination and election of directors shall be conducted in accordance with the Company Act, Securities and Exchange Act and other relevant laws and rules. The professional qualification, shareholding, restrictions on concurrent serving in other companies and other matters to be complied with by independent directors shall be conducted in accordance with other relevant laws and rules.

#### **Article 3**

When the election commences, the chairperson of the meeting shall appoint ballot supervisor(s) from among the shareholders present. Other personnel responsible for counting and announcing the ballots and performing relevant duties shall be appointed by the chairperson of the meeting. The ballot box shall be prepared by the board of directors or other convener and examined by the ballot supervisor(s) in public before the voting.

#### **Article 4**

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

#### **Article 5**

The ballots shall be prepared by the board of directors or other convener, numbered according to the attendance card numbers and printed with the number of voting rights of the shareholders.

#### **Article 6**

If the candidate is a shareholder of the Company, the electors shall fill in the name and the shareholder's number of such candidate in the column of "Candidate" of the ballot. If the candidate is not a shareholder of the Company, the electors shall fill in such candidate's name and the number of its identification certificate in the same column. If the candidate is a government agency or a

legal entity, either the full name of the government agency or the legal entity or the full name of the government agency or the legal entity and the name(s) of their representative(s) should be filled in the column of candidate. If the government-linked shareholder or institutional shareholder has several representatives, the name of each representative shall be filled in.

When a shareholder fill in the name and the shareholder's number of such candidate and the number of his/its identification certificate, he/it may use his/its seal instead.

In case that the electors cast their votes by electronic transmission, the electors shall check the box of the number of the candidates and fill in the number of votes to be allocated to each candidate. The number of candidates that an elector checked on the ballot shall not exceed the number of persons which should be elected and the aggregate number of votes to be allocated to each candidate shall not exceed the total number of voting rights of such elector.

### **Article 7**

A ballot shall be void and excluded from the votes for any candidate upon any of the following conditions:

1. The ballot was not in the form provided in accordance with Article 5 of these Rules.
2. The ballot was not cast in the ballot box installed by the board of directors or other convener.
3. The ballot was blank when cast in the ballot box.
4. The ballot was not cast pursuant to Article 6 of these Rules or the handwriting on the ballot was blurred or illegible or has been altered.
5. The candidate listed on the same ballot does not appear in the list of candidates and there are two or more than two candidates filled in on the same ballot.
6. There are other written characters or symbols in addition to the name, shareholder's number or the number of identification certificate of the candidate on the ballot.
7. The name of a candidate filled in on the ballot is same as another candidate's name but the respective shareholder's numbers or numbers of identification certificates are not indicated to distinguish them; or
8. Any violation of laws or regulations or these Rules.

For determining invalid ballots in case of voting in writing by shareholders, subparagraphs 1, 3, 4, 5, 6, 7 and 8 of the preceding paragraph shall apply mutatis mutandis. If there are any doubts or disputes, the shareholders agree to authorize the Company's verification unit to make a decision. For determining invalid ballots in case of voting by electronic transmission by shareholders, subparagraph 8 of the preceding paragraph shall apply mutatis mutandis, in addition to compliance with the relevant regulations of the competent authorities.

### **Article 8**

The ballot box shall be opened and the ballots shall be counted on spot under the supervision of the ballot supervisor immediately after the completion of voting, and the result of counting the ballots shall be announced by the chairperson of the meeting.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year; provided, however, that the ballots shall be retained until the conclusion of the litigation if a shareholder files a lawsuit pursuant to Article 189 of the Company Act.

### **Article 9**

Matters not provided in these Rules shall be handled in accordance with the Company Act and relevant laws and regulations, the Articles of Incorporation of the Company and the relevant

provisions of the Rules Governing the Procedure of Shareholders Meeting of the Company.

**Article 10**

These Rules shall be effective upon approval of the shareholders' meeting. The same applies to amendments.

**ARTICLES OF INCORPORATION  
WINBOND ELECTRONICS CORPORATION**

The thirty first amendment was adopted by  
the Shareholders' Meeting of May 31, 2022

**Section 1: General Principles**

Article 1: The Company is incorporated as a company limited by shares in accordance with the Company Act (the "Company Act") and its name shall be 華邦電子股份有限公司 in Chinese language and Winbond Electronics Corporation in English language (the "Company").

Article 2: The business scope of the Company is as follows:  
Research and development, ODM, production and manufacture, repair, and sale of the following products:

- (i) Integrated circuits.
- (ii) Semiconductor memory parts and components and their systems products.
- (iii) Semiconductor components and system products for use in computer systems.
- (iv) Semiconductor components and system products for use in digital communications.
- (v) Semiconductor components and system products for use in peripherals.
- (vi) Other semiconductor components.
- (vii) Design of computer software programs and data processing.
- (viii) Import and export trade related to the business of the Company.

Business categories and codes of the aforementioned products are as follows:

- (i) CC01080 Electronic Parts and Components Manufacture
- (ii) CC01110 Computers and Computing Peripherals Manufacture
- (iii) CC01120 Data Storage Media Manufacture and Duplication
- (iv) F401010 International Trade
- (v) I301010 Software Design Services
- (vi) I301020 Data Processing Services
- (vii) I501010 Product Designing

Article 2-1: The Company may act as a guarantor as required by its business operation.

Article 2-2: Total investment by the Company shall not be subject to the ceiling of an amount equivalent to 40 percent of its paid-in capital.

Article 3: The Company has its head-office in Central Taiwan Science Park. Subject to the approval of the Board of Directors and government authority, the Company may, if necessary, set up branches or business offices within and outside of the Republic of China.

Article 4: Public notices by the Company shall be made in accordance with Article 28 of the Company Act.

**Section 2: Shares**

Article 5: The total capital of the Company is sixty-seven billion New Taiwan Dollars

(NT\$67,000,000,000) divided into six billion seven hundred million (6,700,000,000) shares, at ten New Taiwan Dollars per share and may be issued in a series of issuance. The un-issued shares may be issued by a resolution of the Board of Directors if the Board deems necessary. A maximum of five billion New Taiwan Dollars may be used to be divided into five hundred million shares at ten New Taiwan Dollars per share may be used for issuance, in installments, of stock/subscription warrants, preferred shares with subscription rights, or corporate bonds with subscription rights. The quota each for the issuance of stock/subscription warrants, preferred shares with subscription rights or corporate bonds with subscription rights may be adjusted by the Board of Directors in consideration of factors concerning capital market and operation needs.

Article 6: (Deleted)

Article 7: Where the shares issued by the Company are in scripless form and without physical certificates, the Company shall register the shares with the central securities depository institution.

Article 8: The transfer, registration, loss or destruction of share certificates shall be handled in accordance with the Company Act and relevant regulations.

### **Section 3: Shareholders Meetings**

Article 9: Shareholders meetings shall be of two types, general meetings and special meetings. General meetings shall be convened by the Board of Directors once a year, within six months from the end of each fiscal year in accordance with law. Special meetings shall be convened in accordance with the law, whenever necessary.

Article 9-1: The shareholders meeting of the Company may be convened by video conferencing or other methods announced by the central competent authority.

In the event that the shareholders meeting is to be held by video conferencing according to the preceding paragraph, a board resolution is required in advance.

Article 10: Shareholders may designate a proxy to attend a shareholders meeting with a power of attorney stating the scope of authority in accordance with the Company Act and the "Regulations for the Use of Proxies for the Attendance at Stockholders Meetings of Public Companies," promulgated by the competent governmental authority.

Article 11: Unless otherwise provided by the laws and regulations, each share has one voting right.

Article 12: Except otherwise provided by the laws and regulations, a resolution of the shareholders meeting shall be adopted by the majority of the votes represented by the attending shareholders who hold the majority of the Company's issued shares.

### **Section 4: Directors and Audit Committee**

Article 13: The Company shall have nine to eleven directors, among whom there should be not less than three independent directors making up not less than one-fifth of the total number of directors whose term of office is three years. Election of directors shall adopt the candidate nomination system prescribed in Article 192-1 of the Company Act. All of the directors are elected by the shareholders' meeting from the candidate list of directors, and are eligible for re-election. Independent and non-independent directors shall be elected at the same time, but

the quota shall be calculated separately.

The method of candidate nomination and election of directors shall conform to the Company Act, the Securities and Exchange Act, and other relevant rules and regulations. The professional qualifications for, requirements relating to shareholdings of, restrictions on concurrent positions held by, and other compliance matters with respect to independent directors shall conform to relevant rules and regulations.

The aggregate number of shares of nominal stock held by all the directors shall not be less than the percentage stipulated by the competent authority in accordance with law.

The Company shall establish an audit committee and the audit committee or its members shall be responsible for performing the functions and duties of supervisors provided under the Company Act, Securities and Exchange Act and other laws and regulations. The composition, convention, duties and meeting rules of the audit committee shall comply with relevant laws and regulations and the Company's rules.

The Board of Directors may additionally establish a compensation committee. The professional qualifications of the members, exercise of their duties, organizational rules and relevant matters of the compensation committee shall comply with relevant laws and regulations and the Company's rules. The Board of Directors may also establish other committees with different functions. The organizational rules of those committees shall be stipulated by the Board of Directors.

Article 13-1: The Company may, after the approval of the Board of Directors, in view of the international and local industry standards, purchase liability insurance for directors with respect to the indemnification liabilities that the directors shall be liable resulting from exercising their duties during their terms of office according to law.

Article 14: The Board of Directors shall be formed by directors. The directors shall elect a Chairman of the Board of Directors from among themselves by a majority vote at a meeting attended by two-thirds or more of the directors. The Chairman of the Board of Directors represents the Company. A Vice Chairman may also be elected to assist the Chairman.

Article 14-1: Unless otherwise provided for by law, meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors. When convening a meeting of the Board of Directors, a meeting notice specifying the reasons for convening such meeting shall be sent to each director within the period prescribed by the competent authority in charge of securities law; provided that a meeting may be convened at any time in case of emergency.

The meeting notice set forth in the preceding paragraph may be in writing or by electronic means.

Unless otherwise provided by law, resolutions adopted at a meeting of the Board of Directors must be approved by a majority vote of the directors being present, who shall represent no less than half of the total number of directors.

Directors may designate other directors as their proxies to attend the meetings of the Boards of Directors; provided that each director may act as proxy for one other director only. The Board of Directors shall meet at least once every three months.

Article 15: In the case where the Chairman of the Board is on leave or otherwise unable to perform his/her duties, matters conducted on behalf of the Chairman shall be handled in accordance with Article 208 of the Company Act.

Article 16: Remuneration of directors shall be decided by the Board of Directors based on their

contribution and involvement in the operations of the Company and by reference to remuneration for similar roles at comparable companies domestically and internationally.

- Article 17: The functions and responsibilities of the Board of Directors shall be as follows:
1. Review operating policies and short- and long- term development plans;
  2. Review annual business plans and supervise its implementation;
  3. Approve budget and review the results at year-end;
  4. Propose capital increase or decrease;
  5. Propose profit distribution or loss make-up plans;
  6. Review, approve, amend and terminate material contracts and contracts relating to procurement, transfer, licensing of important technology and patents and of important technical cooperation;
  7. Propose and review plans in connection with using transfer as security, sale, lease, pledge, mortgage, or other disposal of all or a substantial portion of assets of the Company;
  8. Propose and review amendments to the Articles of Incorporation;
  9. Approve organizational by-laws and important operation rules;
  10. Decide the establishment, reorganization, or removal of branches or business offices;
  11. Approve major capital expenditures of NT\$500 Million or more (capital expenditures not exceeding the above amount shall be approved by the Chairman of the Board of Directors);
  12. Appoint or remove corporate officials at the level of vice presidents and higher;
  13. Convene shareholders meetings (include without limitation to the date, place, and method of convening the meeting) and make business reports;
  14. Examine and approve investment in other enterprises and purchase/sale of stocks of NT\$ 500 Million or more (The Chairman is authorized to approve the investment or purchase/sale if the transaction amount is less than NT\$500 Million);
  15. Appoint or dismiss auditing certified public accountant of the Company;
  16. Examine and approve the application to financial institutions or third parties for financing, guarantees, providing acceptance of commercial paper, any other extension of credit, and credit lines for derivatives products in an amount of NT\$500 Million or more. The Chairman of the Board of Directors is authorized to approve any of the above applications that is in an amount no more than NT\$500 Million.
  17. Examine and approve the amount of endorsements, guarantees, and acceptance of commercial paper to be made in the name of the Company;
  18. Acquire or dispose of real property.
  19. Examine and approve major business transactions between related parties (including affiliated enterprises);
  20. Perform such other duties and responsibilities prescribed by law or authorized by shareholders meetings.

Where it is necessary and legally permissible, actions listed above may first be approved or conducted by the Chairman of the Board of Directors and later reported to the Board of Directors for recognition. Actions covered by items 11, 14 and 16 above intending for the same purpose shall not be separately contracted, applied for or spent without prior approval.



Article 18: (Deleted)

### **Section 5: Management**

Article 19: The Company may have chief executive officer, vice executive officer, president and several vice presidents according to the resolution of the Board of Directors. Appointment, removal, and remuneration of the chief executive officer, vice executive officer, president and vice presidents shall be handled in accordance with Article 29 of the Company Act. The Board of Directors is authorized to determine the duties and function of the said managers or the Board of Directors may authorize the Chairman of the Board of Directors to determine the duties and functions of the said managers.

### **Section 6: Accounting**

Article 20: The Company's fiscal year shall be from January 1 to December 31 of each calendar year. Final accounting shall be prepared after the end of each fiscal year.

Article 21: After the end of each fiscal year, the Board of Directors shall have the following documents prepared: (1) the business report; (2) the financial statements; and (3) the proposal for distribution of earnings or making up loss, and submit the same for recognition at the annual general shareholders' meeting in accordance with statutory procedures.

Article 22: From the pre-tax net profit of the current year, before deducting remuneration of employees and remuneration of directors, no more than 1% shall be allocated as remuneration of directors and no less than 1% as remuneration of employees. The remuneration of employees may be distributed in stock or cash upon resolution of the Board of Directors. The distribution of employee and director remuneration shall be reported to the shareholders' meeting. However, if the Company has accumulated losses, the Company shall first set aside an amount for making up losses, and then allocate remuneration of employees and remuneration of directors according to the percentage set forth in the preceding paragraph. The Company purchases its stock for transferring such treasury shares, issues employee options, provides pre-emptive right for employees' subscription upon issuing new shares, issues new restricted employee shares, and distributes employee remuneration, to employees of the Company's controlling or subordinated companies who meet certain criteria, which shall be determined and resolved by the Board of Directors.

Article 23: If the Company has pre-tax profits at the end of the current fiscal year, after paying all taxes and covering all accumulated losses, the Company shall set aside 10% of said earnings as legal reserve. However, legal reserve need not be made when the accumulated legal reserve equals the paid-in capital of the Company. After setting aside or reversing special reserve pursuant to applicable laws and regulations and orders of competent authorities or based on the business needs of the Company, if there is any balance, the Board of Directors may submit a proposal for allocation of the remaining balance and the accumulated undistributed earnings to the shareholders meeting for resolution of distributing bonus and dividends to shareholders.

The Board of Directors shall be authorized to distribute the profit, the legal reserve and the capital reserve mentioned in the preceding paragraph in cash upon resolution by a majority vote at a board meeting attended by two-thirds or more of the directors, and shall report the same to the shareholders' meeting.

The Company's dividend distribution policy is made in accordance with the Company Act and the Articles of Incorporation in consideration of factors including capital and financial structure, operating status, retained earnings, industry characteristics and economic cycle. The dividends shall be distributed in a steady manner. With respect to distribution of dividends, in consideration of future operation scale and cash flow needs, no less than 30% of the remaining amount of the net profit after tax of the current year, after covering the accumulative losses and setting aside the legal reserve and the special reserve, shall be distributed to shareholders as dividends, which may be distributed in stock dividend or cash dividend (provided, however, that the Company may choose not to pay dividend when the dividend per share does not reach NT\$0.1), and the distribution of cash dividend shall not be less than 50% of total dividends, so as to maintain continuous growth.

Article 24: The Company may distribute its profit or make up its losses at the end of each half of a fiscal year. The statements and proposals set forth in Article 21 hereof shall be prepared by and then resolved by the Board of Directors.

The Company, in distributing its profit according to the preceding paragraph, shall estimate and reserve employee and director remuneration and any taxes payable as well as cover any losses and set aside the legal reserve in accordance with to law; provided, however, that where the legal reserve amounts to the total paid-in capital, the legal reserve needs not setting aside. Where the Company distributes the profit in cash, such distribution shall be resolved by the Board of Directors, but where the profit is distributed in the form of newly issued share, such distribution shall be resolved by the shareholders' meeting.

## **Section 7: Supplementary Regulations**

Article 25: In case of any matters not covered herein, the Company Act shall govern.

Article 26: The organizational rules of the Company shall be separately stipulated.

Article 27: These Articles of Incorporation were enacted on September 1, 1987, and were first amended on November 20, 1987. The second amendment was made on May 23, 1988; the third amendment was made on August 23, 1988; the fourth amendment was made on May 5, 1989; the fifth amendment was made on October 21, 1989; the sixth amendment was made on March 30, 1990; the seventh amendment was made on April 30, 1991; the eighth amendment was made on March 26, 1992; the ninth amendment was made on March 25, 1993; the tenth amendment was made on March 30, 1994; the eleventh amendment was made on March 17, 1995; the twelfth amendment was made on April 9; the thirteenth amendment was made on April 22, 1997; the fourteenth amendment was made on 17 April, 1998; the fifteenth amendment was made on April 23, 1999; the sixteenth amendment was made on April 27, 2000; the seventeenth amendment was made on April 16, 2001; the eighteenth amendment was made on May 17, 2002; the nineteenth amendment was made on May 6, 2003; the twentieth amendment was made on June 10, 2005; the twenty-first amendment on June 9, 2006; the twenty-second amendment was made on April 30, 2008; the twenty-third amendment was made on June 18, 2010. The twenty-fourth amendment was made on June 22, 2011; and the twenty-fifth amendment was made on June 19, 2013; and the twenty-sixth amendment was made on June 16, 2016; the twenty-seventh amendment was made on June 13 2017 ; the twenty-eighth amendment was made on June 11, 2018; the twenty-ninth amendment was made on June 14, 2019 ; the thirtieth amendment was made on Aug. 12, 2021 and the thirty first amendment was made on

May 31, 2022 and shall become effective after approval by a resolution of the shareholders meeting. Any subsequent amendments to these Articles of Incorporation shall follow the same procedure.