



Stock Code : 2492

# Walsin Technology Corporation

## 2023 Annual Shareholders' Meeting Agenda Handbooks (Translation)

Time : 9:30 a.m. on Tuesday, Jun. 20, 2023

Location : No. 3, Qingnian Rd., Yangmei Dist., Taoyuan City 326, Taiwan  
(R.O.C.) (Meeting Room No.E68,China-Motor Training  
Center)

This document is prepared in accordance with the Chinese version and is for reference only.  
In the event of any discrepancy between the Chinese version and this content, the Chinese  
version shall prevail.

# **Walsin Technology Corporation**

## **2023 Annual Shareholders' Meeting Handbook**

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# **Walsin Technology Corporation**

## **Procedure and Agenda for 2023 Annual Shareholders' Meeting**

- I. Time: 9:30 a.m. on Tuesday, June 20, 2023
- II. No. 3, Qingnian Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.) (Meeting Room No.E68,China-Motor Training Center)
- III. Method for convening the shareholders' meeting: Entity shareholders' meeting
- IV. Meeting Agenda:
  - 1.Meeting called to order
  - 2.Chairperson in place
  - 3.Announcements
    - a. 2022 Business Report
    - b. Audit Committee's Audit Report
    - c. The distribution report of compensation of the employees and directors for Year 2022.
    - d. Other Matters.
  - 4. Proposals and Discussions
    - a. Approval of 2022 Business Report and financial statements
    - b. Approval of 2022 Earnings Distribution
    - c. Discussion about the amendments to the rule of the Procedures of Acquisition Disposal of Assets.
    - d. Discussion about the release the directors from non-competition restrictions
  - 5.Extempore Motions or Other Matters
  - 6.Adjournment

## Announcements

1. Business Report:

The Company's 2022 Business Report and Financial Statements

Please refer to Attachment 1 and 2 on #page9-33# of the Handbook.

2. Audit Committee's Audit Report:

Please refer to Attachment 3 on #page34-35# of the Handbook.

3. The distribution report of compensation of the employees and directors for Year 2022.

As approved by the Board of Directors of the Company, the compensation of employees and directors are NT\$39,251,264 and NT\$15,700,506 respectively for 2022, all of which are paid in cash.

4. Other matters:

(1) WTC's first domestic unsecured convertible bonds Status report.

Explanation:

1. In order to purchase plant, equipment and factory facilities, the board of directors approved the issuance of the first domestic unsecured conversion of 48,000 corporate bonds on February 26, 2020, each with par value is NT\$100,000, and the bond coupon rate is 0%, the total issuance amount is NT\$4.8 billion, and the issuance period is four years.
2. Since the issuance began on April 29, 2020, until the maturity on April 29, 2024, as of April 20, 2023 (the last transfer date before the bond stop conversion period is from April 22 to June 20), 10 bonds have been converted (NT\$1,000 thousands), and the current balance is NT\$4,799,000 thousands.

(2) Report the Shareholding of Directors

1. Please refer to Attachment 4 on #page36# of the Handbook for the shareholding of Directors.
2. The shareholdings of all of the Company's directors have all met the requirement for the statutory shareholding ratio.

(3) Implementation status of repurchasing Company's stock: Please refer to Attachment 5 on #page37-41# of the Handbook for the implementation status of repurchasing Company's stock.

(4) Report the amendments to the following rules:

1. Rules of Procedure for Board of Directors Meetings was revised and approved by the Board of Directors. Please refer to pages 43 to 51 of the Handbook.

(5) Report the Endorsement and Guarantee cases of WTC till Mar. 31,2023.

Unit: In Thousands of New Taiwan Dollars

Endorser/Guarantor	Endorsee/Guarantee	Outstanding Endorsement/ Guarantee at the End of the Period	Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Aggregate Endorsement/ Guarantee Limit	Remark
Walsin Technology Corporation	Kamaya Electric Co., Ltd.	2,014,532	14,913,047		
	Kamaya Electric(M) SDN. BHD.	898,393	16,297,996		
Total		2,912,925		22,652,679	Note

Note: The maximum limit for each guaranteed company is limited to 100% of its net worth presented in the latest financial statements. The maximum limit for company's actual holds more than two-thirds of the guaranteed company is limited to six times of its (guaranteed company) net worth presented in the latest financial statements. Therefore, this period did not exceed the limit. The maximum endorsements/guarantees amount allowed for the Company is not equal or exceed 50% of its net worth presented in the latest financial statements.

(6) During the period from April 01, 2023 to April 11, 2023, none of the shareholders holding 1% shares submitted any written proposal to the Company during the period of nomination according to Article 172-1 of Company Act.

## Proposals and Discussions

### Proposal 1

Proposed by the Board of Directors

Subject: Ratification of the Company's 2022 business report, parent company only financial statements and consolidated financial statements.

#### Explanation:

- a. The aforesaid business report and relevant financial statements have been resolved by the Board of Directors, Financial Statements have been audited by CPA Shih Chin-Chuan and Hong Kuo-Tyan of Deloitte & Touche Taiwan. All of them were submitted to the Audit Committee for audit, which then has audited the same.
- b. Please refer to Attachment of the handbook from page 9.

#### Resolution:

## Proposal 2

## Proposed by the Board of Directors

Subject: Adoption of the Proposal for Appropriation of 2022 Earnings

Explanation:

- a. The proposal for 2022 appropriation of earnings was already resolved in the 16<sup>rd</sup> Term 9<sup>th</sup> Board of Directors meeting convened and reviewed by the Audit Committee meeting.
- b. The net profit after tax as of year 2022 of the Company is NT\$ 1,650,587,070. After setting aside the legal reserve of NT\$ 175,643,206 and adding the adjusted undistributed retained earnings is NT\$ 26,752,625,006, the total distributable retained earnings is NT\$ 28,227,568,870.
- c. For the Proposal of earnings distribution, it is calculated based on 485,804,299 shares (including treasury stocks 1,000,000 shares) of the company had issued shares as of the book closure date of April 24, 2023. In the event of changes of the Company's common shares, conversion of the company's convertible corporate bonds, repurchase of treasury stocks or transfer treasury stocks to employees, etc., thereby affecting the number of outstanding shares and then causing the proposed cash distribution per share to change, it is proposed that the Chairman be authorized to adjust the same based on the number of actual shares outstanding on the ex-dividend base date.
- d. The above distribution, it is proposed that the Chairman be authorized to determine the ex-dividend date and related matters of cash dividend distribution after resolution is made in this shareholders' meeting. The distribution of the cash dividends shall be rounded down to the nearest New Taiwan Dollar. The aggregate of the remaining cash will be credited to Other Revenue by the Company.
- e. The undistributed earnings of year 2022, the company operates for sustainable development and meet the requirements of capital expenditure, therefore, in the future, the Company is planning to use the undistributed earnings to construct or purchase buildings, software or hardware equipment or technology for use in production or operation as needed for its business, and the Company will report to the National Taxation Bureau for the deduction such investment amounts from the undistributed earnings tax base in accordance with Article 23-3 of the Statute of Industrial Innovation.
- f. The proposed earnings distribution table is as below:

Walsin Technology Corporation Statement of Earnings Distribution Year 2022			
Item	Total	Unit: NT\$	
Unallocated earnings, beginning of year	26,646,780,014		
Add: Adjustments on re-measurement on define benefit plans recognized in retained earnings	41,471,361		
Add: Adjustments on equity method investments	486,404		
Add: Disposal of investments in equity instruments at fair value through other comprehensive income	63,887,227		
Adjusted unallocated earnings	26,752,625,006		
Add: Net profit	1,650,587,070		
Less: Legal reserve(10%)	(175,643,206)		
Distributable earnings	28,227,568,870		
Distribution Item:			
Cash Dividends to shareholders	(1,165,930,318)	NT\$2.4/per share	

Unallocated earnings, end of year

27,061,638,552

Chairman: Chiao Yu-Heng

Manager: Ku, Li-Chin

Accounting Chief: Yeh Tse-Kuang

Resolution:

Proposal 3

Proposed by the Board of Directors

Subject: The proposal of amendments to the Company's Rules of the Procedures of Acquisition or Disposal of Assets.

Explanation:

Due to factual needs, it is proposed to revise the relevant provisions of the company's internal control of derivative products ,it is proposed to revise the relevant provisions of the company resolution. Please refer to Attachment 6 on #page40# of the Handbook for the comparison table.

Resolution:

Proposal 4

Proposed by the Board of Directors

Subject: Proposal of release the prohibition on directors from participation in competitive business

Explanation:

- a. Handle in accordance with the relevant provisions of the Company Act.
- b. Handled in accordance with Article 209 of the Company Act, "Proposal of Release the restrictions on Directors from Participation in Competitive Business.
- c. Chairman Mr. Chiao Yu-Heng

Company Name	Title of Position
Career Technology (MFG.) Co., Ltd.	Corporation's representative as Chairman and Chief Strategy Officer
Soshin Electric Co., Ltd.	Director

Resolution:

**Extempore Motions or Other Matters**

**Adjournment**



[Attachment 1]

## WALSIN TECHNOLOGY CORPORATION Year 2022 Business Report

In retrospect, the global economic development of 2022 was deeply affected by the Covid-19 pandemic, war, and inflation. With the popularization of the vaccine and the advent of medical treatments, successfully suppressed and reversed the evolution of the virus strain towards a negative trend, so the European and American countries gradually lowered the level of this public health incident; Even China, which has implemented the most stringent lockdown, finally had to change its course at the end of the year due to economic considerations, adopting coexistence with the virus and restarting various economic activities in order to return to the pre-epidemic economic growth track; Furthermore, the ongoing conflict in Russia-Ukraine war has resulted in the spike of energy prices, directly and indirectly contributing to the deterioration of inflation in various countries and dragging down the global economic development. The electronics industry is facing multiple economic negative impacts, still actively responding through supply chain restructuring and deepening technology commercialization adjustments. Furthermore, in recent years, popular industries such as automobiles, 5G network communication, and new energy have rapidly developed and have gradually become mainstream industries in the post-pandemic era, providing new opportunities for the industry.

The two major driving forces of the global economy, US and China, the two largest economies, have shifted from short-term confrontation to a long-term cold war ,the scope has also expanded from a few companies to the level of the technology industry to balance each other . In order to get rid of the restraint, China actively internalizes the technology industry and takes the establishment of independent production and supply chain as its national development strategy. Passive components are also its target projects. Benefiting from the policy protection, new production capacity of Chinese local peers continues to be built, while Japanese peers are major beneficiaries of automotive and high-end passive components. Under the optimistic medium and long-term demand, the original fundamentals of production expansion are still maintained. In terms of us, in addition to the most efficient allocation of operations on the basis of existing production capacity and R&D, we also integrate new business partners, step into other passive component fields, increase product depth and expand marketing, in order to differentiate ourselves in market positioning. We hope to grasp the competitive advantage in the recovery of the post-epidemic economy in the future

The consolidated revenue of the company in Year 2022 decreased by 16% compared to Year 2021. Apart from the positive growth of some niche products, the rest of the product portfolio has shown declines due to the drop in market demand, and the main product lines have also seen a drop in margin, given the heightened cost due to the low capacity utilization. As a result of the final annual settlement, the net profit after tax was nearly NT\$1.65 billion, and the earnings per share was NT\$3.4.

Here is a summary of WALSIN's 2022 simple income statement as follows:

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

Item	2022	2021	2022 Growth rate
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>			
NET REVENUE	\$15,844,548	\$22,257,779	-28.81%
GROSS PROFIT	1,271,998	5,000,851	-74.56%
OPERATING PROFIT	389,850	3,763,948	-89.64%
INCOME BEFORE INCOME TAX	1,689,549	8,564,248	-80.27%
NET INCOME	1,650,587	7,931,941	-79.19%
EARNINGS PER SHARE	3.40	16.35	-79.20%
<b>CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME</b>			
NET REVENUE	\$35,297,163	\$42,108,708	-16.18%
GROSS PROFIT	6,299,748	12,512,383	-49.65%
OPERATING PROFIT	2,060,933	8,399,582	-75.46%
INCOME BEFORE INCOME TAX	3,537,893	10,649,914	-66.78%
NET INCOME(Attributable to the owner of the company)	1,650,587	7,931,941	-79.19%
EARNINGS PER SHARE	3.40	16.35	-79.20%

Chairman: Chiao Yu-Heng

Manager: Ku Li-Chin

Accounting Chief: Yeh Tse-Kuang

[Attachment 2]  
INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Walsin Technology Corporation

Opinion

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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.

The key audit matter of the Company's financial statements for the year ended December 31, 2022 is described as follows:

Revenue Recognition for MLCC Sales

Walsin Technology Corporation's main stream of revenue comes from multi-layer ceramic capacitors (MLCC), ceramic disc capacitors, chip resistors and radio frequency devices.

Due to higher proportion of MLCC's sales revenue and gross profit margin compared to other sales portfolios, and revenue is recognized in accordance with customer orders or contracts, we considered recognition of revenue from sales of MLCC 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 key internal controls and testing the effectiveness of relevant controls over sales revenue, and selecting samples of revenue items to verify the occurrence of transactions.

#### Other Matter

We did not audit the financial statements of some subsidiaries and investments accounted for using the equity method included in the financial statements of the Company, but such financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts and the information disclosed for some subsidiaries and investments accounted for using the equity method, is based solely on the audit reports of other auditors. As of December 31, 2022 and 2021, the share of profit of investments in associates accounted for using the equity method were NT\$2,197,974 thousand and NT\$2,966,722 thousand, representing 3.13% and 4.13% of the total assets; and the share of income of associates accounted for using the equity method for the year ended December 31, 2022 and 2021 was NT\$195,213 thousand and NT\$178,400 thousand, representing 9.39% and 2.00% of the comprehensive income.

#### 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 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 Chin-Chuan Shih and Kuo-Tyan Hong.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 23, 2023

Notice to Readers

*The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying 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 financial statements shall prevail.*

# WALSIN TECHNOLOGY CORPORATION

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

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 4,677,249	7	\$ 1,239,378	2
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	240,569	-	386,792	1
Notes receivable (Notes 4 and 10)	5,086	-	20,354	-
Trade receivables (Notes 4 and 10)	1,085,757	2	1,436,666	2
Trade receivables from related parties (Notes 4, 10 and 26)	1,958,516	3	2,526,192	4
Other receivables	61,598	-	61,259	-
Other receivables from related parties (Notes 4 and 26)	891,713	1	766,745	1
Financial assets at amortized cost - current (Notes 4, 9 and 27)	622,835	1	117,866	-
Finance lease receivable - current (Note 4)	15,789	-	14,281	-
Inventories (Notes 4 and 11)	1,737,932	2	2,470,155	3
Other current assets	<u>151,758</u>	<u>-</u>	<u>194,172</u>	<u>-</u>
Total current assets	<u>11,448,802</u>	<u>16</u>	<u>9,233,860</u>	<u>13</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	4,007,863	6	3,734,019	5
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	-	-	1,440	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 27)	105,357	-	632,635	1
Investments accounted for using the equity method (Notes 4 and 12)	38,254,745	54	39,616,485	55
Property, plant and equipment (Notes 4 and 13)	15,476,272	22	17,661,063	25
Right-of-use assets (Notes 4 and 14)	287,133	1	263,715	-
Investment properties (Notes 4 and 15)	5,551	-	117,679	-
Computer software (Note 4)	64,104	-	72,032	-
Deferred tax assets (Notes 4 and 21)	192,000	-	307,000	1
Guarantee deposits paid	31,290	-	36,732	-
Finance lease receivables - non-current (Note 4)	50,811	-	25,607	-
Other non-current assets	<u>399,121</u>	<u>1</u>	<u>188,424</u>	<u>-</u>
Total non-current assets	<u>58,874,247</u>	<u>84</u>	<u>62,656,831</u>	<u>87</u>
TOTAL	<u>\$ 70,323,049</u>	<u>100</u>	<u>\$ 71,890,691</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 6,232,275	9	\$ 4,710,000	6
Trade payables	545,685	1	1,128,254	2
Trade payables to related parties (Notes 4 and 26)	1,473,856	2	1,617,536	2
Payables for equipment (Note 26)	1,363,581	2	2,571,154	4
Other payables (Notes 4 and 26)	1,637,319	2	2,374,271	3
Lease liabilities - current (Notes 4 and 14)	57,381	-	40,145	-
Current tax liabilities (Notes 4 and 21)	767,421	1	1,264,123	2
Current portion of long-term borrowings (Notes 4 and 16)	1,448,333	2	-	-
Other current liabilities	<u>43,783</u>	<u>-</u>	<u>49,520</u>	<u>-</u>
Total current liabilities	<u>13,569,634</u>	<u>19</u>	<u>13,755,003</u>	<u>19</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 17)	4,715,936	7	4,654,244	7
Long-term borrowings (Notes 4 and 16)	6,859,667	10	8,410,000	12
Current tax liabilities - non-current (Notes 4 and 21)	549,262	1	290,327	-
Deferred tax liabilities (Notes 4 and 21)	48,964	-	71,341	-
Lease liabilities - non-current (Notes 4 and 14)	268,548	-	226,889	-
Net defined benefit liabilities - non-current (Notes 4 and 18)	26,755	-	87,314	-
Guarantee deposits received	<u>3,359</u>	<u>-</u>	<u>6,731</u>	<u>-</u>
Total non-current liabilities	<u>12,472,491</u>	<u>18</u>	<u>13,746,846</u>	<u>19</u>
Total liabilities	<u>26,042,125</u>	<u>37</u>	<u>27,501,849</u>	<u>38</u>
EQUITY (Notes 4 and 19)				
Share capital				
Ordinary shares	4,858,043	7	4,858,043	7
Bond conversion entitlement certificates	-	-	-	-
Capital surplus	3,111,159	4	3,111,622	4
Retained earnings				
Legal reserve	4,736,096	7	3,938,069	5
Special reserve	1,096,797	2	1,096,797	2
Unappropriated earnings	28,403,212	40	29,630,926	41
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(1,191,536)	(2)	(2,479,278)	(3)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	3,503,533	5	4,469,043	6
Treasury shares	<u>(236,380)</u>	<u>-</u>	<u>(236,380)</u>	<u>-</u>
Total equity	<u>44,280,924</u>	<u>63</u>	<u>44,388,842</u>	<u>62</u>
TOTAL	<u>\$ 70,323,049</u>	<u>100</u>	<u>\$ 71,890,691</u>	<u>100</u>

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

(With Deloitte & Touche audits' report dated February 23, 2023)

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

	<b>2022</b>		<b>2021</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
NET SALES (Notes 4 and 26)	\$ 15,844,548	100	\$ 22,257,779	100
COST OF SALES (Notes 11 and 26)	<u>15,211,406</u>	<u>96</u>	<u>16,907,353</u>	<u>76</u>
GROSS PROFIT	633,142	4	5,350,426	24
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>638,856</u>	<u>4</u>	<u>(349,575)</u>	<u>(1)</u>
REALIZED GROSS PROFIT	<u>1,271,998</u>	<u>8</u>	<u>5,000,851</u>	<u>23</u>
OPERATING EXPENSES				
Selling and marketing expenses	294,063	2	398,778	2
General and administrative expenses	249,937	2	432,131	2
Research and development expenses	<u>338,148</u>	<u>2</u>	<u>405,994</u>	<u>2</u>
Total operating expenses	<u>882,148</u>	<u>6</u>	<u>1,236,903</u>	<u>6</u>
PROFIT FROM OPERATIONS	<u>389,850</u>	<u>2</u>	<u>3,763,948</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	71,277	-	63,831	-
Rental income	5,379	-	1,226	-
Dividend income (Note 26)	196,526	1	95,104	1
Other income (Note 26)	87,982	1	182,583	1
(Loss) gain on disposal of investments	(205)	-	9,038	-
(Loss) gain on financial assets at FVTPL	(93,227)	(1)	27,458	-
Other expenses	(11,769)	-	(6,437)	-
Loss on disposal of property, plant and equipment	(257)	-	(4,997)	-
Foreign exchange gain, net	284,868	2	20,329	-
Interest expense	(198,116)	(1)	(161,052)	(1)
Share of profit of subsidiaries and associates accounted for using the equity method (Notes 4 and 12)	<u>957,241</u>	<u>6</u>	<u>4,573,217</u>	<u>21</u>
Total non-operating income and expenses	<u>1,299,699</u>	<u>8</u>	<u>4,800,300</u>	<u>22</u>
PROFIT BEFORE INCOME TAX	1,689,549	10	8,564,248	39
INCOME TAX EXPENSE (Notes 4 and 21)	<u>(38,962)</u>	<u>-</u>	<u>(632,307)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>1,650,587</u>	<u>10</u>	<u>7,931,941</u>	<u>36</u>

(Continued)



# WALSIN TECHNOLOGY CORPORATION

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

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 41,473	-	\$ 19,923	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	322,952	2	1,295,674	6
Share of the other comprehensive loss of subsidiaries and associates accounted for using the equity method	(1,224,580)	(7)	(367,775)	(2)
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	<u>1,287,789</u>	<u>8</u>	<u>37,889</u>	<u>-</u>
Other comprehensive income for the year, net	<u>427,634</u>	<u>3</u>	<u>985,711</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,078,221</u>	<u>13</u>	<u>\$ 8,917,652</u>	<u>40</u>
EARNINGS PER SHARE (Notes 4 and 22)				
Basic	<u>\$ 3.40</u>		<u>\$ 16.35</u>	
Diluted	<u>\$ 3.35</u>		<u>\$ 15.72</u>	

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

(With Deloitte & Touche audits' report dated February 23, 2023)

(Concluded)

# WALSIN TECHNOLOGY CORPORATION

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

	Share Capital				Retained Earnings			Other Equity		Treasury Shares	Total Equity
	Shares (In Thousands)	Share Capital	Bond Conversion Entitlement Certificates	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE, JANUARY 1, 2021	485,800	\$ 4,858,000	\$ 43	\$ 6,006,342	\$ 3,286,566	\$ 1,097,541	\$ 22,302,162	\$ (2,517,167)	\$ 3,586,975	\$ -	\$ 38,620,462
Reversal by subsidiaries special reserve appropriated at the first-time adoption of IFRSs (Note 19)	-	-	-	-	-	(744)	744	-	-	-	-
Appropriation of the 2020 earnings (Note 19) Legal reserve	-	-	-	-	651,503	-	(651,503)	-	-	-	-
Other changes in capital surplus (Note 19) Change in capital surplus from associates accounted for using the equity method	-	-	-	24,882	-	-	(5,832)	-	-	-	19,050
Issuance of cash dividends from capital surplus	-	-	-	(2,914,830)	-	-	-	-	-	-	(2,914,830)
Other changes in capital surplus	-	-	-	55	-	-	-	-	-	-	55
Actual acquisition of interests in subsidiaries	-	-	-	(24,397)	-	-	(11,147)	-	-	-	(35,544)
Changes in percentage of ownership interests in subsidiaries	-	-	-	315	-	-	(1,193)	-	-	-	(878)
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	7,931,941	-	-	-	7,931,941
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	-	19,923	37,889	927,899	-	985,711
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	-	7,951,864	37,889	927,899	-	8,917,652
Convertible bonds converted to ordinary shares	4	43	(43)	-	-	-	-	-	-	-	-
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	(351,616)	(351,616)
Transfer of treasury shares to employees (Note 19)	-	-	-	19,255	-	-	-	-	-	115,236	134,491
Disposal of investments in equity instruments designated as at fair value through other comprehensive income/associates disposed of the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	45,831	-	(45,831)	-	-
BALANCE, DECEMBER 31, 2021	485,804	4,858,043	-	3,111,622	3,938,069	1,096,797	29,630,926	(2,479,278)	4,469,043	(236,380)	44,388,842
Appropriation of the 2021 earnings (Note 19) Legal reserve	-	-	-	-	798,027	-	(798,027)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(2,186,119)	-	-	-	(2,186,119)
Other changes in capital surplus (Note 19) Change in capital surplus from associates accounted for using the equity method	-	-	-	(401)	-	-	(122)	-	-	-	(523)
Changes in percentage of ownership interests in subsidiaries	-	-	-	(62)	-	-	607	(47)	5	-	503
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	1,650,587	-	-	-	1,650,587
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	41,473	1,287,789	(901,628)	-	427,634
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	1,692,060	1,287,789	(901,628)	-	2,078,221
Disposal of investments in equity instruments designated as at fair value through other comprehensive income/associates disposed of the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	63,887	-	(63,887)	-	-
BALANCE, DECEMBER 31, 2022	485,804	\$ 4,858,043	\$ -	\$ 3,111,159	\$ 4,736,096	\$ 1,096,797	\$ 28,403,212	\$ (1,191,536)	\$ 3,503,533	\$ (236,380)	\$ 44,280,924

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

(With Deloitte & Touche audits' report dated February 23, 2023)

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

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,689,549	\$ 8,564,248
Adjustments for:		
Depreciation expense	3,187,316	2,736,286
Amortization expense	35,473	19,631
Expected credit loss reversed on trade receivables	(1,300)	-
Net loss (gain) on financial assets at FVTPL	93,227	(27,458)
Interest expense	198,116	161,052
Interest income	(71,277)	(63,831)
Dividend income	(196,526)	(95,104)
Compensation cost of employee share options	-	19,602
Share of profit of subsidiaries and associates accounted for using the equity method	(957,241)	(4,573,217)
Loss on disposal of property, plant and equipment	257	4,997
Loss (gain) on disposal of investments	205	(9,038)
Impairment gain recognized on property, plant and equipment and investment property	(38,949)	(10,343)
Write-downs of inventories	124,964	80,745
(Realized) unrealized gross profit on the transactions with associates	(638,856)	349,575
Realized gain on transactions with associates	(3,507)	-
Net loss (gain) on foreign currency exchange	66,837	(103,439)
Other non-cash item	(61,328)	(154,643)
Changes in operating assets and liabilities		
Notes receivable from unrelated parties	15,268	(454)
Trade receivables from unrelated parties	346,927	(353,392)
Trade receivables from related parties	536,515	527,523
Other receivables from unrelated parties	18,500	11,615
Other receivables from related parties	(28,474)	2,025,801
Inventories	607,259	(889,791)
Other current assets	42,414	(31,425)
Trade payables to unrelated parties	(603,416)	(198,182)
Trade payables to related parties	(136,334)	714,475
Other payables	(741,330)	92,622
Other current liabilities	(5,737)	22,984
Other non-current liabilities	(3,686)	(12)
Cash generated from operations	3,474,866	8,820,827
Interest received	52,224	63,309
Dividend received	688,314	565,561
Interest paid	(129,373)	(98,446)
Income tax paid	(394,803)	(323,336)
Net cash generated from operating activities	<u>3,691,228</u>	<u>9,027,915</u>

(Continued)

# WALSIN TECHNOLOGY 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>		
Purchase of financial assets at fair value through other comprehensive income	\$ (96,556)	\$ -
Proceeds from financial assets at fair value through other comprehensive income	145,663	-
Proceeds from capital return of financial assets at fair value through other comprehensive income	-	695
Proceeds from financial assets at amortized cost	28,738	2,190,608
Proceeds from financial assets at fair value through profit or loss	54,231	11
Acquisition of long-term equity investment for using the equity method	(21,133)	(445,411)
Proceeds from long-term equity investment for using the equity method	55,357	-
Proceeds from capital return of investments accounted for using the equity method	2,483,122	-
Payments for property, plant and equipment	(2,174,874)	(7,056,819)
Proceeds from disposal of property, plant and equipment	10,422	2,973
Decrease (increase) in guarantee deposits paid	5,442	(4,803)
Payments for intangible assets	(27,545)	(411)
Increase in receivables from related parties for advances or borrowings	(119,359)	-
Proceeds from investment property	220,000	-
Decrease in finance lease receivables	<u>14,600</u>	<u>13,953</u>
Net cash generated from (used in) investing activities	<u>578,108</u>	<u>(5,299,204)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	1,520,389	(1,171,465)
Decrease in short-term bills payable	-	(100,000)
(Repayments of) increase in long-term borrowings	(102,000)	1,215,252
(Decrease) increase in guarantee deposits received	(3,372)	100
Repayment of the principal portion of lease liabilities	(60,378)	(57,645)
Cash dividends	(2,186,104)	(2,914,858)
Payments for buy-back of ordinary shares	-	(351,616)
Proceeds from transfer of treasury shares to employees	-	114,889
Other financing activities	<u>-</u>	<u>55</u>
Net cash used in financing activities	<u>(831,465)</u>	<u>(3,265,288)</u>

(Continued)

# WALSIN TECHNOLOGY CORPORATION

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

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	2022	2021
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 3,437,871	\$ 463,423
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,239,378</u>	<u>775,955</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 4,677,249</u>	<u>\$ 1,239,378</u>

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

(With Deloitte & Touche audits' report dated February 23, 2023)

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Walsin Technology Corporation

### **Opinion**

We have audited the accompanying consolidated financial statements of Walsin Technology Corporation and its subsidiaries (collectively referred to 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, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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 (FSC) 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.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

#### Revenue Recognition for MLCC Sales

Walsin Technology Corporation's main stream of revenue comes from multi-layer ceramic capacitors (MLCC), ceramic disc capacitors, chip resistors and radio frequency devices.

Due to higher proportion of MLCC's sales revenue and gross profit margin compared to other sales portfolios and revenue is recognized in accordance with customer orders or contracts, we considered recognition of revenue from sales of MLCC as a key audit matter of the Group'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 key internal controls and testing the effectiveness of relevant controls over sales revenue, and selecting samples of revenue items to verify the occurrence of transactions.

#### **Other Matter - Use of Other Auditors**

We did not audit the consolidated financial statements of some subsidiaries and investments accounted for using the equity method included in the consolidated financial statements of the Group, but such financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts and the information disclosed for some subsidiaries and investments accounted for using the equity method, is based solely on the audit reports of other auditors. As of December 31, 2022 and 2021, the amounts of total assets of these subsidiaries (including investments accounted for using the equity method) were NT\$11,124,601 thousand and NT\$10,161,549 thousand, representing 12.13% and 10.79% of the consolidated total assets; for the year ended December 31, 2022 and 2021, the amounts of consolidated net operating revenue of these subsidiaries were NT\$6,822,268 thousand and NT\$6,006,450 thousand, representing 19.33% and 14.26% of the consolidated net operating revenue; and the comprehensive income for the years ended December 31, 2022 and 2021 was NT\$474,088 thousand and NT\$564,621 thousand, representing 18.86% and 5.58% of the consolidated comprehensive income; and the share of income/(loss) of associates accounted for using the equity method for the years ended December 31, 2022 and 2021 was NT\$5,630 thousand and NT\$(5,867) thousand, representing 0.22% and (0.07%) of the consolidated comprehensive income.

#### **Other Matter - the Parent Company Only Financial Statements**

We have also audited the parent company only financial statements of Walsin Technology Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion with "Other Matter" paragraph.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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, 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 entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 Chin-Chuan Shih and Kuo-Tyan Hong.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 23, 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.*

# WALSIN TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 17,503,335	19	\$ 11,261,504	12
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	588,983	1	1,572,637	2
Financial assets at amortized cost - current (Notes 4 and 8)	5,558,187	6	6,347,388	7
Notes receivable from unrelated parties (Notes 4 and 9)	867,613	1	923,996	1
Trade receivables from unrelated parties (Notes 4 and 9)	8,508,511	9	9,916,600	10
Trade receivables from related parties (Notes 4, 9 and 28)	51,312	-	62,746	-
Finance lease receivable (Note 4)	22,784	-	27,435	-
Other receivables from unrelated parties	525,581	-	526,653	1
Other receivables from related parties (Note 28)	13,970	-	12,858	-
Inventories (Notes 4 and 10)	7,883,145	9	9,687,250	10
Other current assets	<u>554,653</u>	<u>1</u>	<u>848,819</u>	<u>1</u>
Total current assets	<u>42,078,074</u>	<u>46</u>	<u>41,187,886</u>	<u>44</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	-	-	1,440	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 12)	5,813,946	6	5,899,491	6
Financial assets at amortized cost - non-current (Notes 4 and 8)	2,569,470	3	3,197,562	3
Investments accounted for using the equity method (Notes 4 and 13)	9,638,325	10	9,943,014	11
Property, plant and equipment (Notes 4 and 14)	28,352,902	31	30,449,546	32
Right-of-use assets (Notes 4 and 15)	965,482	1	1,019,242	1
Investment properties (Notes 4 and 16)	14,773	-	117,679	-
Intangible assets (Notes 4 and 17)	684,490	1	795,266	1
Deferred tax assets (Notes 4 and 23)	609,350	1	657,496	1
Guarantee deposits paid (Note 29)	113,181	-	96,668	-
Finance lease receivables (Note 4)	24,751	-	25,607	-
Other non-current assets (Notes 4 and 20)	<u>866,751</u>	<u>1</u>	<u>789,308</u>	<u>1</u>
Total non-current assets	<u>49,653,421</u>	<u>54</u>	<u>52,992,319</u>	<u>56</u>
TOTAL	<u>\$ 91,731,495</u>	<u>100</u>	<u>\$ 94,180,205</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 18)	\$ 7,103,050	8	\$ 5,429,427	6
Notes payable to unrelated parties	194,700	-	368,742	-
Trade payables to unrelated parties	2,620,459	3	4,431,637	5
Trade payables to related parties (Note 28)	25,510	-	2,502	-
Payables for equipment (Note 28)	1,811,035	2	3,684,849	4
Other payables (Note 28)	3,432,377	4	4,742,686	5
Current tax liabilities	1,435,737	2	1,730,872	2
Lease liabilities (Notes 4 and 15)	138,546	-	136,372	-
Current portion of bonds payable (Notes 4 and 19)	-	-	474,486	1
Current portion of long-term borrowings (Notes 4 and 18)	2,303,708	2	399,169	-
Other current liabilities	<u>164,959</u>	<u>-</u>	<u>156,690</u>	<u>-</u>
Total current liabilities	<u>19,230,081</u>	<u>21</u>	<u>21,557,432</u>	<u>23</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 19)	4,715,936	5	4,654,244	5
Long-term borrowings (Notes 4 and 18)	11,873,487	13	12,117,833	13
Current tax liabilities (Notes 4 and 23)	549,262	1	290,327	-
Deferred tax liabilities (Notes 4 and 23)	769,371	1	818,758	1
Lease liabilities (Notes 4 and 15)	496,604	1	559,160	1
Long-term payables	19,825	-	31,778	-
Long-term deferred revenue (Note 4)	35,981	-	23,932	-
Net defined benefit liabilities (Notes 4 and 20)	199,336	-	343,086	-
Guarantee deposits received	<u>257,578</u>	<u>-</u>	<u>254,501</u>	<u>-</u>
Total non-current liabilities	<u>18,917,380</u>	<u>21</u>	<u>19,093,619</u>	<u>20</u>
Total liabilities	<u>38,147,461</u>	<u>42</u>	<u>40,651,051</u>	<u>43</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)				
Share capital				
Ordinary shares	4,858,043	5	4,858,043	5
Bond conversion entitlement certificates	-	-	-	-
Capital surplus	3,111,159	3	3,111,622	3
Retained earnings				
Legal reserve	4,736,096	5	3,938,069	4
Special reserve	1,096,797	1	1,096,797	1
Unappropriated earnings	28,403,212	31	29,630,926	32
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(1,191,536)	(1)	(2,479,278)	(3)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	3,503,533	4	4,469,043	5
Treasury shares	<u>(236,380)</u>	<u>-</u>	<u>(236,380)</u>	<u>-</u>
Total equity attributable to owners of the Company	44,280,924	48	44,388,842	47
NON-CONTROLLING INTERESTS (Note 21)	<u>9,303,110</u>	<u>10</u>	<u>9,140,312</u>	<u>10</u>
Total equity	<u>53,584,034</u>	<u>58</u>	<u>53,529,154</u>	<u>57</u>
TOTAL	<u>\$ 91,731,495</u>	<u>100</u>	<u>\$ 94,180,205</u>	<u>100</u>

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

(With Deloitte & Touche audits' report dated February 23, 2023)

# WALSIN TECHNOLOGY 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	%
NET SALES (Notes 4, 28 and 35)	\$ 35,297,163	100	\$ 42,108,708	100
COST OF SALES (Notes 10 and 28)	<u>28,997,415</u>	<u>82</u>	<u>29,596,325</u>	<u>70</u>
GROSS PROFIT	<u>6,299,748</u>	<u>18</u>	<u>12,512,383</u>	<u>30</u>
OPERATING EXPENSES				
Selling and marketing expenses	1,754,720	5	1,763,056	4
General and administrative expenses	1,350,981	4	1,295,098	3
Research and development expenses	<u>1,133,114</u>	<u>3</u>	<u>1,054,647</u>	<u>3</u>
Total operating expenses	<u>4,238,815</u>	<u>12</u>	<u>4,112,801</u>	<u>10</u>
PROFIT FROM OPERATIONS	<u>2,060,933</u>	<u>6</u>	<u>8,399,582</u>	<u>20</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	514,712	1	466,667	1
Rental income	28,773	-	25,031	-
Dividend income	258,897	1	166,007	-
Other income	88,669	-	256,758	1
(Loss) gain on disposal of investments (Notes 4, 11 and 13)	(205)	-	229,750	1
(Loss) gain on financial assets at FVTPL	(213,409)	(1)	127,443	-
Other expenses	(67,635)	-	(127,041)	-
Loss on disposal of property, plant and equipment	(13,323)	-	(2,220)	-
Foreign exchange gain (loss), net	526,078	2	(7,405)	-
Interest expense	(264,076)	(1)	(208,322)	(1)
Share of profit of associates accounted for using the equity method (Notes 4 and 13)	<u>618,479</u>	<u>2</u>	<u>1,323,664</u>	<u>3</u>
Total non-operating income and expenses	<u>1,476,960</u>	<u>4</u>	<u>2,250,332</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	3,537,893	10	10,649,914	25
INCOME TAX EXPENSE (Notes 4 and 23)	<u>(1,242,618)</u>	<u>(4)</u>	<u>(1,688,838)</u>	<u>(4)</u>
NET PROFIT FOR THE YEAR	<u>2,295,275</u>	<u>6</u>	<u>8,961,076</u>	<u>21</u>

(Continued)

# WALSIN TECHNOLOGY 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)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 1,413	-	\$ 17,958	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(28,305)	-	1,712,026	4
Share of the other comprehensive loss of associates accounted for using the equity method	(1,050,356)	(3)	(579,027)	(1)
Income tax expense from remeasurement of defined benefit plans	22,740	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	1,112,385	3	51,027	-
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	(56,035)	-	-	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>216,545</u>	<u>1</u>	<u>(44,816)</u>	<u>-</u>
Other comprehensive income for the year, net	<u>218,387</u>	<u>1</u>	<u>1,157,168</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,513,662</u>	<u>7</u>	<u>\$ 10,118,244</u>	<u>24</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,650,587	4	\$ 7,931,941	19
Non-controlling interests	<u>644,688</u>	<u>2</u>	<u>1,029,135</u>	<u>2</u>
	<u>\$ 2,295,275</u>	<u>6</u>	<u>\$ 8,961,076</u>	<u>21</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,078,221	6	\$ 8,917,652	21
Non-controlling interests	<u>435,441</u>	<u>1</u>	<u>1,200,592</u>	<u>3</u>
	<u>\$ 2,513,662</u>	<u>7</u>	<u>\$ 10,118,244</u>	<u>24</u>

(Continued)

# WALSIN TECHNOLOGY 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)

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	<b>2022</b>		<b>2021</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
EARNINGS PER SHARE (Notes 4 and 24)				
Basic	<u>\$ 3.40</u>		<u>\$ 16.35</u>	
Diluted	<u>\$ 3.35</u>		<u>\$ 15.72</u>	

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

(With Deloitte & Touche audits' report dated February 23, 2023)

(Concluded)

**WALSIN TECHNOLOGY 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 Company							Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share Capital		Bond Conversion Entitlement Certificates	Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
	Shares (In Thousands)	Share Capital			Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE, JANUARY 1, 2021	485,800	\$ 4,858,000	\$ 43	\$ 6,006,342	\$ 3,286,566	\$ 1,097,541	\$ 22,302,162	\$ (2,517,167)	\$ 3,586,975	\$ -	\$ 38,620,462	\$ 7,033,732	\$ 45,654,194
Reversal by subsidiaries special reserve appropriated at the first-time adoption of IFRSs	-	-	-	-	-	(744)	744	-	-	-	-	-	-
Appropriation of the 2020 earnings (Note 21)													
Legal reserve	-	-	-	-	651,503	-	(651,503)	-	-	-	-	-	-
Other changes in capital surplus (Note 21)													
Change in capital surplus from associates accounted for using the equity method	-	-	-	24,882	-	-	(5,832)	-	-	-	19,050	-	19,050
Issuance of cash dividends from capital surplus	-	-	-	(2,914,830)	-	-	-	-	-	-	(2,914,830)	-	(2,914,830)
Other changes in capital surplus	-	-	-	55	-	-	-	-	-	-	55	-	55
Actual acquisition of interests in subsidiaries	-	-	-	(24,397)	-	-	(11,147)	-	-	-	(35,544)	(100,260)	(135,804)
Changes in percentage of ownership interests in subsidiaries	-	-	-	315	-	-	(1,193)	-	-	-	(878)	1,793	915
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	7,931,941	-	-	-	7,931,941	1,029,135	8,961,076
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	-	19,923	37,889	927,899	-	985,711	171,457	1,157,168
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	-	7,951,864	37,889	927,899	-	8,917,652	1,200,592	10,118,244
Convertible bonds converted to ordinary shares	4	43	(43)	-	-	-	-	-	-	-	-	-	-
Buy-back of treasury shares (Note 21)	-	-	-	-	-	-	-	-	-	(351,616)	(351,616)	-	(351,616)
Transfer of treasury shares to employees (Note 21)	-	-	-	19,255	-	-	-	-	-	115,236	134,491	-	134,491
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,004,455	1,004,455
Disposal of investments in equity instruments designated as at fair value through other comprehensive income/associates disposed of the investments in equity instruments designated as at fair value through other comprehensive income (Note 21)	-	-	-	-	-	-	45,831	-	(45,831)	-	-	-	-
BALANCE, DECEMBER 31, 2021	485,804	4,858,043	-	3,111,622	3,938,069	1,096,797	29,630,926	(2,479,278)	4,469,043	(236,380)	44,388,842	9,140,312	53,529,154
Appropriation of the 2021 earnings (Note 21)													
Legal reserve	-	-	-	-	798,027	-	(798,027)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(2,186,119)	-	-	-	(2,186,119)	-	(2,186,119)
Other changes in capital surplus (Note 21)													
Change in capital surplus from associates accounted for using the equity method	-	-	-	(401)	-	-	(122)	-	-	-	(523)	227	(296)
Changes in percentage of ownership interests in subsidiaries	-	-	-	(62)	-	-	607	(47)	5	-	503	(505)	(2)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	1,650,587	-	-	-	1,650,587	644,688	2,295,275
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	41,473	1,287,789	(901,628)	-	427,634	(209,247)	218,387
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	1,692,060	1,287,789	(901,628)	-	2,078,221	435,441	2,513,662
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(272,365)	(272,365)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 21)	-	-	-	-	-	-	63,887	-	(63,887)	-	-	-	-
BALANCE, DECEMBER 31, 2022	485,804	\$ 4,858,043	\$ -	\$ 3,111,159	\$ 4,736,096	\$ 1,096,797	\$ 28,403,212	\$ (1,191,536)	\$ 3,503,533	\$ (236,380)	\$ 44,280,924	\$ 9,303,110	\$ 53,584,034

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

(With Deloitte & Touche audits' report dated February 23, 2023)

**WALSIN TECHNOLOGY 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	\$ 3,537,893	\$ 10,649,914
Adjustments for:		
Expected credit loss (reversed) recognized on trade receivables	(8,111)	821
Depreciation expense	5,415,853	4,535,596
Amortization expense	157,169	103,308
Interest expense	264,076	208,322
Interest income	(514,712)	(466,667)
Dividend income	(258,897)	(166,007)
Share of profit of associates accounted for using the equity method	(618,479)	(1,323,664)
Loss on disposal of property, plant and equipment	13,323	2,220
Loss on disposal of intangible assets	-	5,026
Net loss (gain) on financial assets at FVTPL	213,409	(127,443)
Loss (gain) on disposal of investments	205	(229,750)
Impairment loss recognized on property, plant and equipments	347	52,257
Net loss (gain) on foreign currency exchange	51,926	(89,998)
Write-downs of inventories	250,327	212,063
Compensation cost of employee share options	-	19,602
Gain on modification of lease	(1,619)	(378)
Other non-cash items	-	(154,643)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	866,098	1,329,469
Notes receivable from unrelated parties	57,836	(319,559)
Trade receivables from unrelated parties	1,399,135	1,732,182
Trade receivables from related parties	11,434	(14,879)
Other receivables from unrelated parties	(11,758)	4,231
Other receivables from related parties	(1,112)	442
Inventories	1,570,457	(3,572,979)
Other current assets	297,721	(338,761)
Other non-current assets	302,608	(91,036)
Notes payable to unrelated parties	(174,042)	212,411
Trade payables to unrelated parties	(1,849,235)	54,038
Trade payables to related parties	23,008	737
Other payables	(1,315,115)	15,857
Other current liabilities	520	(219,604)
Other non-current liabilities	(124,264)	(13,827)
Cash generated from operations	9,556,001	12,009,301
Interest received	527,929	342,274
Dividends received	544,283	454,242
Interest paid	(189,531)	(140,236)
Income tax paid	(1,506,145)	(1,284,793)
Net cash generated from operating activities	<u>8,932,537</u>	<u>11,380,788</u>

(Continued)

# WALSIN TECHNOLOGY 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>		
Purchase of financial assets at fair value through other comprehensive income	\$ (340,503)	\$ (76,365)
Proceeds from financial assets at fair value through other comprehensive income	420,608	42,758
Proceeds from capital return of financial assets at fair value through other comprehensive income	-	6,493
Proceeds from financial assets at amortized cost	1,430,728	1,933,925
Acquisition of investments accounted for using the equity method	(195,377)	(1,490,551)
Payments for property, plant and equipment	(4,622,248)	(10,208,097)
Proceeds from disposal of property, plant and equipment	55,838	18,196
(Increase) decrease in guarantee deposits paid	(16,513)	44,628
Payments for intangible assets	(48,930)	(25,087)
Net cash (outflow) inflow on acquisition of subsidiaries (Note 25)	(187,784)	413,355
Decrease in finance lease receivables	10,924	8,172
Increase in prepayment for equipment	<u>(99,611)</u>	<u>-</u>
Net cash used in investing activities	<u>(3,592,868)</u>	<u>(9,332,573)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	1,630,505	(562,863)
Decrease in short-term bills payable	-	(99,980)
Repayment of bonds payable	(448,506)	(130,955)
Increase in long-term borrowings	1,599,639	2,488,904
Repayment of the principal portion of lease liabilities	(180,990)	(140,692)
Cash dividends	(2,186,104)	(2,914,858)
Increase (decrease) in guarantee deposits received	3,077	(119,980)
Payments for buy-back of ordinary shares	-	(351,616)
Proceeds from transfer of treasury shares to employees	-	114,889
Changes in non-controlling interests	(323,011)	(477,400)
Other financing activities	<u>-</u>	<u>55</u>
Net cash generated from (used in) financing activities	<u>94,610</u>	<u>(2,194,496)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>807,552</u>	<u>195,732</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	6,241,831	49,451
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>11,261,504</u>	<u>11,212,053</u>



CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 17,503,335</u>	<u>\$ 11,261,504</u>
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The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche audits' report dated February 23, 2023)	(Concluded)
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[Attachment 3]

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

To: The 2023 Annual General Shareholders' Meeting of Walsin Technology Corporation

The Board of Directors has prepared the Company's 2022 Business Report and Financial Statements. The Financial Statements had been audited by Deloitte & Touche Certified Public Accountants, Chin-Chuan Shih and Kuo-Tyan Hong and has issued an audit report.

The Business Report and Financial Statements have been reviewed and determined to be correct and accurate by the Audit Committee members of Walsin Technology Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Walsin Technology Corporation  
Chairman of the Audit Committee : Fan Po-Kang

February 24, 2023

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

To: The 2023 Annual General Shareholders' Meeting of Walsin Technology Corporation

The Board of Directors has prepared the Company's proposal for distribution of the 2022 earnings. The proposal has been reviewed and determined to be correct and accurate by the Audit Committee members of Walsin Technology Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Walsin Technology Corporation  
Chairman of the Audit Committee : Fan Po-Kang

May 5, 2023

**Walsin Technology Corporation**  
**Shareholding of Directors**

Apr. 22, 2023

Name	Name	Shareholding (shares)	Ratio to all shares outstanding (%)
Chairman of the Board	Chiao Yu Heng	12,887,461	2.65%
Director	Walsin Lihwa corporation Representative: Chiao Yu Cheng	88,902,325	18.30%
Director	Yeh Pei-Chen	0	0
Director	Director:Oliver Co., Ltd. representative: Chu Yeu Yuh	333,000	0.07%
Independent Director	Tan Yong Chian	358	0
Independent Director	Fan Po Kang	0	0
Independent Director	NG Chlen Chun	0	0
Number of Shares Held by All Directors		102,123,144	21.02%

Note: As of the book closure date(2023.04.22) for the 2023 Annual Shareholders' Meeting, the Company had issued 485,804,299 shares (including treasury stocks 1,000,000 shares) of common stock.

[Attachment 5]

16<sup>th</sup> Plan (the 2nd time of Year 2021) of Transferring the Repurchased Shares to the Employees

Revised on May 03, 2022

- Article 1. For the purpose of encouraging our employees and creating cohesion among the employees, the Company hereby, pursuant to Article 28-2, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act and the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies issued by Financial Supervisory Commission R.O.C., establishes the Plan of Transferring the Repurchased Shares to the Employees (the "Plan"). Except as otherwise provided in relevant laws or regulations, all share repurchased and transferred to the employees of the Company shall be implemented in compliance with the Plan.
- Article 2 Type of shares to be transferred, and content of and the restrictions on the rights  
The shares to be transferred to the employees are common shares. Except as otherwise provided in relevant laws or regulations or in this Plan, the rights and obligations embedded thereon are the same with other common shares of the Company.
- Article 3 Transfer period  
In accordance with the provisions herein, transfer the repurchased shares to employees in one time or several times within 5 years from the date of share-repurchase.
- Article 4 Transferee's eligibility  
The transferees of this method are based on the principle that the full-time employees of the company and the full-time employees of the company's domestic and overseas subsidiaries who took up the job before the stock subscription date.  
In addition, the employee's subscription ratio and number of shares are determined based on their job title, salary, years of service, performance, and their contribution to the company, and take into account the total number of shares purchased by the company at the base date of subscription and the number of shares subscribed by a single employee. And factors such as the upper limit of the number of shares subscribed by a single employee are principles.  
The qualifications of the transferee in the preceding paragraph and the number of shares that can be subscribed will be in accordance with the relevant laws and regulations at the time of the transfer, and in consideration of the company's operational needs and business development strategies and guidelines. The human resources department will draw up a proposal in accordance with the preceding principles to meet the rules of Compensation Committee Organization.  
Managers with standardized organizational procedures of the Compensation Committee shall submit them to the Compensation Committee for review and approval by the board of directors, non-managers are reviewed by the Audit Committee and approved by the Board of Directors.  
The domestic and overseas subsidiaries mentioned in Paragraph 1 refer to the subsidiaries in which the company directly or indirectly holds more than 50% of the voting shares of the same invested company.
- Article 5 The procedure of the Plan  
(1) In accordance with the resolution of the Board, the Company shall make the announcements, filings and repurchase the shares of the Company within the execution period.  
(2) Regarding the employee's stock subscription base date, the criteria for the number

of shares to be subscribed, the subscription payment period, the content of rights and other operational matters, the human resources department of the company shall make a proposal except for the qualifications of the transferee and the number of shares to be subscribed in accordance with Article 4, the remainder shall be approved by the board of directors.

(3) If the employee fails to subscribe and make the payment at the expiration of the payment period, it shall be handled in accordance with the provisions of the preceding paragraph.

(4) Count the actual number of shares being paid for subscription and process the registration of the transfer of shares.

Article 6 The agreed transfer price per share

For the repurchase shares being transferred to the employees, the transfer price is the actual average repurchase price of the repurchased shares. However, before the transfer, if there is an increase or decrease in the company's issued ordinary shares, the transfer price may be adjusted within the range of the increase or decrease ratio of the issued shares.

Transfer price adjustment formula:

The adjusted conversion price = the average price actually repurchased x (the total number of ordinary shares at the time the company's repurchased shares are executed ÷ the total number of ordinary shares before the company transfers the repurchased shares to employees)

Article 7 Rights and obligations of shares after transfer

After the repurchased shares have been transferred and registered under employees' names on the Company's Shareholders' Rosters, unless otherwise specified, the rights and obligations associated with the shares are the same as the other common shares

Article 8. Other related rights and obligations of the Company and employee

For the shares transferred according to the Plan, the taxes and fees incurred shall be handled in accordance with the laws and regulations at the time of the transfer and the company's related operations.

Article 9. These measures will become effective after the resolution of the board of directors. In the future, if there are changes due to changes in laws or regulations or changes approved by the competent authority or changes based on the objective environment, they may be reported to the board of directors for revision.

Article 10. The enactment and any amendment of the Plan shall be reported to the shareholders' meeting.

Article 11. These measures were established on March 25, 2021, and were first revised on May 3, 2022.

## 17<sup>th</sup> Plan(the third time of Year 2021) of Transferring the Repurchased Shares to the Employees

Revised on May 03, 2022

- Article 1. For the purpose of encouraging our employees and creating cohesion among the employees, the Company hereby, pursuant to Article 28-2, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act and the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies issued by Financial Supervisory Commission R.O.C., establishes the Plan of Transferring the Repurchased Shares to the Employees (the "Plan"). Except as otherwise provided in relevant laws or regulations, all share repurchased and transferred to the employees of the Company shall be implemented in compliance with the Plan.
- Article 2 Type of shares to be transferred, and content of and the restrictions on the rights  
The shares to be transferred to the employees are common shares. Except as otherwise provided in relevant laws or regulations or in this Plan, the rights and obligations embedded thereon are the same with other common shares of the Company.
- Article 3 Transfer period  
In accordance with the provisions herein, transfer the repurchased shares to employees in one time or several times within 5 years from the date of share-repurchase.
- Article 4 Transferee's eligibility  
The transferees of this method are based on the principle that the full-time employees of the company and the full-time employees of the company's domestic and overseas subsidiaries who took up the job before the stock subscription date.  
In addition, the employee's subscription ratio and number of shares are determined based on their job title, salary, years of service, performance, and their contribution to the company, and take into account the total number of shares purchased by the company at the base date of subscription and the number of shares subscribed by a single employee. And factors such as the upper limit of the number of shares subscribed by a single employee are principles.  
The qualifications of the transferee in the preceding paragraph and the number of shares that can be subscribed will be in accordance with the relevant laws and regulations at the time of the transfer, and in consideration of the company's operational needs and business development strategies and guidelines. The human resources department will draw up a proposal in accordance with the preceding principles to meet the rules of Compensation Committee Organization.  
Managers with standardized organizational procedures of the Compensation Committee shall submit them to the Compensation Committee for review and approval by the board of directors, non-managers are reviewed by the Audit Committee and approved by the Board of Directors.  
The domestic and overseas subsidiaries mentioned in Paragraph 1 refer to the subsidiaries in which the company directly or indirectly holds more than 50% of the voting shares of the same invested company.
- Article 5 The procedure of the Plan  
(1)In accordance with the resolution of the Board, the Company shall make the announcements,filings and repurchase the shares of the Company within the execution period.  
(2)Regarding the employee's stock subscription base date, the criteria for the number

of shares to be subscribed, the subscription payment period, the content of rights and other operational matters, the human resources department of the company shall make a proposal, except for the qualifications of the transferee and the number of shares to be subscribed in accordance with Article 4, the remainder shall be approved by the board of directors.

(3) If the employee fails to subscribe and make the payment at the expiration of the payment period, it shall be deemed as a waiver of his/her subscription right.

The balance of the under-subscription shall be handled in accordance with the provisions of the preceding paragraph.

(4) Count the actual number of shares being paid for subscription and process the registration of the transfer of shares.

Article 6 The agreed transfer price per share

For the repurchase shares being transferred to the employees, the transfer price is the actual average repurchase price of the repurchased shares. However, before the transfer, if there is an increase or decrease in the company's issued ordinary shares, the transfer price may be adjusted within the range of the increase or decrease ratio of the issued shares.

Transfer price adjustment formula:

The adjusted conversion price = the average price actually repurchased x (the total number of ordinary shares at the time the company's repurchased shares are executed ÷ the total number of ordinary shares before the company transfers the repurchased shares to employees)

Article 7 Rights and obligations of shares after transfer

After the repurchased shares have been transferred and registered under employees' names on the Company's Shareholders' Rosters, unless otherwise specified, the rights and obligations associated with the shares are the same as the other common shares

Article 8. Other related rights and obligations of the Company and employee

For the shares transferred according to the Plan, the taxes and fees incurred shall be handled in accordance with the laws and regulations at the time of the transfer and the company's related operations.

Article 9. These measures will become effective after the resolution of the board of directors. In the future, if there are changes due to changes in laws or regulations or changes approved by the competent authority or changes based on the objective environment, they may be reported to the board of directors for revision.

Article 10. The enactment and any amendment of the Plan shall be reported to the shareholders' meeting.

Article 11. These measures were established on May 03, 2021, and were first revised on May 3, 2022.



**Walsin Technology Corporation**  
**Implementation Status of Repurchasing Company's Stock**

Date:2023/04/30

Number of Times	16 <sup>th</sup> (the 2nd time of Year 2021)	17 <sup>th</sup> (the third time of Year 2021)
Board of Directors Resolution date:	Mar. 25, 2021 The 16 <sup>th</sup> meeting of the 15 <sup>th</sup> Board of Directors	May 03, 2021 The 17 <sup>th</sup> meeting of the 15 <sup>th</sup> Board of Directors
Purpose of Repurchase	Shares Transferred to Employees	Shares Transferred to Employees
Expected number of shares bought back	Common stock 600,000 shares	Common stock 400,000 shares
Repurchase price range	NT\$240 to NT\$252 per share	NT\$230 to NT\$252 per share
Actual Repurchase Period	Mar.26, 2021 to Apr. 01, 2021	May 04, 2021 to June 15, 2021
Actual number of shares bought back	Common stock 600,000 shares	Common stock 400,000 shares
Actual total amount of shares bought back	NT\$151,104,443	NT\$85,275,824
Average repurchase price per share	NT\$251.84	NT\$213.19
Number of shares transferred to employees	Not yet transferred	Not yet transferred
Note	none	none

[Attachment 6]

Walsin Technology Corporation			
Comparison Table of Amended Articles of Procedures for Acquisition and Disposal of Assets			
Rule No.	Before Amendment	After Amendment	Explanation
Five: Disposition Procedures	Derivatives Trading (omitted) ③ Periodic assessment and handling of abnormal situations (A) The board of directors hereby designates the chief executive officer to pay attention to the supervision and control of derivatives trading risks at all times, and to regularly review and evaluate whether the performance of the transaction is in line with the established business strategy, and whether the risks assumed are within the company's allowable range. (omitted)	Derivatives Trading (omitted) ③ Periodic assessment and handling of abnormal situations (A)The board of directors hereby ask the chairman to assign financial officer in charge to pay attention to the supervision and control of derivatives trading risks at all times, and to regularly review and evaluate whether the performance of the transaction is in line with the established business strategy, and whether the risks assumed are within the company's allowable range. (omitted)	Amended according to the facts needed .

[Attachment 6]

Walsin Technology Corporation  
Rules of Procedure for Board of Directors Meetings

Article 1

(Basis for the adoption of these Rules)

To establish a strong governance system and sound supervisory capabilities for this Corporation's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 26-3, paragraph 8, of the Securities and Exchange Act and Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2

(Scope of these Rules)

With respect to the board of directors meetings ("board meetings") of this Corporation, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules. Unless otherwise stipulated by laws and regulations or the articles of Association.

Article 3

(Convening and notice of board meetings)

The board of directors shall meet at least quarterly.

A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.

The convening of the board of directors of the company can be notified to all directors in writing, E-mail or fax.

All matters set out in the subparagraphs of Article 12, paragraph 1, shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.

Article 4

(Meeting notification and meeting materials.)

The designated unit responsible for the board meetings of this Corporation shall be Financial Division .

The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.

A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

## Article 5

(Preparation of attendance book and other documents; attendance by proxy)

When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.

Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with this Corporation's articles of incorporation. Attendance by videoconference will be deemed attendance in person.

A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

## Article 6

(Principles for determining the place and time of a board meeting)

A board meeting shall be held at the premises and during the business hours of this Corporation, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

## Article 7

(Chairperson and deputy of a board meeting)

Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.

Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the

Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson, or, if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to act, by a managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by a managing director or director elected by and from among themselves.

## Article 8

(Reference materials, non-voting participants, and holding board meetings)

When a board meeting is held, the management (or the designated unit responsible for the board meetings) shall furnish the attending directors with relevant materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants.

When necessary, certified public accountants, attorneys, or other professionals retained by this Corporation may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.

If one-half of all the directors are not in attendance at the appointed meeting time(The number of "all directors , shall be counted as the number of directors then actually in office.), the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

## Article 9

(Documentation of a board meeting by audio or video)

Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of this Corporation.

## Article 10

### (Agenda items)

Agenda items for regular board meetings of this Corporation shall include at least the following:

1. Matters to be reported:

- A. Minutes of the last meeting and action taken.
- B. Important financial and business matters.
- C. Internal audit activities.
- D. Other important matters to be reported.

2. Matters for discussion:

- A. Items for continued discussion from the last meeting.
- B. Items for discussion at this meeting.

3. Extraordinary motions.

## Article 11

### (Discussion of proposals)

A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chairman shall not announce the closing of the meeting without the consent of more than half of the directors present for the procedures scheduled in the preceding paragraph.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.

## Article 12

(Matters requiring discussion at a board meeting)

12.1 The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:

1. The Corporation's business plan.
2. Annual and semi-annual financial reports.
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of equity-type securities.
6. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.
7. The appointment or discharge of a financial, accounting, or internal audit officer.
8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
9. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

For foreign companies whose stock has no par value or a par value other than NTD10, the "5 percent of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5 percent of shareholder equity.

12.2 At least one independent director of this Corporation shall attend the meeting in person.

With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

Except for items that should be discussed by the board of directors in paragraph 1 of Article 12, the content of the authorization of the board of directors should be handled in accordance with the company's relevant regulations, articles of association, resolutions of the shareholders' meeting, resolutions of the board of directors, or legal regulations.

## Article 13

### (Voting-I)

When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote. One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

1. A show of hands or a vote by voting machine.
2. A roll call vote.
3. A vote by ballot.
4. A vote by a method selected at this Corporation's discretion.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.

## Article 14

### (Voting-II and methods for vote monitoring and counting)



Except where otherwise provided by the Regulations Governing Procedure for Board of Directors Meetings of Public Companies and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors. Voting results shall be made known on-site immediately and recorded in writing.

When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

#### Article 15

If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.

#### Article 16 (Meeting minutes and sign-in matters)

Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

1. The meeting session (or year) and the time and place of the meeting.
2. The name of the chairperson.
3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.

6. The matters reported at the meeting.

7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 2.

8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.

9. Other matters required to be recorded.

The occurrence of any objection or expression of reservations by an independent director expresses of which there is a record or written statement with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:

The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of this Corporation.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of this Corporation. The meeting minutes of paragraph 1 may produced and distributed in electronic form.

## Article 17

(Principles with respect to the delegation of powers by the board)

With the exception of matters required to be discussed at a board meeting under Article 12, paragraph 1, during the adjournment of the board of directors, the authorization content should be handled in accordance with the company's relevant regulations, articles

of association, resolutions of the shareholders' meeting, resolutions of the board of directors or legal regulations.

#### Article 18

These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting.

The rules of procedure will come into effect after the approval of the board of directors.

The 1st amendment by the resolution of the BOD on March. 31, 2008.

The 2nd amendment by the resolution of the BOD on March. 31, 2010

The 3rd amendment by the resolution of the BOD on Oct. 08, 2012.

The 4th amendment by the resolution of the BOD on May. 13, 2013

The 5th amendment by the resolution of the BOD on August. 22, 2017.

The 6th amendment by the resolution of the BOD on November. 01, 2019.

The 7th amendment by the resolution of the BOD on Feb. 26, 2020.

The 8th amendment by the resolution of the BOD on November. 01, 2022.

[Regulation 1]

Articles of Association of Walsin Technology Corporation

Amended and approved by the annual shareholders' meeting on Jun. 15, 2022

Chapter I General Principles

Article 1. The Company is organized in accordance with the Company Act and named as Walsin Technology Corporation.

Article 2. The following is the business scope of the company:

- a. Manufacturing, processing, and selling of semiconductor components.
- b. Manufacturing, processing, and selling of diode & photodiode products.
- c. Manufacturing, processing, and selling of semiconductor & photodiode materials.
- d. Providing semiconductor engineering, design, and technical services.
- e. Authorized reseller and distributor of electronic and photodiode products from domestic/international manufacturers.
- f. Manufacturing, processing, and selling of precision ceramics powder metallurgy.
- g. Manufacturing, processing, and selling of chip resistor, capacitor, and inductor.
- h. Manufacturing, processing, and selling of nickel hydrogen battery and lithium ion battery (rechargeable battery).
- i. Operating import/export trade and distribution businesses (authorized businesses excluded).
- j. CC01080 Electronic Parts and Components Manufacturing
- k. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
- l. F119010 Wholesale of Electronic Materials.
- m. F219010 Retail Sale of Electronic Materials.
- n. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1. The Company may provide endorsements/guarantees to external parties for business needs.

Article 2-2. The total amount of the Company's investments in other companies is not subject to the restriction of 40% of the Company's paid-up capital.

Article 3. The Company set up its headquarters in Taipei City. When necessary, it may set up branch offices or factories domestically or abroad with a resolution by the Board of Directors.

Article 4. The company's announcement is handled in accordance with the regulations of the securities authority.

Chapter II Shares

Article 5. The total capital of the company is set at NT\$8 billion, divided into 800 million shares, and each share is NT\$10 par value. Authorize the board of directors to issue it in installments

In the event that the company's shares can be repurchased by the company in accordance with the law, the board of directors shall be authorized to do so in accordance with the law.

If the company intends to transfer the repurchased shares to employees at a price lower than the average price of the actual repurchased shares, it shall be approved by the general meeting of shareholders representing more than half of the total issued shares and more than two-thirds of the voting rights of the present shareholders.

Article 6. The Company may be exempted from printing share certificates if such shares have been registered with a securities depository enterprise.

Article 7. (Deleted)

Article 8. Shares which are transferred, lost or destroyed shall be handled in accordance with the Company Act and the relevant regulatory requirements.

Article 9. (Deleted)

Article 10. (Deleted)

Article 11. If the stocks are exchanged or reissued, the company may charge the cost of production.

### Chapter III Shareholders' Meetings

Article 12. The shareholders' meetings of the Company are classified into two types. The general shareholders' meetings shall be annually convened by the Board within 6 months from the end of each fiscal year in accordance with the relevant laws and regulations. The special shareholders' meetings shall be convened in accordance with the relevant laws and regulations, whenever is necessary.

Article 13. The convening of regular and special meetings of shareholders shall be governed by the Company Act and the meeting proceedings shall be governed by the Company's rules and procedures governing Shareholders' meetings.

When the company's shareholders' meeting is held, it may be held by video conference or other methods announced by the central competent authority.

Article 14. If a shareholder is unable to attend the shareholders' meeting in person, shareholders may appoint proxies to attend Shareholders' meetings pursuant to the Company Act and the "Rules Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies" promulgated by the competent authority by submitting proxy form printed and distributed by the Company and specifying the scope of authority therein.

Article 15. Unless otherwise provided for by law, the voting right of the Company's shareholders is based on one-share-one-vote.

Article 16. Unless otherwise regulated by law, a shareholders' meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and voted in favor by more than 50% of all voting rights represented at the meeting.

Article 17. The resolutions of the shareholders' meeting shall be prepared in the minutes, recording the time and date of the meeting, the venue, the name of the chairman, the number of shares present, the number of voting rights and the resolutions, and the minutes shall be distributed to each shareholder within 20 days after the chairman's signature or seal, The dissemination of the proceedings of the preceding paragraph can be done by public announcement.

### Chapter IV Board of Directors and the Audit Committee

Article 18. The Company shall have 7 to 9 directors including, at least, 3 independent directors. The Board of Directors is authorized to determine the number of directors. Directors shall be

elected by adopting candidates nomination system as specified in Article 192-1 of the Company Act; the shareholder may elect the directors among the list of candidates. The nomination of directors and related announcement or other relevant matters shall comply with the relevant laws and regulations of Company Act, Securities and Exchange Act, and etc.

The election of directors shall be in accordance with the election of directors of the Company. Unless otherwise stipulated in the decree, independent directors and non-independent directors shall be elected at one time, and their names shall be calculated separately. The term of office is three years.

Regardless of the company's earnings, the company is entitled to a fixed remuneration, and the number of authorized directors shall, in accordance with the recommendations of the Remuneration Commission, have regard to the degree of participation of the company and the value of the salary, and shall, in the light of domestic and foreign standards to decided. All directors shall hold no less than the number of shares specified by the competent authorities in accordance with the law.

In compliance with Article 14-4 of the Securities and Exchange Act, the Company shall establish an audit committee in replacement of the supervisors, which shall consist of all independent directors. The audit committee or the members of the audit committee shall be responsible for the responsibilities of supervisors specified under the Company Act, the Security and Exchange Act and other relevant regulations. The duties, rules of meeting, and other matters shall be in accordance with the relevant rules of the competent securities authority.

Within the Directors' terms of office, the Company may purchase liability insurance for the Directors' liability which shall be taken within the scope of their business according to laws, with reference to the standard of the industry domestic or abroad.

Article18-1. More than half of the directors of the company shall not have following relations:

- a. Spouse relationship
- b. Relatives within the second class.

Article19. When the vacancy of directors reaches one-third, the board of directors shall convene a by-election at an extraordinary meeting of shareholders within 60 days and its term of office shall be limited to the duration of the original term of office.

Article 20. The directors organize the board of directors and elect one of the chairman from each other in accordance with the law. Unless otherwise provided by laws and regulations, the chairman of the board of directors is the chairman of the shareholders meeting and the board of directors internally, and represents the company externally. The directors may also elect a vice chairman from each other.

Article 21. Unless otherwise stipulated by the Company Law, the board of directors must have more than half of the directors present, and its resolutions shall be implemented with the consent of more than half of the directors present.

Article22. When the chairman asks for leave or is unable to exercise his powers for some reason, if the vice chairman has been appointed, the vice chairman shall act as his agent. If the vice chairman also asks for leave or cannot exercise his powers for some reason, the chairman shall designate a director to act as his representative. If an agent is not designated, the directors shall elect one person to act as an agent.

Article 23. The rights of the board of directors are as follows:

1. Review of important company rules.
2. Review of company business policy.
3. Preparation of company budget and final accounts.
4. The drafting of the company's surplus distribution or loss recovery plan.

5. The drafting of the company's capital increase or decrease is plan.
6. According to the law, the appointment and removal of important company personnel who are required by the board of directors.
7. Review of the company's business report.
8. The company's important property and real estate purchase and disposal plan.
9. Other powers granted by laws, regulations, and shareholders' meetings.

Article 24. (Deleted)

Article 25. (Deleted)

Article 26. Board Meetings shall be convened by the Chairman. The reasons for convening a Board meeting shall be notified to each Director at least 7 days in advance. However, in the event of an emergency, the meeting may be convened at any time. The meeting of the notice may be delivered in written, fax, or electronic form. Unless otherwise provided by the Company Act. A Director may authorize another Director as his/her proxy in attending a Board meeting. However, one proxy can only represent one other Director during a meeting.

#### Chapter V Managers

Article 27. The company has a president and several vice presidents. The management team takes the resolution of the board of directors to comprehensively manage all the company's business. The appointment, dismissal and remuneration are carried out by the resolution of the board of directors.

The powers of the manager of the company are stipulated by the appointment contract.

Article 28. (Deleted)

Article 29. The company may hire several consultants after the resolution of the board of directors.

#### Chapter VI Accounting

Article 30. At the end of the fiscal year of the company, the board of directors shall compile the following lists and send them to the audit committee for review 30 days before the shareholders meeting, and submit them to the shareholders meeting for approval, but the audit committee may entrust an accountant on behalf of the company to verify it when handling the previous business.

1. Business report.
2. Financial statements.
3. Proposal for surplus distribution or loss recovery.

Article 31. If the company makes a profit during the fiscal year, it shall allocate 2% to 10% as employee compensation, which shall be distributed in stocks or cash. The board of directors shall be approved by more than two-thirds of the directors present and more than half of the present directors. The resolution is implemented and reported to the shareholders meeting. Employees include employees of affiliated companies who meet certain conditions. The company is able to increase the amount of profit, and the board of directors resolves to allocate no more than 2% as directors' remuneration.

However, when the company still has accumulated losses, it shall reserve the compensation amount in advance, and then allocate employee compensation and director compensation in proportion to the preceding paragraph.

When the company's fiscal year's final accounts have current surpluses, in addition to the legal provisions for income tax and making up previous years' losses, 10% of the

statutory surplus reserve should be raised first, but this is not the case when the statutory surplus reserve has reached the total capital of the company . After the special surplus reserve is allocated or converted in accordance with the laws or regulations of the competent authority, the special surplus reserve may be set aside according to the business needs of the company. If there is a balance and the accumulated undistributed surplus, the board of directors shall draft a surplus distribution proposal. The shareholders' meeting shall be submitted to a resolution to distribute shareholder dividends.

Article31-1. In addition to the distribution of the company's earnings in accordance with the provisions of Article 31 of the company's articles of association, the principle that the proportion of stock dividends shall not exceed 50% of the shareholders' dividends distributed in the current year, and the rest shall be paid in cash dividends ; However, when the company obtains sufficient funds to meet the annual funding needs, the above-mentioned cash distribution ratio may be increased to 100% at discretion. As listed in the preceding paragraph, the company may decide the most appropriate dividend policy and payment method based on the actual operating conditions of the current year and the capital budget plan for the next year.

#### Chapter VII Supplementary Provisions

Article32. The company's organizational rules and rules for handling matters are separately formulated.

Article33. Any matters not specified in the Articles of Association shall be handled in accordance with the Company Act. relevant regulations.

Article34. The Articles of Association was established on July 6, 1970, The 1st amendment was made on May. 28, 1971. The 2nd amendment was made on Oct. 26, 1971. The 3rd amendment was made on Dec. 15, 1972. The 4th amendment was made on Nov. 21, 1973. The 5th amendment was made on Jul. 20, 1974. The 6th amendment was made on Jul. 10, 1975. The 7th amendment was made on Apr. 20, 1977. The 8th amendment was made on Apr. 21, 1977. The 9th amendment was made on Jun. 20, 1978. The 10th amendment was made on Jun. 18, 1979. The 11th amendment was made on Sep. 11, 1979. The 12th amendment was made on Sep. 24, 1980. The 13th amendment was made on Aug. 16, 1989. The 14th amendment was made on May. 2, 1990. The 15th amendment was made on Mar. 28, 1991. The 16th amendment was made on May. 21, 1992. The 17th amendment was made on Jul. 17, 1992. The 18th amendment was made on Aug. 18, 1993. The 19th amendment was made on Jun. 4, 1994. The 20th amendment was made on Apr. 21, 1995. The 21th amendment was made on Sep. 26, 1995. The 22th amendment was made on May. 2, 1997. The 23th amendment was made on Jun. 8, 1998.

The 24th amendment was made on Jun. 24, 1999. The 25th amendment was made on Oct. 29, 1999. The 26th amendment was made on Jun. 26, 2000. The 27th amendment was made on May. 29, 2001. The 28th amendment was made on Jun. 12, 2002. The 29th amendment was made on Jun. 20, 2003. The 30th amendment was made on Apr. 30, 2004. The 31th amendment was made on Apr. 30, 2004. The 32th amendment was made on Jun. 23, 2005. The 33th amendment was made on Jun. 23, 2006. The 34th amendment was made on May. 30, 2007. The 35th amendment was made on Jun. 19, 2008. The 36th amendment was made on Jun. 19, 2009. The 37th amendment was made on Jun. 25, 2010. The 38th amendment was made on Jun. 13, 2011. The 39th amendment was made on Jun. 18, 2013. The 40th amendment was made on Jun. 23, 2014. The 41th amendment was made on Jun. 22, 2016. The 42th amendment was



made on Jun. 28, 2018(Among them, Article 18 has been effective since the Year 2019, and the rest shall take effect after the resolution of the shareholders meeting). The 43th amendment was made on Jun. 19, 2019. The 44th amendment was made on Jun. 15, 2022.Effective after the resolution of the shareholders meeting, the amendment is also the same.

## [Regulation 2]

### Walsin Technology Corporation Rules of Procedures for Shareholders' Meetings

Amended and approved by the annual shareholders' meeting on Jun. 15, 2022

1. The rules of procedures for this Corporation's shareholders meetings (including physical shareholders meeting and video shareholder meeting) should be handled in accordance with these rules. Matters not stipulated in these rules should be handled in accordance with relevant laws and regulations and the company's articles of association.

2. Whenever the Rules refer to shareholders, they include the shareholders as well as any representative attending as their proxy.

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board according to the company Act 208. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the chairman shall appoint one of the directors to act as chair, or, where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. If the shareholders' meeting is convened by a convener other than the board of directors, the chairman shall be the convener. If there are two or more conveners, one of the other conveners shall be elected.

When a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

3. This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

The number of shares attending is calculated based on the sign-in card handed in by the shareholders at the time of sign-in plus the written or electronic shareholding of the voting rights. Attending shareholders (or proxies) are requested to wear attendance cards and hand

in the sign-in card to sign in on their behalf. If the sign-in card is handed over to the company, it shall be deemed that the shareholder or agent on the sign-in card is present in person, and the company is not liable Responsibility identified.

4. The chairman shall call the meeting to order at the appointed meeting time and announce the relevant information such as the number of non-voting rights and the number of shares present.

However, when the attending shareholders do not represent a half of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made.

5. If the agenda of the shareholders meeting is convened by the board of directors, it shall be set by the board of directors; if it is convened by a person other than the board of directors who has the right to convene, it shall be set by the convener, and relevant proposals (including temporary motions and amendments to the original proposal) shall be adopted voted on one by one. For the resolution of the proposal, the meeting shall be conducted according to the scheduled agenda. The meeting shall not be changed unless it is resolved by the shareholders meeting. The scheduled agenda shall not be declared adjourned unless the meeting is resolved by the shareholders meeting.

When the chairman of the shareholders meeting announces the adjournment of the meeting in violation of the rules of procedure, The shareholders are able to elect one person as the chairman with a majority of the voting rights of the shareholders present and continue the meeting.

- 5-1 Appointment or dismissal of directors, change of articles of association, capital reduction, application for suspension of public offerings, directors' competition license, capital increase from surplus, capital increase from public reserves, company dissolution, merger, division, or the first paragraph of Article 185 of the Company Law. The main content of the matter should be listed and explained in the reason for the convening, and it cannot be proposed by a temporary motion; the main content can be placed on the website designated by the securities authority or the company, and its website should be included in the notice.

If the reason for convening the shareholders' meeting has stated that the directors shall be fully re-elected with the appointment date stated. after the re-election of the shareholders' meeting is completed, the same meeting shall not change the appointment date by ad hoc motion or other means.

Shareholders holding more than 1% of the total number of issued shares can submit a proposal of shareholders' meeting to the Company in writing. The proposal, acceptance, review, etc. are handled in accordance with the Company Act and relevant laws and regulations.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the proposing shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals in the agenda. The shareholders of the proposal shall attend the shareholders' meeting in person or entrust others to participate in the discussion of the proposal.

6. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Shareholders do not

ask whether the agent is aware of the content of the power of attorney or other methods, and the statement or vote made by the agent shall prevail.

7. The explanation of the proposal is limited to five minutes, and each person is limited to three minutes for discussion of questions and answers. However, with the permission of the chairman, it may be extended once, and the limit is still three minutes.
8. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.
9. When discussing a proposal, the chairman may declare the end of the discussion within an appropriate period. If necessary, he may also declare the suspension of the discussion. The chairman shall put the vote to the end. In addition, the chair shall arrange an adequate amount of time for voting.
10. When a legal person is entrusted to attend the shareholders' meeting, the legal person can only appoint one representative to attend; when a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one person may be allowed to speak the same proposal.
11. If the shareholder's speech is overtime or beyond the agenda, the chairman may stop his speech.
12. When the shareholders give the speech, other shareholders shall not interfere with the speech except with the consent of the chairman and the speaking shareholder, and the chairman shall stop the offender.
13. After the shareholders have spoken, the chairman may personally or designate relevant personnel to reply.
14. Unless otherwise stipulated in the Company Law and Articles of Association, the voting of the proposal shall be carried out with the approval of a majority of the voting rights of the shareholders present.

The counting of votes for shareholders' meetings or election proposals shall be done in a public place at the shareholders' meeting, and after the counting of votes is completed, the voting results shall be announced on the spot, including statistical weights, and recorded.

15. The voting rights of shareholders are calculated based on the voting rights of their representatives. When the company convenes a shareholder meeting, it shall adopt electronic means and may adopt a written method to exercise its voting rights; when it exercises its voting rights in writing or electronic means, its exercise method shall be stated in the notice of the shareholders meeting. Shareholders who exercise voting rights in writing or electronically are deemed to have attended the shareholders meeting in person. However, the provisional motion and the amendment to the original proposal of the shareholders meeting shall be deemed as abstention.

Shareholders shall exercise their voting rights in writing or electronically in accordance with the provisions of the Company Law and the "Guidelines for the Handling of Share Affairs of Companies Offering Public Shares".

When there are amendments or alternatives to the same proposal that do not coexist with the original proposal, the chairman shall determine the order of voting together with the original proposal. If one of the proposals has been passed by the statutory or the number of voting rights specified in the articles of association, the others cannot coexist. The motion is deemed to be vetoed and needless to be a vote.

When there's a directors election in the shareholders' meeting, it shall be conducted in accordance with the relevant election rules set by the company, and shall announce the results of the election on the spot, including the list of elected directors and the number of election rights and the list of directors who are not elected and the number of election rights obtained.

16. The chair may put the meeting in recess at appropriate times.

17. During a shareholders' meeting, in the event of an air raid alarm or other act of force majeure, the chair shall immediately declare the meeting ceased, and order all present to take appropriate proactive measures to evacuate, then when the cause for the cessation of the meeting ends, the chair may determine whether to resume the meeting.
18. These Rules shall take effect after approval by the shareholder meeting and the same procedure shall apply when they are amended.