Stock Code: 2436

Weltrend

Weltrend Semiconductor Incorporated

2023 Annual Meeting of Shareholders Handbook

June 2, 2023

Table of Contents

Meeting Agenda.....1

Management Presentation.....2

Ratifications.....13

Discussions.....36

Appendix 1: Rules of Procedure for Shareholders Meetings.....42

Appendix 2: Articles of Incorporation.....47

Appendix 3: Shareholding of Directors.....54

Weltrend Semiconductor Incorporated

2023 Annual Meeting of Shareholders Agenda

Method for convening the shareholders' meeting: In-person shareholders' meeting

Meeting time: 09:00 a.m., June 2, 2023 (Friday)

Location: 3F, No. 22, Industry E. 9th Road, Hsinchu Science Park, Hsinchu City
(Conference Room 310 of Weltrend Semiconductor, Inc.)

Attendance: All shareholders and proxies

Chair: Sam Lin, Chairman

Agenda:

I. Call the Meeting to Order

II. Chair's Remarks

III. Management Presentation (Please refer to P.2 to P.12)

- (I) 2022 Business Report.
- (II) Audit Committee's Audit Report.
- (III) Report on the 2022 Distribution of Employees' Remuneration and Directors' Remuneration.
- (IV) Report on the Amendment of the "Sustainable Development Best Practice Principles".
- (V) Report on the Amendment of the "Regulations Governing Share Repurchase for Transfer to Employees".

IV. Ratifications (Please refer to P.13 to P.35)

- (I) 2022 Business Report and Financial Statements.
- (II) 2022 Earnings Distribution Proposal.

V. Discussions (Please refer to P.36 to P.41)

- (I) Amendment of the Articles of Incorporation.
- (II) Amendment of the "Procedures for Acquisition and Disposal of Assets".
- (III) Proposal to lift the prohibition on Directors from participation in competitive business.

Voting for Ratifications and Agenda Items in Discussions.

VI. Questions and Motions

VII. Adjournment

Management Presentation

Management Presentation 1 Proposed by the Board of Directors

Agenda: The 2022 Business Report is submitted for review.

Explanation: Please refer to P.5 to P.8 for the Business Report.

Management Presentation 2 Proposed by the Board of Directors

Agenda: The Audit Committee's Audit Report is submitted for review.

Explanation: Please refer to P.9 for the Audit Committee's Audit Report.

Management Presentation 3 Proposed by the Board of Directors

Agenda: The Report on the 2022 Distribution of Employees' Remuneration and Directors' Remuneration is submitted for review.

Explanation:

1. According to Article 20 of the Articles of Incorporation, the Company shall allocate 11% to 13% of the Company's pre-tax profit of the current period before deducting the employees' remuneration and Directors' remuneration of the year as employees' remuneration and no more than 3% as Directors' remuneration. However, if the Company has accumulated losses (including adjustment on non-distributed earnings), the Company shall set aside a part of the profit first to make up for the losses.

2. The Company plans to set aside 12% of the profit as employees' remuneration totaling NT$27,731,919 and 3% as Directors' remuneration totaling NT$6,932,980. The employees' remuneration and Directors' remuneration this year shall be distributed entirely in cash.

3. There are no discrepancies between the employees' remuneration and Directors' remuneration and the amount estimated in 2022.

Management Presentation 4 Proposed by the Board of Directors

Agenda: The report on the amendment of the "Sustainable Development Best Practice Principles" is submitted for review.

Explanation:

1. Processed in accordance with Tai-Zheng-Zhi-Li No. 1110024366 of Taiwan Stock Exchange Corporation dated December 23, 2022.

2. Please refer to P.10 for the Comparison Table of the Amended Provisions of the "Sustainable Development Best Practice Principles".

Management Presentation 5 Proposed by the Board of Directors

Agenda: The report on the amendment of the "Regulations Governing Share Repurchase for Transfer to Employees" is submitted for review.

Explanation:

1. Article 5 of the Company's "Regulations Governing Share Repurchase for Transfer to Employees" is amended in accordance with Article 10 of the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" amended in Jin-Guan-Zheng-Fa No. 1110383426 of the Financial Supervisory Commission dated August 15, 2022.
2. Please refer to P.11 to P.12 for the Comparison Table of the Amended Provisions of the "Regulations Governing Share Repurchase for Transfer to Employees".

Business Report

I. 2022 Business Performance Analysis

The IC design industry has experienced a period of volatility in 2022 with a rapid decline in demand starting from the second quarter, which was a significant change from the challenges of wafer shortages, congestion at packaging and testing plants, and unrelenting customer demand for delivery in 2021. However, as we vividly recount the nightmares of shortages in 2021, we did not reduce wafer services in the second quarter and only started to reduce production at the end of the second quarter. The scheduling and production process of wafer plants require a long period of planning and it takes a quarter to reduce wafer inventory. As a result, the inventory in 2022 Q4 reached record highs and created difficulties for working capital. However, according to World Semiconductor Trade Statistics (WSTS), the total revenue of the global semiconductor market in 2022 was US$573.5 billion, which was a 3.2% growth compared to 2021. According to statistics compiled by the Industry, Science and Technology International Strategy Center, Industrial Technology Research Institute, the output of Taiwan's IC industry reached NT$4,837 billion in 2022, an 18.5% increase from 2021. It was the third consecutive year of double-digit growth and its performance remained exceptional. The revenue of TSMC alone reached NT$2,263.8 billion, which accounted for 46.8% of the industry. The output of the IC design industry was NT$1,232 billion, which was a 1.4% annual growth. The revenue of the superstar company MediaTek was NT$548.8 billion, which accounted for 44.5% of the IC design industry with a breathtaking annual growth rate of 11.22%. The performance of the two giants, TSMC and MediaTek, in 2022 contributed to the growth of Taiwan's semiconductor industry.

The Company's aforementioned difficulties in 2022 are described above. Due to the drastic decline in demand, the Company's revenue from its own products fell by 26.60% and the revenue from products sold by the Company as a distributor also fell by 15.61%. As a result, the total revenue fell by 22.81%.

1. The comparison of the 2021 and 2022 business performance is as follows:

Unit: NT$ thousands

	2022	2021	Growth rate
Operating revenue	2,771,368	3,590,255	-22.81%
Operating margin	867,225	1,091,240	-20.53%
Operating profit	349,838	456,921	-23.44%
Net non-operating revenues and expenses	(153,404)	366,889	-141.81%
Income tax expenses	(49,663)	(72,870)	-31.85%
Net profit after tax	146,771	750,940	-80.46%
EPS	0.83	4.25	-80.47%

(These statistics are from the parent company only financial statements, which are prepared in accordance with the regulations of the competent authority.)

Due to the decline in revenue, the operating income in 2022 fell by approximately NT$107 million. As a result of the collapse of the global capital market, the Company incurred a non-operating loss of NT$153 million, which was a significant decline from the non-operating profit of NT$367 million in 2021, and the first non-operating loss incurred by the Company since the financial crisis of 2008. The Company's EPS was reduced to NT$0.83, which was the lowest level in the past six years.

2. The Company's R&D expenses in 2022 totaled NT$292 million, which was a decrease of NT$80 million from NT$373 million in 2021. The main reason was the decrease in employees' remuneration as a result of lower profitability. There has been no reduction in the Company's R&D activities.
3. Budget implementation status: The Company did not prepare a financial forecast for 2022. Actual business performance compared to internal targets: The operating profits met expectations, but the net non-operating income fell short by approximately NT$175 million. As a result, the net income after tax was lower than expected.

II. 2023 Business Plan Summary

In the wake of the drastic decline in customer demand, rapid increase in inventory in 2022, the Company will focus on the following matters for operations in 2023:

1. Demand is expected to pick up starting from the second quarter. With the Company's tight controls over purchases, inventories are expected to return to normal levels by the end of the first half of the year. Supply and demand are expected to normalize in the second half of the year, and we aim to restore the growth in 2021.
2. Motor controller ICs for cooling fans form an important new product line of the Company. In 2022, the Company acquired more than 51% of the shares of Sentelic Corporation through public acquisition and successfully gained control of the Board of Directors of a successful company in this field. The acquisition broadens our product range, customer base, and talent pool. Strengthened by the Company's close relations with the supply chain from wafer fabs to the packaging and testing facilities, the two companies will generate synergy in the partnership. This is also one of the Company's key tasks this year.

III. Evaluation of the Company's Future Development Strategy and External Competition

Although Taiwan's semiconductor industry in 2022 was dominated by the two giants, TSMC and MediaTek, there were many opportunities for smaller companies. For instance, ASPEED Technology Inc. dominated server management solutions and its stock price soared to first place even though it only had a capital of NT$378 million. There are opportunities for everyone as long as one has a good business strategy and the ability to carry it out. In the 34 years since the Company was founded, we have been committed to customer and supplier relations and we have gained the trust of our shareholders and employees with honesty and pragmatism. They are all valuable assets of the Company.

Improvements in business performance require a continuous inflow of talents as well as strategic mergers and acquisitions. The acquisition of Sentelic Corporation was an important milestone in bringing the two companies together to create synergy for real benefits for our shareholders and employees. It is a goal that we have actively pursued since the acquisition last year, and we hope to gain the support of all stakeholders.

In terms of the macroeconomic environment, the struggle for power between China and the United States forces companies to pick a side. IC design is in an important part of the supply chain, which offers challenges and opportunities. Businesses must employ more intelligent strategies and must be more cautious. In terms of the domestic environment, the Corporate Governance 3.0 policy implemented by the competent authorities of the government involves the promulgation of more laws and regulations, which create new restrictions and increase costs for companies listed on the TWSE and TPEx. However, the Company must continue to support the policies to ensure compliance and attain a higher corporate governance score.

I wish to thank you, our shareholders, for your support.

Best wishes for your investment.

Sam Lin, Chairman

Tony Lin, President

Cindy Guo, CFO

Audit Committee's Audit Report

The Board of Directors has prepared and submitted the 2022 Business Report, financial statements, and earnings distribution proposal. The financial statements have been audited by Deloitte, Taiwan, which submitted the Independent Auditors' Report. The Audit Committee has reviewed the aforementioned Business Report, financial statements, and the earnings distribution proposal and did not find any instance of noncompliance. The Audit Committee hereby submits the Audit Report for your review and perusal in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:

2023 Annual Meeting of Shareholders

Weltrend Semiconductor Incorporated

Audit Committee Convener: Gerald Kuo

February 24, 2023

Weltrend Semiconductor Incorporated

Comparison Table of the Amended Provisions of the Sustainable Development Best Practice Principles

Article Number	Before Amendment	After Amendment
Article 27-1	New article	The Company is advised to use donations, sponsorships, investments, procurement, strategic partnerships, voluntary technical services, and other forms of support to continue to invest resources in cultural and art activities or cultural and creative industries to promote cultural development.
Article 31	(Omitted)	Added Fifth amendment: February 24, 2023

Weltrend Semiconductor Incorporated

Comparison Table of the Amended Provisions of the Regulations Governing Share Repurchase for Transfer to Employees

Article Number	Before Amendment	After Amendment	Explanation
Article 5	The Company sets the number of shares that may be transferred to each employee based on their position, years of service, and special contributions to the Company, and takes into account factors such as the total number of repurchased shares held by the Company and the maximum number of shares that a single employee may subscribe as of the baseline date of the share subscription. The results are reported to the Chairman for authorization.	The Company sets the number of shares that may be transferred to each employee based on their position, years of service, and personal performance ~~and special contributions to the Company, and other items and standards~~ and takes into account factors such as the total number of repurchased shares held by the Company and the maximum number of shares that a single employee may subscribe as of the baseline date of the share subscription. ~~The results are reported to the Chairman for authorization.~~ The Board of Directors shall set the actual subscription qualifications and quantity and the Company may not authorize the Chairman to make the decision. The subscription shall be processed in accordance with the following review procedures: I. Where the transferee is a manager of the Company, the approval of the Compensation Committee must be sought and it must be followed by submission to and approval by the Board of Directors. The aforementioned procedures shall apply to full-time employees of domestic and foreign subsidiaries in which the Company directly or indirectly holds more than 50% of the voting shares if such employees serve concurrently as the Company's managers or the Company's Directors. II. Where the transferee is a full-time employee of the Company or subsidiaries other than those specified above, the approval of the Company's Compensation Committee must be sought and	Processed in accordance with Article 10 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.

		it must be followed by submission to and approval by the Board of Directors.	

Ratifications

Ratification 1 Proposed by the Board of Directors

Agenda: 2022 Business Report and Financial Statements.

Explanation:

1. The Company's 2022 Parent Company Only Financial Statements and Consolidated Financial Statements were passed by the Board of Directors on February 24, 2023, and delivered to and audited by CPAs Pan-Fa Wang and Cheng-Chih Lin of Deloitte, Taiwan, who submitted the Independent Auditors' Report.
2. Please refer to P.5 to P.8 and P.14 to P.33 for the 2022 Business Report, Independent Auditors' Report, and Financial Statements.
3. Please ratify.

Resolution:

Independent Auditor's Report

The Board of Directors and Shareholders

Weltrend Semiconductor, Inc.

Opinion

We have audited the accompanying financial statements of Weltrend Semiconductor, Inc. (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 notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

Basis of 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 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.

Key audit matters of the Company's financial statements for the year ended December 31, 2022, are stated as follows

Sales revenue recognition

The operating revenue of the Company for the year 2022 amounted to NT$2,771,368 thousand. Please Notes 4 and 23 to the financial statements for accounting policies and information on revenue recognition. The Company's operating revenue mainly includes research, development, production, and sales of integrated circuits, as well as agency sales of foreign branded integrated circuits. Due to the large number of sales and dispersed nature of the Company's customers, we listed the sales revenue which grew compared with the last year and that from counterparties who are not publicly listed companies as one of the key audit matters.

The main audit procedures were performed for the the above-mentioned areas:

1. Understanding and testing the effectiveness of the main internal control design and implementation for sales revenue.
2. Sampling and verifying sales revenue-related vouchers and payment receipts, and inquiring about the existence of the transaction party to confirm the authenticity of the sales revenue and whether there are any abnormal situations between the sales revenue and payment parties.

Business combination

Weltrend Semiconductor, Inc. acquired Sentelic Corporation and its subsidiaries in August 2022 and gained control over them. As this transaction mainly involved complex calculations of the consideration to be transferred determined by the management in the cash transaction, the fair values of the acquired assets, and the reasonability of the purchase price allocation, it is a major transaction during the year, it is considered a significant transaction for the year and is listed as a key audit matter.

The main audit procedures were performed for the above key audit matter are as follows

1. Reviewing relevant meeting minutes to confirm if the business combination proposal has been properly evaluated and approved.
2. Verifying the Company's remittance certificate for the payment to confirm if it was consistent with what was stated in the contract.
3. Reviewing and evaluating the reasonableness of the purchase price allocation report commissioned by experts appointed by the Company and the related accounting treatment for business combination on the acquisition date.

Responsibilities of the management and the governing bodies 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 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 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 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.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement arising from 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. Misstatement can arise from frauds or errors 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 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 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 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 Group to express an opinion on the 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 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 Pan-fa, Wang and Cheng-Chih, Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2023

Weltrend Semiconductor Incorporated

Parent Company Only Balance Sheet

December 31, 2022 and 2021

Unit: NT$ thousand

Code	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4, 6 and 28)	$ 169,047	3	$ 866,149	17
1110	Financial assets at fair value through profit or loss - current (Notes 4, 7, 28, and 30)	268,698	5	753,076	14
1120	Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 28)	306,807	6	355,764	7
1150	Notes receivable (Notes 4, 10 and 28)	23,778	1	25,278	1
1170	Accounts receivable (Notes 4, 10, 23 and 28)	683,865	14	1,121,290	22
1180	Accounts receivable - related party (Notes 4, 28, 29, and 31)	10,514	-	16,912	-
1190	Other accounts receivable - related party (Notes 4, 28, 29, and 31)	1,226	-	-	-
1200	Other receivables (Notes 4, 19 and 28)	13,732	-	50,590	1
130X	Inventory (Notes 4 and 11)	1,390,584	27	752,326	14
1410	Prepayments (Note 16)	29,172	1	23,493	-
11XX	Total current assets	2,897,423	57	3,964,878	76
	Noncurrent assets				
	Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 28)	71,098	1	-	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 28)	-	-	1,201	-
1535	Financial assets at amortized cost - non-current (Notes 4, 9, 28, and 30)	100	-	100	-
1550	Investments using the equity method (Notes 4 and 12)	1,826,335	36	901,308	18
1600	Property, plant and equipment (Notes 4, 13 and 30)	284,813	6	287,416	6
1755	Right-of-use assets (Notes 4 and 14)	19,433	-	9,791	-
1780	Intangible assets (Notes 4 and 15)	18,198	-	15,034	-
1915	Prepayments for equipment	-	-	14,535	-
1920	Guarantee deposits paid (Note 28)	5,565	-	5,382	-
15XX	Total noncurrent assets	2,225,542	43	1,234,767	24
1XXX	Total assets	$ 5,122,965	100	$ 5,199,645	100

Code	Liabilities and equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities				
2100	Short-term borrowings (Notes 4, 17, 28 and 30)	$ 1,537,680	30	$ 535,000	10
2150	Notes payable (Notes 4, 18 and 28)	1,279	-	720	-
2170	Accounts payable (Notes 4, 18 and 28)	220,622	4	562,372	11
2206	Remuneration payable to employees and directors and supervisors (Note 24)	34,665	1	154,587	3
2209	Other payables (Notes 4, 19 and 28)	48,829	1	98,093	2
2230	Current tax liabilities (Notes 4 and 25)	42,576	1	70,343	2
2250	Liabilities - current (Notes 4 and 20)	6,283	-	6,583	-
2280	Lease liabilities - current (Notes 4, 14 and 28)	6,574	-	9,693	-
2300	Other current liabilities (Notes 4, 19 and 23)	4,226	-	4,120	-
21XX	Total current liabilities	1,902,734	37	1,441,511	28
	Noncurrent liabilities				
2570	Deferred tax liabilities (Note 4 and 25)	-	-	24,363	1
2580	Lease liabilities - non-current (Notes 4, 14 and 28)	12,995	-	401	-
2640	Net defined benefit liability - noncurrent (Note 4 and 21)	53,873	1	73,677	1
25XX	Total noncurrent liabilities	66,868	1	98,441	2
2XXX	Total liabilities	1,969,602	38	1,539,952	30
	Equity (Notes 4, 22, and 28)				
3110	Common stock	1,780,100	35	1,780,100	34
3200	Capital surplus	69,026	1	39,555	1
	Retained earnings				
3310	Legal reserve	633,441	12	547,112	11
3320	Special reserve	32,053	1	10,883	-
3350	Unappropriated earnings	909,856	18	1,475,374	28
3300	Total retained earnings	1,575,350	31	2,033,369	39
3400	Other equity	(167,949)	(3)	(32,053)	(1)
3500	Treasury stock	(103,164)	(2)	(161,278)	(3)
3XXX	Total equity	3,153,363	62	3,659,693	70
	Total liabilities and equity	$ 5,122,965	100	$ 5,199,645	100

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

Chairman: Manager: Chief Accounting Officer:

Weltrend Semiconductor Incorporated

Parent Company Only Statement of Comprehensive Income

For the Years Ended December 31, 2022 and 2021

Unit: Thousands of NTD; except for earnings per share in NTD

Code		2022 Amount	2022 %	2021 Amount	2021 %
4000	Operating revenue, net (Notes 4, 23 and 29)	$ 2,771,368	100	$ 3,590,255	100
5000	Operating costs (Notes 4, 11 and 24)	1,904,143	69	2,499,015	69
5900	Operating gross margins	867,225	31	1,091,240	31
	Operating expenses (Note 24)				
6100	Selling expenses	145,001	5	158,121	5
6200	Administrative expenses	81,034	3	103,018	3
6300	Research and Development expenses	291,653	10	372,737	10
6450	Expected credit impairment losses (gain on reversal) (Note 10)	(301)	-	443	-
6000	Total operating expenses	517,387	18	634,319	18
6900	Net operating profits	349,838	13	456,921	13
	Non-operating income and expenses				
7100	Interest income (Notes 4 and 24)	1,219	-	288	-
7010	Other income (Notes 4, 24 and 29)	114,262	4	48,412	1
7020	Other profits and losses (Note 24)	(144,817)	(5)	202,473	6
7050	Financial costs (Note 24)	(11,169)	(1)	(2,127)	-
7070	Share of profit on subsidiaries using the equity method (Notes 4 and 12)	(112,899)	(4)	117,843	3
7000	Non-operating income and expenses, net	(153,404)	(6)	366,889	10

(Continued on next page)

(Continued from previous page)

Code		2022 Amount	2022 %	2021 Amount	2021 %
7900	Net profit before taxation	$ 196,434	7	$ 823,810	23
7950	Income tax expense (Notes 4 and 25)	49,663	2	72,870	2
8200	Net income for the year	146,771	5	750,940	21
	Other comprehensive income				
8310	Items not reclassified to profit or loss:				
8311	Remeasurement of defined benefit plans	10,832	1	(5,340)	-
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	(158,254)	(6)	85,173	2
8330	Share of other comprehensive income of subsidiaries using the equity method	(64,106)	(2)	11,416	-
8360	Items that may subsequently be reclassified to profit or loss:				
8361	Exchange differences on the translation of financial statements of foreign operations	372	-	(70)	-
8300	Other comprehensive income for the year	(211,156)	(7)	91,179	2
8500	Total comprehensive income for the year	($ 64,385)	(2)	$ 842,119	23
	Earnings per share (Note 26)				
9750	Basic	$ 0.83		$ 4.25	
9850	Diluted	$ 0.83		$ 4.21	

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

Chairman: Manager: Chief Accounting Officer:

Weltrend Semiconductor Incorporated

Parent Company Only Statement of Changes in Equity

For the Years Ended December 31, 2022 and 2021

Unit: NT$ thousand

Code		Common stock			Retained earnings			Other equity			
		Number of shares (in thousands)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gain or loss on measured at fair value through other comprehensive income	Treasury stock	Total equity
A1	Balance as of January 1, 2021	178,010	$ 1,780,100	$ 17,067	$ 503,583	$ 32,482	$ 917,468	($ 1,873)	($ 9,010)	($ 59,182)	$ 3,180,635
	Earnings distribution for 2020										
B1	Legal reserve	-	-	-	43,529	-	(43,529)	-	-	-	-
B3	Special reserve	-	-	-	-	(21,599)	21,599	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(283,453)	-	-	-	(283,453)
D1	Net income for 2021	-	-	-	-	-	750,940	-	-	-	750,940
D3	Other comprehensive income for 2021	-	-	-	-	-	(5,340)	(70)	96,589	-	91,179
D5	Total comprehensive income for 2021	-	-	-	-	-	745,600	(70)	96,589	-	842,119
L1	Purchase of treasury shares	-	-	-	-	-	-	-	-	(138,235)	(138,235)
F3	Transfer of treasury shares	-	-	22,488	-	-	-	-	-	36,139	58,627
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	117,689	-	(117,689)	-	-
Z1	Balance as of December 31, 2021	178,010	1,780,100	39,555	547,112	10,883	1,475,374	(1,943)	(30,110)	(161,278)	3,659,693
	Earnings distribution for 2021										
B1	Legal reserve	-	-	-	86,329	-	(86,329)	-	-	-	-
B3	Special reserve	-	-	-	-	21,170	(21,170)	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(529,530)	-	-	-	(529,530)
D1	Net income for 2022	-	-	-	-	-	146,771	-	-	-	146,771
D3	Other comprehensive income for 2022	-	-	-	-	-	11,183	372	(222,711)	-	(211,156)
D5	Total comprehensive income for 2022	-	-	-	-	-	157,954	372	(222,711)	-	(64,385)
F3	Transfer of treasury shares	-	-	29,471	-	-	-	-	-	58,114	87,585
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(86,443)	-	86,443	-	-
Z1	Balance as of December 31, 2022	178,010	$ 1,780,100	$ 69,026	$ 633,441	$ 32,053	$ 909,856	($ 1,571)	($ 166,378)	($ 103,164)	$ 3,153,363

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

Chairman: Manager: Chief Accounting Officer:

Weltrend Semiconductor Incorporated

Parent Company Only Statement of Cash Flows

For the Years Ended December 31, 2022 and 2021

Unit: NT$ thousand

Code		2022	2021
	Cash flows from operating activities		
A10000	Net income before tax for 2022	$ 196,434	$ 823,810
A20010	Income and expense items that do not affect cash flow:		
A20100	Depreciation expenses	64,286	58,196
A20200	Amortization expenses	18,034	33,247
A20300	Expected (reversal of losses) credit impairment losses	(301)	443
A20400	Net loss (gain) on financial assets at fair value through profit or loss	210,928	(226,174)
A20900	Financial costs	11,169	2,127
A21200	Interest income	(1,219)	(288)
A21300	Dividend income	(108,181)	(46,439)
A21900	Cost of remuneration for employee stock options	28,722	22,488
A22400	Share of loss (profit) on subsidiaries using the equity method	112,899	(117,843)
A22500	Gain on disposal of property, plant and equipment	(95)	(323)
A23700	Losses on inventory valuation loss and obsolescence (gains on inventory value recovery)	27,456	(4,612)
A24100	Foreign exchange gains (losses), net	(93,316)	26,943
A29900	Lease modification gain	-	(23)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	1,500	2,150
A31150	Accounts receivable	539,036	(316,572)
A31160	Accounts receivable - related party	8,005	1,444
A31170	Other receivables	6,415	(7,584)
A31180	Other receivable - related party	(1,226)	-
A31190	Finance lease receivables	-	188
A31200	Inventory	(665,714)	(349,957)
A31230	Prepayments	(5,679)	(3,036)
A32130	Notes payable	559	(373)
A32150	Accounts payable	(381,337)	246,859
A32990	Remuneration payable to employees and directors and supervisors	(119,922)	91,296
A32180	Other payables	11,894	(9,836)
A32200	Provisions	(300)	(3,271)
A32230	Other current liabilities	106	807
A32240	Net defined benefit liability	(8,973)	6
A33000	Cash inflow (outflow) from operations	(148,820)	223,673
A33100	Interest received	1,219	288
A33300	Interests paid	(11,169)	(2,127)
A33500	Income tax paid	(101,793)	(20,493)
AAAA	Net cash inflow (outflow) from operating activities	(260,563)	201,341

(Continued on next page)

(Continued from previous page)

Code		2022	2021
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	($ 711,230)	($ 721,428)
B00020	Disposal of financial assets at fair value through other comprehensive income	612,465	884,540
B00100	Acquisition of financial assets at fair value through profit or loss	(366,974)	(341,775)
B00200	Sale of financial assets at fair value through profit or loss	566,097	455,754
B02200	Acquisition of subsidiaries	(1,117,120)	-
B02700	Purchase of property, plant, and equipment	(33,322)	(72,188)
B02800	Proceeds from disposal of property, plant and equipment	95	1,171
B03700	Increase in refundable deposits	(183)	-
B03800	Decrease in refundable deposits	-	20
B04500	Acquisition of intangible assets	(21,198)	(22,233)
B07600	Other dividends received	108,195	46,420
B09900	Dividends from subsidiaries received	16,208	32,417
BBBB	Net cash inflow (outflow) from investing activities	(946,967)	262,698
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	1,002,680	250,000
C04200	Principal repayment of lease liabilities	(13,993)	(13,810)
C04500	Cash dividends paid	(529,530)	(283,453)
C04900	Purchase of treasury shares	(36,735)	(101,500)
C05000	Price of disposal of treasury shares	58,114	36,139
CCCC	Net cash inflow (outflow) from financing activities	480,536	(112,624)
DDDD	Impact of changes in exchange rate on cash and cash equivalents	29,892	(10,303)
EEEE	Net (decrease) increase in cash and cash equivalents for 2022	(697,102)	341,112
E00100	Opening balance of cash and cash equivalents	866,149	525,037
E00200	Ending balance of cash and cash equivalents	$ 169,047	$ 866,149

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

Chairman: Manager: Chief Accounting Officer:

Independent Auditor's Report

The Board of Directors and Shareholders

Weltrend Semiconductor, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Weltrend Semiconductor, Inc. (the "Company") and its subsidiaries (collectively, 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 notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

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

Basis of 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 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.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2022, are stated as follows

Sales revenue recognition

The consolidated operating revenue of the Group for the year 2022 amounted to NT$2,888,153 thousand. Please Notes 4 and 24 to the consolidated financial statements for accounting policies and information on revenue recognition. The Group's operating revenue mainly includes research, development, production, and sales of integrated circuits, as well as agency sales of foreign branded integrated circuits. Due to the large number of sales and dispersed nature of the Croup's customers, we listed the sales revenue which grew compared with the last year and that from counterparties who are not publicly listed companies as one of the key audit matters.

The main audit procedures were performed for the the above-mentioned areas:

1. Understanding and testing the effectiveness of the main internal control design and implementation for sales revenue.
2. Sampling and verifying sales revenue-related vouchers and payment receipts, and inquiring about the existence of the transaction party to confirm the authenticity of the sales revenue and whether there are any abnormal situations between the sales revenue and payment parties.

Business combination

As stated in Note 29 of the consolidated financial statements, Weltrend Semiconductor, Inc. acquired Sentelic Corporation and its subsidiaries in August 2022 and gained control over them. As this transaction mainly involved complex calculations of the consideration to be transferred determined by the management in the cash transaction, the fair values of the acquired assets, and the reasonability of the purchase price allocation, it is a major transaction during the year, it is considered a significant transaction for the year and is listed as a key audit matter.

The main audit procedures were performed for the above key audit matter are as follows

1. Reviewing relevant meeting minutes to confirm if the business combination proposal has been properly evaluated and approved.
2. Verifying the Company's remittance certificate for the payment to confirm if it was consistent with what was stated in the contract.
3. Reviewing and evaluating the reasonableness of the purchase price allocation report commissioned by experts appointed by the Company and the related accounting treatment for business combination on the acquisition date.

Other matter

We have also audited the parent company only financial statements of Weltrend Semiconductor, Inc. as of and for the years ended December 31, 2022 and 2021, and on both we have issued an unmodified opinion with emphasis of matter paragraph.

Responsibilities of the management and the governing bodies 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.

Auditor's responsibilities for the audit of the Consolidated Financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from 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. Misstatement can arise from frauds or errors 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 Pan-fa, Wang and Cheng-Chih, Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2023

Weltrend Semiconductor, Inc. and Its Subsidiaries

Consolidated Balance Sheet

December 31, 2022 and 2021

Unit: Unit: NT$ thousand, except for earnings per share that is in NT$

Code	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4, 6 and 31)	$ 708,313	12	$ 1,077,602	21
1110	Financial assets at fair value through profit or loss - current (Notes 4, 7, 31, and 33)	581,616	10	1,189,020	23
1120	Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 31)	442,809	7	544,590	10
1136	Financial assets at amortized cost - current (Notes 9 and 31)	167,472	3	-	-
1150	Notes receivable (Notes 4, 10 and 31)	25,510	-	25,278	-
1170	Accounts receivable, net (Notes 4, 10, 24 and 31)	758,045	13	1,147,185	22
1200	Other receivables (Notes 4, 10 and 31)	17,936	-	83,745	2
130X	Inventory (Notes 4 and 11)	1,590,085	26	761,145	14
1410	Prepayments (Note 17)	36,302	1	23,764	-
11XX	Total current assets	4,328,088	72	4,852,329	92
	Noncurrent assets				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 31)	71,098	1	-	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 31)	62,528	1	70,717	2
1535	Financial assets at amortized cost - non-current (Notes 4, 9, 31, and 33)	15,397	-	100	-
1600	Property, plant and equipment (Notes 4, 13 and 33)	295,660	5	291,266	6
1755	Right-of-use assets (Notes 4 and 14)	29,442	1	9,963	-
1780	Intangible assets (Notes 4, 16 and 29)	718,743	12	15,106	-
1805	Goodwill (Notes 4, 5, 15 and 29)	447,603	8	-	-
1840	Deferred tax assets (Notes 4 and 26)	7,449	-	-	-
1915	Prepayments for equipment	-	-	14,535	-
1920	Refundable deposits	6,542	-	5,496	-
1990	Other non-current assets	9,065	-	-	-
15XX	Total noncurrent assets	1,663,527	28	407,183	8
1XXX	Total assets	$ 5,991,615	100	$ 5,259,512	100

Code	Liabilities and equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities				
2100	Short-term borrowings (Notes 4, 18 and 31)	$ 1,537,680	26	$ 567,819	11
2150	Notes payable (Notes 4, 19 and 31)	1,279	-	720	-
2170	Accounts payable (Notes 4, 19 and 31)	240,640	4	562,372	11
2206	Remuneration payable to employees and directors and supervisors (Note 25)	49,264	1	155,701	3
2209	Other payables (Notes 4, 20 and 31)	96,113	1	114,523	2
2230	Current tax liabilities (Notes 4 and 26)	58,513	1	73,230	1
2250	Liabilities - current (Notes 4 and 21)	8,756	-	6,583	-
2280	Lease liabilities - current (Notes 4, 14 and 31)	12,100	-	9,868	-
2300	Other current liabilities (Notes 4, 20 and 24)	6,843	-	4,148	-
21XX	Total current liabilities	2,011,188	33	1,494,964	28
	Noncurrent liabilities				
2570	Deferred tax liabilities (Note 4 and 26)	143,352	3	24,363	1
2580	Lease liabilities - non-current (Notes 4, 14 and 31)	17,525	-	401	-
2640	Net defined benefit liability - noncurrent (Notes 4 and 22)	54,895	1	73,677	1
25XX	Total noncurrent liabilities	215,772	4	98,441	2
2XXX	Total liabilities	2,226,960	37	1,593,405	30
	Equity attributable to owners of the Company (Notes 4, 23, 27 and 28)				
3110	Common stock	1,780,100	30	1,780,100	34
3200	Capital surplus	69,026	1	39,555	1
	Retained earnings				
3310	Legal reserve	633,441	11	547,112	11
3320	Special reserve	32,053	1	10,883	-
3350	Unappropriated earnings	909,856	15	1,475,374	28
3300	Total retained earnings	1,575,350	27	2,033,369	39
3400	Other equity	(167,949)	(3)	(32,053)	(1)
3500	Treasury stock	(103,164)	(2)	(161,278)	(3)
31XX	Total equity attributable to owners of the Parent	3,153,363	53	3,659,693	70
36XX	Non-controlling interests (Notes 4 and 23)	611,292	10	6,414	-
3XXX	Total equity	3,764,655	63	3,666,107	70
	Total liabilities and equity	$ 5,991,615	100	$ 5,259,512	100

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

Chairman: Manager: Chief Accounting Officer:

Weltrend Semiconductor, Inc. and Its Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2022 and 2021

Unit: Thousands of NTD; except for earnings per share in NTD

Code		2022 Amount	2022 %	2021 Amount	2021 %
4000	Operating revenue, net (Notes 4 and 24)	$ 2,888,153	100	$ 3,601,983	100
5000	Operating costs (Notes 4, 11, 22, and 25)	2,044,532	71	2,496,114	69
5900	Operating gross margins	843,621	29	1,105,869	31
	Operating expenses (Notes 22 and 25)				
6100	Selling expenses	165,477	5	164,077	5
6200	Administrative expenses	96,461	3	108,655	3
6300	Research and Development expenses	338,885	12	372,737	10
6450	Expected credit impairment losses (gain on reversal) (Note 10)	(646)	-	443	-
6000	Total operating expenses	600,177	20	645,912	18
6900	Net operating profits	243,444	9	459,957	13
	Non-operating income and expenses				
7100	Interest income (Notes 4 and 25)	5,992	-	322	-
7010	Other income (Notes 4 and 25)	142,465	5	66,750	2
7020	Other profits and losses (Notes 4 and 25)	(239,481)	(8)	305,072	8
7050	Financial costs (Note 25)	(12,864)	(1)	(4,555)	-
7000	Total non-operating income and expenses	(103,888)	(4)	367,589	10
7900	Net profit before taxation	139,556	5	827,546	23
7950	Income tax expense (Notes 4 and 26)	31,686	1	76,202	2
8200	Net income for the year	107,870	4	751,344	21

(Continued on next page)

(Continued from previous page)

Code		2022 Amount	2022 %	2021 Amount	2021 %
	Other comprehensive income				
8310	Items not reclassified to profit or loss:				
8311	Remeasurement of defined benefit plans	$ 11,692	-	($ 5,340)	-
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	(223,648)	(8)	96,546	2
8349	Income tax related to items not reclassified	(172)	-	-	-
8360	Items that may subsequently be reclassified to profit or loss:				
8361	Exchange differences on the translation of financial statements of foreign operations	372	-	(70)	-
8300	Other comprehensive income for the year	(211,756)	(8)	91,136	2
8500	Total comprehensive income for the year	($ 103,886)	(4)	$ 842,480	23
	Net profits (losses) attributable to:				
8610	Owners of the parent	$ 146,771	5	$ 750,940	21
8620	Non-controlling interests	(38,901)	(1)	404	-
8600		$ 107,870	4	$ 751,344	21
	Comprehensive income attributable to:				
8710	Owners of the parent	($ 64,385)	(2)	$ 842,119	23
8720	Non-controlling interests	(39,501)	(2)	361	-
8700		($ 103,886)	(4)	$ 842,480	23
	Earnings per share (Note 27)				
9750	Basic	$ 0.83		$ 4.25	
9850	Diluted	$ 0.83		$ 4.21	

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

Chairman: Manager: Chief Accounting Officer:

Weltrend Semiconductor, Inc. and Its Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2022 and 2021

Unit: NT$ thousand

Code		Equity attributable to owners of the Parent										Non-controlling interests	Total equity
		Common stock		Capital surplus	Retained earnings			Other equity		Treasury stock	Total		
		Number of shares (in thousands)	Amount		Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income				
A1	Balance as of January 1, 2021	178,010	$ 1,780,100	$ 17,067	$ 503,583	$ 32,482	$ 917,468	($ 1,873)	($ 9,010)	($ 59,182)	$ 3,180,635	$ 6,620	$ 3,187,255
	Earnings distribution for 2020												
B1	Legal reserve	-	-	-	43,529	-	(43,529)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	(21,599)	21,599	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(283,453)	-	-	-	(283,453)	-	(283,453)
D1	Net income for 2021	-	-	-	-	-	750,940	-	-	-	750,940	404	751,344
D3	Other comprehensive income for 2021	-	-	-	-	-	(5,340)	(70)	96,589	-	91,179	(43)	91,136
D5	Total comprehensive income for 2021	-	-	-	-	-	745,600	(70)	96,589	-	842,119	361	842,480
L1	Purchase of treasury shares	-	-	-	-	-	-	-	-	(138,235)	(138,235)	-	(138,235)
F3	Transfer of treasury shares	-	-	22,488	-	-	-	-	-	36,139	58,627	-	58,627
O1	Cash dividends from non-controlling interests	-	-	-	-	-	-	-	-	-	-	(567)	(567)
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	117,689	-	(117,689)	-	-	-	-
Z1	Balance as of December 31, 2021	178,010	1,780,100	39,555	547,112	10,883	1,475,374	(1,943)	(30,110)	(161,278)	3,659,693	6,414	3,666,107
	Earnings distribution for 2021												
B1	Legal reserve	-	-	-	86,329	-	(86,329)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	21,170	(21,170)	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(529,530)	-	-	-	(529,530)	-	(529,530)
D1	Net income for 2022	-	-	-	-	-	146,771	-	-	-	146,771	(38,901)	107,870
D3	Other comprehensive income for 2022	-	-	-	-	-	11,183	372	(222,711)	-	(211,156)	(600)	(211,756)
D5	Total comprehensive income for 2022	-	-	-	-	-	157,954	372	(222,711)	-	(64,385)	(39,501)	(103,886)
F3	Transfer of treasury shares	-	-	29,471	-	-	-	-	-	58,114	87,585	13	87,598
O1	Cash dividends from non-controlling interests	-	-	-	-	-	-	-	-	-	-	(283)	(283)
O1	Acquisition of increased non-controlling interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	642,824	642,824
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,825	1,825
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(86,443)	-	86,443	-	-	-	-
Z1	Balance as of December 31, 2022	178,010	$ 1,780,100	$ 69,026	$ 633,441	$ 32,053	$ 909,856	($ 1,571)	($ 166,378)	($ 103,164)	$ 3,153,363	$ 611,292	$ 3,764,655

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

Chairman: Manager: Chief Accounting Officer:

Weltrend Semiconductor, Inc. and Its Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

Unit: NT$ thousand

Code		2022	2021
	Cash flows from operating activities		
A10000	Net income before tax for 2022	$ 139,556	$ 827,546
A20010	Income and expense items that do not affect cash flow:		
A20100	Depreciation expenses	68,046	59,443
A20200	Amortization expenses	46,575	33,262
A20300	Expected (reversal of losses) credit impairment losses	(646)	443
A20400	Net loss (gain) on financial assets at fair value through profit or loss	290,568	(322,484)
A20900	Financial costs	12,864	4,555
A21200	Interest income	(5,992)	(322)
A21300	Dividend income	(136,950)	(64,584)
A21900	Cost of remuneration for employee stock options	31,309	22,488
A22500	Gain on disposal of property, plant and equipment	(85)	(323)
A23700	Losses on inventory valuation loss and obsolescence (gains on inventory value recovery)	49,367	(4,612)
A29900	Lease modification gain	-	(23)
A24100	Foreign exchange gains (losses) – net	(99,197)	30,011
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	1,059	2,150
A31150	Accounts receivable	619,848	(321,426)
A31180	Other receivables	9,553	(9,177)
A31190	Finance lease receivables	-	188
A31200	Inventory	(652,019)	(353,438)
A31230	Prepayments	(1,996)	(3,132)
A32130	Notes payable	(1,141)	(373)
A32150	Accounts payable	(415,719)	246,841
A32990	Remuneration payable to employees and directors and supervisors	(123,825)	90,673
A32180	Other payables	14,406	(10,119)
A32200	Provision	(448)	(3,271)
A32230	Other current liabilities	2,182	621
A32240	Net defined benefit liability	(9,195)	6
A33000	Cash inflow (outflow) from operations	(161,880)	224,943
A33100	Interest received	6,374	322
A33300	Interests paid	(12,867)	(4,552)
A33500	Income tax paid	(116,991)	(24,368)
AAAA	Net cash inflow (outflow) from operating activities	(285,364)	196,345

(Continued on next page)

(Continued from previous page)

Code		2022	2021
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	($ 988,781)	($ 1,256,037)
B00020	Sale of financial assets at fair value through other comprehensive income	913,993	1,355,083
B00040	Acquisition of financial assets at amortized cost	(126,161)	-
B00050	Disposal of financial assets at amortized cost	191,385	-
B00100	Acquisition of financial assets at fair value through profit or loss	(899,886)	(1,043,679)
B00200	Sale of financial assets at fair value through profit or loss	1,165,690	1,343,488
B02200	Acquisition of subsidiary (net of cash acquired)	(900,390)	-
B02700	Purchase of property, plant, and equipment	(34,137)	(76,641)
B02800	Proceeds from disposal of property, plant and equipment	95	1,171
B03700	Increase in refundable deposits	(191)	-
B03800	Decrease in refundable deposits	-	3
B04500	Acquisition of intangible assets	(21,354)	(22,233)
B07600	Dividend received	136,387	64,537
BBBB	Net cash inflow (outflow) from investing activities	(563,350)	365,692
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	972,375	97,451
C04200	Principal repayment of lease liabilities	(16,055)	(14,192)
C04500	Cash dividends paid	(529,530)	(283,453)
C04900	Purchase of treasury shares	(36,735)	(101,500)
C05000	Price of disposal of treasury shares	58,114	36,139
C05800	Cash dividends paid to non-controlling interests	(283)	(567)
CCCC	Net cash inflow (outflow) from financing activities	447,886	(266,122)
DDDD	Impact of changes in exchange rate on cash and cash equivalents	31,539	(10,410)
EEEE	Net (decrease) increase in cash and cash equivalents for 2022	(369,289)	285,505
E00100	Opening balance of cash and cash equivalents	1,077,602	792,097
E00200	Ending balance of cash and cash equivalents	$ 708,313	$ 1,077,602

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

Chairman: Manager: Chief Accounting Officer:

Ratification 2 Proposed by the Board of Directors

Agenda: 2022 Earnings Distribution Proposal.

Explanation:

1. The 2022 Earnings Distribution Proposal was passed in the Company's board meeting on February 24, 2023. The Board of Directors resolved to distribute cash dividends of NT$1.2 per share in accordance with the Articles of Incorporation. Please refer to P.35 for the Earnings Distribution Table.
2. Cash dividends shall be calculated to the nearest NTD, with amounts of less than one NTD rounded down. Fractions of less than one NTD shall be recognized as the Company's other income.
3. Where the number of the Company's outstanding shares increases or decreases due to the repurchase, de-registration, transfer of the Company's shares, or other factors that affect the number of shares, and causes a change in the cash dividend distribution ratio, the Company requests the shareholders' meeting to authorize the Board of Directors to adjust the shareholder dividend distribution rate based on the total cash dividends set in the resolution for the earnings appropriation proposal and the number of actual shares outstanding on the ex-dividend date.
4. After the proposal is approved by the shareholders' meeting, the Board of Directors shall be authorized to set the ex-dividend date and other relevant matters.
5. Please ratify.

Resolution:

Weltrend Semiconductor Incorporated

Earnings Distribution Table

2022 Unit: NTD

Item	Amount	Notes
Undistributed earnings at the beginning of the period	838,345,102	
Plus: After-tax net profit of 2022	146,771,221	
Plus: Remeasurement of defined benefit plan converted into retained earnings	11,182,787	
Minus: Disposal of investments in equity instruments measured at fair value through other comprehensive gain and loss with accumulated profit or loss transferred directly to retained earnings	(86,442,367)	
The net profit after tax of this period plus items other than the net profit of this period are included in the undistributed earnings of the current year	71,511,641	
Minus: Appropriation for legal reserve	(7,151,164)	
Minus: Appropriation for statutory special earnings reserve	(135,896,262)	
Distributable earnings	766,809,317	
Minus: Distribution items for the year		
Allocated shareholder dividends - cash	212,398,754	Cash dividends of NT$1.2 per share. Note 1 to 2.
Undistributed earnings at the end of the period	554,410,563	

Note 1. The Company's earnings distribution principle is to distribute the 2022 earnings available for distribution first. If there is any shortfall, the earnings accumulated in the previous years shall be distributed on a first-in-first-out basis based on the year the earnings were generated.

Note 2. The number of shares for the distribution of cash dividends for shareholders is the 178,009,961 outstanding shares as of February 24, 2023 - treasury stock of 1,011,000 shares = 176,998,961 shares.

Discussions

Proposal 1 Proposed by the Board of Directors

Agenda: The amendment of the Articles of Incorporation is submitted for approval.

Explanation:

1. To attract and retain talents for the Company and preplan reasonable compensation for additional Directors in the future, the Company intends to amend Article 20 of the Articles of Incorporation to increase the allocation ratio of employees' remuneration and Directors' remuneration.
2. Please refer to the Comparison Table of the Amended Provisions of the Articles of Incorporation below.

Resolution:

Comparison Table of the Amended Provisions of the Articles of Incorporation

Article Number	Before Amendment	After Amendment	Reason for Amendment
Article 20	The Company shall allocate 11% to 13% of the Company's pre-tax profit of the current period before deducting the employees' remuneration and Directors' remuneration of the year as employees' remuneration and no more than 3% as Directors' remuneration. However, if the Company has accumulated losses (including adjustment on non-distributed earnings), the Company shall set aside a part of the profit first to make up for the losses. The employees' remuneration specified in the preceding paragraph may be paid in stocks or cash, and may be paid to employees of parents or subsidiaries of the Company who meet the requirements stipulated by the Board of Directors. The Directors' remuneration specified in the preceding paragraph shall only be distributed in cash. The procedures in the two preceding paragraphs must be approved by the Board of Directors and reported to the shareholders' meeting.	The Company shall allocate 11% to 1~~3~~5% of the Company's pre-tax profit of the current period before deducting the employees' remuneration and Directors' remuneration of the year as employees' remuneration and no more than ~~3~~4% as Directors' remuneration. However, if the Company has accumulated losses (including adjustment on non-distributed earnings), the Company shall set aside a part of the profit first to make up for the losses. The employees' remuneration specified in the preceding paragraph may be paid in stocks or cash, and may be paid to employees of parents or subsidiaries of the Company who meet the requirements stipulated by the Board of Directors. The Directors' remuneration specified in the preceding paragraph shall only be distributed in cash. The procedures in the two preceding paragraphs must be approved by the Board of Directors and reported to the shareholders' meeting.	Amended based on the Company's actual requirements.

Article 24	(Omitted)	Added Twenty-third amendment: June 2, 2023	Added in accordance with the amendment of the Articles of Incorporation.

Proposal 2 Proposed by the Board of Directors

Agenda: The amendment of the "Procedures for Acquisition and Disposal of Assets" is submitted for approval.

Explanation:

1. The Company plans to amend certain provisions in the Procedures to meet requirements for the Company's business operations.
2. Please refer to P.38 to P.40 for the Comparison Table of the Amended Provisions of the "Procedures for Acquisition and Disposal of Assets".

Resolution:

Comparison Table of the Amended Provisions of the Procedures for Acquisition and Disposal of Assets

Article Number	Before Amendment	After Amendment
Article 4	Operating Procedures 1. Degree and levels of authority delegated (1) Securities: The President is authorized to conduct transactions within the limits set forth in Article 7 of the Procedures. If the transactions meet requirements for announcement and reporting in accordance with Article 5, the President shall report the transactions to the Chairman on the following day and submit them to the next meeting of the Board of Directors for ratification. However, the acquisition or disposal of securities not traded on TWSE or TPEx, corporate bonds, or private placement of marketable securities for which the transaction amount exceeds the requirements for announcements and reporting shall require a resolution of the meeting of the Board of Directors before implementation. In addition, investments in Mainland China	Operating Procedures 1. Degree and levels of authority delegated (1) Securities: The Chairman~~President~~ is authorized to conduct transactions within the limits set forth in Article 7 of the Procedures. If the transactions meet requirements for announcement and reporting in accordance with Article 5, they shall be submitted to the next meeting of the Board of Directors for ratification. However, the acquisition or disposal of securities not traded on TWSE or TPEx, corporate bonds, or private placement of marketable securities for which the transaction amount exceeds the requirements for announcements and reporting shall require a resolution of the meeting of the Board of Directors before implementation. In addition, investments in Mainland China shall require the approval of the shareholders' meeting or the authorization of shareholders' meeting for implementation by the

Article Number	Before Amendment	After Amendment
	shall require the approval of the shareholders' meeting or the authorization of shareholders' meeting for implementation by the Board of Directors. The application must be filed to the Investment Commission, Ministry of Economic Affairs for authorization before implementation. Content below omitted	Board of Directors. The application must be filed to the Investment Commission, Ministry of Economic Affairs for authorization before implementation. Content below omitted
Article 7	Scope and Amount of Investment In addition to the acquisition of assets for business use, the Company and its subsidiaries may also acquire real property, right-of-use assets thereof, or securities not for business use. The maximum amounts are specified below. 1. The total amount of real property and right-of-use assets thereof acquired by the Company not for business use shall be limited to 50% of the Company's net value in its most recent financial statements; the total amount for subsidiaries shall be limited to 30% of its net value in its most recent financial statements. 2. The total amount of securities shall be limited to the Company's net value in its most recent financial statements; the total amount for subsidiaries shall be limited to its net value in its most recent financial statements. 3. The total amount of investments in individual securities may not exceed 60% of the Company's net value in its most recent financial statements; the total amount for subsidiaries shall be limited to 60% of its net value in its most recent financial statements.	Scope and Amount of Investment In addition to the acquisition of assets for business use, the Company and its subsidiaries may also acquire real property, right-of-use assets thereof, or securities not for business use. The maximum amounts are specified below. 1. The total amount of real property and right-of-use assets thereof acquired by the Company not for business use shall be limited to 50% of the Company's net value in its most recent financial statements; the total amount for subsidiaries shall be limited to 30% ~~of~~ of its net value in its most recent financial statements. 2. The total amount of securities shall be limited to 200% of the Company's net value in its most recent financial statements; the total amount for subsidiaries shall be limited to its net value in ~~its~~ its parent company's most recent financial statements. 3. The total amount of investments in individual securities may not exceed 200%~~60%~~ of the Company's net value in its most recent financial statements; the total amount for subsidiaries shall be limited to 60% of ~~its~~parent company's net value in its most recent financial statements.
Article 7-1	For the calculation of 10% of total assets under the Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.	For the calculation of 10% of total assets under the Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article Number	Before Amendment	After Amendment
	(Omitted)	Added Twelfth amendment: June 2, 2023

Proposal 3 Proposed by the Board of Directors

Agenda: The proposal to lift the prohibition on Directors from participation in competitive business is submitted for approval.

Explanation:

1. Pursuant to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. The Company proposes to lift the prohibition on Directors from participation in competitive business starting from the date of appointment, provided that such activities do not damage the Company's interests. The Company therefore files a request to the shareholders' meeting to lift the prohibition on Directors from participation in competitive business in accordance with the law.

Resolution:

Name	Title	Company Name and Concurrent Position
Sam Lin	Chairman	Sentelic Corporation Representative of Corporate Director and Chairman
Tony Lin	Director	Sentelic Corporation Representative of Corporate Director
Cindy Guo	Director	Sentelic Corporation Representative of Corporate Director

Voting for Ratifications and Agenda Items in Discussions:

Appendix 1

Weltrend Semiconductor Incorporated
Rules of Procedure for Shareholders Meetings

Article 1 Unless otherwise specified by law or the Articles of Incorporation, the shareholders' meetings of the Company shall be implemented in accordance with these Rules.

Changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders' meeting notice.

Article 2 The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

Article 3 Attendance and voting at shareholders' meetings shall be calculated based on the number of shares.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

Article 4 The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 4-1 The restrictions on the place of the meeting in Article 4 shall not apply when the Company convenes a virtual-only shareholders' meeting.

For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as having attended the shareholders' meeting in person.

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

The Company shall upload the meeting agenda book, annual report, and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

If the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure

events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes,

the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

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

Article 5 If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board of Directors. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Chairman shall designate a Director to act as the chair. If the Chairman fails to designate a Director, the Directors shall select from among themselves one person to serve as chair.

If the shareholders' meeting is convened by a person entitled to do so other than the Chairman, that person shall act as the Chairman.

Article 6 The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

Article 7 The shareholders' meeting shall be documented by audio and shall be retained for at least one year.

Article 8 The chair shall announce the commencement of the meeting as soon as the appointed time arrives. However, if those in attendance represent less than half of the company's outstanding shares, the chair may announce to postpone the meeting up to two times, for a period totaling no more than one hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned on the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within

one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 4-1.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9 If the shareholders' meeting is convened by the Board of Directors, the Board of Directors shall determine the meeting proceedings. The proceedings shall not be changed unless resolved during the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting.

After the adjournment of the meeting, the shareholders may not elect a chair to resume the meeting at the original location or at another venue. However, if the chair declares the meeting adjourned in violation of the rules of procedure, one person may be elected chair with the consent of one half of the votes represented by shareholders present to resume the meeting.

Article 10 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.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 11 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.

If the shareholder's speech violates the rules or exceeds the scope of

the agenda item, the chair may terminate the speech.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Article 10 and Article 11 do not apply.

Article 12 When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

Article 13 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 14 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.

Article 15 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 16 When a meeting is in progress, the chair may announce a break based on time considerations.

Article 17 Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

At the time of a vote, the chair may choose to ask the attending shareholders if there are any objections. If no objection is raised, the motion is considered to have been adopted with the same validity as a vote by ballots.

Article 18 When there is an amendment or an 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.

When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 19 The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear arm badges bearing the word "Proctor."

Article 20 These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix 2

Weltrend Semiconductor Incorporated

Articles of Incorporation

Chapter 1 General Principles

Article 1 The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be Weltrend Semiconductor Incorporated.

Article 2 The business scope of the company:

1. Research, development, production, tests, and sales of the following products:
   (1) Mixed analog/digital ASICs for computers and communication products
   (2) Digital ICs
   (3) Analog ICs
2. Import and export business related to the Company's business.

Article 2-1 The Company may provide guarantees for external parties based on business requirements.

Article 2-2 The Company shall be exempt from the restrictions on total investment amount for not exceeding 40% of the paid-in capital.

Article 3 The Company's head office is established in Hsinchu Science Park. Where necessary, the Company may establish branch companies or offices domestically or overseas subject to the resolution by its Board of Directors and the approval of the competent authority.

Article 4 Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 5 The total capital stock of the Company shall be in the amount of NT$3.3 billion, divided into 330 million shares at NT$10 per value and issued in separate installments. The Board of Directors is authorized to issue the unissued shares based on actual requirements.
The Company may issue employee stock warrants and retains 33 million shares in the total amount specified in the preceding paragraph for the issuance of employee stock warrants.

Article 5-1 The Company may issue employee stock warrants with a subscription price lower than the closing price of the Company's regular shares on the date of issuance. This shall require a resolution by at least two-thirds of all voting rights in attendance in a shareholders' meeting attended by at least half of all voting rights of the outstanding shares.
Sales of shares to employees at prices below the Company's average repurchase price are to be approved by a resolution of the most recent shareholders' meeting. This shall require a resolution by at least two-thirds of all voting rights in attendance in a shareholders' meeting attended by at least half of all voting rights of the outstanding shares.

Article 5-2 When the Company carries out the following tasks, the recipients may include employees of parents or subsidiaries of the Company who meet certain requirements:
1. Transfer of treasury stock to employees.
2. Employee stock warrant.
3. Employee cash capital increase subscription.
4. New restricted employee shares.

The Board of Directors is authorized to set the requirements.

Article 6 When the Company issues shares and prints share certificates, the shares shall be registered and signed or sealed by the Director representing the Company. Such share certificates shall be numbered and issued by the competent authority or its authorized registration institution. Stocks issued by the Company are not required to be printed. The Company, however, shall contact the centralized securities depository institution for registration of the share certificates.

Article 7 Where a share certificate is transferred, lost, or destroyed, it shall be processed in accordance with the Company Act and related regulations.

Chapter 3 Shareholders' Meeting

Article 8 The Company holds general and special shareholders' meetings. A general meeting is called once a year by the Board of Directors in accordance with the law within six months after the end of the fiscal year. Special meetings may be convened according to the law when necessary.

Article 8-1 The shareholders' meeting of the Company may be held with a virtual shareholders' meeting or other methods announced by the competent authority.

Article 9 A shareholder may designate another person to represent it by submitting a proxy printed by the Company, specifying the scope of authorization. The use of proxies shall be processed in accordance with the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.

Article 10 Each shareholder of the Company shall have one vote per share, unless otherwise provided by Article 157, Subparagraph 3 of the Company Act.
No voting power shall be granted, however, to company shares specified in Article 179 of the Company Act.

Article 11 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Chapter 4 Directors and the Audit Committee

Article 12 The Company shall have seven to twelve directors, who shall be elected by the shareholders' meeting from persons of adequate capacity to serve a term of three years. Their terms of service may be renewed if they are re-elected in the following election.
The Company's Directors shall be elected through a candidate nomination system, and the shareholders shall elect the Directors from among the nominees listed in the roster of director candidates. The related implementation items shall be processed in accordance with the Company Act, Securities and Exchange Act, and related regulations.
The number of Independent Directors shall not be less than three persons in the number of Directors specified in Paragraph 1, and shall not be less than one fifth of the Directors. The professional qualifications, shareholdings, limits on concurrent service, independence, nomination and election of Independent Directors and other compliance matters shall be processed in accordance with the relevant regulations of the competent authority of securities. The Independent Directors and non-independent Directors shall be elected at the same time and the number of Directors elected shall be calculated separately.

Article 12-1 The Company may purchase liability insurance that covers the term of service of Directors and managers against liabilities they incur over the course of service. The Board of Directors is authorized to process the actual contents of the insurance at its

sole discretion.

Article 13 The Board of Directors is organized by the Directors. The Directors shall elect from among themselves a Chairman of the Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors represents the Company externally. Where necessary, the Board of Directors may elect a Vice Chairman.

Article 13-1 Directors shall be notified of the Company's board meetings seven days prior to the meeting. However, in the event of an emergency, the meeting may be convened at any time.
Notifications of meetings in the preceding paragraph may be made in writing or via e-mail or fax.
If a Director is unable to attend a meeting, he/she may appoint another Director as proxy to attend the meeting by completing a proxy form. A Director may only serve as a proxy for one other Director.

Article 14 If a shareholders' meeting is convened by the Board of Directors, the chair shall be appointed in accordance with Article 208, Paragraph 3 of the Company Act. Where a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall select a chair from among themselves.

Article 15 The Board of Directors is authorized to determine the remuneration of all Directors based on prevailing rates in the industry.

Article 16 The duties of the Board of Directors are as follows:

1. Review and discuss business strategies and long and short-term development plans.
2. Review and monitor the implementation of the annual business plan.
3. Review and approval of the budget and final accounts.
4. Formulation of proposals for capital increase or decrease.
5. Formulation of plans for earnings distribution or make up for losses.
6. Formulation of proposals for the dissolution of the Company or a merger or demerger with another company.
7. Review and approval of the acquisition and disposal of material properties of the Company.
8. Formulation of the Articles of Incorporation.
9. Approval of investments in other businesses.

10. Review and approval of material capital expenditures.
11. Appointment and dismissal of managers.
12. Organization of shareholders' meetings and business reports.
13. Other powers vested by laws and the shareholders' meeting.

Article 17 The Company established the Audit Committee, which is composed of all Independent Directors. The number of members of the Audit Committee, term of office, powers, and rules of procedure for meetings shall be processed in accordance with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies and specified in the Audit Committee Charter.

Chapter 5 Managers

Article 18 The Company may have managers. Their appointment, dismissal, and remuneration shall be processed in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 19 The Board of Directors of the Company shall formulate the following account books at the end of each accounting year:

1. Business Report.
2. Financial statements.
3. Proposals for the distribution of surplus earnings or make up of losses.

The documents shall be submitted to the annual shareholders' meeting for ratification.

Article 20 The Company shall allocate 11% to 13% of the Company's pre-tax profit of the current period before deducting the employees' remuneration and Directors' remuneration of the year as employees' remuneration and no more than 3% as Directors' remuneration. However, if the Company has accumulated losses (including adjustment on non-distributed earnings), the Company shall set aside a part of the profit first to make up for the losses.
The employees' remuneration specified in the preceding paragraph may be paid in stocks or cash, and may be paid to employees of parents or subsidiaries of the Company who meet the requirements stipulated by the Board of Directors. The Directors' remuneration specified in the preceding paragraph shall only be distributed in cash.
The procedures in the two preceding paragraphs must be approved by the Board of Directors and reported to the shareholders' meeting.

Article 20-1 In case there are profits after tax at the closing account of the current year, the Company shall first make up the accumulated deficit (including adjustments of undistributed earnings) and retain 10% as statutory surplus reserve in accordance with the law; However, when the statutory surplus reserve exceeds the registered capital of the Company, such restrictions shall not apply. In addition, a special reserve shall be set aside or reversed pursuant to the laws or regulations of the competent authority. The Board of Directors shall draft an earnings distribution proposal regarding the remainder of the earnings as well as accumulated undistributed earnings at the beginning of the period (including adjustments of undistributed earnings) for approval at the shareholders' meeting to distribute dividends and bonuses to shareholders.
The Company's dividend policy is as follows:
The Company must consider the soundness and stability of its financial structure for the distribution of dividends. It shall also determine the ratio of the cash dividends and stock dividends distributed in the current year based on requirements for the Company's growth. The ratio of cash dividends shall not be lower than ten percent (10%) of the total dividends.

Chapter 7 Supplementary Provisions

Article 21 When the Company organizes a cash capital increase, it shall set aside 10% of the shares for prioritized subscription by employees of the Company.

Article 22 The Directors and managers of the Company and personnel they hire may not disclose or leak to third parties the Company's confidential documents or confidential technical, market, or product information they obtained due to their participation in the Company's operations.

Article 23 Any matter not covered herein shall be processed in accordance with the Company Act.

Article 24 The Articles of Incorporation were established on June 15, 1989.
The Articles of Incorporation shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.
First amendment: December 10, 1990.
Second amendment: June 13, 1992.
Third amendment: May 6, 1994.
Fourth amendment: March 6, 1995.
Fifth amendment: April 9, 1996.

Sixth amendment: April 29, 1998.
Seventh amendment: May 23, 2000.
Eighth amendment: May 25, 2001.
Ninth amendment: June 25, 2002.
Tenth amendment: June 6, 2003.
Eleventh amendment: June 15, 2004.
Twelfth amendment: June 10, 2005.
Thirteenth amendment: June 15, 2006.
Fourteenth amendment: June 13, 2008.
Fifteenth amendment: June 15, 2010.
Sixteenth amendment: June 10, 2011.
Seventeenth amendment: June 11, 2013.
Eighteenth amendment: June 3, 2015.
Nineteenth amendment: June 8, 2016.
Twentieth amendment: June 5, 2019.
Twenty-first amendment: June 3, 2021.
Twenty-second Amendment: June 23, 2022.

Appendix 3

Shareholding of Directors:

April 4, 2023

Title	Name	Date Elected	Term	Number of Shares Held When Elected		Number of Shares Held as Recorded in the Shareholder Register on the Book Closure Date	
				Number of Shares	Share-holding Ratio	Number of Shares	Share-holding Ratio
Chairman	Sam Lin	2022.6.23	3 years	4,514,000	2.54%	4,446,000	2.50%
Director	James Chou	2022.6.23	3 years	2,433,829	1.37%	2,433,829	1.37%
Director	Paul Liao	2022.6.23	3 years	1,056,998	0.59%	1,078,468	0.61%
Director	JC Liu	2022.6.23	3 years	1,808,013	1.02%	1,808,013	1.02%
Director	Cindy Guo	2022.6.23	3 years	1,260,200	0.71%	1,270,200	0.71%
Director	Tony Lin	2022.6.23	3 years	1,021,000	0.57%	1,031,000	0.58%
Director	Jeff Tsai	2022.6.23	3 years	1,018,362	0.57%	1,018,362	0.57%
Independent Director	Gerald Kuo	2022.6.23	3 years	0	0%	0	0%
Independent Director	Wei-Kun Yeh	2022.6.23	3 years	0	0%	0	0%
Independent Director	Wen-Tsung Hsu	2022.6.23	3 years	0	0%	0	0%

1. The Company has issued a total of 178,009,961 shares and the paid-in capital is NT$1,780,099,610.
2. According to Article 26 of the Securities and Exchange Act and Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership

Ratios at Public Companies", the total shares held by the entire body of Directors shall not be less than 8,544,478 shares.

3. The Company has established an Audit Committee; therefore, the restriction on the number of shares that must be held by supervisors does not apply.
4. The Shareholder Register showed that all Directors held 13,085,872 shares as of the book closure date for the 2023 annual shareholders' meeting.