Winbond Electronics Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2022 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

WINBOND ELECTRONICS CORPORATION

By

____

YU-CHENG CHIAO
Chairman

February 16, 2023

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
11073 台北市信義區松仁路100號20樓

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

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Winbond Electronics Corporation

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Occurrence of Sales Revenue from Specific Series of Flash Memory Products

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

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

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

Other Matter

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Wen-yea Shyu

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 16, 2023

<u>*Notice to Readers*</u>

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

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

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

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

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

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

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

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

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

(Continued)

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

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

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

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

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

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

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

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

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

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

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

(Continued)

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

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

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

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

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Winbond Electronics Corporation (the "Company") was incorporated in the Republic of China (ROC) in September 1987 and is engaged in the design, development, manufacture and marketing of Very Large Scale Integration (VLSI) integrated circuits (ICs) used in a variety of microelectronic applications.

The Company's shares have been listed on the Taiwan Stock Exchange Corporation since October 18, 1995.

The consolidated financial statements are presented in the Company's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on February 16, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of the above standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of the above standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Basis of Consolidation

a. Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Attribution of total comprehensive income to non-controlling interests

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

b. Subsidiaries included in consolidated financial statements

			% of Ownership	
			December 31	
Investor	**Investee**	**Main Business**	**2022**	**2021**
The Company	Winbond International Corporation ("WIC")	Investment holding	100.00	100.00
The Company	Landmark Group Holdings Ltd. ("Landmark")	Investment holding	100.00	100.00
The Company	Winbond Electronics Corporation Japan ("WECJ") (Note 1)	Research, development, sales and after-sales service of semiconductor	100.00	-
The Company	Winbond Electronics (HK) Limited ("WEHK")	Sales of semiconductor and investment holding	100.00	100.00
The Company	Pine Capital Investment Limited ("PCI")	Investment holding	100.00	100.00
The Company	Winbond Technology Ltd. ("WTL")	Design and service of semiconductor	100.00	100.00
The Company	Callisto Holding Limited ("Callisto")	Electronic commerce and investment holding	100.00	100.00
The Company	Winbond Electronics Germany GmbH ("WEG")	Marketing service of semiconductor	100.00	100.00
The Company	Great Target Development Ltd. ("GTD")	Investment holding	100.00	100.00
The Company	Miraxia Edge Technology Corporation ("METC") (Note 2)	Software and hardware integration design of semiconductor	100.00	100.00
The Company	Nuvoton Technology Corporation ("NTC")	Research, design, development, manufacture and marketing of Logic IC, 6 inch wafer product, test, and OEM	51.00	51.00
WIC	Winbond Electronics Corporation America ("WECA")	Design, sales and service of semiconductor	100.00	100.00
Landmark	Winbond Electronics Corporation Japan ("WECJ") (Note 1)	Research, development, sales and after-sales service of semiconductor	-	100.00
WEHK	Winbond Electronics (Suzhou) Limited ("WECN")	Design, development and marketing of VLSI integrated ICs	100.00	100.00
Callisto	Callisto Technology Limited ("CTL")	Electronic commerce and investment holding	100.00	100.00
GTD	GLMTD Technology Private Limited ("GLMTD")	Sales and service of semiconductor	99.99	99.99
METC	Miraxia Technology Taiwan Corporation ("MTTC") (Note 3)	Development of software and services for automotive and industrial control	100.00	-
NTC	Marketplace Management Limited ("MML")	Investment holding	100.00	100.00
NTC	Nuvoton Technology Corporation America ("NTCA")	Design, sales and service of semiconductor	100.00	100.00
NTC	Nuvoton Investment Holding Ltd. ("NIH")	Investment holding	100.00	100.00

(Continued)

Investor	Investee	Main Business	% of Ownership December 31 2022	2021
NTC	Nuvoton Electronics Technology (H.K.) Limited ("NTHK")	Sales of semiconductor	100.00	100.00
NTC	Song Yong Investment Corporation ("SYI")	Investment holding	100.00	100.00
NTC	Nuvoton Technology India Private Limited ("NTIPL")	Design, sales and service of semiconductor	100.00	100.00
NTC	Nuvoton Technology Singapore Pte. Ltd. ("NTSG")	Design, sales and service of semiconductor	100.00	100.00
NTC	Nuvoton Technology Korea Limited ("NTKL")	Design, sales and service of semiconductor	100.00	100.00
NTC	Nuvoton Technology Holdings Japan ("NTHJ")	Investment holding	100.00	100.00
MML	Goldbond LLC ("GLLC")	Investment holding	100.00	100.00
GLLC	Nuvoton Electronics Technology (Shanghai) Limited ("NTSH")	Provide projects for sale in China and repairing, testing, consulting of software and equipment leasing business	100.00	100.00
GLLC	Winbond Electronics (Nanjing) Ltd. ("WENJ")	Computer software service (except I.C. design)	100.00	100.00
NTSH	Song Zhi Electronics Technology (Suzhou) ("Song Zhi Suzhou")	Provide development of semiconductor and technology, consult service and equipment leasing business	100.00	100.00
NIH	Nuvoton Technology Israel Ltd. ("NTIL")	Design and service of semiconductor	100.00	100.00
NTHK	Nuvoton Electronics Technology (Shenzhen) Limited ("NTSZ")	Computer software service (except I.C. design), wholesale business for computer, supplement and software	100.00	100.00
NTHJ	Nuvoton Technology Corporation Japan ("NTCJ")	Design, sales and service of semiconductor	100.00	100.00
NTCJ	Atfields Manufacturing Technology Corporation ("AMTC")	Design and service of semiconductor	100.00	100.00

(Concluded)

Note 1: The Company acquired 100% of ownership interest of WECJ from its subsidiary, Landmark, on November 30, 2022. The transaction was a reorganization under common control. Refer to Note 28 to the consolidated financial statements.

Note 2: The company acquired 100% of ownership interest of METC from its sub-subsidiary, NTCJ, on November 1, 2021. The transaction was a reorganization under common control. Refer to Note 28 to the consolidated financial statements.

Note 3: MTTC was established in November 2022.

Classification of Current and Non-current Assets and Liabilities

Current assets include cash and cash equivalents and those assets held primarily for trading purposes or to be realized, sold or consumed within twelve months after the reporting period, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Current liabilities are obligations incurred for trading purposes or to be settled within twelve months after the reporting period and liabilities that the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Except as otherwise mentioned, assets and liabilities that are not classified as current are classified as non-current.

Business Combinations Involving Reorganization under Common Control

The Group adopt the carrying amount method for business combinations involving reorganization under common control.

Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's foreign currencies are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement are recognized in profit or loss in the period they arise.

Exchange differences arising on the retranslation of non-monetary items measured at fair value are included in profit or loss for the period at the rates prevailing at the end of reporting period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, and exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

Cash Equivalents

Cash equivalents include time deposits and investments, which are highly liquid, readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities other than financial assets and financial liabilities at FVTPL are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are included in the initially recognized amount of the financial assets or financial liabilities.

a. Financial assets measurement category

   All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis, except derivative financial assets which are recognized and derecognized on settlement date basis.

   Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

   1) Financial asset at FVTPL

      Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 30 to the consolidated financial statements.

2) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

a) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

b) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

3) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable selection to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime Expected Credit Loss (ECL) on accounts receivable. On all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amounts through a loss allowance account.

c. Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

d. Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types and calculated separately by repurchase category. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

e. Financial liabilities

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, and any interest paid on such financial liabilities is recognized in finance costs; any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses

Other financial liabilities are measured at amortized cost using the effective interest method.

f. Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

g. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts and cross currency swaps.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

Investments in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Group uses equity method to recognize investments in associates. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Before reaching its intended use, such assets are measured at the lower of cost or net realizable value, and any proceeds from selling those assets and the cost of those assets are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The Group's property, plant and equipment with residual values were depreciated straight-line basis over the estimated useful life of the asset:

Buildings	8-50 years
Machinery and equipment	3-14 years
Other equipment	3-5 years

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss, and depreciated over 20 years useful lives after considered residual values, using the straight-line method. Any gain or loss arising on derecognition of the property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

Intangible Assets

a. Intangible assets acquired separately

   Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

b. Derecognition of intangible assets

   On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

Impairment of Property, Plant and Equipment, Right-of-use Asset, Investment Properties, Intangible Assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset and cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

Non-current Assets Classified as Held for Sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Recognition of depreciation of those assets would cease.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event and at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

For potential product risk, the Group accrues reserve for products guarantee based on commitment to specific customers.

Revenue Recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Provision for estimated sales returns and other allowances is generally made and adjusted based on historical experience and on the consideration of varying contractual terms affecting the recognition of a provision, which is classified under other non-current liabilities.

Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

a. The Group as lessor

   Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

   When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

   Under financing leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

   Under operating lease, lease payments (less any lease incentives payable) are recognized as income on a straight-line basis over the terms of the relevant lease. Initial direct costs incurred in obtaining operating lease are added to the carrying amount of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

b. The Group as lessee

   The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

   Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

   Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, and there is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

Borrowing Costs

Borrowing costs directly attributable to the acquisition of qualifying assets are added to the cost of those assets, until such time that the assets are substantially ready for their intended use or sale.

Other than state above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

Government grants that take the form of a transfer of a non-monetary asset for the use of the entity are recognized and measured at the fair value of the non-monetary asset.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

Employee Benefits

a. Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b. Retirement benefits

   Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

   Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

   Net defined benefit liability represents the actual deficit in the Group’s defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

   Income tax payable is based on taxable profit for the year determined according to the applicable tax laws of each tax jurisdiction.

   According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings. Adjustments of prior years’ tax liabilities are added to or deducted from the current year’s tax provision.

b. Deferred tax

   Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit and it is remeasured at the end of each reporting period and recognized to the extent that it has become probable that there will be future taxable profit.

   Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 in the world and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised if the revisions affect only that year or in the year of the revisions and future years if the revisions affect both current and future years.

The Group's critical accounting judgments and key sources of estimation uncertainty is valuation of inventory. Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and the historical experience from selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash and deposits in banks	$ 18,642,936	$ 27,374,370
Repurchase agreements collateralized by bonds	1,760,000	3,540,057
	$ 20,402,936	$ 30,914,427

a. The Group has time deposits pledged to secure land and building leases and customs tariff obligations which are reclassified to "other non-current assets". The amounts were as follows:

	December 31	
	2022	2021
Time deposits	$ 236,938	$ 234,269

b. The Group has partial time deposits which were not held for the purpose of meeting short-term cash commitments and are reclassified to "other receivables". These partial time deposits at the end of the reporting period were as follows (refer to Note 11 to the consolidated financial statements):

	December 31	
	2022	**2021**
Time deposits	$ 56,214	$ 184,481

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	**2021**
Financial assets at FVTPL - current		
Derivative financial assets		
Forward exchange contracts	$ 7,173	$ 51,688
Non-derivative financial assets		
Domestic listed and emerging stocks	44,433	-
Overseas unlisted stocks	61,420	55,360
Mutual funds	110,506	108,700
	$ 223,532	$ 215,748
Financial assets at FVTPL - non-current		
Mandatorily measured at FVTPL		
Foreign currency warrants	$ 121,775	$ 69,200
Financial liabilities at FVTPL - current		
Derivative financial liabilities		
Forward exchange contracts	$ 7,412	$ -

a. At the date of balance sheet, the outstanding derivative foreign exchange contracts not under hedge accounting were as follows:

	Currencies	**Maturity Date**	**Contract Amount (In Thousands)**
December 31, 2022			
Sell forward exchange contracts	USD to NTD	2023.01.06-2023.03.17	USD244,500/NTD7,492,601
Sell forward exchange contracts	USD to JPY	2023.01.23-2023.02.21	USD17,400/JPY2,300,582
Buy forward exchange contracts	NTD to USD	2023.01.13-2023.02.17	NTD1,552,375/USD50,500
December 31, 2021			
Sell forward exchange contracts	USD to NTD	2022.01.06-2022.03.04	USD286,000/NTD7,949,136
Sell forward exchange contracts	RMB to NTD	2022.01.14-2022.01.21	RMB75,000/NTD325,655
Buy forward exchange contracts	NTD to USD	2022.02.17-2022.02.25	NTD965,550/USD35,000

b. The Group entered into derivative financial instruments contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. The derivative financial instruments contracts entered into by the Group did not meet the criteria of hedge accounting; therefore, the Group did not apply hedge accounting treatment.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity instruments at FVTOCI:

	December 31	
	2022	2021
Domestic listed and emerging stocks	$ 14,705,736	$ 11,235,587
Domestic unlisted stocks	1,081,708	638,326
Overseas unlisted stocks	625,340	1,820,415
Mutual funds	1,231,877	765,011
	$ 17,644,661	$ 14,459,339
Current	$ 14,587,832	$ 10,977,904
Non-current	3,056,829	3,481,435
	$ 17,644,661	$ 14,459,339

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

For the years ended December 31, 2022 and 2021, the Group disposed partial shares for the investment position adjustment. The unrealized gain and loss on financial assets at fair value through other comprehensive income of NT$300,524 thousand and NT$94,258 thousand were transferred to retained earnings, respectively, please refer to Note 22 to consolidated financial statements for related information.

9. ACCOUNTS RECEIVABLE

	December 31	
	2022	2021
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 9,283,776	$ 11,819,385
Less: Allowance for impairment loss	(146,030)	(303,792)
	$ 9,137,746	$ 11,515,593

The average credit period of sales of goods was 30 to 60 days. No interest was charged on accounts receivable. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group estimates expected credit losses based on past due days. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

The Group writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the overdue aging ratio and individual customer evaluation method.

December 31, 2022

	Not Overdue	Overdue under 30 Days	Overdue 31-90 Days	Overdue 91-180 Days	Overdue Over 180 Days	Total
Expected credit loss rate	0.1-2%	2%	10%	20%	50%	
Gross carrying amount	$ 9,038,364	$ 226,155	$ 7,407	$ 11,850	$ -	$ 9,283,776
Loss allowance (lifetime ECL)	(138,396)	(4,523)	(741)	(2,370)	-	(146,030)
Amortized cost	$ 8,899,968	$ 221,632	$ 6,666	$ 9,480	$ -	$ 9,137,746

December 31, 2021

	Not Overdue	Overdue under 30 Days	Overdue 31-90 Days	Overdue 91-180 Days	Overdue Over 180 Days	Total
Expected credit loss rate	0.1-2%	2%	10%	20%	50-100%	
Gross carrying amount	$ 11,396,793	$ 303,344	$ 10,282	$ 13	$ 108,953	$ 11,819,385
Loss allowance (lifetime ECL)	(187,741)	(6,067)	(1,028)	(3)	(108,953)	(303,792)
Amortized cost	$ 11,209,052	$ 297,277	$ 9,254	$ 10	$ -	$ 11,515,593

The movements of loss allowance of accounts receivable were as follows:

	2022	2021
Balance at January 1	$ 303,792	$ 266,759
Recognized (reversal of) impairment loss	(151,262)	56,210
Effect of exchange rate changes	(6,500)	(19,177)
Balance at December 31	$ 146,030	$ 303,792

Refer to Note 30 to the consolidated financial statements for details of NTC's factoring agreements for accounts receivable.

10. FINANCE LEASE RECEIVABLES

	December 31	
	2022	2021
Undiscounted lease payments		
Year 1	$ 100,135	$ -
Year 2	100,135	-
Year 3	25,034	-
	225,304	-
Less: Unearned finance income	(5,122)	-
Finance lease receivables	$ 220,182	$ -
Current	$ 96,731	$ -
Non-current	123,451	-
	$ 220,182	$ -

NTC leased out its property, plant and equipment and intangible assets to its associate, TPSCo., under finance leases with an average lease term for 3 years. In 2022, the average implied interest rate is approximately 1.85% per year. Refer to Note 31 to the consolidated financial statements for details of finance lease contracts.

11. OTHER RECEIVABLES

	December 31	
	2022	2021
Business tax refund receivable	$ 229,680	$ 291,030
Time deposits (Note 6)	56,214	184,481
Income tax refund receivable (Note 25)	38,037	77,826
Royalty receivable	-	370,327
Technical service receivable	-	136,345
Others	234,905	207,017
	$ 558,836	$ 1,267,026

12. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 3,095,173	$ 2,034,079
Work-in-process	16,393,699	11,238,945
Raw materials and supplies	1,958,690	2,652,854
Inventories in transit	516	14,810
	$ 21,448,078	$ 15,940,688

The detail of the operating costs related to inventories was as follows:

	2022	2021
The operating cost of goods sold	$ 48,535,925	$ 57,181,372
Recognition of inventory write-downs (reversed) and scrap of inventories, etc.	650,800	(635,590)
Unallocated production overhead	2,291,982	543,075
Operating costs	$ 51,478,707	$ 57,088,857

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	December 31	
	2022	2021
Associates that are not individually material		
Chin Xin Investment Co., Ltd.	$ 7,996,268	$ 8,257,867
Tower Partners Semiconductor Co., LTD. ("TPSCo.")	1,710,869	-
Hwa Bao Botanic Conservation Corp.	264,303	28,596
	$ 9,971,440	$ 8,286,463

On May 27, 2022, the board of directors of Hwa Bao Botanic Conservation Corp. ("Hwa Bao") resolved to issue 60,000 thousand ordinary shares. In addition to subscribing in the proportion of share ownership, the Company is also a specified subscriber. The Company subscribed for 21,000 thousand ordinary shares in total with a par value of NT$10. As of December 31, 2022, the Company held 24,000 thousand shares of Hwa Bao, which equals to 30% ownership interest, and Hwa Bao was accounted for using the equity method.

As of December 31, 2022, the Company held 182,841 thousand shares of Chin Xin Investment Co., Ltd. with a 38% ownership interest.

Under the business acquisition agreement, if TPSCo. turns a net profit during the period of the effective date of the acquisition (September 1, 2020) to March 31, 2022, NTC is required to pay Panasonic Corporation the net profit based on its ownership proportion. Thus, NTC has no significant influence over TPSCo. during the period aforementioned. TPSCo. was recognized as non-current financial assets at fair value through other comprehensive income. Starting from April 2022, the restriction has been waived for NTC, and NTC has significant influence over TPSCo.; accordingly, TPSCo. has been accounted for using the equity method. NTCJ subscribed for 30,919 shares issued in the cash capital increase by TPSCo. in a total amount of NT$358,772. As of December 31, 2022, NTCJ has held TPSCo.'s 45,619 shares with a direct shareholding of 49%.

In June 2022, NTCJ transferred the right-of-use assets contract to TPSCo. The related deferred benefit will be recognized in accordance with the remaining lease term of the contract, refer to Note 31 to the consolidated financial statements.

The Group's investments accounted for using equity method and the shares of profit or loss and other comprehensive income of those investments for the years ended December 31, 2022 and 2021 were based on the associates' financial statements audited by independent auditors.

14. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2022	2021
Land	$ 3,086,647	$ 3,069,658
Buildings	10,299,201	11,783,125
Machinery and equipment	25,174,746	28,397,574
Other equipment	1,559,960	1,030,036
Construction in progress and equipment under installation	53,686,085	16,799,212
	$ 93,806,639	$ 61,079,605

	Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress and Equipment under Installation	Total
Cost						
Balance at January 1, 2022	$ 3,069,658	$ 47,939,867	$ 177,909,476	$ 7,586,418	$ 16,799,212	$ 253,304,631
Additions	61,407	162,805	9,245,321	799,415	31,497,094	41,766,042
Disposals	-	(23,611)	(2,177,698)	(173,299)	-	(2,374,608)
Reclassified	12,248	181,258	(5,818,573)	232,207	5,392,860	-
Effect of exchange rate changes	(56,666)	(548,438)	(1,468,558)	(90,087)	(3,081)	(2,166,830)
Balance at December 31, 2022	$ 3,086,647	$ 47,711,881	$ 177,689,968	$ 8,354,654	$ 53,686,085	$ 290,529,235
Accumulated depreciation and impairment						
Balance at January 1, 2022	$ -	$ 36,156,742	$ 149,511,902	$ 6,556,382	$ -	$ 192,225,026
Depreciation expense	-	1,774,774	6,528,059	425,455	-	8,728,288
Disposals	-	(22,100)	(2,167,485)	(99,962)	-	(2,289,547)
Impairment loss	-	-	112,266	-	-	112,266
Reclassified	-	-	(3)	3	-	-
Effect of exchange rate changes	-	(496,736)	(1,469,517)	(87,184)	-	(2,053,437)
Balance at December 31, 2022	$ -	$ 37,412,680	$ 152,515,222	$ 6,794,694	$ -	$ 196,722,596
Cost						
Balance at January 1, 2021	$ 3,322,387	$ 50,113,861	$ 182,256,279	$ 7,750,795	$ 9,639,168	$ 253,082,490
Additions	34,760	284,825	3,980,466	506,331	7,530,487	12,336,869
Business combinations - subsequent adjustment of fair values	-	-	437,628	-	-	437,628
Disposals	-	(13,698)	(2,351,827)	(231,965)	-	(2,597,490)
Reclassified	-	119,784	217,133	13,950	(350,867)	-
Effect of exchange rate changes	(287,489)	(2,564,905)	(6,630,203)	(452,693)	(19,576)	(9,954,866)
Balance at December 31, 2021	$ 3,069,658	$ 47,939,867	$ 177,909,476	$ 7,586,418	$ 16,799,212	$ 253,304,631
Accumulated depreciation and impairment						
Balance at January 1, 2021	$ -	$ 36,773,934	$ 148,018,047	$ 6,803,522	$ 34,471	$ 191,629,974
Depreciation expense	-	1,687,364	8,797,435	389,589	-	10,874,388
Disposals	-	(13,650)	(1,585,530)	(212,998)	-	(1,812,178)
Impairment loss	-	-	782,949	-	-	782,949
Reclassified	-	79	31,168	428	(31,675)	-
Effect of exchange rate changes	-	(2,290,985)	(6,532,167)	(424,159)	(2,796)	(9,250,107)
Balance at December 31, 2021	$ -	$ 36,156,742	$ 149,511,902	$ 6,556,382	$ -	$ 192,225,026

a. As of December 31, 2022 and 2021, the carrying amounts of NT$52,365,644 thousand and NT$11,352,868 thousand of property, plant and equipment were pledged to secure long-term borrowings and corporate bonds.

b. Information about capitalized interest

	For the Year Ended December 31	
	2022	2021
Capitalized interest amounts	$ 528,129	$ 252,668
Capitalized interest rates	1.89%-1.92%	1.79%-1.89%

c. In 2022, NTC disposed of other equipment for finance lease amounted to NT$72,533 thousand. Refer to Note 31 to the consolidated financial statements for details of finance lease contracts.

d. For the years ended December 31, 2022 and 2021, the Group recognized an impairment loss of NT$112,266 thousand and NT$782,949 thousand for certain machinery and equipment which will not be used in the future after evaluation, respectively.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amounts		
Land	$ 1,667,604	$ 1,717,843
Buildings	383,165	289,439
Machinery and equipment	139,758	754,180
Other equipment	33,954	35,458
	$ 2,224,481	$ 2,796,920

In June 2022, NTC transferred its lease arrangement of machinery under right-of-use assets to TPSCo. The gain on lease modification amounted to NT$178,623 thousand. Refer to Note 31 to the consolidated financial statements.

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 369,518	$ 55,596
Depreciation charge for right-of-use assets		
Land	$ 110,896	$ 107,378
Buildings	153,474	122,394
Machinery and equipment	32,999	68,557
Other equipment	28,925	32,167
	$ 326,294	$ 330,496
Income from the subleasing of right-of-use assets (recorded as "other income")	$ 1,999	$ 2,080

b. Lease liabilities

	December 31	
	2022	2021
Carrying amounts		
Current	$ 276,015	$ 333,791
Non-current	$ 2,052,762	$ 2,682,609

Range of discount rate for lease liabilities are as follows:

	December 31	
	2022	2021
Land	1.76%-2.47%	1.76%-2.47%
Buildings	0.14%-3.55%	0.33%-3.75%
Machinery and equipment	0.48%-0.80%	0.26%-0.80%
Other equipment	0.14%-2.44%	0.44%-2.97%

For the years ended December 31, 2022 and 2021, the interest expense under lease liabilities amounted to NT$51,349 thousand and NT$57,188 thousand, respectively.

c. Material lease-in activities and terms

The Company and NTC leased lands from Science Park Bureau, and the lease term will expire in 2023, 2027 and 2037, respectively, which can be extended after the expiration of the lease periods.

NTC leased a land from Taiwan Sugar Corporation under a twenty-year term from October 2014 to September 2034, which can be extended after expiration of the lease periods. The chairman of NTC is a joint guarantor of such lease, refer to Note 31 to the consolidated financial statements.

The Group leased office spaces in the United States, China, Hong Kong, Japan, Israel, India, Korea, Germany and part in Taiwan, and the lease terms will expire between 2023 and 2026 which can be extended after the expiration of the lease contract periods.

d. Subleases

In addition to those disclosed in Notes 10 and 16 to the consolidated financial statements, NTC also subleases its right-of-use assets for buildings under operating leases. The maturity analysis of lease payments receivable under operating subleases is as follows:

	December 31	
	2022	2021
Year 1	$ 1,988	$ 2,080
Year 2	1,326	2,080
	$ 3,314	$ 4,160

To reduce the residual asset risk related to the subleased asset at the end of the relevant sublease, the lease contract between NTC and the lessee includes the receipt of the deposits and the compensation for damage due to the lack of management and maintenance.

e. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 191,498	$ 241,852
Expenses relating to low-value asset leases	$ 1,941	$ 677
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 11,660	$ 17,567
Total cash outflow for leases	$ 597,501	$ 699,413

The Group leases certain building, machinery and equipment, transportation equipment qualify as short-term leases and certain other equipment qualify as low-value lease. The Group has selected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

Lease-out arrangements under operating leases for investment properties are set out in Note 16 to the consolidated financial statements.

16. INVESTMENT PROPERTIES

	December 31	
	2022	2021
Investment properties, net	$ 1,798,160	$ 2,005,598

NTC acquired investment properties in Niigata and Toyama, Japan through business combinations on September 1, 2020. The fair value of such investment properties were NT$2,503,591 thousand based on the purchase price allocation report. In 2022 and 2021, NTC's management evaluated the fair value of investment properties and determined that the fair value of the investment properties had not changed significantly.

NTC's other investment properties is in Shen-Zhen, China. As of December 31, 2022 and 2021, the fair value of such investment properties were both approximately NT$200,000 thousand, which was referred by the neighborhood transactions.

	December 31	
	2022	2021
Cost		
Balance at January 1	$ 7,924,196	$ 9,090,968
Disposals	-	(1,176)
Effect of exchange rate changes	(262,074)	(1,165,596)
Balance at December 31	7,662,122	7,924,196
Accumulated depreciation and impairment		
Balance at January 1	5,918,598	6,624,301
Depreciation expense	138,763	155,190
Disposals	-	(1,176)
Effect of exchange rate changes	(193,399)	(859,717)
Balance at December 31	5,863,962	5,918,598
Investment properties, net	$ 1,798,160	$ 2,005,598

The investment properties were leased out for 3 to 12 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of NTC's lease payments receivable under operating leases of investment properties is as follows:

	December 31	
	2022	2021
Year 1	$ 171,129	$ 178,142
Year 2	152,691	155,123
Year 3	149,898	155,123
Year 4	149,898	155,123
Year 5	149,898	155,123
More than five years	637,067	814,391
	$ 1,410,581	$ 1,613,025

To reduce the residual asset risk related to the subleased asset at the end of the relevant sublease, the lease contract between NTC and the lessee includes the receipt of the deposits and the compensation for damage due to the lack of management and maintenance.

As of December 31, 2022 and 2021, the carrying amounts of NT$381,219 thousand and NT$425,606 thousand of investment properties of NTC were pledged to secure long-term borrowings, respectively.

17. INTANGIBLE ASSETS

	December 31	
	2022	2021
Deferred technical assets, net	$ 558,739	$ 616,861
Other intangible assets, net	223,101	456,124
Carbon credits	763	-
	$ 782,603	$ 1,072,985

	Deferred Technical Assets	Other Intangible Assets	Carbon Credits	Total
Cost				
Balance at January 1, 2022	$ 19,801,638	$ 1,495,795	$ -	$ 21,297,433
Additions	170,807	91,340	937	263,084
Disposals	-	(206,865)	-	(206,865)
Carbon offset	-	-	(174)	(174)
Reclassified	-	(763)	-	(763)
Effect of exchange rate changes	4,936	(51,906)	-	(46,970)
Balance at December 31, 2022	$ 19,977,381	$ 1,327,601	$ 763	$ 21,305,745

(Continued)

	Deferred Technical Assets	Other Intangible Assets	Carbon Credits	Total
Accumulated amortization and impairment				
Balance at January 1, 2022	$ 19,184,777	$ 1,039,671	$ -	$ 20,224,448
Amortization expenses	228,037	99,066	-	327,103
Disposals	-	(1,743)	-	(1,743)
Effect of exchange rate changes	5,828	(32,494)	-	(26,666)
Balance at December 31, 2022	$ 19,418,642	$ 1,104,500	$ -	$ 20,523,142
Cost				
Balance at January 1, 2021	$ 19,550,666	$ 1,452,139	$ -	$ 21,002,805
Additions	259,590	216,296	-	475,886
Disposals	(5,592)	(111)	-	(5,703)
Effect of exchange rate changes	(3,026)	(172,529)	-	(175,555)
Balance at December 31, 2021	$ 19,801,638	$ 1,495,795	$ -	$ 21,297,433
Accumulated amortization and impairment				
Balance at January 1, 2021	$ 18,988,797	$ 1,122,628	$ -	$ 20,111,425
Amortization expenses	198,298	61,481	-	259,779
Disposals	(789)	(111)	-	(900)
Effect of exchange rate changes	(1,529)	(144,327)	-	(145,856)
Balance at December 31, 2021	$ 19,184,777	$ 1,039,671	$ -	$ 20,224,448

(Concluded)

The amounts of deferred technical assets were the technical transfer fees in connection with certain technical transfer agreements. The above technical assets pertained to different products or process technology. The assets were depreciated on a straight-line basis from the commencement of production or over the estimated useful lives of the assets. The estimated useful lives of technical assets were based on the economic benefits generated from the assets or the terms of the technical asset contracts.

The Company's carbon credits were purchased from the CIX platform in Singapore, which was certified by third-party regarding forest carbon rights. The carbon credits will be used to offset carbon emission from fabs and employee transportation, etc. On November 3, 2022, the Company acquired the certificate which containing 1,000 tonnes of carbon credits from the platform, and offset 194 tonnes of carbon emissions on the Company’s Family Day.

In 2022, NTC disposed of intangible assets for finance leases amounted to NT$204,857 thousand. Refer to Note 31 to the consolidated financial statements for details of finance lease contracts.

18. BORROWINGS

a. Short-term borrowings

	December 31			
	2022		2021	
	Interest Rate %	Amount	Interest Rate %	Amount
Secured borrowings				
Bank loans	1.15%	$ 952,840	-	$ -
Unsecured borrowings				
Bank lines of credit	1.02%	116,200	0.30%-0.48%	1,430,417
		$ 1,069,040		$ 1,430,417

On May 17, 2021, NTCJ signed a syndicated loan with CTBC and a group of financial institutions to pay outstanding debt and enrich operating capital, and the line of credit amounted to JPY30 billion. This syndicated loan requires the Company to act as a joint guarantor and hold ownership of NTCJ with NTC by no less than 100% with maintenance operational control as stated in the agreement. According to the financial covenants, NTCJ and the Company are required to maintain their financial ratios not lower than a specific threshold over the effective period, and there is no breach of the terms of the contract. The financial ratios mentioned above are computed based on the audited (reviewed) consolidated financial statements.

b. Long-term borrowings

	Period	Interest Rate	December 31 2022	December 31 2021
Secured borrowings				
Bank of Taiwan syndicated loan (V)	2019.01.14-2026.09.19	2.43%	$ 31,000,000	$ 7,850,000
Unsecured borrowings				
The Export - Import Bank of ROC	2019.09.20-2026.09.21	0.92%-1.34%	500,000	500,000
The Export - Import Bank of ROC	2020.08.25-2027.08.25	0.92%-1.34%	1,000,000	1,000,000
Government grants (Note 27)	2020.12.28-2028.11.15	1.13%-1.33%	5,131,600	5,131,600
			37,631,600	14,481,600
Less: Current portion			(3,171,429)	(785,000)
Less: Syndication agreement management fee			(47,250)	(74,250)
Less: Government loan discount (Note 27)			(134,848)	(273,485)
			$ 34,278,073	$ 13,348,865

1) Bank of Taiwan Syndicated Loan (V)

a) On January 14, 2019, the Company entered into a syndicated loan, with a group of financial institutions, to procure equipment for fab. The credit line amounted to NT$42 billion. The principal will be repaid every six months from September 19, 2023 until maturity.

b) Refer to Note 14 to the consolidated financial statements for collateral on bank borrowings.

c) The Company is required to maintain certain financial covenants, including current ratio, debt ratio and total equity, on June 30 and December 31 during the tenors of the loans. Additionally, the principal and interest coverage should be also maintained on June 30 and December 31 during the tenors of the loans. The Company was in compliance with the agreed financial ratio requirements. The computations of financial ratios mentioned above are done based on the audited (reviewed) consolidated financial statements.

2) The proceeds of the unsecured borrowings from the Export-Import Bank of ROC were provided NTC for investing in Autotalks Ltd. and acquiring Panasonic Semiconductor Solutions., Co., Ltd.

The loan is secured by property, plant and equipment of NTC, please refer to Note 14 to the consolidated financial statements.

19. BONDS PAYABLE

	December 31	
	2022	2021
Domestic secured bonds	$ 9,968,462	$ 9,956,086
Domestic unsecured bonds	-	-
	$ 9,968,462	$ 9,956,086

a. On July 10, 2018, the Company was approved by the FSC to offer and issue the first secured corporate bonds of 2018, with an aggregate principal amount of NT$10 billion. The terms of issuance, amounts and interest rate as follows:

Issuance Date	Period	Amount	Coupon Rate	Repayment and Interest Payment
2018.07.17	7 years	$10 billion	1%	The principal will be repaid upon maturity. The interest is payable once a year at the coupon rate accrued annually on a simple basis starting from the issue date.

Refer to Note 14 to the consolidated financial statements for collateral of 12-inch Fab Manufacturing facilities on corporate bonds.

b. In May 2020, NTC issued 20 thousand units, NT$100 thousand per unit, 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of NT$2 billion. The terms of issuance, amounts and interest rate as follows:

Issuance Date	Period	Amount	Coupon Rate	Repayment and Interest Payment
2020.05.20	7 years	$2 billion	0%	The principal will be repaid in cash upon maturity at a rate of 109.09% (annual rate of return 1.25% upon maturity).

1) The conversion price was set at NT$39.9 per share at the time of issuance. When meeting certain criteria, adjustments on the conversion price are made in accordance with the terms and conditions. Since NTC distributed cash dividends in August 2021, the conversion price should be adjusted according to the issuance and conversion measures, so the conversion price has been adjusted to NT$38 since August 22, 2021. As of December 31, 2021, all convertible bonds were converted into ordinary shares.

2) After the first three months of the issuance and forty days before the maturity date, if the closing price of NTC's common shares listed on the Taiwan Stock Exchange exceeds or equals 30% of the conversion price or the outstanding balance of the bonds is less than 10% in principal amount of the bonds originally outstanding for thirty consecutive business days, NTC may redeem the bonds in cash at the principal amount.

3) After the bonds has been issued for over five years, the bondholders may request NTC to redeem the bonds at 106.41% of the principal amount (annual rate of return 1.25%).

4) Except for the NTC's bonds that have been redeemed, sold back, converted, or bought back by NTC in the market, the principal will be repaid in cash upon maturity at a rate of 109.09% (annual rate of return 1.25% upon maturity).

20. PROVISIONS

	December 31	
	2022	**2021**
Current		
Decommissioning liabilities	$ 132,473	$ 532,948
Non-current		
Employee benefits	$ 1,485,268	$ 1,537,035
Warranties	737,268	775,861
Decommissioning liabilities	510,815	653,679
	$ 2,733,351	$ 2,966,575

	Decommissioning Liabilities	**Employee Benefits**	**Warranties**	**Total**
Balance at January 1, 2022	$ 1,186,627	$ 1,537,035	$ 775,861	$ 3,499,523
Decreased	(475,526)	-	(28,120)	(503,646)
Effects of foreign currency exchange differences	(67,813)	(51,767)	(10,473)	(130,053)
Balance at December 31, 2022	$ 643,288	$ 1,485,268	$ 737,268	$ 2,865,824

NTC purchased the semiconductor business of Panasonic Corporation in September 2020. The expected decommissioning costs and personnel costs from shutting down some fabs were recognized as the decommissioning liabilities and employee benefits provisions.

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company and NTC adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in the United States, Japan, Hong Kong, Germany, Israel, Korea, Singapore and China are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plan

The defined benefit plans adopted by the Company and NTC in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average of monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages; NTC contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee of the Company. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

The payables for employee turnover of WTL and NTIL are calculated on the basis of the length of service and the last month's salary under a defined benefit plan.

The amount included in the consolidated balance sheet in respect of the Group's obligation to its defined benefit plan was as follows:

	December 31	
	2022	**2021**
Present value of the defined benefit obligation	$ 4,306,648	$ 4,500,536
Fair value of the plan assets	(2,414,054)	(1,879,521)
Net defined benefit liabilities, non-current	$ 1,892,594	$ 2,621,015

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2022	$ 4,500,536	$ (1,879,521)	$ 2,621,015
Service cost			
Current service cost	93,035	-	93,035
Net interest expense (income)	40,834	(26,586)	14,248
Others	(3,204)	602	(2,602)
Recognized in profit or loss	130,665	(25,984)	104,681
Remeasurement			
Actuarial (gain) loss			
- realized rate greater than the discounted rate	-	(54,752)	(54,752)
- changes in demographic assumptions	(28,724)	-	(28,724)
- changes in financial assumptions	(328,218)	21,261	(306,957)
- experience adjustments	169,198	5,419	174,617
Recognized in other comprehensive income	(187,744)	(28,072)	(215,816)
Contributions from the employer	-	(572,037)	(572,037)
Benefits paid	(80,740)	79,423	(1,317)
Effect of exchange rate changes	(56,069)	12,137	(43,932)
Balance at December 31, 2022	$ 4,306,648	$ (2,414,054)	$ 1,892,594

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2021	$ 4,578,390	$ (1,855,846)	$ 2,722,544
Service cost			
Current service cost	81,614	-	81,614
Net interest expense (income)	24,851	(15,026)	9,825
Others	4,069	(777)	3,292
Recognized in profit or loss	110,534	(15,803)	94,731
Remeasurement			
Actuarial (gain) loss			
- realized rate greater than the discounted rate	-	(18,019)	(18,019)
- changes in demographic assumptions	58,672	-	58,672
- changes in financial assumptions	(426)	(9,264)	(9,690)
- experience adjustments	111,751	(26,150)	85,601
Recognized in other comprehensive income	169,997	(53,433)	116,564
Contributions from the employer	-	(94,450)	(94,450)
Benefits paid	(142,879)	141,969	(910)
Settlements	(28,909)	-	(28,909)
Effect of exchange rate changes	(186,597)	(1,958)	(188,555)
Balance at December 31, 2021	$ 4,500,536	$ (1,879,521)	$ 2,621,015

(Concluded)

Amounts recognized in profit or loss in respect of these defined benefit plans analyzed by function were as follows:

	For the Year Ended December 31	
	2022	2021
Operating costs	$ 16,830	$ 17,522
Selling expenses	2,028	2,003
General and administrative expenses	21,134	6,007
Research and development expenses	64,689	69,199
	$ 104,681	$ 94,731

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	**2021**
Discount rates	1.25%-5.26%	0.70%-2.80%
Expected rates of salary increase	1.00%-6.25%	1.00%-6.02%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2022	**2021**
Discount rates		
0.25%-0.50% increase	$ (82,728)	$ (110,912)
0.25%-0.50% decrease	$ 90,773	$ 121,286
Expected rates of salary increase/decrease		
0.25%-0.50% increase	$ 86,317	$ 115,435
0.25%-0.50% decrease	$ (80,577)	$ (104,760)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	**2021**
The expected contribution to the plan for the next year	$ 135,886	$ 144,478
The average duration of defined benefit obligation	7.35-11.84 years	8.04-12.15 years

22. EQUITY

a. Share capital

Common stock

	December 31	
	2022	**2021**
Number of shares authorized (in thousands)	6,700,000	6,700,000
Shares authorized	$ 67,000,000	$ 67,000,000
Number of shares issued and fully paid (in thousands)	3,980,000	3,980,000
Shares issued	$ 39,800,002	$ 39,800,002

As of December 31, 2022 and 2021, the balance of the Company’s capital account amounted to NT$39,800,002 thousand, divided into 3,980,000 thousand common shares with a par value of NT$10.

b. Capital surplus

	December 31	
	2022	**2021**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Arising from issuance of share capital	$ 4,787,673	$ 4,787,673
Arising from treasury share transactions	2,342,036	2,342,036
Arising from conversion of bonds	136,352	136,352
Arising from exercised employee share options	208,451	208,451
Overdue employee share options	30,749	30,749
May only be used to offset a deficit		
Arising from changes in percentage of ownership interest in subsidiaries	251,734	251,726
Arising from share of changes in capital surplus of associates	28,923	29,137
	$ 7,785,918	$ 7,786,124

The capital surplus generated from the excess of the issuance price over the par value of capital stock (including the stock issued for new capital, mergers and convertible bonds) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of the Company's paid-in capital. The capital surplus from share of changes in equities of subsidiaries and associates may be used to offset a deficit; however, when generated from issuance of restricted shares for employees, such capital surplus may not be used for any purpose.

c. Retained earnings and dividend policy

According to the Company's Articles of Incorporation, the Company's dividend distribution policy is as follows:

From the pre-tax net profit of the current year, before deducting remuneration of employees and remuneration of directors, no more than 1% shall be allocated as remuneration of directors and no less than 1% as remuneration of employees. The remuneration of employees may be distributed in stock or cash upon resolution of the board of directors and may be distributed to the employees of subsidiaries of the Company meeting certain criteria.

However, if the Company has accumulated losses, the Company shall first set aside an amount for making up losses, and then allocate remuneration of employees and remuneration of directors according to the percentage set forth in the preceding paragraph.

The Company purchases its stock for transferring such treasury shares, issues employee options, provides pre-emptive right for employees' subscription upon issuing new shares, issues new restricted employee shares, and distributes employee remuneration, to employees of the Company's controlling or subordinated companies who meet certain criteria, which shall be determined and resolved by the board of directors.

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

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

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

The Company may distribute its profit or make up its losses at the end of each half of a fiscal year. The business report, the financial statements, and the proposal for distribution of earnings or making up loss shall be prepared by and then resolved by the board of directors.

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

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Pursuant to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of shareholders' equity, such as the accumulated balance of foreign currency translation reserve, unrealized valuation gain (loss) from available-for-sale financial assets, net amount of fair value below the cost of the Company's ordinary shares held by subsidiaries, etc. For the subsequent decrease in the deduction amount to shareholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The appropriations of earnings and cash dividends per share for 2021 and 2020 were as follows:

	Appropriation of Earnings		Cash Dividends Per Share (NT$)	
	For Year 2021	**For Year 2020**	**For Year 2021**	**For Year 2020**
Legal reserve appropriated	$ 1,359,595	$ 161,253		
Cash dividends	3,980,000	796,000	$ 1.0	$ 0.2
	$ 5,339,595	$ 957,253		

The above cash dividends were resolved by the board of directors on March 15, 2022 and March 16, 2021, respectively; the other proposed appropriations were resolved by the shareholders in their meetings on May 31, 2022 and August 12, 2021, respectively.

As of the date of the Company’s board meeting (February 16, 2023), the appropriation of earnings for 2022 has not been finalized.

d. Other equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2022	**2021**
Balance at January 1	$ (861,389)	$ (271,328)
Exchange differences arising on translating the financial statements of foreign operations	206,737	(590,061)
Balance at December 31	$ (654,652)	$ (861,389)

The exchange differences arising on translation of foreign operation’s net assets from its functional currency to the Group’s presentation currency are recognized directly in other comprehensive income and also accumulated in the foreign currency translation reserve.

2) Unrealized gains (losses) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	**2021**
Balance at January 1	$ 12,911,356	$ 8,141,510
Unrealized gains (losses) on revaluation of financial assets at FVTOCI	2,935,470	2,962,485
Share of unrealized gains (losses) on revaluation of financial assets at FVTOCI of associates accounted for using equity method	(529,691)	1,901,619
Disposal of investments in equity instruments designated at FVTOCI	(300,524)	(94,258)
Balance at December 31	$ 15,016,611	$ 12,911,356

Unrealized gains (losses) on financial assets at FVTOCI represents the cumulative gains or losses arising from the fair value measurement on financial assets at FVTOCI that are recognized in other comprehensive income. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

e. Non-controlling interests

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 7,589,399	$ 5,143,568
Share attributable to non-controlling interests		
Profit for the year	2,059,387	1,405,479
Exchange differences on translation of the financial statements of foreign operations	19,189	(425,126)
Remeasurement of defined benefit plans	50,596	(23,613)
Unrealized gains (losses) on financial assets measured at FVTOCI	(123,806)	454,578
Cash dividends issued by subsidiaries to non-controlling interests	(1,024,053)	(148,788)
Changes in ownership interests in subsidiaries	8	1,183,301
Balance at December 31	$ 8,570,720	$ 7,589,399

23. REVENUE

Refer to Note 36 to the consolidated financial statements for the Group's revenue.

24. EMPLOYEE BENEFITS EXPENSE, DEPRECIATION, AND AMORTIZATION

	For the Year Ended December 31, 2022			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Losses	Total
Short-term employee benefits	$ 4,479,421	$ 14,349,752	$ -	$ 18,829,173
Post-employment benefits	$ 158,664	$ 717,826	$ -	$ 876,490
Depreciation	$ 7,906,136	$ 1,143,992	$ 145,126	$ 9,195,254
Amortization	$ 5,362	$ 321,741	$ 27,000	$ 354,103

	For the Year Ended December 31, 2021			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Losses	Total
Short-term employee benefits	$ 4,502,850	$ 12,088,668	$ -	$ 16,591,518
Post-employment benefits	$ 138,514	$ 595,279	$ -	$ 733,793
Depreciation	$ 9,789,579	$ 1,411,539	$ 160,866	$ 11,361,984
Amortization	$ 23,131	$ 236,648	$ 34,077	$ 293,856

The remuneration policies of the Company were as follows:

a. Directors:

In accordance with the Article 22 of the Company's Articles of Incorporation, the distribution of the remuneration of directors shall be appropriated at the rates no more than 1% of net profit before income tax before deducting remuneration to employees and directors. The Remuneration Committee will recommend remuneration to directors in accordance with the Company's Articles of Incorporation, the internal Rules for Remuneration of Directors and Performance Assessment of The Board of Directors, board members' self-assessment results, and annual profit deduct the accumulative losses. The remuneration was resolved by the board of directors and reported to the shareholders' meeting.

b. Managers:

The remuneration of the managers, which depends on responsibilities and performance of individuals to encourage managers to take responsibilities and achieve performance, shall be competitive to attract external talent and stabilize internal talent. The managers have the responsibilities for operating performance, the encouragement shall be taken both short-term and long-term performance into account.

c. Employees:

Employees' compensation, including fixed and variable compensation, was taken both internal fairness and external competitiveness into consideration. The Company gives bonus immediately and shares operating performance with the employees to attract, encourage and retain the talent. In accordance with the Articles of Incorporation, it stipulates distribution of the compensation of employees at the rates no less than 1% of net profit before income tax before deducting remuneration to employees and directors. The remuneration of employees may be distributed in stock or cash upon resolution of the board of directors and reported to the shareholders' meeting. Personal salary is determined by responsibilities and professional skills. Bonus and compensation are in relation to individual's performance and contribution.

For the years ended December 31, 2022 and 2021, the employees' compensation and remuneration of directors were as follows:

	For the Year Ended December 31			
	2022		**2021**	
	Amounts	**Accrual Rate**	**Amounts**	**Accrual Rate**
Employees' compensation	$ 307,880	2%	$ 330,737	2%
Remuneration of directors	$ 153,940	1%	$ 165,369	1%

If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

The compensation to employees and remuneration to the directors of 2021 and 2020 were approved by the Company's board of directors on March 15, 2022 and March 16, 2021, respectively, were as below:

	For the Year Ended December 31	
	2021	**2020**
Employees' compensation	$ 330,737	$ 27,831
Remuneration of directors	$ 165,369	$ 13,916

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation to employees and remuneration to the directors resolved by the Company's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange Corporation.

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2022	2021
Current income tax expense		
Current tax expense	$ 3,476,330	$ 3,088,867
Adjustment for prior years	24,139	15,163
Deferred income tax		
Change in current year	(440,849)	118,938
Income tax expense recognized in profit or loss	$ 3,059,620	$ 3,222,968

Reconciliation of accounting profit and income tax expense were as follows:

	For the Year Ended December 31	
	2022	2021
Income tax expense from continuing operations at the statutory rate	$ 4,435,666	$ 4,405,341
Tax effect of adjustment item		
Permanent differences	(732,576)	(533,465)
Others	(358,609)	(180,071)
Current income tax expense	3,344,481	3,691,805
Loss carryforwards, investment credits and deductible temporary differences	(309,000)	(484,000)
Adjustment for prior years' income tax expense	24,139	15,163
Tax expense recognized in profit or loss	$ 3,059,620	$ 3,222,968

Based on the Income Tax Act in the ROC, the corporate income tax rate is 20%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax assets		
Income tax refund receivable (Note 11)	$ 38,037	$ 77,826
Current tax liabilities		
Income tax payables	$ 2,123,413	$ 2,704,871

c. Deferred tax assets

As of December 31, 2022 and 2021, deferred income tax assets of NT$1,191,547 thousand and NT$774,072 thousand, respectively, were mainly generated from idle capacity, unrealized inventory losses and asset impairment losses.

d. Deferred tax liabilities

As of December 31, 2022 and 2021, deferred income tax liabilities of NT$13,209 thousand and NT$36,583 thousand, respectively, were mainly generated from unrealized valuation gains or losses on financial assets at FVTOCI.

e. Tax return assessments

The tax returns of the Company and NTC through 2020 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

	For the Year Ended December 31					
	2022			2021		
	Amounts (Numerator)		Earnings Per Share (NT$)	Amounts (Numerator)		Earnings Per Share (NT$)
	Net Income After Income Tax (Attributable to Owners of the Parent)	Shares (Denominator) (In Thousands)	Net Income After Income Tax (Attributable to Owners of the Parent)	Net Income After Income Tax (Attributable to Owners of the Parent)	Shares (Denominator) (In Thousands)	Net Income After Income Tax (Attributable to Owners of the Parent)
Basic earnings per share						
Net income attributed to common shareholders	$ 12,927,165	3,980,000	$ 3.25	$ 13,594,643	3,980,000	$ 3.42
Effect of dilutive potential common shares						
Employees' compensation	-	17,642		-	9,930	
Diluted earnings per share						
Net income attributed to common shareholders	$ 12,927,165	3,997,642	$ 3.23	$ 13,594,643	3,989,930	$ 3.41

If the Company offered to settle the compensation or bonuses paid to employees by cash or shares, the Company assumed that the entire amount of the compensation or bonuses will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share (EPS), if the shares have a dilutive effect. Such dilutive effect of the potential shares is included in the computation of diluted EPS until the number of shares to be distributed to employees is resolved in the following year.

27. GOVERNMENT GRANTS

As of December 31, 2022, the Company received government loan of NT$5,131,600 thousand at a below-market interest rate. It will be used in the purchase of machinery and equipment and for supporting working capital. The first installment will be made in the 36th-37th month of the principal, and each month thereafter, the principal will be repaid in 48-49 equal installments. Using the prevailing market interest rates of 1.79%-1.89% for an equivalent loan, the fair value of the loan was estimated at NT$4,837,630 thousand on initial recognition. The difference of NT$293,970 thousand between the proceeds and the fair value of the loan is the benefit derived from the below-market rate of interest which has been recognized as deferred revenue. The deferred revenue will be recognized as other income during the loan period accordingly. For the years ended December 31, 2022 and 2021, the other income under government grants were amounts of

NT$47,599 thousand and NT$20,485 thousand, respectively, and the interest expense under loans were amounts of NT$94,824 thousand and NT$30,781 thousand, respectively.

28. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
METC	Software and hardware integration design of semiconductor	November 1, 2021	100	$ 357,898
WECJ	Research, development, sales and after-sales service of semiconductor	November 30, 2022	100	$ 190,070

The Company acquired 100% ownership interest of WECJ and METC from the subsidiary Landmark and the sub-subsidiary NTCJ, respectively. The transaction was a reorganization under common control, and was recognized as an equity transaction.

b. Assets acquired and liabilities assumed

	WECJ	METC
Current assets		
Cash and cash equivalents	$ 76,255	$ 298,304
Accounts receivable and other receivables	797,517	101,201
Inventories	-	39,835
Other current assets	6,328	6,147
Non-current assets		
Property, plant and equipment	4,064	6,146
Right-of-use assets	17,505	-
Intangible assets	1,934	14,728
Deferred income tax assets	37,709	65,349
Other non-current assets	6,270	-
Total assets	$ 947,582	$ 531,710
Current liabilities		
Accounts payable and other payables	$ 716,492	$ 291,280
Current tax liabilities	18,329	17,717
Other current liabilities	14,261	55,053
Other non-current liabilities	8,430	-
Total liabilities	$ 757,512	$ 364,050
Net assets	$ 190,070	$ 167,660

c. Equity transaction difference under common control

	WECJ	METC
Fair value of identifiable net assets acquired	$ 190,070	$ 167,660
Less: Consideration transferred	(190,070)	(357,898)
Equity transaction difference	$ -	$ (190,238)
Equity transaction difference adjustment account		
Investments accounted for using equity method - NTC	$ -	$ 97,887
Capital surplus - changes in ownership interests in subsidiaries	-	92,351
Equity transaction difference	$ -	$ 190,238

29. CAPITAL MANAGEMENT

The Group's capital management objective is to ensure it has the necessary financial resources and operational plan so that it can cope with the next twelve months working capital requirements, capital expenditures, research and development activities, debt repayments and dividends payments.

30. FINANCIAL INSTRUMENT

a. Fair value of financial instruments

1) Valuation techniques and assumptions used in fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes publicly traded stock and mutual funds).

- The fair values of derivative foreign exchange contracts are measured using quoted middle and discount rates of foreign exchange contracts matching the foreign exchange rate on the maturity date of the contracts.

- Domestic and overseas unlisted equity instrument at FVTPL and FVTOCI were all measured based on Level 3. Fair values of the above equity instruments were determined using discounted cash flow of income approach and comparable listed company approach, refer to strike price of similar business at active market, implied value multiple of the price and relevant information. Significant unobservable inputs included PE ratio, value multiple and market liquidity discount.

2) Fair value measurements recognized in the consolidated balance sheets

The fair value of financial instruments are grouped into Levels 1 to 3 based on the degree to observability of inputs.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 inputs are unobservable inputs for an asset or liability.

3) Fair value of financial instruments that are not measured at fair value

Fair value hierarchy as at December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities measured at amortized cost				
Bonds payable (secured)	$ -	$ 9,968,462	$ -	$ 9,968,462

Fair value hierarchy as at December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities measured at amortized cost				
Bonds payable (secured)	$ -	$ 9,956,086	$ -	$ 9,956,086

4) Fair value of financial instruments that are measured at fair value on a recurring basis

Fair value hierarchy as at December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 7,173	$ 121,775	$ 128,948
Non-derivative financial assets				
Domestic listed and emerging securities	44,433	-	-	44,433
Overseas unlisted securities	-	-	61,420	61,420
Mutual funds	110,506	-	-	110,506
	$ 154,939	$ 7,173	$ 183,195	$ 345,307
Financial assets at FVTOCI				
Equity securities				
Domestic listed and emerging securities	$ 14,705,736	$ -	$ -	$ 14,705,736
Domestic and overseas unlisted securities	-	22,560	1,684,488	1,707,048
Mutual funds	-	-	1,231,877	1,231,877
	$ 14,705,736	$ 22,560	$ 2,916,365	$ 17,644,661
Financial liabilities				
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 7,412	$ -	$ 7,412

Fair value hierarchy as at December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 51,688	$ 69,200	$ 120,888
Non-derivative financial assets				
Overseas unlisted securities	-	-	55,360	55,360
Mutual funds	108,700	-	-	108,700
	$ 108,700	$ 51,688	$ 124,560	$ 284,948
Financial assets at FVTOCI				
Equity securities				
Domestic listed and emerging securities	$ 11,235,587	$ -	$ -	$ 11,235,587
Domestic and overseas unlisted securities	-	21,010	2,437,731	2,458,741
Mutual funds	-	-	765,011	765,011
	$ 11,235,587	$ 21,010	$ 3,202,742	$ 14,459,339

5) Reconciliation of Level 3 fair value measurements of financial instruments

The financial assets measured at Level 3 fair value were non-derivative financial assets classified as financial assets at FVTPL and equity investments classified as financial assets at FVTOCI. Reconciliations for the years ended December 31, 2022 and 2021 were as follows:

	For the Year Ended December 31	
	2022	**2021**
Balance at January 1	$ 3,327,302	$ 1,908,328
Additions	800,383	289,439
Recognized in other comprehensive income	190,439	1,146,473
Recognized in profit or loss	7,575	(563)
Reclassified to investments accounted for using equity method	(1,289,679)	-
Proceeds from capital reduction of investment	(1,000)	(4,500)
Effect of exchange rate changes	64,540	(11,875)
Balance at December 31	$ 3,099,560	$ 3,327,302

b. Categories of financial instruments

Fair values of financial assets and liabilities were summarized as follows:

	December 31			
	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Measured at amortized cost				
Cash and cash equivalents	$ 20,402,936	$ 20,402,936	$ 30,914,427	$ 30,914,427
Accounts receivable (included related parties)	9,873,405	9,873,405	12,154,855	12,154,855
Financial lease receivables (current and non-current)	220,182	220,182	-	-
Other receivables	558,836	558,836	1,267,026	1,267,026
Refundable deposits (recorded in other non-current assets)	573,743	573,743	529,290	529,290
Financial assets at fair value through profit or loss (current and non-current)	345,307	345,307	284,948	284,948
Financial assets at fair value through other comprehensive income (current and non-current)	17,644,661	17,644,661	14,459,339	14,459,339
Financial liabilities				
Measured at amortized cost				
Short-term borrowings	1,069,040	1,069,040	1,430,317	1,430,317
Notes and accounts payable (included related parties)	6,391,671	6,391,671	7,600,734	7,600,734
Payable on equipment and other payables	13,270,593	13,270,593	14,409,181	14,409,181
Bonds payable	9,968,462	9,968,462	9,956,086	9,956,086
Long-term borrowings (included current portion)	37,449,502	37,449,502	14,133,865	14,133,865
Guarantee deposits (recorded in other non-current liabilities)	2,473,353	2,473,353	2,072,448	2,072,448
Financial liabilities at fair value through profit or loss	7,412	7,412	-	-

c. Financial risk management objectives and policies

The Group’s Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The use of financial derivatives was governed by the Group’s policies approved by the board of directors, which provide written principles on foreign exchange risk, and use of financial derivatives. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses forward foreign exchange contracts to hedge the foreign currency risk on export.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group uses forward foreign exchange contracts to hedge the exchange rate risk within approved policy parameters utilizing forward foreign exchange contracts.

The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period and an increase in net income and equity if New Taiwan dollars strengthen by 1% against foreign currencies. For a 1% weakening of New Taiwan dollars against U.S. dollars, there would be impact on net income increase in the amounts of NT$76,527 thousand and NT$66,323 thousand for the years ended December 31, 2022 and 2021, respectively.

b) Interest rate risk

The Group's interest rate risk arises primarily from floating rate borrowings.

The carrying amount of the Group's financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2022	**2021**
Cash flow interest rate risk		
Financial assets	$ 8,413	$ 8,413
Financial liabilities	38,700,640	15,699,041

The sensitivity analyses below were determined based on the Group's exposure to interest rates for fair value of variable-rate derivatives instruments at the end of the reporting period. If interest rates had been higher by 1%, the Group's cash flows would have increased by NT$386,922 thousand and NT$156,906 thousand for the years ended December 31, 2022 and 2021, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In order to minimize credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of each individual accounts receivables at the end of the reporting period to ensure that adequate impairment losses are recognized for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk was significantly reduced.

3) Liquidity risk

The Group has enough operating capital to comply with loan covenants; liquidity risk is low.

The Group's non-derivative financial liabilities and their agreed repayment period were as follows:

	December 31, 2022			
	Within 1 Year	**1-2 Years**	**Over 2 Years**	**Total**
Non-interest bearing	$ 19,662,264	$ 2,473,353	$ -	$ 22,135,617
Lease liabilities	313,517	258,010	2,129,430	2,700,957
Variable interest rate liabilities	4,240,468	6,923,041	27,537,131	38,700,640
Fixed interest rate liabilities	-	-	10,000,000	10,000,000
	$ 24,216,249	$ 9,654,404	$ 39,666,561	$ 73,537,214

Additional information about the maturity analysis for lease liabilities:

	Less than 2 Years	2-5 Years	Over 5 Years
Lease liabilities	$ 571,527	$ 572,922	$ 1,556,508

	December 31, 2021			
	Within 1 Year	**1-2 Years**	**Over 2 Years**	**Total**
Non-interest bearing	$ 22,009,915	$ 2,072,448	$ -	$ 24,082,363
Lease liabilities	378,266	330,741	2,765,867	3,474,874
Variable interest rate liabilities	2,002,441	1,641,429	12,055,171	15,699,041
Fixed interest rate liabilities	212,976	-	10,000,000	10,212,976
	$ 24,603,598	$ 4,044,618	$ 24,821,038	$ 53,469,254

Additional information about the maturity analysis for lease liabilities:

	Less than 2 Years	2-5 Years	Over 5 Years
Lease liabilities	$ 709,007	$ 728,362	$ 2,037,505

4) Transfers of financial assets

NTC's factored accounts receivables that are not yet overdue were as follows:

December 31, 2022: None.

December 31, 2021

Counterparty	Receivables Factoring Proceeds	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Sumitomo Mitsui Banking Corporation	$ 98,885	$ -	$ 98,885	0.9

Pursuant to the NTC's factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by NTC, while losses from credit risk are borne by the banks.

31. RELATED PARTY TRANSACTIONS

a. The names and relationships of related parties are as follows:

Related Party	Relationship with the Group
Walsin Lihwa Corporation	Investor that exercises significant influence over the Group
Hwa Bao Botanic Conservation Corp.	Associate
Chin Xin Investment Co., Ltd.	Associate
TPSCo.	Associate (Note)
Nyquest Technology Co., Ltd.	Related party in substance
Walton Advanced Engineering Inc.	Related party in substance
Walton Advanced Engineering Ltd. (Suzhou)	Related party in substance
Chin Cherng Construction Co., Ltd.	Related party in substance
Walsin Technology Corporation	Related party in substance
United Industrial Gases Co., Ltd.	Related party in substance
Hannstar Display Corporation	Related party in substance
Glorystone Inc.	Related party in substance
Waltech Advanced Engineering (Suzhou) Ltd.	Related party in substance
CHIA-HO Green Energy Corporation	Related party in substance
Taiwan Cement Corporation	Related party in substance

Note: The Group has significant influence over TPSCo. since April 2022, therefore TPSCo. has been reclassified from related party in substance to associate. Refer to Note 13 to the consolidated financial statements.

b. Operating activities

	For the Year Ended December 31	
	2022	2021
1) Operating revenue		
Related party in substance	$ 3,506,794	$ 4,040,351
Associate	251,640	-
	$ 3,758,434	$ 4,040,351

Price and terms were determined in accordance with mutual agreements.

	For the Year Ended December 31	
	2022	2021
2) Purchases of goods		
Associate		
TPSCo.	$ 3,099,787	$ -
Related party in substance		
TPSCo.	1,498,020	6,319,062
Others	-	111,089
	$ 4,597,807	$ 6,430,151

Price and terms were determined in accordance with mutual agreements.

	For the Year Ended December 31	
	2022	2021
3) Manufacturing expenses		
Related party in substance		
Walton Advanced Engineering Inc.	$ 2,942,876	$ 3,256,561
Others	2,021,444	2,970,167
Associate	1,408,002	-
	$ 6,372,322	$ 6,226,728
4) Operating expenses		
Associate	$ 233,901	$ -
Related party in substance	125,172	407,834
Investor that exercises significant influence over the Group	14,078	13,788
	$ 373,151	$ 421,622
5) Dividend income		
Investor that exercises significant influence over the Group		
Walsin Lihwa Corporation	$ 355,200	$ 199,800
Related party in substance		
HannStar Display Corporation	149,330	75,000
United Industrial Gases Co., Ltd.	67,118	62,000
Others	58,488	67,495
	$ 630,136	$ 404,295
6) Other income and expenses		
Associate	$ 12,190	$ 64
Related party in substance	977	1,097
	$ 13,167	$ 1,161

	December 31	
	2022	2021
7) Accounts receivable		
Related party in substance	$ 700,437	$ 639,262
Associate	35,222	-
	$ 735,659	$ 639,262

	December 31	
	2022	2021
8) Accounts payable		
Related party in substance	$ 936,286	$ 1,344,195
Associate	252,642	-
	$ 1,188,928	$ 1,344,195
9) Other receivables and other current assets		
Associate		
TPSCo.	$ 54,318	$ -
Related party in substance		
TPSCo.	-	262,957
Others	340	4,396
	$ 54,658	$ 267,353
10) Other payables and other current liabilities		
Associate	$ 188,807	$ -
Related party in substance	155,132	217,462
Investor that exercises significant influence over the Group	-	4
	$ 343,939	$ 217,466
11) Refundable deposits (recorded in “other non-current assets”)		
Related party in substance	$ 1,722	$ 1,722
Investor that exercises significant influence over the Group	203	203
	$ 1,925	$ 1,925
12) Guarantee deposits (recorded in “other non-current liabilities”)		
Related party in substance	$ 250,594	$ 225,869

The Group’s transactions with the related party were conducted in accordance with bilateral contracts, covering transaction price and payment terms.

c. Acquisition of property, plant and equipment

	Purchase Price	
	For the Year Ended December 31	
	2022	2021
Associate	$ 112,128	$ -
Related party in substance	31,725	-
	$ 143,853	$ -

d. Disposal of property, plant and equipment

	Disposal Price For the Year Ended December 31		Gain (Loss) on Disposal For the Year Ended December 31	
	2022	2021	2022	2021
Associate				
TPSCo.	$ 72,749	$ -	$ 155	$ -
Hwa Bao Botanic Conservation Corp.	55,200	-	36,181	-
Related party in substance				
Waltech Advanced Engineering (Suzhou) Ltd.	-	886,862	-	144,679
Others	68	628	68	595
	$ 128,017	$ 887,490	$ 36,404	$ 145,274

The price of above transactions were determined based on the acquisition cost of the machinery equipment and reference to the recent quoted market price.

Refer to Note 31 (g) to the consolidated financial statements for details of finance lease contracts.

e. Disposal of intangible assets

	Disposal Price For the Year Ended December 31		Gain (Loss) on Disposal For the Year Ended December 31	
	2022	2021	2022	2021
Associate				
TPSCo.	$ 204,873	$ -	$ 16	$ -

The price of above transactions were determined based on the acquisition cost of the intangible asset and reference to the recent quoted market price.

Refer to Note 31 (g) to the consolidated financial statements for details of finance lease contracts.

f. Lease arrangements - the Group is lessee

	For the Year Ended December 31	
	2022	2021
1) Acquisition of right-of-use assets		
Investor that exercises significant influence over the Group	$ 1,033	$ -
Related party in substance	-	1,350
	$ 1,033	$ 1,350

	December 31	
	2022	2021
2) Lease liabilities		
Investor that exercises significant influence over the Group	$ 5,845	$ -
Related party in substance	-	11,993
	$ 5,845	$ 11,993

	For the Year Ended December 31	
	2022	2021
3) Interest expense		
Investor that exercises significant influence over the Group	$ 89	$ 20
Related party in substance	87	273
	$ 176	$ 293

g. Lease arrangements - the Group is lessor/sublease arrangements

Lease arrangements - sublease arrangement under operating leases

NTC subleased its right-of-use asset to TPSCo. under operating lease with lease term of 12 years, and the rental is based on similar asset's market rental rates and fixed lease payments are received monthly.

	December 31	
	2022	2021
1) Operating lease receivables		
Associate		
TPSCo.	$ 19,770	$ -
Related party in substance		
TPSCo.	-	20,459
	$ 19,770	$ 20,459
2) Future lease payment receivables		
Associate		
TPSCo.	$ 1,402,999	$ -
Related party in substance		
TPSCo.	-	1,607,021
	$ 1,402,999	$ 1,607,021

	For the Year Ended December 31	
	2022	2021
3) Lease income		
Associate		
TPSCo.	$ 155,271	$ -
Related party in substance		
TPSCo.	55,912	237,011
	$ 211,183	$ 237,011

NTCJ leased out equipment and intangible assets to its associate company, TPSCo., under finance leases with 3-year lease term from the second quarter of 2022. The net investment in leases was NT$277,390 thousand at the inception of the lease and the contract has average implicit interest rate of approximately 1.85% per year. The rental is based on similar asset's market rental rates and the fixed lease payment of JPY107,719 thousand is received quarterly.

As of December 31, 2022, the balance of finance lease receivables was NT$220,182 thousand and no impairment loss was recognized for the year ended December 31, 2022. There was also no gain or loss on the disposal of equipment and intangible assets. The amounts of interest income under finance leases for the year ended December 31, 2022 were NT$3,552 thousand.

h. Disposal of right-of-use assets

In June 2022, NTCJ transferred lease agreement of machinery equipment originally recorded as a right-of-use assets to TPSCo. and generated a gain on lease modification of approximately NT$178,623 thousand. NTC recognized a deferred gain on lease modification of NT$87,526 thousand based on its 49% shareholding ratio, which will be recognized in accordance with the remaining term of the contract.

i. Acquisition of shares

For the year ended December 31, 2022

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
Investor that exercises significant influence over the Group				
Walsin Lihwa Corporation	Current financial assets at FVTOCI	25,527,493	Ordinary shares of Walsin Lihwa Corporation	$ 765,825
Related party in substance				
CHIA-HO Green Energy Corporation	Non-current financial assets at FVTOCI	55,500,000	Ordinary shares of CHIA-HO Green Energy Corporation	555,000
Associate				
TPSCo.	Investments accounted for using equity method	30,919	Ordinary shares of TPSCo.	358,772
Hwa Bao Botanic Conservation Corp.	Investments accounted for using equity method	21,000	Ordinary shares of Hwa Bao Botanic Conservation Corp.	210,000
				$ 1,889,597

For the year ended December 31, 2021: None.

j. Guarantee

Acquisition of guarantee

The chairman of NTC is a joint guarantor of the land-leasing from Taiwan Sugar Corporation. Refer to Note 15 to the consolidated financial statements.

k. Compensation of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employment benefits	$ 964,014	$ 619,221
Post-employment benefits	9,447	25,570
	$ 973,461	$ 644,791

The remuneration of directors and key management personnel was suggested by the remuneration committee having regard to the performance of individuals and market trends. And the remuneration was resolved by the board of directors.

32. PLEDGED AND COLLATERALIZED ASSETS

Refer to Notes 6, 14 and 16 to the consolidated financial statements.

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingent liabilities and unrecognized commitments of the Group as of the end of the reporting period, excluding those disclosed in other notes, were as follows:

a. Amounts available under unused letters of credit as of December 31, 2022 and 2021 were approximately US$3,957 thousand and US$75,493 thousand, JPY321,200 thousand and JPY310,190 thousand and EUR0 thousand and EUR550 thousand, respectively.

b. The Company’s unrecognized commitments were as follows:

	December 31, 2022
Acquisition of property, plant and equipment	$ 23,102,440

c. N Company filed a complaint in the U.S. District Court for the District of Delaware on November 24, 2021. The plaintiff alleged that NTCA (and NTCA only) infringes one of its patents. N Company withdrew the complaint in the U.S. District Court for the District of Delaware in February 2022 and the case was closed.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed.

The significant assets and liabilities denominated in foreign currencies were as follows:

	December 31					
	2022			2021		
	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)	New Taiwan Dollars (In Thousands)	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)	New Taiwan Dollars (In Thousands)
Financial assets						
Monetary items						
USD	$ 417,963	30.71	$ 12,835,638	$ 449,183	27.68	$ 12,433,390
USD	57,785	132.14 (Note 2)	1,774,585	35,252	115.09 (Note 2)	975,769
EUR	1,546	32.72	50,594	1,390	31.32	43,527
JPY	3,612,672	0.2324	839,585	2,165,741	0.2405	520,861
RMB	13,695	4.408	60,366	126,013	4.344	547,400
ILS	9,720	8.7301	84,860	9,584	8.8912	85,210
SGD	2,308	22.88	52,814	522	20.46	10,687
Financial liabilities						
Monetary items						
USD	195,653	30.71	6,008,507	214,994	27.68	5,951,028
USD	31,253	132.14 (Note 2)	959,778	30,482	115.09 (Note 2)	843,735
EUR	3,530	32.72	115,492	49,260	31.32	1,542,839
JPY	3,615,868	0.2324	840,328	3,844,180	0.2405	924,525
ILS	14,046	8.7301	122,624	22,798	8.8912	202,702

Note 1: Except as otherwise noted, exchange rate represents the number of New Taiwan dollars for which one unit of foreign currency could be exchanged.

Note 2: The exchange rate represents the number of JPY for which one U.S. dollar could be exchanged.

For the years ended December 31, 2022 and 2021, refer to the consolidated statements of comprehensive income for details on realized and unrealized net foreign exchange profit (loss). It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

35. ADDITIONAL DISCLOSURE

a. Following are the additional disclosures for material transactions, which the major transactions of parent and subsidiaries and their balances have been fully eliminated when preparing the consolidated financial report:

1)	Financings provided	None
2)	Endorsements/guarantees provided	Table 1
3)	Marketable securities held (excluding investments in subsidiaries and associates)	Table 2
4)	Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital	Table 3
5)	Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital	Table 4
6)	Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital	None
7)	Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital	Table 5
8)	Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital	Table 6
9)	Information about the derivative financial instruments transaction	Note 7
10)	Intercompany relationships and significant intercompany transactions	Table 9

b. Information on investments: Refer to Table 7 attached.

c. Information on investment in mainland China

1)	The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits (losses) of investee, ending balance, amount received as dividends from the investee, and the limitation on investee.	Table 8
2)	Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports. a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. c) The amount of property transactions and the amount of the resultant gains or losses. d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds. f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.	Table 8

d. Information on major shareholders: Refer to Table 10 attached.

36. SEGMENT INFORMATION

a. Basic information about operating segment

1) Classification of operating segments

The Group’s reportable segments under IFRS 8 “Operating Segments” was as follows:

a) Segment of DRAM IC product

The DRAM IC product segment engages mainly in the manufacturing, selling, researching, designing and after-sales service of Mobile RAM and Specialty DRAM.

b) Segment of Flash Memory product

The Flash Memory product segment engages mainly in the manufacturing, selling, researching, designing and after-sales service of Flash Memory product.

c) Segment of Logic IC product

The Logic IC product segment engages mainly in the manufacturing, selling, researching, designing and after-sales service of Logic IC product.

2) Principles of measuring reportable segments, profit, assets and liabilities

The significant accounting principles of each operating segment are the same as those stated in Note 4 to the consolidated financial statements. The Group's operating segment profit or loss represents the profit or loss earned by each segment. The profit or loss is controllable by segment managers and is the basis for assessment of segment performance. Individual segment assets are disclosed as zero since those measures are not reviewed by the chief operating decision maker. Major liabilities are arranged based on the capital cost and deployment of the whole company, which are not controlled by individual segment managers.

b. Segment revenues and operating results

The following was an analysis of the Group's revenue from continuing operations by reportable segments.

	Segment Revenue		**Segment Profit and Loss**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2022	**2021**	**2022**	**2021**
DRAM IC product	$ 21,928,754	$ 26,386,578	$ 7,071,962	$ 8,143,308
Flash Memory product	29,863,054	31,895,039	13,294,130	13,516,475
Logic IC product	41,640,173	41,086,910	8,689,183	7,647,126
Total of segment revenue	93,431,981	99,368,527	29,055,275	29,306,909
Other revenue	1,097,809	201,397	1,097,809	201,397
Operating revenue	$ 94,529,790	$ 99,569,924		
Unallocated expenditure				
Administrative and supporting expenses			(8,301,233)	(6,044,264)
Sales and other common expenses			(5,317,270)	(5,036,120)
Income from operations			16,534,581	18,427,922
Non-operating income and expenses				
Interest income			154,580	58,948
Dividend income			634,979	404,585
Other income			540,182	477,608
Share of profit (loss) of associates			512,295	197,908
Gains (losses) on disposal of property, plant and equipment			357,146	174,642
Gains (losses) on disposal of intangible assets			91	(4,803)
Gains (losses) on disposal of investments			-	(436)
Gains (losses) on disposal of non-current held for sale assets			36,181	30,371
Gains (losses) on foreign exchange			968,662	(106,710)

(Continued)

	Segment Revenue		Segment Profit and Loss	
	For the Year Ended December 31		For the Year Ended December 31	
	2022	2021	2022	2021
Gains (losses) on financial instruments at fair value through profit or loss			$ (962,983)	$ 64,345
Interest expense			(94,874)	(205,883)
Other expenses			(522,402)	(512,458)
Impairment loss recognized on property, plant and equipment			(112,266)	(782,949)
Income before income tax			$ 18,046,172	$ 18,223,090

(Concluded)

c. Geographical information

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets (non-current assets exclude financial instruments, deferred income tax assets and post-employment benefit assets) by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2022	2021	2022	2021
Asia	$ 85,135,882	$ 92,987,128	$ 100,482,950	$ 66,879,643
Americas	5,412,842	3,779,368	203,979	189,773
Europe	3,584,558	2,545,900	-	-
Others	396,508	257,528	-	-
	$ 94,529,790	$ 99,569,924	$ 100,686,929	$ 67,069,416

d. Major customer information

For the years ended December 31, 2022 and 2021, the Group's operating revenue were NT$94,529,790 thousand and NT$99,569,924 thousand and single customer contacting 10% or more to the Group's operating revenue were NT$14,393,996 thousand and NT$13,524,520 thousand, respectively. For the years ended December 31, 2022 and 2021, there was no other individual customer exceeded 10% of the Group's operating revenue.

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	WEC	NTCJ	NTC's indirect subsidiary with 100% ownership	$ 17,103,199 (Note 1)	$ 10,706,900 (JPY 46,071,000) (Note 3)	$ 6,972,000 (JPY 30,000,000) (Note 3)	$ 952,840 (JPY 4,100,000)	$ -	7.40	$ 47,081,498 (Note 5)	Y	N	N	
1	NTC	NTCJ	Subsidiary	17,565,938 (Note 2)	2,080,810 (JPY 5,650,000) and (USD 25,000) (Note 4)	2,080,810 (JPY 5,650,000) and (USD 25,000) (Note 4)	659,040 (JPY 287,980) and (USD 19,281)	-	11.85	17,565,938 (Note 6)	Y	N	N	

Note 1: WEC's maximum amount endorsed are limited to 30% of the net equity in latest financial statements of WEC or 150% of the net value of the endorsee company, whichever is lower. WEC's limitation of maximum endorse amount as described are not limited to subsidiaries that directly or indirectly hold 100% of voting shares.

Note 2: NTC's maximum amount endorsed are limited to 20% of the net equity in latest financial statements of NTC or the net value of the endorsee company, whichever is lower. NTC's limitation of maximum endorse amount as described are not limited to subsidiaries that directly or indirectly hold more than 50% of voting shares.

Note 3: The ending balance is approved by the boards of directors of WEC.

Note 4: The ending balance is approved by the boards of directors of NTC.

Note 5: WEC's total maximum amount endorsed are limited to 50% of the net equity in the latest financial statements of WEC.

Note 6: NTC's maximum amount endorsed are based on the net equity in the latest financial statements of NTC.

TABLE 2

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
WEC	Shares							
	Walsin Lihwa Corporation	The investee's chairman are relatives within the second degree of relationship of WEC's chairman. As WEC's corporate director, the investee held 22.20% ownership interest in WEC.	Current financial assets at fair value through other comprehensive income	247,527,493	$ 11,683,298	7	$ 11,683,298	
	Hannstar Display Corporation	The investee's chairman are relatives within the second degree of relationship of WEC's chairman.	〃	150,000,210	1,672,502	5	1,672,502	
	Walsin Technology Corporation	The investee's chairman are relatives within the second degree of relationship of WEC's chairman.	〃	8,400,117	663,609	2	663,609	
	Walton Advanced Engineering Inc.	The investee's chairman are relatives within the second degree of relationship of WEC's chairman. WEC as the investee's director.	〃	50,062,641	568,211	10	568,211	
	Cathay Financial Holdings Co., Ltd.	None	〃	5,305	212	-	212	
	Shares							
	Hsin Chu Golf Country Club	None	Non-current financial assets at fair value through other comprehensive income	3	12,450	-	12,450	
	Linkou Golf Course Corporation	None	〃	1	10,110	-	10,110	
	Intellectual Property Innovation Corporation	WEC as the investee's director	〃	1,000,000	7,671	10	7,671	
	Harbinger III Venture Capital Corp.	WEC as the investee's supervisor	〃	5,440	124	5	124	
	Smart Catch International Co., Ltd.	None	〃	4,000,000	-	16	-	
	CHIA-HO Green Energy Corporation	WEC's chairman as an independent director of the investee's parent company	〃	55,500,000	548,709	15	548,709	
	Preferred stocks							
	Fubon Financial Holding Co., Ltd. Preferred Shares B (2881A)	None	Current financial assets at fair value through profit or loss	182,000	10,993	-	10,993	
	Cathay Financial Holding Co., Ltd. Preferred Stock B (2882A)	None	〃	65,000	3,679	-	3,679	
	Shin Kong Financial Holding Co., Ltd. Preferred Shares B (2888B)	None	〃	829,000	29,761	-	29,761	

(Continued)

Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
WECA	Shares							
	Kneron Holding Company	None	Current financial assets at fair value through profit or loss	377,808	USD 2,000	1	USD 2,000	
	Funds							
	Vanguard Short-Term Corporate Bond ETF (VCSH)	None	Current financial assets at fair value through profit or loss	24,000	USD 1,804	-	USD 1,804	
	iShares National Muni Bond ETF (MUB)	None	〃	17,000	USD 1,794	-	USD 1,794	
	JVP VIII, L.P.	None	Non-current financial assets at fair value through other comprehensive income	-	USD 25,191	7	USD 25,191	
	JVP X Funds	None	〃	-	USD 14,922	4	USD 14,922	
WECJ	Shares							
	Nihon Computer Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	10	JPY -	1	JPY -	
GLMTD	Shares							
	TEGNA Electronics Private Limited	The held company as the investee's director	Non-current financial assets at fair value through other comprehensive income	3,001,000	INR 30,010	10	INR 30,010	
NTC	Shares							
	Yu-Ji Venture Capital Co., Ltd.	The held company as the investee's director	Non-current financial assets at fair value through other comprehensive income	575,000	9,844	5	9,844	
	Brightek Optoelectronic Co., Ltd.	None	〃	34,680	919	-	919	
	United Industrial Gases Co., Ltd.	The held company as the investee's director	〃	8,800,000	492,800	4	492,800	
	Autotalks Ltd. - Preferred E. Share	None	〃	3,932,816	614,200	9	614,200	
	Warrants							
	Autotalks Ltd.	None	Non-current financial assets at fair value through profit or loss	-	76,775	-	76,775	
	Allxon Inc.	None	〃	-	45,000	-	45,000	
SYI	Shares							
	Nyquest Technology Co., Ltd.	The held company as the investee's director	Non-current financial assets at fair value through other comprehensive income	1,650,000	116,985	5	116,985	
NTCJ	Shares							
	Symetrix Corporation	None	Non-current financial assets at fair value through other comprehensive income	50,268	-	1	-	

Note: Refer to Tables 7 and 8 for information of investment in subsidiaries, investments in associates and investment in mainland China.

(Concluded)

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Cost Amount	Number of Shares	Cost Amount	Number of Shares	Amount	Carrying Amount (Note 3)	Gain (Loss) on Disposal	Number of Shares	Cost Amount
WEC	Walsin Lihwa Corporation	Current financial assets at FVTOCI	Issuance of ordinary shares in cash	Investor that exercises significant influence over the Group	222,000,000	$ 2,082,335	25,527,493	$ 765,825	-	$ -	$ -	$ -	247,527,493	$ 2,848,160
	CHIA-HO Green Energy Corporation	Non-current financial assets at FVTOCI	Issuance of ordinary shares in cash	Related party in substance	-	-	55,500,000	555,000	-	-	-	-	55,500,000	555,000
NTCJ	TPSCo.	Investments accounted for using equity method	TPSCo.	Parent company	14,700 (Note)	1,289,679	30,919	358,772	-	-	-	Share of profit (loss) 126,861 Cumulative transition differences 3,326 Unrealized profits and losses on transactions with associates (67,769)	45,619	1,710,869

Note: Under the business acquisition agreement, if TPSCo. turns a net profit during the period of the effective date of the acquisition (September 1, 2020) to March 31, 2022, NTC is required to pay Panasonic Corporation the net profit based on its ownership proportion. Thus, NTC has no significant influence over TPSCo. during the period aforementioned. TPSCo. was recognized as non-current financial assets at fair value through other comprehensive income. Starting from April 2022, the restriction has been waived for NTC, and NTC has significant influence over TPSCo.; accordingly, TPSCo. has been accounted for using the equity method. Share of profit (loss) was recognized as from April 2022 for the period.

TABLE 4

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Property	Event Date	Transaction Amount	Payment Term	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
WEC	Buildings	2022.01.23-2022.12.08	$ 425,823	Monthly settlement by the construction progress and acceptance	L&K Engineering Co., Ltd.	None	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Business purpose	None
	Buildings	2022.01.23-2022.12.22	638,728	Monthly settlement by the construction progress and acceptance	Wholetech System Hitech Ltd.	None	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Business purpose	None
	Buildings	2022.01.23-2022.12.22	454,092	Monthly settlement by the construction progress and acceptance	Jer Yih Electrical Co., Ltd.	None	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Business purpose	None
	Buildings	2022.06.16-2022.12.18	331,348	Monthly settlement by the construction progress and acceptance	Mega Union Technology Incorporated	None	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Business purpose	None
	Buildings	2022.01.23-2022.12.22	341,842	Monthly settlement by the construction progress and acceptance	Rayzher Industrial Co., Ltd.	None	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Business purpose	None

TABLE 5

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
WEC	WEHK	Direct subsidiary with 100% ownership	Sales	$ 7,349,083	14	Net 90 days from invoice date	N/A	N/A	$ 553,174	12	
	WECJ	Direct subsidiary with 100% ownership	Sales	5,640,271	11	Net 90 days from invoice date	N/A	N/A	461,590	10	
	WECN	Indirect subsidiary with 100% ownership	Sales	2,914,234	6	Net 90 days from invoice date	N/A	N/A	1,135	-	
	WECA	Indirect subsidiary with 100% ownership	Sales	1,661,541	3	Net 90 days from invoice date	N/A	N/A	140,764	3	
	NTC	Direct subsidiary with 51% ownership	Sales	173,887	-	Net 30 days from invoice date	N/A	N/A	21,464	-	
WEHK	WEC	Parent company	Purchases	USD 249,304	100	Net 90 days from invoice date	N/A	N/A	USD (18,013)	(100)	
WECJ	WEC	Parent company	Purchases	JPY 24,946,747	97	Net 90 days from invoice date	N/A	N/A	JPY (1,994,248)	(93)	
	NTC	Direct subsidiary with 51% ownership	Purchases	JPY 659,811	3	Net 90 days from invoice date	N/A	N/A	JPY (142,480)	(7)	
WECN	WEC	Parent company	Purchases	RMB 662,557	100	Net 90 days from invoice date	N/A	N/A	RMB (257)	(100)	
WECA	WEC	Parent company	Purchases	USD 56,502	100	Net 90 days from invoice date	N/A	N/A	USD (4,584)	(95)	
NTC	NTHK	NTC's direct subsidiary with 100% ownership	Sales	8,079,378	41	Net 90 days from invoice date	N/A	N/A	141,110	12	
NTC	NTCJ	NTC's indirect subsidiary with 100% ownership	Purchases	1,961,416	24	Net 15 days end of the month	N/A	N/A	(158,632)	(10)	
NTC	Waltech Advanced Engineering (Suzhou) Ltd.	Related party in substance	Purchases	1,045,764	13	Net 15 days end of the month	N/A	N/A	(448,177)	(28)	
NTC	NTSG	NTC's direct subsidiary with 100% ownership	Purchases	335,654	4	Net 15 days end of the month	N/A	N/A	(84,359)	(5)	
NTC	NTCA	NTC's direct subsidiary with 100% ownership	Sales	262,269	1	Net 90 days from invoice date	N/A	N/A	108,679	9	
NTC	WEC	Parent company	Purchases	173,354	2	Net 30 days from invoice date	N/A	N/A	(20,828)	(1)	
NTC	WECJ	Direct subsidiary with 100% ownership	Sales	149,214	1	Net 90 days from invoice date	N/A	N/A	33,052	3	
NTC	Nyquest Technology Co., Ltd.	Related party in substance	Sales	229,401	1	Net 45 days from invoice date	N/A	N/A	15,704	1	
NTHK	NTC	Parent company	Purchases	USD 271,014	100	Net 90 days from invoice date	N/A	N/A	USD (4,595)	(100)	
NTCA	NTC	Parent company	Purchases	USD 8,744	100	Net 90 days from invoice date	N/A	N/A	USD (3,539)	(100)	

(Continued)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
NTCJ	NTC	Parent company	Sales	USD 65,019	8	Net 15 days end of the month	N/A	N/A	USD 5,165	5	
NTSG	NTC	Parent company	Sales	USD 10,791	3	Net 15 days end of the month	N/A	N/A	USD 2,741	9	
	NTCJ	NTC's indirect subsidiary with 100% ownership	Sales	USD 141,550	45	Net 10 days end of the month	N/A	N/A	USD 16,902	56	
NTCJ	NTSG	NTC's direct subsidiary with 100% ownership	Purchases	JPY 19,356,022	37	Net 10 days end of the month	N/A	N/A	JPY (2,233,479)	(25)	
	NTSG	NTC's direct subsidiary with 100% ownership	Sales	JPY 26,308,826	26	Net 10 days end of the month	N/A	N/A	JPY 1,871,831	14	
NTSG	NTCJ	NTC's indirect subsidiary with 100% ownership	Purchases	USD 202,508	69	Net 10 days end of the month	N/A	N/A	USD (14,165)	(71)	
NTCJ	TPSCo.	Associate	Purchases	JPY 20,139,308	39	Net 10 days end of the month	N/A	N/A	JPY (1,087,101)	(12)	
	Waltech Advanced Engineering (Suzhou) Ltd.	Related party in substance	Sales	JPY 13,025,750	13	Net 10 days end of the month	N/A	N/A	JPY 2,864,430	21	
NTSG	Waltech Advanced Engineering (Suzhou) Ltd.	Related party in substance	Sales	USD 7,786	3	Net 10 days end of the month	N/A	N/A	USD 619	2	
AMTC	TPSCo.	Associate	Sales	JPY 1,305,035	50	Net 10 days end of the month	N/A	N/A	JPY 138,201	62	

(Concluded)

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
WEC	WEHK	Direct subsidiary with 100% ownership	$ 553,174	10.55	$ -	-	$ 481,835	$ -
	WECJ	Direct subsidiary with 100% ownership	461,590	9.68	-	-	-	-
	WECA	Indirect subsidiary with 100% ownership	140,764	7.47	-	-	-	-
WECA	WEC	Parent company	USD 5,591	(Note)	-	-	USD 1,571	-
NTC	NTHK	NTC’s direct subsidiary with 100% ownership	141,110	91.16	-	-	141,110	-
	NTCA	NTC’s direct subsidiary with 100% ownership	108,679	3.49	-	-	108,679	-
NTSG	NTCJ	NTC’s indirect subsidiary with 100% ownership	USD 16,902	9.69	-	-	USD 16,902	-
NTCJ	NTSG	NTC’s direct subsidiary with 100% ownership	JPY 1,871,831	14.11	-	-	JPY 1,871,831	-
	NTC	Direct subsidiary with 51% ownership	USD 5,165	17.08	-	-	USD 5,165	-
	Waltech Advanced Engineering (Suzhou) Ltd.	Related party in substance	JPY 2,864,430	4.91	-	-	JPY 2,864,430	-

Note: Other receivables are not applicable to calculation of turnover rate.

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars and U.S. Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
Winbond Electronics Corp.	Nuvoton Technology Corporation	Taiwan	Research, design, development, manufacture and marketing of Logic IC, 6 inch wafer product, test, and OEM	$ 4,436,920	$ 4,436,920	214,954,635	51.00	$ 8,941,174	$ 4,220,773	$ 2,161,530	
	Winbond International Corporation	British Virgin Islands	Investment holding	2,758,517	2,758,517	87,960,000	100.00	2,067,211	30,439	30,439	
	Winbond Electronics (HK) Limited	Hong Kong	Sales of semiconductor and investment holding	278,158	278,158	71,150,000	100.00	581,154	129,345	129,338	
	Miraxia Edge Technology Corporation	Japan	Software and hardware integration design of semiconductor	167,660	167,660	4,000	100.00	234,733	69,921	69,921	
	Landmark Group Holdings Ltd.	British Virgin Islands	Investment holding	168,755	168,755	5,343,000	100.00	185,332	51,954	51,954	
	Winbond Electronics Corporation Japan	Japan	Research, development, sales and after-sales service of semiconductor	190,070	-	2,970	100.00	312,463	147,128	101,815	(Note 1)
	Great Target Development Ltd.	Seychelles	Investment holding	155,663	155,663	4,470,000	100.00	132,048	(404)	(404)	
	Callisto Holding Limited	Hong Kong	Electronic commerce and investment holding	156,292	156,292	40,000,000	100.00	95,763	(17,185)	(17,185)	
	Winbond Technology Ltd.	Israel	Design and service of semiconductor	21,242	21,242	100,000	100.00	87,383	12,301	12,301	
	Winbond Electronics Germany GmbH	Germany	Marketing service of semiconductor	28,679	28,679	850,000	100.00	25,717	673	673	
	Pine Capital Investment Limited	Hong Kong	Investment holding	2,967	2,967	780,000	100.00	2,929	26	26	
	Chin Xin Investment Co., Ltd.	Taiwan	Investment holding	1,874,825	1,874,825	182,840,999	38.00	7,996,268	1,026,111	386,750	
	Hwa Bao Botanic Conservation Corp.	Taiwan	Agriculture and forestry botanic conservation	240,000	30,000	24,000,000	30.00	264,303	(5,630)	(1,316)	
Winbond International Corporation	Winbond Electronics Corporation America	United States of America	Design, sales and service of semiconductor	1,683,207	1,683,207	3,067	100.00	2,097,702	30,487	30,487	
Landmark Group Holdings Ltd.	Winbond Electronics Corporation Japan	Japan	Research, development, sales and after-sales service of semiconductor	-	112,644	-	-	-	147,128	45,313	(Note 1)
Callisto Holding Limited	Callisto Technology Limited	Hong Kong	Electronic commerce and investment holding	30,895 USD 1,000	30,895 USD 1,000	1,000,000	100.00	30,362 USD 989	(192) USD (6)	(192) USD (6)	
Great Target Development Ltd.	GLMTD Technology Private Limited	India	Sales and service of semiconductor	135,415	135,415	27,998,400	99.99	102,348	(524)	(524)	
Miraxia Edge Technology Corporation	Miraxia Technology Taiwan Corporation	Taiwan	Development of software and services for automotive and industrial control	3,000	-	300,000	100.00	3,000	-	-	(Note 2)
Nuvoton Technology Corporation	Nuvoton Electronics Technology (H.K.) Limited	Hong Kong	Sales of semiconductor	427,092	427,092	107,400,000	100.00	611,146	66,834	66,834	
	Marketplace Management Limited	British Virgin Islands	Investment holding	274,987	274,987	8,897,789	100.00	285,197	(17,224)	(17,224)	
	Nuvoton Investment Holding Ltd.	British Virgin Islands	Investment holding	590,953	590,953	17,960,000	100.00	368,652	(17,278)	(17,278)	
	Song Yong Investment Corporation	Taiwan	Investment holding	38,500	38,500	3,850,000	100.00	147,758	14,445	14,445	
	Nuvoton Technology India Private Limited	India	Design, sales and service of semiconductor	30,211	30,211	600,000	100.00	21,647	1,186	1,186	
	Nuvoton Technology Corporation America	United States of America	Design, sales and service of semiconductor	190,862	190,862	60,500	100.00	210,631	10,280	10,280	
	Nuvoton Technology Singapore Pte. Ltd.	Singapore	Design, sales and service of semiconductor	1,319,054	1,319,054	45,100,000	100.00	1,959,771	168,131	168,131	
	Nuvoton Technology Korea Limited	Korea	Design, sales and service of semiconductor	30,828	30,828	125,000	100.00	12,708	907	907	
	Nuvoton Technology Holdings Japan	Japan	Investment holding	5,927,849	5,927,849	100	100.00	7,567,843	1,352,222	1,352,222	
Marketplace Management Limited	Goldbond LLC	United States of America	Investment holding	1,473,559	1,473,559	-	100.00	285,197	(16,951)	(16,951)	
Nuvoton Investment Holding Ltd.	Nuvoton Technology Israel Ltd.	Israel	Design and service of semiconductor	46,905	46,905	1,000	100.00	294,012	(3,737)	(3,737)	
Nuvoton Technology Holdings Japan	Nuvoton Technology Corporation Japan	Japan	Design, sales and service of semiconductor	111,520	111,520	9,480	100.00	11,402,133	1,352,086	1,352,086	
Nuvoton Technology Corporation Japan	Atfields Manufacturing Technology Corporation	Japan	Design and service of semiconductor	55,760	55,760	4,000	100.00	233,534	91,737	91,737	
	Tower Partners Semiconductor Co., Ltd.	Japan	Foundry and sales of semiconductor	1,648,451	-	45,619	49.00	1,710,869	493,050	126,861	(Notes 3 and 4)

Note 1: The acquisition of 100% ownership of WECJ from Landmark was approved by WEC's board meeting on August 4, 2022. The acquisition date was set on November 30, 2022.

Note 2: Miraxia Technology Taiwan Corporation was established in November 2022.

Note 3: Share of profit (loss) includes downstream and upstream transactions.

Note 4: Under the business acquisition agreement, if TPSCo. turns a net profit during the period of the effective date of the acquisition (September 1, 2020) to March 31, 2022, NTC is required to pay Panasonic Corporation the net profit based on its ownership proportion. Thus, NTC has no significant influence over TPSCo. during the period aforementioned. TPSCo. was recognized as non-current financial assets at fair value through other comprehensive income. Starting from April 2022, the restriction has been waived for NTC, and NTC has significant influence over TPSCo.; accordingly, TPSCo. has been accounted for using the equity method. Share of profit (loss) was recognized as from April 2022 for the period.

Note 5: Refer to Table 8 for information on investment in mainland China.

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars and Foreign Currencies)

1. Information on any investee company in mainland China, main businesses and procedures, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period and repatriations of investment income:

Investor Company	Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 1)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
						Outward	Inward						
WEC	Winbond Electronics (Suzhou) Limited	Design, development and marketing of VLSI integrated ICs	$ 276,435 (USD 9,000)	Through investing in WEHK in the third area, which then invested in the investee in Mainland China indirectly	$ 276,435 (USD 9,000)	$ -	$ -	$ 276,435 (USD 9,000)	$ 38,278	100	$ 38,278	$ 419,622	$ 35,880
NTC	Nuvoton Electronics Technology (Shanghai) Limited	Provide projects for sale in China and repairing, testing, consulting of software and equipment lease of semiconductor	68,036 (USD 2,000)	Through investing in MML in the third area in British Virgin Islands, which then invested in the investee in Mainland China indirectly	68,036 (USD 2,000)	-	-	68,036 (USD 2,000)	(16,630)	51	(8,516)	147,465	-
	Winbond Electronics (Nanjing) Ltd.	Computer software service (except I.C. design)	16,429 (USD 500)	Through investing in MML in the third area in British Virgin Islands, which then invested in the investee in Mainland China indirectly	16,429 (USD 500)	-	-	16,429 (USD 500)	-	51	-	(1,556) (Note 2)	-
	Nuvoton Electronics Technology (Shenzhen) Limited	Computer software service (except I.C. design), wholesale business for computer, supplement and software	197,670 (USD 6,000)	Through investing in NTHK in the third area, which then invested in the investee in Mainland China indirectly	197,670 (USD 6,000)	-	-	197,670 (USD 6,000)	4,749	51	2,432	117,041	-
NTSH	Song Zhi Electronics Technology (Suzhou)	Provide development of semiconductor and technology, consult service and equipment leasing business	8,688 (CNY 2,000) (Note 3)	Through investing in NTSH in the third area, which then invested in the investee in Mainland China indirectly	- (Note 3)	-	-	- (Note 3)	(16)	51	(8)	4,203	-

Note 1: Investment profit or loss for the year ended December 31, 2022 was recognized under the basis of the financial statements audited by the Company's auditor.
Note 2: WENJ has a negative net book value as of December 31, 2022, which is reclassified to other non-current liabilities.
Note 3: NTSH directly injected the capital in Song Zhi Electronics Technology (Suzhou).

2. Information on any investee company in mainland China, main businesses and procedures, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period and repatriations of investment income:

Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
WEC	$ 276,435 (USD9,000)	$ 276,435 (USD9,000)	$ 56,497,798
NTC	282,135 (USD8,500)	282,135 (USD8,500)	10,539,562

Note 4: Upper limit on the amount of 60% of the investee's net book value.

3. Refer to Table 5 for significant transactions with the investee in mainland China directly and indirectly through investing in companies in the third area.
4. Handling endorsement, guarantee and collateral to the investee in Mainland China directly and indirectly through investing in companies in the third area: None.
5. Financing of funds to investee in mainland China directly and indirectly through investing in companies in the third area: None.
6. Other transactions with significant influence on profit or loss for the period or financial performance: None.

TABLE 9

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars and Foreign Currencies)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			Percentage of Consolidated Total Gross Sales or Total Assets (%)
				Financial Statement Account	Amount	Terms	
0	WEC	WEHK	Transactions between parent company and subsidiaries	Operating revenue	$ 7,349,083	-	8
		WEHK	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	553,174	-	-
		WECA	Transactions between parent company and subsidiaries	Operating revenue	1,661,541	-	2
		WECA	Transactions between parent company and subsidiaries	Operating expenses	577,400	-	1
		WECA	Transactions between parent company and subsidiaries	Other payables	171,691	-	-
		WECA	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	140,764	-	-
		WECJ	Transactions between parent company and subsidiaries	Operating revenue	5,640,271	-	6
		WECJ	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	461,590	-	-
		WECJ	Transactions between parent company and subsidiaries	Operating expenses	265,877	-	-
		WTL	Transactions between parent company and subsidiaries	Operating expenses	380,023	-	-
		WECN	Transactions between parent company and subsidiaries	Operating revenue	2,914,234	-	3
		NTC	Transactions between parent company and subsidiaries	Operating revenue	173,887	-	-
1	WECJ	NTC	Transactions between subsidiaries	Purchases of goods	149,108	-	-
2	NTC	NTHK	Transactions between parent company and subsidiaries	Operating revenue	8,079,378	-	9
		NTHK	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	141,110	-	-
		NTIL	Transactions between parent company and subsidiaries	Operating expenses	1,136,241	-	1
		NTCA	Transactions between parent company and subsidiaries	Operating expenses	417,532	-	-
		NTCA	Transactions between parent company and subsidiaries	Operating revenue	262,269	-	-
		NTCA	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	108,679	-	-
		NTCJ	Transactions between parent company and subsidiaries	Operating costs	1,961,416	-	2
		NTCJ	Transactions between parent company and subsidiaries	Accounts payable due to related parties	158,632	-	-
		NTSG	Transactions between parent company and subsidiaries	Operating costs	335,654	-	-
3	NTCJ	NTSG	Transactions between subsidiaries	Operating revenue	JPY 26,308,826	-	6
		NTSG	Transactions between subsidiaries	Accounts receivable due from related parties	JPY 1,871,831	-	-
4	NTSG	NTCJ	Transactions between subsidiaries	Operating revenue	USD 141,550	-	4
		NTCJ	Transactions between subsidiaries	Accounts receivable due from related parties	USD 16,902	-	-
5	AMTC	NTCJ	Transactions between subsidiaries	Other operating revenue	JPY 1,489,444	-	-

Note 1: There is no significant difference between the sales conditions of parent-subsidiary sales and general sales, and the rest of the transactions have no similar transactions to follow, thus the transactions between the two parties are based on the agreement.

Note 2: Significant intercompany transactions refer to transactions amounted to NT$100 million.

TABLE 10

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Walsin Lihwa Corporation	883,848,423	22.20
Chin Xin Investment Co., Ltd.	240,003,072	6.03

Note 1: Table 10 is based on the information on the last business day of the quarter provided by the Taiwan Depository & Clearing Corporation (TDCC). The TDCC calculate the total number of ordinary shares and preferred shares held by shareholders who retain more than 5% of the Company's share (including treasury shares) that have delivered without physical registration. The number of shares in the Company's consolidated financial report and the actual number of shares delivered without physical registration may differ due to the different calculation basis.

Note 2: As per information above, if the shareholder delivers the shares to the trust, shares will be disclosed based on the trustee's account. Additionally, according to the Securities and Exchange Act, internal stakeholder whom holds more than 10% of the Company's share, which includes shares held by the stakeholder and parts delivered to the trust that have decision making rights, should be declared. For information regarding internal stakeholder declaration, please refer to the Market Observation Post System website of the Taiwan Stock Exchange Corporation.