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晶焱科技股份有限公司
AMAZING Microelectronic Corp.

2022

Annual Report

Printed on May 24, 2023

Notice to Readers:

The reader is advised that the annual report
has been prepared originally in Chinese.
The English version is directly translated
from Chinese version.

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V. Name of the Offshore Stock Exchange and Method for Accessing Information on Offshore Securities: N/A.

VI. Company Website: www.amazingic.com

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I. Letter to Shareholders

(I) 2022 Business Report

A. Business Plan Implementation:

In 2022, under the influence of the COVID-19 and the overall economic turmoil in Taiwan and the world, AMAZING Microelectronic Corp. will continue to serve customers' product design and production needs by focusing on the "Electrostatic Protection Measures" of electronic products, and continue to gain high trust and support from customers in the chaotic environment. In terms of revenue, it decreased from NT\$ 4,141,984 thousand in 2021 to NT\$2,811,260 thousand in 2022, and the net profit attributable to the parent company after tax also decreased from NT\$ 940,570 thousand in 2021 to NT\$ 459,241 thousand in 2022, mainly due to a decrease in market demand, resulting in a decrease in revenue compared to the previous year. But AMAZING Microelectronic Corp. will continue to become a leading group in the global market competition with the efforts of all employees.

B. Budget Implementation status:

According to current laws and regulations, the Company has not disclosed its financial forecast for the year 2022.

C. Financial Revenue and Profitability Analysis:

1. Financial Revenue

Unit: NT\$ Thousand; %

Item	2021	2022	Increase (decrease) amount	Increase (decrease) %
Operating revenue	4,141,984	2,811,260	(1,330,724)	(32%)
Operating costs	2,183,846	1,691,655	(492,191)	(23%)
Gross profit	1,958,138	1,119,605	(838,533)	(43%)
Net operating income	1,141,037	354,926	(786,111)	(69%)
Profit before tax	1,118,892	522,171	(596,721)	(53%)
Profit (Note)	921,738	431,899	(489,839)	(53%)

Note: The net profit after tax for the year 2022 is \$459,241 for the owner of the parent company; Non controlling interest \$ (27,342).

2. Profitability Analysis

Unit: %; NT\$

Item	2021	2022
Return on Assets	16.97	7.24
Return on Shareholders' Equity	23.37	10.23
Ratio of income before tax to paid-in capital	122.23	56.17
Net Profit Margin	22.25	15.36
Basic EPS(in NT\$)	10.32	4.97

D. Research and Development:

In order to continuously strengthen our technological strength, the Company's research and development expenditure in 2022 was NT\$ 415,855 thousand an increase of 1.48% compared to the research and development expenditure of NT\$ 409,793 thousand in 2021.

E. The recent development achievements are as follows:

The development of electrostatic protection components and technologies has accumulated fruitful results, successfully promoting products to various application fields, such as:

1. NB, PC, TV, Monitor, and Networking Application Fields

AMAZING Microelectronic Corp. takes customer needs as the starting point and designs complete specifications to meet customer needs for developing new products. According to the evolution of system specifications, we continue to provide the latest and complete ESD/EOS protection solutions, including various electrical, protection, and packaging specifications required for joints and interfaces, such as USB4, USB3.0/3.1/3.2 Type-C, USB3.0/3.1/3.2 Type-A, USB2.0, Thunderbolt-1/2/3/4, HDMI-1.4/2.0/2.1, DisplayPort-1.1/1.2/1.3/1.4/2.0, LAN 10/100/1000M, LAN 2.5G/5G/10G, PCIe-4.0, Wifi-6, LED, Adapter-In, Touch Panel, PS2, SFP, Keyboard, mSATA, VGA, DVI, SD Card, SIM Card, RS232, RS485, SMBus, Audio/Speaker, GPIO, PowerButtons, XDSL, etc.

2. LCM and Panel Application Fields

AMAZING Microelectronic Corp. takes customer needs as the starting point and designs complete specifications to meet customer needs for developing new products. According to the evolution of system specifications, we continue to provide the

latest and complete ESD/EOS protection solutions, including various electrical, protection, and packaging specifications required for joints and interfaces, such as V-by-One(HS), V-by-One(US), eDP-2.0, eDP-1.2/1.4, USI-T, Mini-LVDS, LVDS-ESD, LVDS-Surge, MIPI, GOA, Touch Panel-USB Lines, 3.3V I2C, 5V I2C, LED, Touch Panel-Power, Power Lines, etc.

3. IPC, DVR, and Medical Electronic Application Fields

AMAZING Microelectronic Corp. takes customer needs as the starting point and designs complete specifications to meet customer needs for developing new products. According to the evolution of system specifications, we continue to provide the latest and complete ESD/EOS protection solutions, including various electrical, protection, and packaging specifications required for joints and interfaces, such as HDMI/DisplayPort-High Speed TMDS, HDMI/DisplayPort-Control Lines, LAN 2.5G/5G/10G, LAN 10/100/1000-Surge Line-to-Line, LAN 10/100/1000-Surge Line-to-Ground, Antenna, USB PD3.1 Type-C, USB3.1 Gen 2 Type-C, USB Type-C D+/D-/CC/SBU/VBUS, USB 3.1 Gen2 Type-A, USB Type-A VBUS, USB2.0/CF Card/SD Card Reader, RS485/RS232/RS422, UART, SIM Card, Audio/Microphone, LED, Power/Reset, etc.

4. Hand Held Portable Devices Application Fields

AMAZING Microelectronic Corp. takes customer needs as the starting point and designs complete specifications to meet customer needs for developing new products. According to the evolution of system specifications, we continue to provide the latest and complete ESD/EOS protection solutions, including various electrical, protection, and packaging specifications required for joints and interfaces, such as Antenna/GPS, LVDS, HDMI, MIPI, Touch Panel-MIPI, Wearables-USB2.0, USB2.0 D+/D-, USB3.1 Gen 1 Type-C, USB Type-C CC, USB3.1 Gen 1 Type-A, USB VBUS EOS, Touch Panel-Control Lines, Wearables-Power, Button, High Speed Signal Lines, Audio/MIC/Speaker, VBAT-EOS, Power Lines, Low Speed Signal Lines, Wireless Charger, etc.

5. Automotive Application Fields

AMAZING Microelectronic Corp. takes customer needs as the starting point and designs complete specifications to meet customer needs for developing new products. According to the evolution of system specifications, we continue to provide the latest and complete ESD/EOS protection solutions, including various electrical, protection, and packaging specifications required for joints and interfaces, such as Entertainment System-HDMI TMDS Pairs/Control Pin, Wireless Module, USB 2.0, Panel MIPI Signal Lines, Panel FPD-Link/GSML, Panel-LVDS Signal Lines, Entertainment System-Power, Vehicle Tracker, Head Up Display Signal/Power, CAN Bus, LIN BUS, LED Driver, Panel-Power/Control Lines, Digital Video Module, SD Card, Charger, Power, etc.

6. Interface Functional Chip Integrating Electrostatic Protection Design into Single Chip(RS485/RS232/CAN Transceiver IC)

According to the evolution of system specifications, we continue to provide the latest complete electrical, protection, and packaging specifications for the following systems and applications, such as Out-Plant, Medical and Industrial Control System, Monitoring System Networks and IPC, Automobile Electronics, Building Automation Networks, Commercial POS and Large Billboard, to meet customer needs for developing new products.

(II) Annual outlook

Looking ahead to 2023, AMAZING Microelectronic Corp. has complex tasks to complete in the formation of a new global environment, such as supply chain adjustment, cost control, gross profit margin maintenance, new market exploration, introduction of new applications, and development of new products. In order to maintain the company's revenue and profitability in a turbulent environment, the integration project of internal resources and manpower is a key focus, in order to enable AMAZING Microelectronic Corp.'s revenue and profitability to return to the growth trajectory during the overall economic recovery. However, the core of competitiveness is still products. AMAZING Microelectronic Corp. will follow the planned product research and development blueprint, continuously strengthen its research and development capabilities and continue to accumulate intellectual

property, so as to continuously provide innovative and efficient Electrostatic Discharge (ESD) protection solutions required by electronic products in various fields, and furthermore assist customers in avoiding system crashes or damage caused by electrostatic discharge impacts on their electronic products by improving the quality stability of their products, and enhancing their competitiveness and brand image.

In addition, AMAZING Microelectronic Corp. will also keep up and firmly lock in the rise of emerging applications, leading the development of electrostatic discharge protection IC technology required by these emerging applications. The emerging fields targeted include 5G communication applications, Industry 4.0 applications, smart vehicle electronic systems, precision smart medical electronic systems, IoT (Internet of Things) and AIoT (Intelligent Internet of Things), as well as artificial intelligence related applications (including green energy electronics, smart action devices, smart home appliances, and cloud computing). In addition, as the usage environment of electronic products has become increasingly diverse, Surge protection schemes, Electrical Over Stress(EOS) protection schemes, and Electromagnetic Interference (EMI) protection solutions have been established and have become necessary protection designs for electronic products, just like Electrostatic Discharge (ESD) protection schemes.

AMAZING Microelectronic Corp. has invested in research and development efforts to develop the most suitable protective components for customers' needs in these three types of protection solutions, and will continue to invest research and development resources. At the same time, AMAZING Microelectronic Corp. will continue to expand its product range, such as new high-quality Electrical Over Stress(EOS) protection solutions that can be applied in various fields, new integrated Electromagnetic Interference (EMI) protection solutions and analog interface chips with both Electrostatic Protection performance (such as various types of analog signal transceivers, analog signal drivers, analog signal isolators, and analog sensing signal amplifiers, etc.) to provide customers with no need for additional Electrostatic Protection measures. While not affecting the

performance of analog signal processing, they solve the performance and cost problems faced by customers in analog signal processing needs at once.

AMAZING Microelectronic Corp.

Chairman: Lee, Chun-Chan

President: Jiang, Hsin-Chin

II. Company Profile

(I) Date of Incorporation : January 26, 2006

(II) Company History :

- Jan. 2006 AMAZING Microelectronic Corp. was established with a share capital of NT\$ 75,000,000, issued at par with a face value of NT\$10 .
- Jun. 2006 AMAZING Microelectronic Corp. has successfully developed the first electrostatic protection component AZ1015-04S specifically designed for USB2.0 applications, with electrostatic protection performance surpassing international manufacturers' products.
- Jul. 2006 AZ1015-04S was successfully used by domestic computer manufacturers.
- Sep. 2006 AZ1015-04S was shipped over one million units.
- Oct. 2006 ISO 9001 certification was obtained.
- May 2007 AMAZING Microelectronic Corp. obtained a subsidy from the SBIR program of the Ministry of Economic Affairs for its "Research and Development Plan for Electrostatic Protection IC Technology for HDMI Interface".
- Jul. 2007 A cash capital increase of NT\$105,000,000 was handled, issued at a parity of NT \$10 per share, with a paid-in capital of NT\$180,000,000 after the capital increase.
- Nov. 2007 A Hong Kong branch was established, mainly responsible for logistics related matters.
- Dec. 2007 A cash capital increase of NT\$ 38,000,000 was handled, issued at a premium of NT\$15 per share, with a paid-in capital of NT\$ 218,000,000 after the capital increase.
- Jan. 2008 A cash capital increase of NT\$ 72,000,000 was handled, issued at a premium of NT\$27.78 per share, with a paid-in capital of NT\$ 290,000,000 after the capital increase.
- Feb. 2009 AMAZING Microelectronic Corp. launched a series of 3V electrostatic protection components, mainly designed for low voltage applications such as hand held systems to modulate optimal electrostatic protection performance.
- Mar. 2009 IECQ QC080000 certification was obtained.
- Jul. 2009 AMAZING Microelectronic Corp. obtained an award of the "Outstanding SBIR R&D Achievement Award" by the Technology Department of the Ministry of Economic Affairs for its "Research and Development Plan for Electrostatic Protection IC Technology for HDMI Interface".
- Dec. 2009 AMAZING Microelectronic Corp. obtained a subsidy from the Small Business Innovation and Research Program (SBIR) project by the Technology Department of the Ministry of Economic Affairs for its advanced system level of electrostatic protection chip design program.
- Jan. 2010 ISO 14001 certification was obtained.
OHSAS18001 certification was obtained.
- Feb. 2010 It successfully developed an electrostatic protection component specifically designed for USB3.0 applications, with an ultra-low load capacitance of 0.27pF, the only one in the industry.
- Nov. 2010 It purchased the Zhonghe Office.
- Jan. 2011 AMAZING Microelectronic Corp. successfully developed a subminiature packaging product with a volume size of only 0.6mm x 0.3mm x 0.3mm, which is used for lightweight and short hand held products.

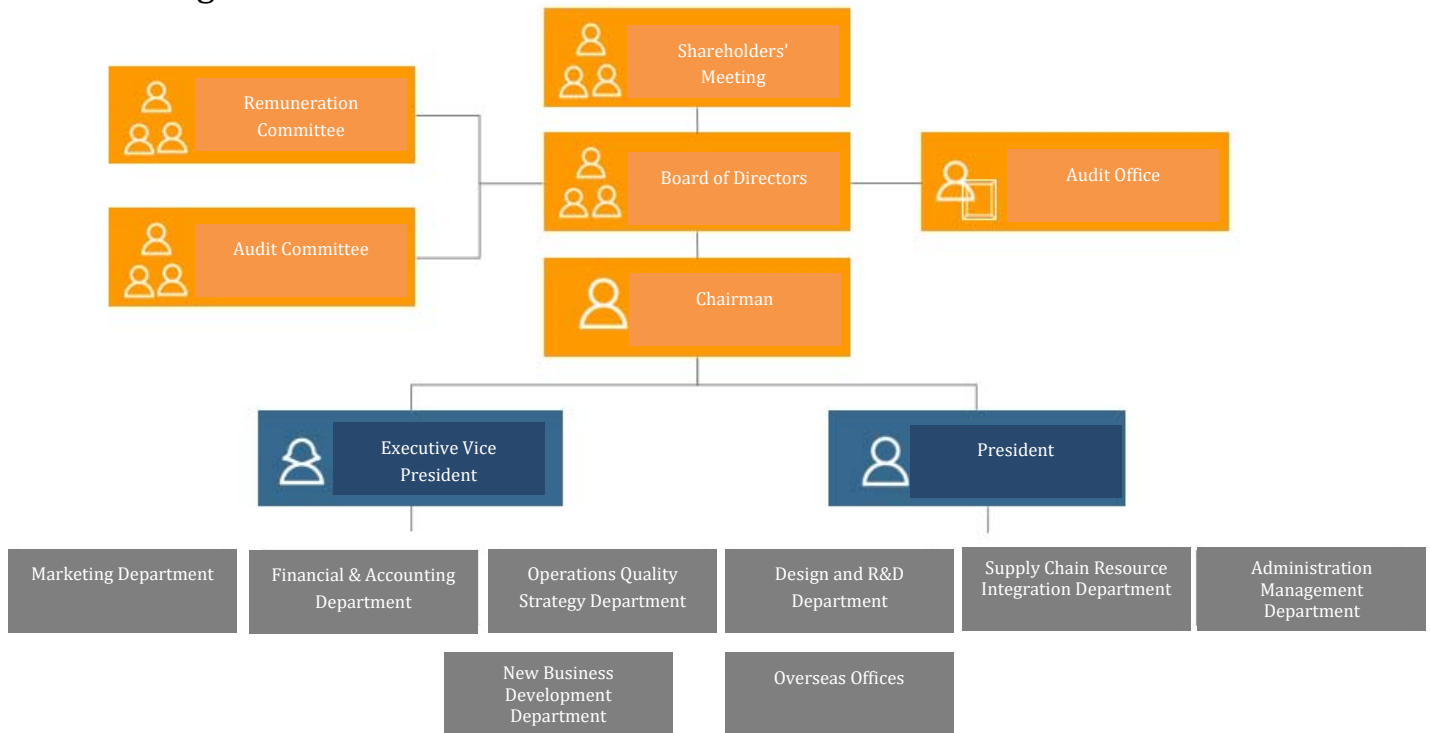
Jun. 2011	It launched an integrated RS485 high-speed transmission series product, which has (\pm 30KV) ultra-high electrostatic protection capability, ultra-high (\pm 30A) surge protection capability, and a transmission speed of up to 10Mbps, making it the highest level product in the industry.
Jun. 2011	It purchased the Hsinchu office.
Jul. 2011	A Capital Surplus Transferred to Capital of NT\$ 29,000,000 was handled, with a paid-in capital of NT\$ 319,000,000 after the capital increase.
Nov. 2011	It successfully developed an integrated HDMI switch with built-in Flash and ultra-high electrostatic protection capabilities, reducing the need for additional EEPROM/Flash ICs to help customers reduce motherboard costs.
Dec. 2011	The conversion of employee stock options was handled with a share price of NT\$ 43,500,000 and an exercise price of NT\$15 per share increases the capital amount to NT\$ 362,500,000.
Jan. 2012	AMAZING Microelectronic Corp. launched a series of integrated EMI and electrostatic protection components for hand held device interfaces such as LCD, USB, Keypad, MMC, etc.
Apr. 2012	A cash capital increase of NT\$ 100,000,000 was handled, issued at a premium of NT\$18 per share, with a paid-in capital of NT\$ 462,500,000 after the capital increase.
Jul. 2012	A Capital Surplus Transferred to Capital of NT\$ 92,500,000 was handled, with a paid-in capital of NT\$ 555,000,000 after the capital increase.
Aug. 2012	AMAZING Microelectronic Corp. launched a series of customized electrostatic protection products for mobile phones and tablets, which are ultra-lightweight but still maintain high efficiency.
Sep. 2012	A Shenzhen office was established to expand the market and service reach to the southern region of mainland China.
Nov. 2012	Public issuance of stocks was handled.
Dec. 2012	OTC Exchange of unlisted stocks.
Dec. 2012	A Shanghai office was established to expand the market and service reach to the eastern region of mainland China.
Mar. 2014	A cash capital increase of NT\$ 74,000,000 was handled, with a paid-in capital of NT\$ 629,000,000 after the capital increase.
Mar. 2014	OTC listing of the Stock.
Dec. 2014	It purchased the Hsinchu office.
2014	A total of NT\$ 2,000,000 was donated to the Kaohsiung Municipal Government.
Oct. 2015	A Beijing office was established to expand the market and service reach to the North China region of the mainland.
Nov. 2015	OTC listing of new shares of restricted employee rights.
2015	A total of NT\$ 600,000 was donated to four associations including the Taiwan Wetland Protection Organization.
Feb. 2016	It successfully developed the smallest 01005 packaging size protection component, suitable for the strict space requirements of fingerprint recognition chip modules for packaging.
Mar. 2016	It launched a series of EOS surge protection components for power protection solutions, suitable for fast charging of mobile phones and surge protection of USB Type-C power terminals.
2016	A total of NT\$4,780 thousand was donated to nine associations including the Cancer Hope Foundation.

Jan. 2017	It developed the CAN Receiver AZCAN1042T with the highest accidental contact protection voltage of 70V in the industry, suitable for demanding Automotive applications.
Jun. 2017	It reinvested in A-Neuron Electronic Corp.
Oct. 2017	It purchased the Taipei office.
Dec. 2017	It launched AZCAN1042T/AZCAN1040T - CAN Transceiver IC with the highest Fault voltage protection and the strongest System Level ESD withstand voltage, has the highest resistance to bus EFT and ISO7637 interference, allowing the CAN Transceiver to withstand extreme harsh environments.
Dec. 2017	It launched the AZRS6023-60Mbps ultra high speed RS485 Transceiver IC, allowing the RS485 transmission interface to transmit data stably and efficiently when applied in the industrial control field.
2017	A total of NT\$ 2,107 thousand was donated to eight associations including the World Vision International in Taiwan.
2018	A total of NT\$ 6,656 thousand was donated to 10 associations including the World Vision International Foundation and Cancer Hope Foundation in Taiwan.
2019	A total of NT\$ 4,415 thousand was donated to 8 associations including the Private Meiji Social Welfare Foundation and the Cancer Hope Foundation.
Jun. 2020	It Reinvested in AIP Technology Corporation.
Dec. 2020	It purchased the Hsinchu office.
2020	A total of NT\$ 4,426 thousand was donated to 10 associations, including the World Vision International Association and the Taiwan Tuberous Sclerosis Association.
2020	It obtained 22 patent rights, such as semiconductor packaging structures.
May 2021	It purchased the Taipei office.
2021	A total of NT\$ 4,830 thousand was donated to 10 associations, including the World Vision International Association and the Taiwan Tuberous Sclerosis Association.
2021	It obtained 22 patent rights, such as silicon controlled rectifier with floating base.
2022	A total of NT\$ 5,538 thousand was donated to 13 associations including the World Vision International and the Foundation for the Prevention and Treatment of Liver Diseases.
2022	It obtained 22 patent rights, such as digital isolator circuits with pulse carrier modulation.
2022	The 2021 sustainable report was verified by a third-party verification agency.
Jan. 2023	It Obtained IATF16949:2016 Statement certification.

III. Corporate Governance Report

(I) Organization

A. Organizational chart



B. Business activities of main divisions

Department	Functions
Chairman/ President's Office	Adhering to the resolutions of the shareholders' meeting and the board of directors, comprehensively managing all affairs of the company, responsible for medium and long-term strategic planning, and managing the Implementation of various business operations.
Audit Office	Implementing and improving business activities, operating procedures, routine audits, and internal control systems, and providing management analysis and reports.
Design and R&D Department	1.Responsible for product research and development and design, product circuit layout and verification, patent case integration, review, application and management, etc. 2.Establishing core design technologies, new wafer processes, component and computer simulation development, assisting market departments in searching and confirming new product specifications, etc. 3.Definition of products and applications. 4.MIS system analysis, development and maintenance, computer room maintenance and problem elimination, internal and external website management.
New Business Development Department	New market expansion planning, new product market business promotion, etc.
Marketing Department	◎ Marketing Department: Responsible for conducting market research at home and abroad, analyzing industry trends, planning for expanding new market areas, drafting and executing production and sales plans, and promoting new product market business. ◎ Customer Service Department: Customer order support and complaint handling, etc.
Operations Quality Strategy Department	◎ DCC: Document Control Center, responsible for document updates, issuance, review, and follow-up operations, as well as various document management and maintenance. ◎ Planning Department: Responsible for formulating and improving the quality of operations, analyzing various operational risks, and training employees in professional knowledge such as education and training.

Department	Functions
Administration Management Department	<ul style="list-style-type: none"> ◎ General Affairs Department: Responsible for general affairs, company facilities and safety management, procurement, and the establishment of various administrative systems. ◎ Investor Relations Department: Establishment and maintenance of investor information. ◎ Human Resources Department: responsible for unified salary distribution, withholding calculation, handling insurance, labor and health insurance, and health management matters.
Financial & Accounting Department	<ul style="list-style-type: none"> ◎ Accounting Department: Responsible for accounting system, financial statement preparation, and accounting and cost accounting processing. ◎ Financial Department: Responsible for bank fund dispatch management and cashier related operations.
Supply Chain Resource Integration Department	<ul style="list-style-type: none"> ◎ Production Management Department: Responsible for the procurement of production raw materials, delivery confirmation, production capacity arrangement, and inventory management of finished and semi-finished products. ◎ Warehouse Department: Warehouse management, import and export business, etc. ◎ Production and Engineering Quality Department: Material quality control and mass production yield improvement for production, writing of new product production line testing procedures, green fixtures and material labeling during the new product research and development stage, research and introduction of new packaging types, and improvement of engineering product yield.
Overseas Offices	<ul style="list-style-type: none"> ◎ Overseas market expansion planning, new product market business promotion, etc.

(II) Profile of the Company's directors, president, vice-presidents, associate managers, and the heads of all Company divisions and branch units

A. Directors

Title	Name	Gender Age	National ity / place of incorporation	Date first elected	Date elected	Term (years)	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominee arrangement		Experience (education)	Other position	Executives, Directors or Supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Lee, Chun-Chan	Male 61-70	R.O.C.	2012.10.03	2021.07.12	3	785,845	0.86	991,632	1.01	19,483	0.02	0	0	Graduate Institute of Technology, Innovation & Intellectual Property Management, NCCU Vice President of Sales, PRINCETON TECHNOLOGY CORP. Vice President of Sales, PRO CHANNEL INTERNATIONAL CO., LTD.	CSO of the Company Appointed representative of the legal director of A-Neuron Electronic Corp. Appointed representative of the legal director of AIP Technology Corp.	None	None	None	Note 1
Director	GoodTruth Innovation Investment Co., Ltd.	—	R.O.C.	2012.10.03	2021.07.12	3	5,702,372	6.26	5,702,372	5.80	0	0	0	0	—	—	None	None	None	—
	Representative: Wu, Chung-Yu	Male 71-80	R.O.C.	2021.07.12	2021.07.12	3	0	0	0	0	0	0	0	0	Graduate Degree Program of College of Electrical and Computer Engineering, National Chiao Tung University President of National Chiao Tung University MOE National Chair Professor Lifetime Chair Professor of Institute of Electronics, National Chiao Tung University Principal investigator of NYCU Biomedical Electronics Translational Research Center	Chairman and CSO, A-Neuron Electronic Corp. Independent Director; Remuneration Committee member and Audit Committee member, MEDiatek INC. Independent Director; Remuneration Committee member and Audit Committee member, GLOBAL UNICHIP CORP. Independent Director; Remuneration Committee member and Audit Committee member, LEADTREND TECHNOLOGY CORPORATION Independent Director; Remuneration Committee member and Audit Committee member, Powerchip Semiconductor Manufacturing Corporation	None	None	None	—
Director	Jiang, Hsin-Chin	Male 51-60	R.O.C.	2021.07.12	2021.07.12	3	2,705,552	2.97	3,501,041	3.56	0	0	0	0	Doctor of Philosophy of Institute of Electronics, National Chiao Tung University Section Manager of SoC Technology Center, ITRI R&D Manager, Pericom Semiconductor Co., Ltd	President of the Company Vice Chairman and President A-Neuron Electronic Corp Chairman, GoodFine Taiwan Limited Director, AIP Technology Corp.	None	None	None	—
Director	Hung, Ju-Chen	Female 51-60	R.O.C.	2014.06.11	2021.07.12	3	1,559,917	1.71	2,269,344	2.31	854,599	0.87	0	0	Department of Economics, Tunghai University Vice president of Business Department, Golden Start Global Corp.	Executive Vice President of Marketing Department of the Company Supervisor, A-Neuron Electronic Corp. Director, AIP Technology Corp.	None	None	None	—

Title	Name	Gender Age	Nationality / place of incorporation	Date first elected	Date elected	Term (years)	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominee arrangement		Experience (education)	Other position	Executives, Directors or Supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	Morrisk Investment Company Limited	—	R.O.C.	2012.12.20	2021.07.12	3	972,488	1.07	1,011,720	1.03	0	0	0	0		Director, A-Neuron Electronic Corp.	None	None	None	—
	Representative: Lien, Shu-Chuan	Female 51-60	R.O.C.	2012.12.20	2021.07.12	3	468,668	0.51	487,575	0.50	759,440	0.77	0	0	Dept. of Electronic Engineering, Vanung University PCB-Layout Engineer of Electronic & Optoelectronic System Research Laboratories/Industrial Technology Research Institute IC Layout Engineer of Computer & Communications Research Laboratories /Industrial Technology Research Institute	Appointed representative of the legal director of A-Neuron Electronic Corp. Appointed representative of the legal director of AIP Technology Corp.	None	None	None	—
	Lo, Cheng-Lien	Male 61-70	R.O.C.	2015.06.11	2021.07.12	3	0	0	0	0	0	0	0	0	Master of Business Administration , National Taiwan University Senior Manager, Grand Cathay Securities Corporation Senior vice president, Advantech Co., Ltd.	Supervisor, BLISS & WISDOM PUBLISHING CO., LTD.	None	None	None	—
Director	Hu, Chiu-Chiang	Male 61-70	R.O.C.	2015.06.11	2021.07.12	3	0	0	0	0	0	0	0	0	Doctor of Philosophy in Institute of Management of Technology, National Chiao Tung University Master of Business Administration, Dayeh University Entrepreneur Management Development Course of Enterprise Management Institute of National Chengchi University Bachelor, Department of Electrical and Computer Engineering, National Chiao Tung University	(Note 2)	None	None	None	—
	Chen, I-Ching	Male 71-80	R.O.C.	2014.06.11	2021.07.12	3	400,729	0.44	294,771	0.30	0	0	0	0	Bachelor of Computing and Control Engineering, National Chiao Tung University Master of Electronic Engineering, The University of Tokyo Senior vice president, IML INTERNATIONAL TAIWAN BRANCH (CAYMAN) Samsung Semiconductor Inc. (USA) Director Samsung Electronics Co.(Korea) Executive Director (Director) VLSI Technology Inc. (Japan and USA) Technology Director	None	None	None	None	—
Independent Director	Chen, Ying-Te	Male 61-70	R.O.C.	2014.06.11	2021.07.12	3	0	0	10,000	0.01	0	0	0	0	PhD in Accounting, Renmin University of China Master of Finance Group, Institute of Industrial Management, National Cheng Kung University Bachelor of Department of Industrial Management, Cheng Kung University	Professor of Department of Accounting, Providence University	None	None	None	—

Title	Name	Gender Age	Nationality / place of incorporation	Date first elected	Date elected	Term (years)	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominee arrangement		Experience (education)	Other position	Executives, Directors or Supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
														CPA (Note 3)						
														Ph.D. in Graduate Institute of Technology, Innovation & Intellectual Property Management, NCCU Global EMBA, NCCU Master of Science of Department of Industrial Engineering and Engineering Management, National Tsing Hua University Graduate Institute of Technology, Innovation & Intellectual Property Management, NCCU Entrepreneur Management Development Course of Graduate Institute of Technology, Innovation & Intellectual Property Management, NCCU Credit class of Institute of Management of Technology, National Chiao Tung University Assistant Professor, Department of Business Administration, Lunghwa University of Science and Technology Assistant Professor, Department of Business Administration, Chung Yuan Christian University Instructor of Department of Business Administration, Soochow University Associate Research Fellow, Taiwan Institute of Economic Research (TIER) Director of Business Development and Taiwanese Representative, Harris Stratex Networks Senior Director of Quality Management, Asia Pacific and China, Lucent Technologies, Inc. Senior Director of Supply Chain Management, Lucent Technologies, Inc. Director of AT&T Total Quality Management Department Project Manager of AT&T Mobile Project Director of AT&T Software R&D Center R&D Engineer, TAIWAN INTERNATIONAL STANDARD ELECTRONICS LTD.(AlcateI)	Assistant Professor of MBA Program in International Management(imMBA), Fu Jen Catholic University Assistant Professor of Department of Information and Communication, Tamkang University					
Independent Director	Chen, Tung-Hsien	Male 61-70	R.O.C.	2021.07.12	2021.07.12	3	0	0	0	0	22,484	0.02	0	0			None	None	None	—

Title	Name	Gender Age	Nationality / place of incorporation	Date first elected	Term (years)	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominee arrangement		Experience (education)	Other position	Executives, Directors or Supervisors who are spouses or within the second degree of kinship			Remarks
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Lu, Ping-Hsing	Male 51-60	R.O.C.	2021.07.12	3	30,619	0.03	29,773	0.03	100,309	0.10	0	0	Doctor of Philosophy of Institute of Electronics, National Chiao Tung University Entrepreneur Management Development Course of Enterprise Management Institute of National Chengchi University Vice President, MEDiatek INC. Chairman, ALPHA IMAGING TECHNOLOGY CORP. Consultant, CHUAFU TECHNOLOGY INC. President, ALI CORPORATION Consultant, AIROHA TECHNOLOGY CORP.	Consultant, Airoha Technology Corp.	None	None	None	-

Note 1: The chairman of the Company and the general manager or equivalent (top manager) do not have the same person, spouse or first degree relative.

Note 2: Strategy Chairman/Nomination Committee Member/Sustainable Development Committee Member of WEIKENG INDUSTRIAL CO., LTD., Chairman of WEIKENG INDUSTRIAL International CO., LTD., Chairman of Weikeng Technology Pre Ltd., Chairman of WEIKENG TECHNOLOGY CO., LTD. Co., Ltd. Independent Director/compensation Committee Member/Audit Committee Member of WEIKENG TECHNOLOGY CO., LTD., Independent Director/compensation Committee Member/Audit Committee Member of WEIKENG TECHNOLOGY CO., LTD., Director of PROMATE ELECTRONIC CO., LTD., legal representative of PROMATE ELECTRONIC CO., LTD., legal representative of HYDROIONIC ENVIROTEC CO., LTD. (HYDROIONIC ENVIROTEC CO., LTD.), and legal representative of EVGA CORPORATION, legal representative of HYDROIONIC ENVIROTEC CO., LTD. (HYDROIONIC ENVIROTEC CO., LTD.), and legal representative of HYDROIONIC ENVIROTEC CO., LTD. (HYDROIONIC ENVIROTEC CO., LTD.).

Note 3: Professor of Department of Accounting, Providence University, Director of Department of Engineering, National United Technical College, Adjunct Associate Professor of Department of Accounting, National Chung Hsing University, Lecture on Accounting at the Local Administration Training Center of the Personnel Administration Bureau of the Executive Yuan, Lecture on Finance, Taxation, and Audit at the Cooperative Business Training Center of the Ministry of the Interior, Lecture at the Taiwan Provincial Government Joint Management Office and Cooperative Business Training Center, Adjunct Associate Professor of Department of Accounting, National Taichung Institute of Technology, Adjunct Associate Professor of Department of Accounting, Chaoyang University of Technology, as well as the Program Leader for the Ministry of the Interior's 2004 and 2007 project commissioned audit of the financial management plan of the National Foundation for Social Welfare, and the Program Leader for the Ministry of the Interior's 2001, 2004, 2007, 2010, and 2011 project commissioned audit of the Credit Union Association and Savings Union.

Table 1 Major shareholders of corporate shareholders

April 14, 2023

Corporate shareholders' name	Major shareholders of corporate shareholders
GoodTruth Innovation Investment Co., Ltd.	Jiang, Hsin-Chin (39.29%), Lin, Kun-Hsien(7.93%), Tseng, Tang-Kuei(7.93%), Tsai, Yao-Cheng(7.93%), Ko, Ming-Tao(6.68%), Chuang, Che-Hao(6.68%), Chen, Tzu-Ping(6.05%), Wu, Wen-Cheng(5.85%), Peng, Cheng-Chieh(5.85%), Chen, Tung-Yang(3.76%), Li, Chien-Ming(1.63%), Shih, Chien-Ming(0.42%)
Morrisk Investment Company Limited	Lien, Shu-Chuan (100%)

B. Professional qualifications and independence analysis of directors and supervisors

Condition Name	Professional qualifications and experience	Independence status	Number of other public companies where the director holds a concurrent post of independent director
Director Lee, Chun-Chan	Chairman and director of multiple companies in different industries, such as AMAZING Microelectronic Corp. Chairman and Strategy Officer, Legal Representative Director of A-Neuron Electronic Corp., and Legal Representative Director of AIP Technology Corp., possessing expertise in diverse industries and business management capabilities. There is no situation stipulated in Article 30 of the Company Act.	They are not natural person shareholders who holds 1% or more of the total issued shares of the company or holds the top ten shares themselves or in the name of their spouses, minor children, or someone others. They have not had a kinship with other directors, including spouse or relative within two degrees of kinship. There is no situation stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Law.	0
Corporate Director Representative Wu, Chung-Yu	Chairman and director of multiple different industry companies, such as the chairman and technical director of A-Neuron Electronic Corp., the legal representative director of AMAZING Microelectronic Corp., the independent director of MEDIATEK INC., the independent director of GLOBAL UNICHIP CORP, the independent director of LEADTREND TECHNOLOGY CORPORATION, and the independent director of Powerchip Semiconductor Manufacturing Corporation, possessing expertise in diverse industries and business management capabilities. There is no situation stipulated in Article 30 of the Company Act.	They are not natural person shareholders who holds 1% or more of the total issued shares of the company or holds the top ten shares themselves or in the name of their spouses, minor children, or someone others. They have not had a kinship with other directors, including spouse or relative within two degrees of kinship. There is no situation stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Law.	4

Condition Name	Professional qualifications and experience	Independence status	Number of other public companies where the director holds a concurrent post of independent director
Director Jiang, Hsin-Chin	Vice Chairman and Director of multiple different industry companies, such as the Vice Chairman and General Manager of A-Neuron Electronic Corp., the General Manager of AMAZING Microelectronic Corp., the Director of AIP Technology Corp., and the Legal Representative Director of TMY Technology, Inc., possessing expertise in diverse industries and business management capabilities. There is no situation stipulated in Article 30 of the Company Act.	They have not had a kinship with other directors, including spouse or relative within two degrees of kinship. There is no situation stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Law.	0
Director Hung, Ju-Chen	Deputy General Manager, Director, and Supervisor of multiple companies in different industries, such as AMAZING Microelectronic Corp. Deputy General Manager, Director of AIP Technology Corp., and Supervisor of A-Neuron Electronic Corp., possessing expertise in diverse industries and business management capabilities. There is no situation stipulated in Article 30 of the Company Act.	They have not had a kinship with other directors, including spouse or relative within two degrees of kinship. There is no situation stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Law.	0
Corporate Director Representative Lien, Shu-Chuan	Chairman and director of multiple different industry companies, such as the chairman of Morrisk Investment Company Limited, the legal representative director of AMAZING Microelectronic Corp., the legal representative director of A-Neuron Electronic Corp., and the legal representative director of AIP Technology Corp., possessing expertise in diverse industries and business management capabilities. Lien is not involved in any situation stipulated in Article 30 of the Company Act.	They are not natural person shareholders who holds 1% or more of the total issued shares of the company or holds the top ten shares themselves or in the name of their spouses, minor children, or someone others. They have not had a kinship with other directors, including spouse or relative within two degrees of kinship. There is no situation stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Law.	0
Director Lo, Cheng-Lien	Director and supervisor of multiple different industry companies, such as AMAZING Microelectronic Corp., Supervisor of GFC Ltd., and BLISS & WISDOM PUBLISHING CO., LTD., possessing expertise in diverse industries and business management capabilities. Lo is not involved in any situation stipulated in Article 30 of the Company Act.	Not being an employee, director, or supervisor of the company or its affiliated enterprises. They are not natural person shareholders who holds 1% or more of the total issued shares of the company or holds the top ten shares themselves or in the name of their spouses, minor children, or someone others. They have not had a kinship with other directors, including spouse or relative within two degrees of kinship. There is no situation stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Law.	0

Condition Name	Professional qualifications and experience	Independence status	Number of other public companies where the director holds a concurrent post of independent director
Director Hu, Chiu-Chiang	Chairman, director, and supervisor of multiple different industry companies, such as Chairman of WEIKENG INDUSTRIAL CO., LTD., Chairman of Well Kee Investment Co., Ltd., Chairman of WEIKENG TECHNOLOGY CO., LTD., Director of AMAZING Microelectronic Corp., Director of PROMATE ELECTRONIC CO., LTD., Director of LEADTEK RESEARCH INC., Independent Director of V-TAC TECHNOLOGY CO., LTD, Independent Director of CIPHERLAB CO., LTD., and Supervisor of EVGA CORPORATION, possessing expertise in diverse industries and business management capabilities. Hu is not involved in any situation stipulated in Article 30 of the Company Act.	Not being an employee, director, or supervisor of the company or its affiliated enterprises. They are not natural person shareholders who holds 1% or more of the total issued shares of the company or holds the top ten shares themselves or in the name of their spouses, minor children, or someone others. They have not had a kinship with other directors, including spouse or relative within two degrees of kinship. There is no situation stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Law.	2
Director Chen, I-Ching	Director of AMAZING Microelectronic Corp. in the semiconductor industry, possessing expertise in diverse industries and business management capabilities. Chen is not involved in any situation stipulated in Article 30 of the Company Act.	Not being an employee, director, or supervisor of the company or its affiliated enterprises. They are not natural person shareholders who holds 1% or more of the total issued shares of the company or holds the top ten shares themselves or in the name of their spouses, minor children, or someone others. They have not had a kinship with other directors, including spouse or relative within two degrees of kinship. There is no situation stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Law.	0
Independent Director Chen, Ying-Te	Served as Independent Director of AMAZING Microelectronic Corp., CPA, Professor of Department of Accounting, Providence University and Professor of Department of Accounting, National Chung Hsing University, with professional ability in financial accounting. Chen is not involved in any situation stipulated in Article 30 of the Company Act.	Not being an employee, director, or supervisor of the company or its affiliated enterprises. They are not natural person shareholders who holds 1% or more of the total issued shares of the company or holds the top ten shares themselves or in the name of their spouses, minor children, or someone others. They have not had a kinship with other directors, including spouse or relative within two degrees of kinship. There is no situation stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Law. There is no government, legal person or their representative has been elected stipulated in Article 27 of the Company Act.	0

Condition Name	Professional qualifications and experience	Independence status	Number of other public companies where the director holds a concurrent post of independent director
Independent Director Chen, Tung-Hsien	Served as Independent Director of AMAZING Microelectronic Corp., Assistant Professor of MBA Program in International Management(imMBA), Fu Jen Catholic University and Assistant Professor of Department of Information and Communication, Tamkang University, with professional capabilities in the technology industry, strategic management, human resources and knowledge management. Chen is not involved in any situation stipulated in Article 30 of the Company Act.	Not being an employee, director, or supervisor of the company or its affiliated enterprises. They are not natural person shareholders who holds 1% or more of the total issued shares of the company or holds the top ten shares themselves or in the name of their spouses, minor children, or someone others. They have not had a kinship with other directors, including spouse or relative within two degrees of kinship. There is no situation stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Law. There is no government, legal person or their representative has been elected stipulated in Article 27 of the Company Act.	0
Independent Director Lu, Ping-Hsing	Served as Independent Director of AMAZING Microelectronic Corp. and Consultant of Airoha Technology Corp., with expertise in multiple industries and business management capabilities. Lu is not involved in any situation stipulated in Article 30 of the Company Act.	Not being an employee, director, or supervisor of the company or its affiliated enterprises. They are not natural person shareholders who holds 1% or more of the total issued shares of the company or holds the top ten shares themselves or in the name of their spouses, minor children, or someone others. They have not had a kinship with other directors, including spouse or relative within two degrees of kinship. There is no situation stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Law. There is no government, legal person or their representative has been elected stipulated in Article 27 of the Company Act.	0

C. Implementation of the Diversity Policy and Independence of the Board of Directors

The age of the Company's directors is between 50 and 75 years old. In order to achieve the goal of diversified board members, all 11 directors of the Company are of local nationality, with 3 directors including manager status accounting for 27% and 3 independent directors accounting for 27%. The term of office is between 0-12 years, with 2 female directors accounting for 18%. We will strive to increase the number of female directors in the future.

The Company emphasizes the independence of its board members, with an Audit Committee composed of all independent directors exercising their powers independently. Their qualifications meet the independence standards stipulated by laws and regulations, and they are familiar with the company's financial and operational situation. The board of directors of the Company does not have the provisions of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act.

Name	Nationality	Gender	Part-time employee	Age			Independent directors serve consecutive terms	
				Above 61	51-60	Under 50	0~9 years	over 9 years
Lee, Chun-Chan	R.O.C.	Male	✓	✓				
Wu, Chung-Yu	R.O.C.	Male		✓				
Jiang, Hsin-Chin	R.O.C.	Male	✓		✓			
Hung, Ju-Chen	R.O.C.	Female	✓		✓			
Lien, Shu-Chuan	R.O.C.	Female			✓			
Lo, Cheng-Lien	R.O.C.	Male		✓				
Hu, Chiu-Chiang	R.O.C.	Male		✓				
Chen, I-Ching	R.O.C.	Male		✓				
Chen, Ying-Te	R.O.C.	Male		✓			✓	
Chen, Tung-Hsien	R.O.C.	Male		✓			✓	
Lu, Ping-Hsing	R.O.C.	Male			✓		✓	

Name	Professional background	Professional skills								
		Operational judgment	Accounting and financial analysis	Operation management	Crisis handling	Industrial knowledge	Awareness of the international market	Leadership	Decision-making capabilities	Risk Management
Lee, Chun-Chan	Semiconductor Industry, Marketing, and Enterprise Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wu, Chung-Yu	Semiconductor industry and academia	✓		✓	✓	✓	✓	✓	✓	✓
Jiang, Hsin-Chin	Semiconductor Industry, Marketing, and Enterprise Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hung, Ju-Chen	Semiconductor Industry, Marketing, and Enterprise Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lien, Shu-Chuan	Semiconductor Industry and Enterprise Management	✓		✓	✓	✓	✓	✓	✓	✓

Name	Professional background	Professional skills								
		Operational judgment	Accounting and financial analysis	Operation management	Crisis handling	Industrial knowledge	Awareness of the international market	Leadership	Decision-making capabilities	Risk Management
Lo, Cheng-Lien	Financial Accounting and Enterprise Management	✓	✓	✓	✓		✓	✓	✓	✓
Hu, Chiu-Chiang	Semiconductor Industry and Enterprise Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chen, I-Ching	Semiconductor Industry, Marketing, and Enterprise Management	✓		✓	✓	✓	✓	✓	✓	✓
Chen, Ying-Te	Financial Accounting	✓	✓	✓	✓		✓	✓	✓	✓
Chen, Tung-Hsien	Technology industry, strategic management, and human resources	✓		✓	✓		✓	✓	✓	✓
Lu, Ping-Hsing	Semiconductor industry	✓		✓	✓	✓	✓	✓	✓	✓

D. Profile of the president, vice-presidents, associate managers, and the heads of all Company divisions and branch units

April 14, 2023; Unit: Shares; %

Title	Name	Gender	Nationality	Date elected	Shareholding		Spouse & minor shareholding		Shareholding by nominee arrangement		Experience (education)	Other position	Managers who are spouses or within two degrees of kinship		Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman & CSO	Lee, Chun-Chan	Male	R.O.C.	2019.08.09	991,632	1.01	19,483	0.02	0	0	Graduate Institute of Technology, Innovation & Intellectual Property Management, NCCU Vice President of Sales, PRINCETON TECHNOLOGY CORP. Vice President of Sales, PRO CHANNEL INTERNATIONAL CO., LTD.	Chairman of the Company Appointed representative of the legal director of A-Neuron Electronic Corp. Appointed representative of the legal director of AIP Technology Corp.	None	None	Note 1
President	Jiang, Hsin-Chin	Male	R.O.C.	2013.11.11	3,501,041	3.56	0	0	0	0	Doctor of Philosophy of Institute of Electronics, National Chiao Tung University Section Manager, SoC Technology Center, ITRI R&D Manager, Pericom Semiconductor Co., Ltd	Vice Chairman and President, A-Neuron Electronic Corp. Chairman, GoodFine Taiwan Limited Director, AIP Technology Corp.	None	None	—
Executive Vice President of Marketing Department	Hung, Ju-Chen	Female	R.O.C.	2007.11.1	2,269,344	2.31	854,599	0.87	0	0	Vice President of Sales, Department of Economics, Tunghai University Vice President of Sales, Golden Start Global Corp.	Supervisor, A-Neuron Electronic Corp. Director, AIP Technology Corp.	None	None	—
Vice President	Fan, Yang-Chieh	Male	R.O.C.	2006.01.10	162,603	0.17	94,671	0.10	0	0	Department of Electrical Engineering, Minghsin Engineering College Vice President of Sales, Golden Start Global Corp.	None	None	None	—
Vice President of New Business Development Department	Lin, Ho-Hsien	Male	R.O.C.	2006.04.11	166,304	0.17	120,987	0.12	0	0	Master of Science in Electrical Engineering, University of Washington Vice President of R&D Department, Pericom Semiconductor Co., Ltd.	None	None	None	—
Senior Director of Finance and Accounting Department	Chan, Mien-Yuan	Female	R.O.C.	2006.01.10	112,249	0.11	184,880	0.19	0	0	Department of Public Finance and Taxation, Takming Business School Manager, Golden Start Global Corp.	None	None	None	—

Note 1: The chairman of the Company and the general manager or equivalent (top manager) do not have the same person, spouse or first degree relative.

(III) Remuneration paid to directors, president, and vice-presidents

A. Remuneration paid to directors and independent directors

December 31, 2022; Unit: NT\$ Thousand

Title	Name	Director's remuneration						Ratio of total remuneration (A+B+C+D) to net income (%)		Relevant remuneration received by directors who are also employees				Ratio of Total Remuneration (A+B+C+D+E+F+G) to net income (%)		Compensation paid to directors from an invested company other than the Company's subsidiaries or parent company	
		Base compensation (A)		Severance pay (B)		Directors' compensation (C)				Allowance (D)		Salary, bonuses, and allowances (E)					Severance pay (F)
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	Cash	Stock		The Company
Chairman	Lee, Chun-Chan																
Director	GoodTruth Innovation Investment Co., Ltd.																
	Representative: Wu, Chung-Yu																
Director	Jiang, Hsin-Chin																
Director	Hung, Ju-Chen																
Director	Morrisk Investment Company Limited	0	0	0	0	14,620	14,620	400	400	15,020	15,020	216	216	27,600	0	130,819	131,375
	Representative: Lien, Shu-Chuan									3.27%	3.27%	87,983	88,539			28.48%	28.60%
Director	Lo, Cheng-Lien																
Director	Hu, Chiu-Chiang																
Director	Chen, I-Ching																
Independent Director	Chen, Ying-Te									5,633	5,633					5,633	5,633
Independent Director	Chen, Tung-Hsien	0	0	0	0	5,483	5,483	150	150	1.23%	1.23%	0	0	0	0	1.23%	1.23%
Independent Director	Lu, Ping-Hsing																
1. Please specify the policy, system, standards, and structure for the payment of compensation to independent directors, and the correlation with the amount of compensation paid based on factors such as responsibilities, risks, and investment time: The independent directors of the Company shall receive fixed fare based on the actual number of attendance. According to the Company's Articles of Incorporation if the company makes any profit during the year, the board of directors shall decide to allocate no more than 3% of the compensation to the directors and supervisors.																	
2. Except as disclosed in the above table, the compensation received by the company's directors for services provided in the most recent year (such as serving as consultants for non employees of all companies/reinvestment enterprises in the parent company/ financial report): 0																	
3. The board of directors of the Company decided on March 23, 2023 to distribute the compensation of directors for the year 2022. The above table is a provisional estimate and has not yet been reported to the Regular Shareholders' Meeting.																	

1. Please specify the policy, system, standards, and structure for the payment of compensation to independent directors, and the correlation with the amount of compensation paid based on factors such as responsibilities, risks, and investment time: The independent directors of the Company shall receive fixed fare based on the actual number of attendance. According to the Company's Articles of Incorporation if the company makes any profit during the year, the board of directors shall decide to allocate no more than 3% of the compensation to the directors and supervisors.

2. Except as disclosed in the above table, the compensation received by the company's directors for services provided in the most recent year (such as serving as consultants for non employees of all companies/reinvestment enterprises in the parent company/financial report): 0

3. The board of directors of the Company decided on March 23, 2023 to distribute the compensation of directors for the year 2022. The above table is a provisional estimate and has not yet been reported to the Regular Shareholders' Meeting.

Table of range of remuneration paid to directors and independent directors

Range of remuneration paid to directors	Name of directors			
	Total remuneration (A+B+C+D)		Total remuneration (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements (H)	The Company	Companies in the consolidated financial statements (I)
Under NT\$1,000,000	None	None	None	None
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Lee, Chun-Chan, Hung, Ju-Chen, Jiang, Hsin-Chin, GoodTruth Innovation Investment Co., Ltd. Representative: Wu, Chung-Yu, Lo, Cheng-Lien, Chen, Ying-Te, Hu, Chiu-Chiang, Morrisk Investment Company Limited Representative: Lien, Shu-Chuan Chen, I-Ching, Chen, Tung-Hsien, Lu, Ping-Hsing	Lee, Chun-Chan, Hung, Ju-Chen, Jiang, Hsin-Chin, GoodTruth Innovation Investment Co., Ltd. Representative: Wu, Chung-Yu, Lo, Cheng-Lien, Chen, Ying-Te, Hu, Chiu-Chiang, Morrisk Investment Company Limited Representative: Lien, Shu-Chuan Chen, I-Ching, Chen, Tung-Hsien, Lu, Ping-Hsing	GoodTruth Innovation Investment Co., Ltd. Representative: Wu, Chung-Yu, Lo, Cheng-Lien, Chen, Ying-Te, Hu, Chiu-Chiang, Morrisk Investment Company Limited Representative: Lien, Shu-Chuan Chen, I-Ching, Chen, Tung-Hsien, Lu, Ping-Hsing	GoodTruth Innovation Investment Co., Ltd. Representative: Wu, Chung-Yu, Lo, Cheng-Lien, Chen, Ying-Te, Hu, Chiu-Chiang, Morrisk Investment Company Limited Representative: Lien, Shu-Chuan Chen, I-Ching, Chen, Tung-Hsien, Lu, Ping-Hsing
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	None	None	None	None
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	None	None	None	None
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	None	None	None	None
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	None	None	None	None
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	None	None	None	None
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	None	None	Lee, Chun-Chan Hung, Ju-Chen, Jiang, Hsin-Chin,	Lee, Chun-Chan Hung, Ju-Chen, Jiang, Hsin-Chin,
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	None	None	None	None
Over NT\$100,000,000	None	None	None	None
Total	11	11	11	11

Note 1: The compensation disclosed in this form is different from the income concept in the income tax law, so the purpose of this form is for information disclosure purposes and not for tax purposes.

B. Remuneration paid to CSO, president and vice-presidents

December 31, 2022; Unit: NT\$ Thousand; Thousand Shares

December 31, 2022, Unit: NT\$ Thousand, Thousand Shares														
Title	Name	Salary (A)		Severance pay (B)		Bonuses and allowances (C)		Employee compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation paid to directors from an invested company or from the Company's subsidiary
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chairman & CSO	Lee, Chun-Chan	48,675	49,179	432	432	45,630	45,630	27,600	0	27,600	0	122,337	122,841	None
President	Jiang, Hsin-Chin													
Vice President	Hung, Ju-Chen													
Vice President	Fan, Yang-Chieh													
Vice President	Lin, Ho-Hsien													

Note: The cash amount of employee compensation in the table above is the estimated proposed allocation amount.

Table of range of remuneration paid to CSO, president and vice-presidents

Range of remuneration paid to president and vice-presidents	Name of presidents and vice-presidents	
	The Company	Companies in the consolidated financial statements
Under NT\$1,000,000	None	None
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	None	None
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Lin, Ho-Hsien, Fan, Yang-Chieh	Lin, Ho-Hsien, Fan, Yang-Chieh
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	None	None
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	None	None
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	None	None
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	Lee, Chun-Chan	Lee, Chun-Chan
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	Jiang, Hsin-Chin, Hung, Ju-Chen	Jiang, Hsin-Chin, Hung, Ju-Chen
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	None	None
Over NT\$100,000,000	None	None
Total	5	5

Note: The compensation disclosed in this form is different from the income concept in the income tax law, so the purpose of this form is for information disclosure purposes and not for tax purposes.

Name and distribution status of the manager who distributes employee compensation

December 31, 2022; Unit: NT\$ Thousand; %

	Title	Name	Stock	Cash	Total	Ratio of total amount to net income (%)
Managers	Chairman & CSO	Lee, Chun-Chan	-	27,600	27,600	6.00
	President	Jiang, Hsin-Chin				
	Executive Vice President of Marketing Department	Hung, Ju-Chen				
	Vice President	Fan, Yang-Chieh				
	Vice President of New Business Development Department	Lin, Ho-Hsien				
	Senior Director of Finance and Accounting Department	Chan, Mien-Yuan				

Note: The cash amount of employee compensation allocated to managers in the table above is an estimated proposed allocation amount.

C. Compare and explain the ratio of the total compensation paid to directors, general managers, and deputy general managers of the Company and all companies in the consolidated report in the past two years to the net profit after tax of individual or individual financial reports, and explain the policies, standards, and combinations of compensation payment, the procedures for setting compensation, and the correlation with business performance and future risks:

1. Analysis of the ratio of the total remuneration for directors, president and vice-presidents of the Company and all the companies in the consolidated Financial Statements in the recent two fiscal years in net profit of the individual financial report after tax:

Unit: %

Title	Ratio of total compensation to net income (%)			
	2021		2022	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Directors (Note)	17.77	18.60	29.71	29.83
President & Vice presidents	14.10	14.26	26.64	26.75

Note: Including the compensation for managers.

2. Remuneration payment policy, standard and combination, establishment procedure of remuneration, and relevance between performance and future risk:
The compensation of directors shall be determined in accordance with the Company's Articles of Incorporation and the performance evaluation measures of the board of directors; The payment method for the general manager and deputy general manager's compensation is authorized by the compensation committee of the company to establish and regularly review policies, systems, standards, and structures for the performance evaluation and compensation of directors and managers, and to report them to the board of directors based on their participation in the company's operations and the value of their contributions, taking into account the usual standards of the industry.

(IV) Implementation of corporate governance

A. Operations of the Board of Directors

1. A total of 5 meetings (A) of the Board of Directors were held in 2022. The attendance records of directors are as follows:

Title	Name	Attendance in person 【B】	By proxy	Attendance rate (%) 【B/A】	Remarks
Chairman	Lee, Chun-Chan	5	0	100%	
Director	GoodTruth Innovation Investment Co., Ltd. (Representative: Wu, Chung-Yu)	5	0	100%	
Director	Jiang, Hsin-Chin	5	0	100%	
Director	Hung, Ju-Chen	5	0	100%	
Director	Morrisk Investment Company Limited (Representative: Lien, Shu-Chuan)	5	0	100%	
Director	Lo, Cheng-Lien	5	0	100%	
Director	Hu, Chiu-Chiang	5	0	100%	
Director	Chen, I-Ching	5	0	100%	
Independent Director	Chen, Ying-Te	5	0	100%	
Independent Director	Chen, Tung-Hsien	5	0	100%	
Independent Director	Lu, Ping-Hsing	5	0	100%	

Note: The actual attendance rate (%) is calculated based on the number of board meetings and the actual attendance rate during their tenure.

2. Other matters to be recorded:

(1) If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response should be specified:

A. Matters referred to in Article 14-3 of the Securities and Exchange Act :

Date/Term	Content of motions	Resolutions results	Implementation	All independent directors' opinions	The Company's response
2022.03.21 5 th meeting of the 7 th session	1. Proposal for Recognizing the lease agreement between the Company and its subsidiary AIP Technology Corp. Taiwan branch. 2. Proposal for 2021 total compensation and individual amount distribution for directors and employees. 3. Proposal for Canceling the newly issued shares of restricted employee rights.	Approved without objection Approved without objection Approved without	Completion of enforcement Completion of enforcement Completion of	None None None None None None	N/A N/A N/A N/A N/A N/A

Date/Term	Content of motions	Resolutions results	Implementation	All independent directors' opinions	The Company's response
	4. Proposal for earning distribution of the Company in 2021. 5. Proposal for 2021 Internal Control System Effectiveness Assessment and Internal Control System Declaration. 6. Proposal for the Company's 2022 cash capital increase. 7. Proposal for the Company's issuance of Private Ordinary Shares. 8. Proposal for Issuance of employee stock options. 9. Proposal for Issuance of new shares of restricted employee rights. 10. Proposal for the evaluation of appointment, independence, and competency of CPAs. 11. Proposal for planned amendments to the Articles of Incorporation of the Company 12. Revision of internal control system.	objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection	enforcement Completion of enforcement Completion of enforcement Completion of enforcement Completion of enforcement Completion of enforcement Completion of enforcement Completion of enforcement Completion of enforcement Completion of enforcement Completion of enforcement Completion of enforcement	None None None None None None None None None None None None	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A
2022.05.06 6 th meeting of the 7 th session	1. Proposal for planned amendments to the Articles of Incorporation of the Company. 2. Revision of internal control system. 3. Proposal for 2022 Subscription amount distribution of new shares granted to managers and employees through cash capital increase issuance.	Approved without objection objection Approved without objection Approved without objection Approved without objection	Completion of enforcement enforcement Completion of enforcement enforcement Completion of enforcement	None None None None None	N/A N/A N/A N/A N/A
2022.08.09 7 th meeting of the 7 th session	1. Proposal for Canceling the newly issued shares of restricted employee rights. 2. Proposal for applying for a hedging forward foreign exchange limit and short-term loans to Shanghai Commercial and Savings Bank. 3. Proposal for amendments to the Procedures for the Acquisition or Disposal of Assets of the Company. 4. Revision of internal control system. 5. Proposal for recognizing the renewal of lease agreement between the Company and its subsidiary A-Neuron Electronic Corp.	Approved without objection objection Approved without objection objection Approved without objection objection Approved without objection objection Approved without objection objection Approved without objection objection	Completion of enforcement enforcement Completion of enforcement enforcement It is executed based on this. Completion of enforcement enforcement Completion of enforcement enforcement Completion of enforcement enforcement Completion of enforcement	None None None None None None None None None None None	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A
2022.11.08 8 th meeting of the 7 th session	1. Proposal for the Company's 2022 2nd cash capital increase. 2. Proposal for recognizing 2022 1st issuance of employee stock options and subscription measures after the revision. 3. Proposal for recognizing issuance measures for new shares of restricted employee rights after the revision. 4. Proposal for applying for a hedging forward foreign exchange limit and short-term loans to E.SUN Commercial Bank and CTBC Bank Co., Ltd..	Approved without objection objection Approved without objection objection Approved without objection objection Approved without objection objection Approved without objection objection	Completion of enforcement enforcement Completion of enforcement enforcement Completion of enforcement enforcement Completion of enforcement enforcement Completion of enforcement enforcement	None None None None None None None None None None	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A

Date/Term	Content of motions	Resolutions results	Implementation	All independent directors' opinions	The Company's response
2022.12.16 9 th meeting of the 7 th session	1. Proposal for Issuance of the Company's 2022 2nd employee stock option. 2. Revision of internal control system. 3. Proposal for applying for the extension of forward foreign exchange to the cooperative treasury bank. 4. Proposal for the Company's planning to invest in the capital increase of the subsidiary of A-Neuron Electronic Corp. 5. Proposal for the Company's 2023 Managers' compensation. 6. Proposal for Issuance of 2022 new shares of restricted employee rights to managers and employees. 7. Proposal for Issuance of 2022 1st stock options to managers and employees. 8. Proposal for 2022 2nd Subscription amount distribution of new shares granted to managers and employees through cash capital increase issuance.	Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection	Completion of enforcement Completion of enforcement Completion of enforcement Completion of enforcement Completion of enforcement Completion of enforcement Completion of enforcement Completion of enforcement	None None None None None None None None	N/A N/A N/A N/A N/A N/A N/A N/A
2023.02.22 10 th meeting of the 7 th session	1. The Company proposes to replace appointed accountants and annual compensation starting from the first quarter of 2023. 2. Proposal for the evaluation of independence and competency of CPAs of the Company in 2022. 3. The Company proposes to invest in the capital increase of TMY Technology, Inc.	Approved without objection Approved without objection Approved without objection	Completion of enforcement Completion of enforcement It is executed based on this.	None None None	N/A N/A N/A
2023.03.23 11 th meeting of the 7 th session	1. Proposal for 2022 total compensation and individual amount distribution for directors and employees. 2. Proposal for earning distribution of the Company in 2022 3. Proposal for the Company's 2022 Internal Control System Effectiveness Assessment and Internal Control System Declaration. 4. Proposal for Company's private ordinary shares being no longer raised and issued after the expiration of the term. 5. Proposal for the Company's 2023 issuance of Private Ordinary Shares. 6. Proposal for Issuance of the company's 2023 new shares of restricted employee rights.	Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection	Completion of enforcement It is executed based on this. Completion of enforcement It is executed based on this. It is executed based on this. It is executed based on this.	None None None None None None	N/A N/A N/A N/A N/A N/A
2023.05.08 12 th meeting of the 7 th session	1. Proposal for changing the company's business address. 2. Proposal for amendment to the Company's Standard Operating Procedures for Handling Directors' Requirements.	Approved without objection Approved without objection	It is executed based on this. Completion of enforcement	None None	N/A N/A

B. Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the Board of Directors: None.

(2) Regarding recusals of directors from voting due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of the voting shall be specified:

Board of Directors	Avoiding interests Name of Director	Contents of motions	Reasons for avoiding interests	Participation in voting
2022.03.21 5 th meeting of the 7 th session	Director Lee, Chun-Chan Director Jiang, Hsin-Chin Director Hung, Ju-Chen	1. Proposal for Recognizing the lease agreement between the Company and its subsidiary AIP Technology Corp. Taiwan branch.	Director himself/herself	The other attending directors unanimously pass the proposal.
2022.05.06 6 th meeting of the 7 th session	Director Lee, Chun-Chan Director Jiang, Hsin-Chin Director Hung, Ju-Chen	1. Proposal for 2022 Subscription amount distribution of new shares granted to managers and employees through cash capital increase issuance.	Director himself/herself	The other attending directors unanimously pass the proposal.
2022.08.09 7 th meeting of the 7 th session	Director Lee, Chun-Chan Director Jiang, Hsin-Chin Director Hung, Ju-Chen Director Wu, Chung-Yu (Representative of GoodTruth Innovation Investment Co., Ltd.) Director Lien, Shu-Chuan (Representative of Morrisk Investment Company Limited)	1. Reaffirm the lease agreement renewal case between the Company and its subsidiary A-Neuron Electronic Corp.	Director himself/herself	The other attending directors unanimously pass the proposal.
2022.12.16 9 th meeting of the 7 th session	Director Lee, Chun-Chan Director Jiang, Hsin-Chin Director Hung, Ju-Chen Director Wu, Chung-Yu (Note) (Representative of GoodTruth Innovation Investment Co., Ltd.) Director Lien, Shu-Chuan (Note) (Representative of Morrisk Investment Company Limited)	1. Proposal for the Company's planning to invest in the capital increase of the subsidiary of A-Neuron Electronic Corp. 2. Proposal for the Company's 2023 Managers' compensation. 3. Proposal for Issuance of 2022 new shares of restricted employee rights to managers and employees. 4. Proposal for Issuance of 2022 1st stock options to managers and employees. 5. Proposal for 111 2nd Subscription amount distribution of new shares granted to managers and employees through cash capital increase issuance.	Director himself/herself	The other attending directors unanimously pass the proposal.
2023.02.22 10 th meeting of the 7 th session	Director Jiang, Hsin-Chin	1. The Company proposes to invest in the capital increase of TMY Technology, Inc.	Director himself/herself	The other attending directors unanimously pass the proposal.
Note: Due to that it has interests in the Proposal for the Company's planning to invest in the capital increase of the subsidiary of A-Neuron Electronic Corp., therefore the discussion and resolution are avoided.				

- (3) TWSE/TPEX listed companies shall disclose self-evaluation (or peer evaluation) information of the Board of Directors, such as the evaluation cycle, period, scope, method, and contents. Practices of the Board Evaluation:

The Company has established the "Performance Evaluation Measures for the Board of Directors and Functional Committees" to implement corporate governance and enhance the functions of the Company's board of directors and functional committees, establish goals to improve operational efficiency, and complete them before the latest board meeting after the end of the year under evaluation, and submit the results to the board of directors.

The implementation of the evaluation by the Board of Directors, Individual Directors, and Functional Committees:

Frequency	Period	Scope	Method	Content	2022 Results
Once a year	2022.01.01 2022.12.31	Board of Directors	Conduct performance evaluation through director self-evaluation and internal self-evaluation by the board of directors.	(1) Participation in the Company's operation. (2) Improvement in the Board of Directors' decision-making capabilities. (3) Composition and structure of the Board of Directors. (4) Election and continuing education of directors. (5) Internal control.	The overall operational results of individual board members, the overall board of directors, and various functional committees are good. It was reported to the board of directors on March 23, 2023, and in the future, the Company will continue to implement corporate governance and enhance the functions of the board of directors to promote the objectivity and operational performance of the board's evaluation.
		Individual Directors		(1) Understanding of the Company's goals and missions. (2) Understanding of the directors' responsibilities. (3) Participation in the Company's operation. (4) Management and communication of internal relations. (5) Expertise and continuing education of directors. (6) Internal control.	
		Functional Committees		(1) Participation in the Company's operation. (2) Understanding of the functional committees' responsibilities. (3) Improvement in the functional committees' decision-making capabilities. (4) Composition of the functional committees and election of members. (5) Internal control.	

- (4) Measures taken to strengthen the functionality of the Board in the current and the latest year (e.g., establishing the Audit Committee, enhancing information transparency), and implementation status:

(A) The Audit Committee and compensation committee established by the board of directors of the Company are authorized to assist the board in fulfilling its supervisory responsibilities. These two committees are composed of three independent directors. The chairpersons of each committee regularly report on their activities and resolutions to the board of directors.

(B) In terms of improving information transparency, the Company's financial information and other information have been disclosed to MOPS in accordance with relevant laws and regulations.

B. Operation of the Audit Committee:

1. Operation of the Audit Committee:

(1) The Audit Committee of the Company operates in accordance with the relevant provisions of the "Organizational Regulations of the Audit Committee", aiming to supervise the following matters:

(A) Proper expression of the company's financial statements.

(B) The selection (dismissal), independence, and performance of CPAs.

(C) Effective implementation of internal control within the company.

(D) The company follows relevant laws and regulations.

(E) Control of existing or potential risks in the company.

(2) A total of five Board meetings (A) were held in 2022. The attendance of independent directors is as follows:

Title	Name	Attendance in person 【B】	By Proxy	Attendance rate (%) 【B/A】	Remarks
Independent Director	Chen, Ying-Te	5	0	100%	
Independent Director	Chen, Tung-Hsien	5	0	100%	
Independent Director	Lu, Ping-Hsing	5	0	100%	

2. Other matters to be recorded:

- (1) If there are any of the following situations in the operation of the Audit Committee, the date, period, content of the proposal, independent directors' objections, reserved opinions, or significant recommended items, the resolution results of the Audit Committee, and the company's handling of the Audit Committee's opinions should be stated: With regard to the implementation of the Audit Committee, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all Audit Committee resolutions, and the Company's handling of such resolutions shall be specified:

(A) Matters referred to in Article 14-5 of the Securities and Exchange Act:

Date/Term	Contents of motions	Resolutions results	The Company's handling of Audit Committee's resolutions
2022.03.21 4th meeting of the 1st session	<ol style="list-style-type: none"> 1. Audit Report. 2. Proposal for the business report, financial statements and consolidated financial statements of the Company in 2021. 3. Proposal for 2021 Internal Control System Effectiveness Assessment and Internal Control System Declaration. 4. Proposal for 2022 cash capital increase. 5. Proposal for Issuance of Private Ordinary Shares. 6. Proposal for Issuance of 2021 new shares of restricted employee rights to employees. 7. Proposal for Issuance of 2021 1st stock options to employees. 8. Proposal for Issuance of 2022 1st employee stock option. 9. Proposal for Issuance of 2022 new shares of restricted employee rights. 10. Proposal for the evaluation of appointment, independence, and competency of CPAs. 11. Proposal for Revising measures for internal control system . 	<p>Approved Approved Approved Approved Approved Approved Approved Approved Approved Approved Approved</p>	<p>Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection</p>
2022.05.06 5th meeting of the 1st session	<ol style="list-style-type: none"> 1. Audit Report. 2. Proposal for financial statements of the Company in the first quarter of 2022. 3. Proposal for Revising measures for internal control system . 	<p>Approved Approved Approved</p>	<p>Approved without objection Approved without objection Approved without objection</p>
2022.08.09 6th meeting of the 1st session	<ol style="list-style-type: none"> 1. Audit Report. 2. Proposal for financial statements of the Company in the second quarter of 2022. 3. Proposal for amendments to the Procedures for the Acquisition or Disposal of Assets of the Company. 4. Proposal for Revising measures for internal control system . 	<p>Approved Approved Approved Approved</p>	<p>Approved without objection Approved without objection Approved without objection Approved without objection</p>
2022.11.08 7th meeting of the 1st session	<ol style="list-style-type: none"> 1. Audit Report. 2. Proposal for financial statements of the Company in the third quarter of 2022. 3. Proposal for the Company's 2022 2nd cash capital increase. 4. Proposal for recognizing 2022 1st issuance of employee stock options and subscription measures after the revision. 5. Proposal for recognizing issuance measures for new shares of restricted employee rights after the revision. 	<p>Approved Approved Approved Approved Approved</p>	<p>Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection</p>
2022.12.16 8th meeting of the 1st session	<ol style="list-style-type: none"> 1. Proposal for the Company's planning to invest in the capital increase of the subsidiary of A-Neuron Electronic Corp. 2. Proposal for the Company's Issuance of 2022 new shares of restricted employee rights to managers and employees. 	<p>Approved Approved Approved Approved Approved</p>	<p>Approved without objection Approved without objection Approved without objection Approved without objection</p>

Date/Term	Contents of motions	Resolutions results	The Company's handling of Audit Committee's resolutions
	3. Proposal for the Company's Issuance of 2022 1st stock options to managers and employees. 4. Proposal for the Company's 2022 2nd Subscription amount distribution of new shares granted to managers and employees through cash capital increase issuance. 5. Proposal for the audit plan of the Company in 2023. 6. Proposal for Issuance of the Company's 111 2nd employee stock option. 7. Proposal for Revising measures for internal control system .	Approved	Approved without objection Approved without objection Approved without objection Approved without objection
2023.02.22 9th meeting of the 1st session	1. Proposal for appointment of the internal audit supervisor of the Company. 2. The Company proposes to replace appointed accountants and annual compensation starting from the first quarter of 2023. 3. Proposal for the evaluation of independence and competency of CPAs of the Company in 2022. 4. The Company proposes to invest in the capital increase of TMY Technology, Inc.	Approved Approved Approved Approved	Approved without objection Approved without objection Approved without objection Approved without objection
2023.03.23 10th meeting of the 1st session	1. Audit Report. 2. Proposal for the business report, financial statements and consolidated financial statements of the Company in 2022. 3. Proposal for earning distribution of the Company in 2022. 4. Proposal for the Company's 2022 Internal Control System Effectiveness Assessment and Internal Control System Declaration. 5. Proposal for Company's private ordinary shares being no longer raised and issued after the expiration of the term. 6. Proposal for the Company's 2023 issuance of Private Ordinary Shares. 7. Proposal for Issuance of the company's 2023 new shares of restricted employee rights. 8. Proposal for appointment of the Corporate Governance Director of the Company.	Approved Approved Approved Approved Approved Approved Approved Approved	Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection Approved without objection
2023.05.08 11th meeting of the 1st session	1. Audit Report. 2. Proposal for financial statements of the Company in the first quarter of 2023. 3. Proposal for amendment to the Company's Standard Operating Procedures for Handling Directors' Requirements.	Approved Approved Approved	Approved without objection Approved without objection Approved without objection

(B) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

(C) Regarding recusals of independent directors from voting due to conflicts of interests, the names of the independent directors, contents of motions, reasons for recusal, and results of the voting shall be specified: None.

(2) Communications between the independent directors, the Company's chief internal auditor and CPAs (include material items, methods and results of audits of corporate finance or operations, etc.):

(A) Communications between the independent directors and the Company's chief internal auditor in 2022:

When the Company regularly holds an Audit Committee every quarter, the audit supervisor reports on the audit business and the audit plan for the following year, and submits the audit report to the independent director for review every

month. The approved matters are recorded in the meeting minutes, and the independent director and audit supervisor achieve sufficient communication.

Date	Nature	Communication matters	Communication/Implementation Results
2022.03.21	Audit Committee	Report the Audit Report results and improvement tracking status.	Agreed, no other suggestions.
		Proposal for 2021 Internal Control System Declaration.	Submit to the board of directors after review and approval
2022.05.06	Audit Committee	Report the Audit Report results and improvement tracking status.	Agreed, no other suggestions.
2022.08.09	Audit Committee	Report the Audit Report results and improvement tracking status.	Agreed, no other suggestions.
2022.11.08	Audit Committee	Report the Audit Report results and improvement tracking status.	Agreed, no other suggestions.
2022.12.16	Audit Committee	Proposal for the audit plan of the Company in 2023	Submit to the board of directors after review and approval
2023.03.23	Audit Committee	Report the Audit Report results and improvement tracking status.	Agreed, no other suggestions.
		Proposal for 2022 Internal Control System Declaration.	Submit to the board of directors after review and approval
2023.05.08	Audit Committee	Report the Audit Report results and improvement tracking status.	Agreed, no other suggestions.

(B) Communications between the independent directors and the CPAs in 2022:

During the annual financial statement review of the Company, the accountant and independent directors held separate meetings to explain the audit status of the financial report, significant asset evaluation, and accounting estimates. The accountant passed and communicated on the issues raised by the directors. The Audit Committee of the Company has fully communicated with the endorsing accountant.

Date	Nature	Communication matters	Communication/Implementation Results
2022.03.21	Forum	Audit status of annual financial statements.	No objections
		Explanation of recent legal updates.	No objections
		The accountant provides explanations, discussions, and communication regarding the questions raised by the attendees.	No objections
2022.11.08	Forum	Independence statement, quarterly review and audit matters, and expected key audit points for annual financial reports.	No objections
		Explanation of recent legal updates.	No objections
		The accountant provides explanations, discussions, and communication regarding the questions raised by the attendees.	No objections
2023.03.23	Forum	Annual audit scope, significant risk statement, and important audit matters.	No objections
		Explanation of recent legal updates.	No objections
		The accountant provides explanations, discussions, and communication regarding the questions raised by the attendees.	No objections

C. Composition, duties and operations of the Remuneration Committee

1. Duties of the Remuneration Committee

Regularly review the policies, systems, standards and structures, contributions, and future risk compliance for performance evaluation and compensation of directors and managers in accordance with the Organizational Regulations of the Salary and Compensation Committee, and take into account industry standards, submit the proposed suggestions to the board of directors for discussion. The evaluation items are financial and non-financial indicators, and the compensation system for directors and managers is reviewed at any time based on the actual operating conditions and relevant laws and regulations.

2. Information of Remuneration Committee members

Title	Qualification	Professional qualification and experience	Independence status	Number of other public companies where the individual concurrently serves as a Remuneration Committee member
	Name			
Independent Director Convener	Chen, Ying-Te	Served as Independent Director of AMAZING Microelectronic Corp., CPA, Professor of Department of Accounting, Providence University and Professor of Department of Accounting, National Chung Hsing University, with professional ability in financial accounting. Chen is not involved in any situation stipulated in Article 30 of the Company Act.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)	0
Independent Director	Chen, Tung-Hsien	Served as Independent Director of AMAZING Microelectronic Corp., Assistant Professor of MBA Program in International Management(imMBA), Fu Jen Catholic University and Assistant Professor of Department of Information and Communication, Tamkang University, with professional capabilities in the technology industry, strategic management, human resources and knowledge management. Chen is not involved in any situation stipulated in Article 30 of the Company Act.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)	0
Independent Director	Lu, Ping-Hsing	Served as Independent Director of AMAZING Microelectronic Corp. and Consultant of Airoha Technology Corp., with expertise in multiple industries and business management capabilities. Lu is not involved in any situation stipulated in Article 30 of the Company Act.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)	0

Note 1: Independence of members during the two years prior to their election and during their tenure. (Those who meet the requirements are disclosed in the table above)

- (1) They are not employees of the company or its affiliated enterprises.
- (2) They are not directors or supervisors of the company or its affiliated enterprises (except for those who are independent directors established by the company and its parent company, subsidiaries, or subsidiaries of the same parent company in accordance with this Law or local laws and regulations, and hold concurrent positions).
- (3) They are not natural person shareholders who holds 1% or more of the total issued shares of the company or holds the top ten shares themselves or in the name of their spouses, minor children, or someone others.
- (4) They are not managers listed in (1) or the individual's spouses, relatives within the second degree of kinship, or direct blood relatives within the third degree of kinship, listed in (2) and (3).
- (5) They are not directors, supervisors, or employees of legal person shareholders who directly hold 5% or more of the total number of issued shares of the company, or hold the top five shares, or who are appointed as the representatives to be the company's directors, supervisors in accordance with Article 27, Paragraph 1 or 2 of the Company Act (except for those who are independent directors established by the company and its parent company, subsidiaries, or subsidiaries of the same parent company in accordance with this Law or local laws and regulations, and hold concurrent positions).
- (6) They are not directors, supervisors, or employees of another company with more than half of the number of directors or voting shares are controlled by the same person (except for those who are independent directors established by the company and its parent company, subsidiaries, or subsidiaries of the same parent company in accordance with this Law or local laws and regulations, and hold concurrent positions).
- (7) They are not directors (governing), supervisors(supervising), or employees of another company or institution who are the same person as or the spouse of the chairman, general manager, or equivalent position of the company (except for those who are independent directors established by the company and its parent company, subsidiaries, or subsidiaries of the same parent company in accordance with this Law or local laws and regulations, and hold concurrent positions).
- (8) They are directors (governing), supervisors (supervising), managers, or shareholders holding 5% or more of the total issued shares of a specific company or institution that has financial or business dealings with the company (except that if a specific company or institution holds 20% or more of the total issued shares of the company but does not exceed 50%, and they are independent directors established by the company and its parent company, subsidiaries, or subsidiaries of the same parent company in accordance with this Law or local laws and regulations, and hold concurrent positions).
- (9) They are not professionals in business, legal, finance, accounting and other related services, or owners, partners, directors (governing), supervisors (supervising), managers and their spouses of sole proprietorships, partnerships, companies or institutions, who do not provide audit services for companies or affiliated enterprises or have received cumulative compensation of less than NT\$500000 in the past two years. However, this restriction does not apply to members of the Remuneration Committee, Public Acquisition Review Committee, or Merger and Acquisition Special Committee who exercise their powers in accordance with the Securities and Exchange Law or the Enterprise Merger and Acquisition Law.
- (10) There are no circumstances under Article 30 of the Company Act.

3. Operational status of the Remuneration Committee

- (1) There are three members of the Remuneration Committee of the Company.
- (2) Term of office of members: From July 12, 2021 to July 11, 2024. A total of three Remuneration Committee meetings (A) were held in 2021. The attendance of the members is as follows:

Title	Name	Attendance in person (B)	By Proxy	Attendance rate 【B/A】	Remarks
Convener	Chen, Ying-Te	3	0	100%	
Committee member	Chen, Tung-Hsien	3	0	100%	
Committee member	Lu, Ping-Hsing	3	0	100%	

- (3) Other matters to be recorded:

(A) If the Board of Directors refuses to adopt or amend a recommendation of the Remuneration Committee, the date of the meeting, session, the content of the motion, resolution of the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and reason for the difference) shall be specified: None.

(B) If there were resolutions of the Remuneration Committee to which members objected or expressed reservations, and for which there is a record or declaration in writing, the date of the meeting, session, the content of the motion, all members' opinions and the response to members' opinion shall be specified:

The resolutions of the Company's Remuneration Committee have no objections or reservations. The content and resolution results of the most recent year and recent proposals are listed in the table below:

Date/Term	Contents of motions	Opinions of all independent directors and subsequent handling
2022.03.21 2nd meeting of the 4th session	1. Proposal for 2021 Report on the Directors and Managers' Performance Evaluation. 2. Proposal for the Company's 2021 directors, supervisors, and employees compensation.	The independent directors have not expressed any objections or reservations to the following proposals, and all proposals have been approved by all members of the Remuneration Committee and all directors.
2022.05.06 3rd meeting of the 4th session	1. Proposal for the Company's 2022 Subscription amount distribution of new shares granted to managers through cash capital increase issuance.	
2022.12.16 4th meeting of the 4th session	1. Proposal for the Company's 2023 Work Plan of the Remuneration Committee. 2. Proposal for the Company's 2023 Managers' compensation. 3. Proposal for the Company's Issuance of 2022 new shares of restricted employee rights to managers. 4. Proposal for the Company's Issuance of 2022 1st stock options to managers. 5. Proposal for the Company's 2022 2nd Subscription amount distribution of new shares granted to managers through cash capital increase issuance.	

Date/Term	Contents of motions	Opinions of all independent directors and subsequent handling
2023.03.23 5th meeting of the 4th session	1. Proposal for 2022 Report on the Directors and Managers' Performance Evaluation. 2. Proposal for the Company's 2022 directors and employees compensation.	

D. Corporate Governance implementation status and deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Evaluation Items	Implementation Status			Discrepancies between the goals set by TWSE/TPEX listed companies in ethical corporate management and the causes of discrepancies
	Yes	No	Abstract	
1. Has the Company established and does it disclose its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established the Company's Corporate Governance Best Practice Principles and has disclosed it on its website to facilitate the establishment of an effective corporate governance framework, protect shareholder rights, strengthen the functions of the board of directors, leverage the functions of the Audit Committee, respect the rights and interests of stakeholders, and enhance information transparency.	No discrepancy
2. Shareholding structure & shareholders' rights				
(1) Has the Company established internal operating procedures to deal with shareholders' suggestions, concerns, disputes and litigation, and does the Company implement such procedures in accordance with the procedures?	✓		(1) The Company's website has an investor (or shareholder) contact area dedicated to handling shareholder suggestions, questions, or disputes related matters.	No discrepancy
(2) Does the Company keep a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	✓		(2) The Company's stock affairs agency provides a register of shareholders and discloses relevant information in accordance with regulations, enabling it to have access to and maintain good communication channels with major shareholders at all times.	
(3) Has the Company established and does it execute a risk management and firewall system within its affiliated companies?	✓		(3) The Company and its subsidiaries operate independently in terms of finance and business, and have established internal control systems and other management measures in accordance with relevant regulations.	
(4) Has the Company established internal rules against insider trading and the use of undisclosed information in securities trading?	✓		(4) The Company has established the "Management Measures for Preventing Insider Trading" and the "Integrity Operating Procedures and Guidelines", which prohibit insiders from using non-public information in the market to trade securities.	
3. Composition and responsibilities of the Board of Directors				
(1) Does the Board of Directors develop and implement a diversity policy for the composition of its members?	✓		(1) The Company has established the Company's Corporate Governance Best Practice Principles and implements a diversification policy in accordance with Article 20 of the code. Based on the company's own operations, operational style, and development needs, we adopt a diversification policy. Our current board of directors has 11 members (including 3 independent directors), and the relevant	No discrepancy

Evaluation Items	Implementation Status			Discrepancies between the goals set by TWSE/TPEx listed companies in ethical corporate management and the causes of discrepancies
	Yes	No	Abstract	
<p>(2) In addition to the legally required Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees?</p> <p>(3) Has the Company established standards and methods to evaluate the performance of the Board of Directors, conduct evaluations annually and regularly, report the evaluation results to the Board of Directors, and use them as a reference for individual directors' remuneration, nomination and renewal?</p> <p>(4) Does the Company regularly evaluate the independence of the CPAs?</p>	✓		<p>diversification policies and implementation status are disclosed on the company's website: Our directors are between the ages of 50 and 75, in order to implement the diversification goal of the board of directors, The target proportion of directors with managerial status in the Company is not to exceed 35%. The target number of independent director seats is to increase to three, and the target number of female director seats is to increase to two. All eleven directors are of local nationality, including 27% of directors with managerial status and 27% of independent directors. The term of office is between 0 and 12 years, and female directors hold two seats, accounting for 18%. The professional backgrounds of the board members include management, engineering, and financial analysis, and they possess the knowledge of semiconductor and other industries, operational judgment, international market concepts, leadership and decision-making abilities required by the company. They can provide professional opinions from different perspectives, which can improve the company's operational performance and management efficiency.</p> <p>(2) The Company has a Remuneration Committee and an Audit Committee, but there are no other functional committees. In the future, we will establish other functional committees according to laws and regulations and the company's operational needs.</p> <p>(3) The Company has established performance evaluation methods and forms for the board of directors and functional committees. The board of directors, functional committees, and members of the board of directors conduct internal self-evaluation once a year. The evaluation results in 2022 were submitted to the board of directors on March 23, 2023. The overall operation of the board of directors, directors, and functional committees was good. As a reference for nomination and renewal in the future, it will be placed on the company's website for future reference.</p> <p>(4) The Company has established an "Evaluation Method for the Competency and Independence of CPAs", which evaluates the suitability and independence of CPAs once a year, taking into account the five major aspects of audit quality indicators (AQIs), including professionalism, quality control, independence, supervision, and innovation ability. After discussion and approval by the audit committee on February 22, 2023, it was submitted to the board of directors for approval on the same day. After evaluation by the Company, both the accountants Hsu, Yu-Feng, and Mei, Yuan-Chen of KPMG meet the company's eligibility and independence standards (Attachment 1), and have requested the accounting firm to issue a "Detached Independence Statement" and "Audit Quality Indicator AQI". The above results are sufficient for them to serve as the company's endorsement accountant.</p>	
<p>4. Does the Company appoint adequate persons and a chief governance officer in charge of corporate governance matters (including, but not limited to, providing directors and supervisors with the required information for business execution, assisting directors and supervisors in following laws and regulations, handling matters in relation to Board Meetings and Shareholders' Meetings and keep minutes at Board Meetings and Shareholders' Meetings as required by law)?</p>	✓		<p>On March 23, 2023, at the 11th meeting of the 7th Board of Directors, the Company appointed Chan, Mien-Yuan as the Director of Corporate Governance, responsible for executing corporate governance business and handling relevant declaration operations. We also set up a stock management unit to provide the necessary data for directors to execute business, assist directors in complying with laws and regulations, continue their education, prepare minutes of the board of directors and shareholders' meetings in accordance with the law, and handle company (change) registration, strengthen the functions of the board of directors, and safeguard the equal rights and interests of stakeholders and shareholders.</p>	No discrepancy

Evaluation Items	Implementation Status			Discrepancies between the goals set by TWSE/TPEx listed companies in ethical corporate management and the causes of discrepancies
	Yes	No	Abstract	
5. Has the Company established communication channels and build a dedicated section on its website for stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	✓		The Company has spokespersons and acting spokespersons as communication channels with stakeholders, and sets up stakeholder and sustainable development zones on the company's website to provide channels for various stakeholders to express their opinions, respond appropriately to the important issues of concern to stakeholders, and refer to feedback from various sectors as a basis for continuous improvement.	No discrepancy
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company entrusts the professional stock affairs agency "Stock Affairs Agency Department, Capital Securities Corp." to handle matters related to the shareholders' meeting and stock affairs.	No discrepancy
7. Information disclosure (1) Does the Company have a corporate website to disclose both the Company's financial standing and corporate governance status? (2) Does the Company have other information disclosure channels (e.g., an English website, appointing designated people to handle information collection and disclosure, a spokesperson system, and webcasting investor conferences)? (3) Does the Company announce and file annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?	✓ ✓ ✓		(1) The Company has set up a website (https://www.amazingic.com/) to disclose financial and corporate governance related information at any time. (2) The Company has an English language website and dedicated personnel responsible for collecting and disclosing company information, implementing the spokesperson system, and occasionally being invited to hold corporate presentations. Relevant briefings and audio-visual information are disclosed on the company's website and MOPS for public reference. In addition, the company holds regular corporate presentations every year and places relevant data on MOPS and the company's website, providing investors with access to the company's operational and financial information. (3) The Company announced and reported its financial report for the year 2022 on March 31, 2023. In the future, we will propose to announce and report quarterly financial reports and monthly operating conditions in accordance with regulations.	No discrepancy
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including, but not limited to, employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by directors and supervisors)?	✓		(1) Employee interests and wellbeing: the Company implements the rights and interests of employees in accordance with relevant labor laws and regulations, and provides relevant welfare systems (such as employee travel, various subsidies, etc.) to establish a mutual trust relationship with employees. (2) Investor relations: the Company has an "Investor Relations Department" responsible for handling shareholder recommendations. (3) Supplier relations: the Company has a supplier management policy, maintains a good supply and demand relationship with suppliers, establishes a stable supply chain, and conducts periodic audits to ensure supply quality. (4) Stakeholder rights: Stakeholders may provide opinions and communicate with the Company to safeguard their legitimate rights and interests. (5) Continuing education of directors: Participate in continuing education of professional knowledge courses in finance, business, and other fields (Attachment 2). (6) Implementation of risk management policies and risk measurement standards: the Company has established and effectively implemented internal control systems in accordance with the guidelines for establishing internal control systems for public companies, in order to reduce the company's operational risks. (7) Implementation of customer policy: the Company has set up a customer service unit to handle customer issues and has dedicated lines to improve customer satisfaction.	No discrepancy

Evaluation Items	Implementation Status			Discrepancies between the goals set by TWSE/TPEX listed companies in ethical corporate management and the causes of discrepancies
	Yes	No	Abstract	
			(8) Liability insurance purchased for directors: The company has purchased liability insurance for directors during their term of office, in order to reduce and disperse the risk of significant damage to the company and shareholders caused by errors or omissions of directors and supervisors, in accordance with their legal liability for compensation within the scope of their business. The insurance period is from December 20, 2022 to December 20, 2023, and the report to the board of directors is submitted on December 16, 2022.	
9. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved: The Company has completed self-assessment and review, and continues to strengthen its corporate governance level based on the evaluation results.				

Table 1: Evaluation Form of the Competency and Independence of CPAs

Item	Evaluation Items	Evaluation results	
		Yes	No
1	The CPA has no direct or indirect significant financial interest relationship with the company.	✓	
2	The CPA has no financing or guarantee behavior with the company or the company.	✓	
3	The CPA has as not been subject to disciplinary action by the competent authority when endorsed by other companies.	✓	
4	The CPA or audit team member has no potential employment relationship with the Company.	✓	
5	The CPA and the Company do not have any potential public fees related to the audit case.	✓	
6	The CPA or audit team member has no family relationship with the relevant personnel of the company's financial and accounting unit.	✓	
7	The CPA or audit team member has not received any significant gifts or special discounts of value from the Company.	✓	
8	The CPA has not accepted any improper selection of accounting policies or improper disclosure in financial statements by the management of the company.	✓	
9	The CPA or audit team member has not held any position as a director, supervisor, manager of the company or has had a significant impact on the audit case currently or in the past two years.	✓	
10	The CPA has not promoted or mediated the stocks or other securities issued by the Company.	✓	
11	The CPA has not accepted the audit work improperly reduced by the Company due to price reductions and public fees.	✓	
12	Whether the CPA provides a statement of competency and independence that meets the requirements of the Company.	✓	
13	Has the official financial report for the first three quarters been completed within 45 days of the end of that quarter or has the annual financial report been completed within three months of the end of the year.	✓	
14	Has the financial audit of the reinvestment company been completed as scheduled.	✓	
15	Has it regularly updated the Company on tax, securities regulatory laws, and financial and tax consulting services.	✓	

Table 2: Continuing education of directors in 2022

Title/Name	Date	Organizer	Course Name	Hours
Director Lee, Chun-Chan	2022/05/06	Securities and Futures Institute (SFI Taiwan)	ESG Governance Perspectives - From Knowing to Doing	3
			Carbon Management Trends and Countermeasures towards Net-Zero	3
	2022/08/25	Taipei Exchange	Insider Equity Advocacy Lecture for Listed and Unlisted companies	3
Legal representative of the director Wu, Chung-Yu	2022/04/28	Taiwan Corporate Governance Association , TCGA	Creating a sustainable new daily life	3
	2022/05/06	Securities and Futures Institute (SFI Taiwan)	ESG Governance Perspectives - From Knowing to Doing	3
			Carbon Management Trends and Countermeasures towards Net-Zero	3
	2022/06/09	Taiwan Corporate Governance Association , TCGA	The Intellectual Property Opportunities and Risks Faced by Enterprises under the Metaverse Business Opportunities	3
	2022/07/29	Taiwan Corporate Governance Association , TCGA	The Latest Development and Amendment Trends of International and Domestic Taxation (Part 1)	3
			The Latest Development and Amendment Trends of International and Domestic Taxation (Part 2)	3
Director Jiang, Hsin-Chin	2022/05/06	Securities and Futures Institute (SFI Taiwan)	ESG Governance Perspectives - From Knowing to Doing	3
			Carbon Management Trends and Countermeasures towards Net-Zero	3
Director Hung, Ju-Chen	2022/05/06	Securities and Futures Institute (SFI Taiwan)	ESG Governance Perspectives - From Knowing to Doing	3
			Carbon Management Trends and Countermeasures towards Net-Zero	3
Legal representative of the director Lien, Shu-Chuan	2022/05/06	Securities and Futures Institute (SFI Taiwan)	ESG Governance Perspectives - From Knowing to Doing	3
			Carbon Management Trends and Countermeasures towards Net-Zero	3
Director Lo, Cheng-Lien	2022/05/06	Securities and Futures Institute (SFI Taiwan)	ESG Governance Perspectives - From Knowing to Doing	3
			Carbon Management Trends and Countermeasures towards Net-Zero	3
Director Hu, Chiu-Chiang	2022/05/06	Securities and Futures Institute (SFI Taiwan)	ESG Governance Perspectives - From Knowing to Doing	3
			Carbon Management Trends and Countermeasures towards Net-Zero	3
Director Chen, I-Ching	2022/05/06	Securities and Futures Institute (SFI Taiwan)	ESG Governance Perspectives - From Knowing to Doing	3
			Carbon Management Trends and Countermeasures towards Net-Zero	3
Independent Director Chen, Ying-Te	2022/05/06	Securities and Futures Institute (SFI Taiwan)	ESG Governance Perspectives - From Knowing to Doing	3
			Carbon Management Trends and Countermeasures towards Net-Zero	3
Independent Director Chen, Tung-Hsien	2022/05/06	Securities and Futures Institute (SFI Taiwan)	ESG Governance Perspectives - From Knowing to Doing	3
			Carbon Management Trends and Countermeasures towards Net-Zero	3
	2022/08/25	Taipei Exchange	Insider Equity Advocacy Lecture for Listed and Unlisted companies	3

Title/Name	Date	Organizer	Course Name	Hours
Independent Director Lu, Ping-Hsing	2022/05/06	Securities and Futures Institute (SFI Taiwan)	ESG Governance Perspectives - From Knowing to Doing	3
			Carbon Management Trends and Countermeasures towards Net-Zero	3

Table 3: Continuing education of managers

Title/Name	Date	Organizer	Course Name	Hours
Accounting Supervisor Chan, Mien-Yuan	2022/09/15	Accounting Research And Development Foundation.	Continuing Education Program for Accounting Supervisors of Issuers, Securities Firms, and Stock Exchanges (Accounting, Corporate Governance, and Professional Legal Responsibilities)	12
	2022/09/16			
Audit Supervisor Fan, Yang-Chieh	2022/06/09	The Institute of Internal Auditors, R.O.C.	Exploring the Impact of ESG Risk on Enterprise Internal Control and Corresponding Measures in the Face of Climate Change and Sustainable Development Tide	6
	2022/10/13		Analyzing Business Performance and Risk Prevention from financial Statements	6

Note: Business Implementation and Further Education of Corporate Governance Supervisor: The Board of Directors appointed Chan, Miss Chan, Mien-Yuan of Senior Director of Finance and Accounting Department, as the Corporate Governance Supervisor on March 23, 2023, to execute corporate governance business and handle relevant declaration procedures. Please refer to the Company's website for annual business Implementation and further education.

E. Implementation status of promotion of sustainable development, deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Items	Implementation status			Discrepancies between the goals set by TWSE/TPEX listed companies in ethical corporate management and the causes of discrepancies
	Yes	No	Abstract	
1. Has the Company established a governance structure to promote sustainable development and set up a full-time (or part-time) unit to promote sustainable development which is handled by senior management authorized by the Board of Directors and supervised and guided by the Board of Directors?	✓		<p>The Company has a Sustainable Development Promotion Group, which is the responsible unit for sustainable development at AMAZING Microelectronic Corp., with the Chairman serving as the convener. It is composed of five working groups, including corporate governance, supply chain management, environmental protection, happy workplace and social prosperity. In 2022, it reports to the board of directors on sustainable development issues on 03/21, 05/06, 08/09, and 12/16, as follows:</p> <p>(1) Revise sustainable development policies and codes of conduct, as well as codes of practice for sustainable development.</p> <p>(2) Develop procedures for the preparation and verification of sustainability reports.</p> <p>(3) Target Path Planning Report on Sustainable Development Net Zero Carbon Emission:</p> <p>a. Schedule for greenhouse gas inventory and verification of the parent company and the group (including each subsidiary).</p> <p>In addition to reporting on the promotion of sustainable development to the board of directors on a quarterly basis, the board also reviews the operational situation and urges adjustments to strategies when necessary.</p>	No discrepancy
2. Has the Company implemented a risk evaluation of issues related to corporate operations, including environment, society and corporate governance, according to the materiality principle and established relevant risk management policies or strategies?	✓		<p>The Company has established "Risk Management Policy and Procedures" on December 16, 2022, which includes operational management risks, information risks, financial operation risks, and hazardous event risks. We have taken preventive measures in advance to reduce losses caused by risks. The highest guiding unit is the senior management level, and the Planning Department evaluates potential risks and provides corresponding countermeasures for Implementation, promotion, and coordination. Each operating unit executes actual risk plans, And regularly report to the board of directors. Report to the board of directors on the evaluation of risks, risk issues, and risk response measures taken on December 16, 2022, as follows:</p> <p>(1) Supply chain production changes - cost, inventory, production end.</p> <p>(2) Changes in sales market demand - Changes in market demand.</p> <p>(3) Trade Control Risks - Control List.</p> <p>(4) Talent recruitment and development management - changes in the labor ecosystem.</p> <p>(5) Exchange rate risk - changes in international political and economic situations.</p> <p>(6) Fluctuations in interest rates, taxes, etc. - Changes in interest rates.</p> <p>(7) Accounts receivable, fund flow - delays, bad debt events.</p> <p>(8) Epidemic infectious diseases - changes in the epidemic situation.</p> <p>Identify, evaluate, handle, and monitor potential risks that may affect the achievement of the company's goals, and regularly track and incorporate them into the daily operations of each unit to control the risks generated by business activities within an acceptable range. In addition, measures such as "Supervision And Management Of Subsidiaries" have been established to establish a risk control mechanism with affiliated enterprises.</p>	No discrepancy
3. Environmental issues (1) Has the Company established an environmental management system suitable for the industry in which it operates?	✓		<p>(1) In response to the international trend, the company has obtained ISO14001 verification and ISO14064-1 external certification in environmental management, and has formulated and implemented the relevant operation specifications of the "Environment, Safety and Health Risk Identification and Assessment Procedure" and the "Environment, Safety and Health Management Manual", and has incorporated this operation into the sustainable development issue, and also implemented and promoted by the Administration Department according to the principle of the "RBA Responsibility Business Alliance Code of Conduct", committed to reducing the impact on natural resources and reducing environmental pollution, setting short, medium, and long-term goals, as well as identifying boundaries and emission sources, as follows:</p>	No discrepancy

Items	Implementation status			Discrepancies between the goals set by TWSE/TPEX listed companies in ethical corporate management and the causes of discrepancies
	Yes	No	Abstract	
(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials that have a low impact on the environment?	✓		a. Boundary: Office and warehouse b. Identification of emission sources: Category 1- Refrigerator refrigerant, fire extinguisher, generator Category 2- Purchased Electricity (TaiPower) To enhance the implementation of sustainable environmental policies. (2) The Company is a professional IC design company that reduces environmental pollution through the concept of green design and simplified product structure. The related waste products are handed over to a professional waste disposal company and the results are tracked. In order to reduce the impact of raw materials on the environment, the quality of purchased raw materials is evaluated, and raw materials that meet the requirements of no harmful substances are selected. Suppliers are encouraged to obtain QC080000 hazardous substance management system validation and continue to comply with RoHS, halogen-free, and REACH requirements.	
(3) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		(3) The Company has developed energy-saving and carbon reduction strategies based on the impact of operational activities, promoting various energy-saving measures, such as turning off lights and paperless operations, to reduce the impact of our operations on the natural environment. Please refer to page 48 for the current and future risks and opportunities of climate change, related response plans, and practical operations.	
(4) Has the Company calculated greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and established policies on energy conservation and carbon reduction, greenhouse gas reduction, water reduction, or waste management?	✓		(4) The Company has established environmental safety and health management procedures to effectively achieve environmental safety maintenance, energy conservation and carbon reduction goals. We have obtained ISO14064-1 external certification and aim to reduce greenhouse gas emissions by more than 1-2% annually. Our measures include: (1) turning off lights at will, (2) bringing your own tableware and tea sets, (3) saving water and electricity, (4) turning off the power at any time, unplugging the power plug, (5) indoor air conditioning at 26-28 degrees Celsius, (6) implementing electronic forms and processes to reduce paper usage. Please refer to page 48 for relevant response plans and practical operations.	
4. Social issues				
(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The Company established a "Human Rights Policy" on May 3, 2019, in accordance with labor laws and internationally recognized basic labor rights. The relevant policies include (1) supporting international human rights conventions, (2) diversity, inclusiveness, and equal opportunities, (3) safe and healthy workplaces, and (4) labor relations. And in accordance with internationally recognized human rights standards such as the United Nations Universal Declaration of Human Rights, the United Nations Global Covenant, the United Nations Guiding Principles on Enterprise and Human Rights, and the United Nations International Labour Organization, although no trade union organization has been established, it still follows government labor laws and regulations to hold regular labor meetings for two-way communication and consultation. In addition, in accordance with Article 83 of the Labor Standards Law, regular labor meetings are held. When necessary, temporary meetings can be held to discuss topics such as promoting labor capital cooperation, coordinating labor relations, improving labor conditions, and planning labor welfare. The specific solutions are as follows: a. Conduct fire drills, maintain access control management, and fire equipment. b. The lunch break is 1.5 hours. c. Complete and unobstructed upgrade pipeline. d. Implement the vacation system. e. Promote relevant education and training to reduce related risks.	No discrepancy

Items	Implementation status			Discrepancies between the goals set by TWSE/TPEX listed companies in ethical corporate management and the causes of discrepancies
	Yes	No	Abstract	
(2) Has the Company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation as appropriate?	✓		(2) Article 18 of the company's articles of association stipulates that if the company makes profits during the year, it shall allocate 10% to 15% as employee compensation, including employees of affiliated companies who meet certain conditions. And the employee handbook has a relevant (1) leave system, which is superior to the provisions of the Labor Standards Law. The national holiday of seven days is arranged as a spring break for employees. (2) In terms of salary, the KPI assessment of the current year is combined with the company's operational goals to evaluate and serve as the basis for subsequent employee training and development. (3) Other welfare policies, such as employee travel subsidies and health check ups. (4) Salary adjustments and irregular structural salary adjustments are conducted every year. (5) Employee Stock Ownership Trust.	
(3) Does the Company provide a safe and healthy work environment, and does it organize health and safety training for its employees on a regular basis?	✓		(3) The Company regularly conducts relevant pre employment education and training when new employees arrive, including training for new employees, professional functional training, fire drills, etc., and provides employees with health checks and sports venues to ensure a safe and healthy working environment. A total of 224 people participated in the 2022 fire drill. There were 0 cases of disability caused by work-related injuries throughout the year, and there were no related losses caused by employee health violations.	
(4) Has the Company established effective career development and training plans for its employees?	✓		(4) The Company plans and implements career competency plans for employees' professions and abilities by various units, and timely provides relevant internal and external professional education and training to enrich employees' career skills and cultivate talents.	
(5) Do the Company's products and services comply with related regulations and international rules for customers' health and safety, privacy, sales, labeling and set policies to protect consumers' rights and consumer appeal procedures?	✓		(5) The Company formulates management measures based on industry characteristics and relevant regulations to maintain product quality, comply with international standards, and operate with integrity. We have also passed certifications such as ISO45001, ISO14001, and IECQ QC080000. In order to protect consumer rights (clients) and provide relevant appeals and services, a dedicated contact window can also be set up through the Company's website to provide real-time customer service. The confidential information exchange between the Company and customers and suppliers is to protect the rights and interests of both parties by signing NDA confidentiality contracts. The Company's marketing and labeling of products and services comply with and comply with relevant regulations and international standards. The Company has also formulated the "Personal Data Protection Management Measures", which prioritize protecting customer privacy.	
(6) Has the Company established supplier management policies that require suppliers to comply with relevant laws and regulations related to environmental protection, occupational health and safety or labor rights and supervised its implementation?	✓		(6) The contract between the Company and major suppliers requires suppliers to comply with ISO14001 and ISO9001 verification certificates, and provide OHSAS18001 as appropriate and comply with the Company's integrity policy. In addition, we must comply with the provisions of international green energy standards in terms of corporate social responsibility and environmental responsibility, and regularly evaluate and audit suppliers in a timely manner, with the aim of jointly complying with cooperative suppliers and promoting economic, social, environmental and ecological protection and sustainable development. Under short, medium, and long-term goals, it is to achieve: a. 100% signing of the Supplier Code of Conduct. b. 100% completion of the evaluation and audit of ESG related projects. c. 100% implementation of the conflict free mineral policy. d. Implement hazardous substance management and regularly inspect the composition of various materials. e. Conflict free mineral policy. In addition to adhering to commercial inspection projects such as quality, cost, and delivery time, the annual supplier evaluation and audit have recently added ESG related projects, requiring existing suppliers to sign supplier code of conduct, and conducting ESG risk assessments and regular ESG evaluations on suppliers. The goal is to create a sustainable supply chain with all suppliers.	

Items	Implementation status			Discrepancies between the goals set by TWSE/TPEX listed companies in ethical corporate management and the causes of discrepancies																
	Yes	No	Abstract																	
5. Has the Company, referring to the international standards or guidelines for the preparation of reports, prepared CSR reports to disclose non-financial information of the Company? Are the reports certified or assured by a third-party accreditation institution?	✓		The Company has prepared the 2021 sustainable report in accordance with the spirit and principles of GRI standards and AA1000 accountability principles. The 2021 sustainable report of the Company has obtained a guarantee statement from AFNOR International Co., Ltd. disclosed on the company website (https://www.amazingic.com/tw/csr/overview) 。	No discrepancy																
6. If the Company has established corporate social responsibility principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies, describe the implementation and any discrepancy: The Company has established a sustainable development policy and code of conduct, which is implemented in accordance with the standards of the code. Currently, there are no significant differences. Please refer to our 2021 Sustainability Report for detailed operational information.																				
7. Other important information to facilitate a better understanding of the Company's corporate social responsibility practices:																				
(1) The Company regularly processes public waste and entrusts external units such as JIIN YEEH DING Co., Ltd. to handle it properly and report it to the National Taxation Bureau for verification, in order to reduce environmental pollution.																				
(2) The company has established an employee handbook, human rights policies, reporting methods and code of conduct for responsible Business alliance, and does not use child labor or harass employees. Relevant policies are published on the company website.																				
(3) Advocating the use of electronic documents instead of paper, the Company has joined the government's electronic exchange mechanism to save document delivery time and paper assignments; And implement electronic forms and processes, reducing paper usage by up to 20%.																				
(4) The company promotes social development through donations or volunteer services. In 2022, the total amount of donations is NT \$5538000. The recipients of donations are: Tamkang University (Department of Electronics and Electrical Engineering), Taiwan World Vision International, golf player Qiu Lingti, the Science and Technology Management Association of the Republic of China, the Good Heart Foundation of the medical consortium legal person, the Community Hard Hearing Welfare Association of the Republic of China, the consortium legal person Taipei Top Science Education Foundation The New Taipei Private Meiji Social Welfare Charity Foundation, Cancer Hope Foundation, Liver Disease Prevention and Treatment Academic Foundation, Kaohsiung Private Little Angel Homestead, Jiang Aying Education Foundation, and Taitung High School Alumni Donation School Affairs Fund are the legal entities of the consortium.																				
(5) The situation where the company purchases liability insurance for directors																				
<table><tr><th>Insured objects</th><th>Insurance company</th><th>Insurance amount</th><th>Insurance period</th></tr><tr><td>All directors</td><td>Xin'an Tokyo Marine Products Insurance Co., Ltd</td><td>USD 5,000,000</td><td>From December 20, 2022 to December 20, 2023</td></tr></table>					Insured objects	Insurance company	Insurance amount	Insurance period	All directors	Xin'an Tokyo Marine Products Insurance Co., Ltd	USD 5,000,000	From December 20, 2022 to December 20, 2023								
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<table><tr><th>Facing</th><th>Risk assessment</th><th>Response plan</th><th>Actual operation</th></tr><tr><td>Compliance with environmental regulations</td><td>Greenhouse gas inventory</td><td>Inventory the current status of greenhouse gas emissions.</td><td>Greenhouse gas emissions are calculated based on the data listed in the monthly electricity bill (electricity consumption, energy intensity, per capita electricity consumption).</td></tr><tr><td>Climate/epidemic disasters</td><td>Natural disasters leading to reduced or interrupted production capacity</td><td>The Company has established an "Emergency Response Procedure" to mitigate the impact of natural disasters.</td><td>Organize two emergency response drills annually and participate in the management committee's exercises, and review the effectiveness of their implementation.</td></tr><tr><td>Other behavioral impacts</td><td>Stakeholders' concerns</td><td>Advocate suppliers to establish green procurement; Participate in the promotion of relevant energy-saving plans by competent authorities.</td><td>The supplier's materials come from conflict free mineral areas; Purchase green label software and hardware equipment as well as administrative consumables.</td></tr></table>					Facing	Risk assessment	Response plan	Actual operation	Compliance with environmental regulations	Greenhouse gas inventory	Inventory the current status of greenhouse gas emissions.	Greenhouse gas emissions are calculated based on the data listed in the monthly electricity bill (electricity consumption, energy intensity, per capita electricity consumption).	Climate/epidemic disasters	Natural disasters leading to reduced or interrupted production capacity	The Company has established an "Emergency Response Procedure" to mitigate the impact of natural disasters.	Organize two emergency response drills annually and participate in the management committee's exercises, and review the effectiveness of their implementation.	Other behavioral impacts	Stakeholders' concerns	Advocate suppliers to establish green procurement; Participate in the promotion of relevant energy-saving plans by competent authorities.	The supplier's materials come from conflict free mineral areas; Purchase green label software and hardware equipment as well as administrative consumables.
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Items	Implementation status			Discrepancies between the goals set by TWSE/TPEX listed companies in ethical corporate management and the causes of discrepancies
	Yes	No	Abstract	
(7) Regularly investigate greenhouse gas emissions, water consumption, and total weight of waste as a basis for reduction effectiveness and continuous improvement.				
2022	Quantity/Unit		Actual operation	
Greenhouse gas emissions	152.46 ton CO2e		Calculate the Company's share based on the total electricity consumption of the plant building bill and convert the equivalent CO2 emissions based on the electricity emission coefficient.	
Water consumption	1,768.50 cubic meters		Calculate the Company's share based on the total water consumption of the plant building bill.	
Total weight of waste	85.00 kg		Public waste verified by external unit "JIIN YEEH DING Co., Ltd."	
2021	Quantity/Unit		Actual operation	
Greenhouse gas emissions	153.99 ton CO2e		Calculate the Company's share based on the total electricity consumption of the plant building bill and convert the equivalent CO2 emissions based on the electricity emission coefficient.	
Water consumption	1,653.11 cubic meters		Calculate the Company's share based on the total water consumption of the plant building bill.	
Total weight of waste	264.77 kg		Public waste verified by external unit "JIIN YEEH DING Co., Ltd."	
(8) For other social responsibility activities, the Company has dedicated personnel responsible for collecting and disclosing company information to ensure that it may affect the decisions of shareholders and stakeholders and can be disclosed in a timely and appropriate manner.				

F. Ethical corporate management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Evaluation items	Implementation Status			Discrepancies between the goals set by TWSE/TPEX listed companies in ethical corporate management and the causes of discrepancies
	Yes	No	Abstract	
<p>1. Establishment of Ethical Corporate Management Policies and Programs</p> <p>(1) Does the company establish a board-approved ethical corporate management policy, and declare the procedures and commitment in its guidelines and external documents to actively implement the policies?</p> <p>(2) Has the company set up a system for fraud risk assessment, to analyze and evaluate any potential high risk of dishonest business activities, and established a fraud prevention strategy based on the assessment, which at least covers each of the precautions listed in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for Listed Companies?</p> <p>(3) Has the company established procedures, instructions, and a punishment and appeal system within its fraud prevention program, and implement, review, and revise previously announced programs periodically?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company has established the "Code of Conduct for Integrity", "Operating Procedures and Code of Conduct for Integrity", and "Employee Handbook". All employees must be honest, fair, and comply with relevant regulations when conducting company business. The members of the board of directors and management also adhere to the principle of good faith in governing the company, abide by laws and regulations such as the Company Act and the Securities and Exchange Law, and fulfill the responsibilities of professional and kind-hearted managers. There have been no major defects or insider trading incidents that have resulted in disciplinary action by the competent authority.</p> <p>(2) To ensure the implementation of honest operation, the Company has established an effective internal control system, and internal auditors regularly inspect the compliance with the aforementioned system. And in accordance with the Code of Conduct for Good Faith, the Operating Procedures and Code of Conduct for Good Faith, and the Employee Handbook, it is explicitly stipulated that all employees shall comply with the prohibition of accepting bribes or taking advantage of their position to solicit or accept benefits.</p> <p>(3) The Company has established the "Code of Conduct for Good Faith", "Code of Conduct for Ethical Conduct", and "Operating Procedures and Code of Conduct for Good Faith". If there is a violation of laws or regulations, an appeal can be filed in accordance with the "Reporting System", and the Company will handle it as soon as possible.</p>	No discrepancy
<p>2. Fulfillment of Ethical Corporate Management</p> <p>(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts signed with counterparties?</p> <p>(2) Has the Company set up a dedicated unit under the board of directors to promote ethical corporate management and regularly (at least once every year) report to the board of directors the implementation of ethical corporate management policies and unethical conduct prevention programs?</p> <p>(3) Has the Company established policies to prevent conflicts of interest, provided appropriate communication channels, and implemented them accordingly?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company conducts credit investigations and evaluations on our trading partners. If any dishonest behavior is found in our business dealings or cooperation partners, we should immediately stop their business dealings and list them as rejected trading partners to implement the company's integrity management policy.</p> <p>(2) The Company is staffed by the Administrative Management Department as a part-time unit, assisting the Board of Directors and management in formulating and supervising the implementation of integrity management policies and prevention plans, ensuring the implementation of integrity management rules, and reporting to the Board of Directors in a timely manner; And the Company's audit office shall supervise and inspect the integrity of business operations in accordance with its authority. Education, training, and testing: Conduct training courses and tests to advocate for ethical codes of conduct, codes of integrity, prevention of insider trading, and reporting systems, in order to avoid dishonest behavior. In 2022, a total of 31 classes will be held for 33 hours. Whistleblowing system: Establish relevant systems on the website and establish a whistleblowing protection system, take appropriate measures, and implement honest and transparent behavior.</p> <p>(3) The Company has a "whistleblowing system" for situations related to conflicts of interest. Employees can not only report to the direct department supervisor, but also directly report to the administrative unit supervisor/audit room or appeal through email.</p>	No discrepancy

Evaluation items	Implementation Status			Discrepancies between the goals set by TWSE/TPEX listed companies in ethical corporate management and the causes of discrepancies
	Yes	No	Abstract	
<p>(4) Has the Company established effective accounting and internal control systems to implement ethical corporate management and have its internal audit department, based on the results of the assessment of the risk of involvement in unethical conduct, formulate audit plans and audit compliance with prevention programs accordingly or entrusted a CPA to conduct the audit?</p> <p>(5) Does the Company regularly hold internal and external training on ethical corporate management?</p>	✓		<p>(4) The Company has established effective "accounting systems" and "internal control systems". The internal audit unit evaluates and formulates audit plans to carry out various audit operations or conducts project audits, and the audit supervisor regularly reports the audit results to the board of directors.</p> <p>(5) The importance of the Company's integrity management through internal education and training; For the Supplier Association to advocate the code of conduct for responsible Business alliance, explain the company's policies and requirements for honest operation. In 2022, a total of 31 classes will be held for 33 hours to promote the implementation of the concept of integrity management.</p>	
<p>3. Operation of the whistleblowing system</p> <p>(1) Has the Company established both a reward/whistleblowing system and convenient whistleblowing channels? Are appropriate personnel assigned to investigate accused parties?</p> <p>(2) Has the Company established standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after investigation, and related confidentiality mechanisms?</p> <p>(3) Does the Company protect whistleblowers against improper treatment?</p>	✓	✓	<p>(1) The Company has a "whistleblowing system" and will set up its website with measures, acceptance procedures, responses, and windows.</p> <p>(2) The Company has a "whistleblowing system", and all relevant documents, data, etc. regarding the handling of whistleblowing matters are considered confidential. All personnel involved in the process bear the responsibility of maintaining complete confidentiality.</p> <p>(3) The Company has a "whistleblowing system", which ensures the confidentiality of the identity and content of the whistleblowing. If it is confirmed that the whistleblowing violates the rules of integrity management, punishment will be imposed depending on the severity of the situation.</p>	No discrepancy
<p>4. Strengthening information disclosure</p> <p>Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?</p>	✓		<p>The Company has established the "Code of Conduct for Good Faith", "Reporting System", and "Code of Ethical Conduct" for disclosure on the company's website for inquiry. If it is confirmed that there is a violation of the rules on good faith management, the investigation shall be reported to the general manager first and reported to the board of directors, and punishment shall be imposed depending on the severity of the situation.</p> <p>Education and training: Conduct training courses to advocate for ethical behavior standards, integrity business rules, prevention of insider trading, and reporting systems, in order to avoid dishonest behavior.</p> <p>Training and testing: Testing the content of the training course, covering the principles of integrity, ethical conduct, prevention of insider trading, and whistleblowing systems.</p> <p>Whistleblowing System: The company's website has a reporting window that accepts reports from stakeholders such as employees, suppliers, customers, and shareholders, and adopts email or letter reporting channels. The company will protect the identity and content of the whistleblowers. Once verified, they will be dealt with in accordance with laws, regulations, or relevant company regulations.</p>	No discrepancy

Evaluation items	Implementation Status			Discrepancies between the goals set by TWSE/TPEx listed companies in ethical corporate management and the causes of discrepancies
	Yes	No	Abstract	
5. If the Company has established its own ethical corporate management policies based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe the implementation and any discrepancies: The Company has established and implemented the "Code of Conduct for Good Faith", "Operating Procedures and Code of Conduct for Good Faith", and there is no significant difference between the operational situation and the Code of Conduct for Good Faith.				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management: (e.g., review and amend its policies)) (1) The Company complies with laws and regulations, such as the Securities and Exchange Law, the Company Act, and other relevant regulations, as the basis for formulating the Company's regulations and strictly implements them. (2) The Company will always pay attention to the development of domestic and international standards related to integrity management, and encourage directors, managers, and employees to provide suggestions to review and improve the integrity management policies and measures established by the company, in order to enhance the implementation effectiveness of the company's integrity management.				

G. If the Company has adopted corporate governance policies or related bylaws, the inquiry method shall be disclosed: Please refer to MOPS or visit the Company website.

H. Other important information regarding corporate governance: The operational status of the Company's corporate governance can be found on MOPS or our website.

I. Status of the Internal Control System:

1. Statement of the Internal Control System

AMAZING Microelectronic Corp. Statement of the Internal Control System

Date: March 23, 2023

The Company hereby states the results of the self-evaluation of the internal control system for 2022 as follows:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system is the responsibility of the Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond the Company's control. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies ("Regulations"). The criteria adopted by the Regulations identify five components of internal control based on management control process: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. monitoring operations. Each key component includes several items. Please refer to the Regulations for more details about the aforementioned items.
4. The Company has evaluated the design and operating effectiveness of the internal control system according to the aforesaid criteria.
5. Based on the results of the evaluation in the preceding paragraph, the Company is of the opinion that, as of December 31, 2020, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.
6. This statement forms an integral part of the Company's annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was approved by the Board of Directors in the meeting on March 23, 2023. Out of the 11 directors in attendance, none expressed a dissenting opinion and the remainder agreed with the contents of this Statement.

AMAZING Microelectronic Corp.
Chairman: Lee, Chun-Chan
President: Jiang, Hsin-Chin

2. For those who commit CPAs to review the internal control system, the CPA review report should be disclosed :None

J. In the most recent fiscal year and as of the publication date of the prospectus, if the company and its internal personnel have been punished in accordance with the law, or if the company has imposed penalties on its internal personnel for violating internal control regulations, and the consequences of such penalties may have a significant impact on shareholder Equity or securities prices, the content of the penalties, major deficiencies, and improvements shall be listed:None.

K. Major resolutions of Shareholders' Meetings and Board Meetings during the most recent fiscal year up to the date of publication of the annual report:

1.Material resolutions of Shareholders' Meetings of 2022 summarized as follows:

Date	Important resolution	Execution status
2022.06.08	(1) 2021 Annual Final Statement. (2) Proposal for earning distribution of the Company in 2021 (3) Proposal for Issuance of Private Ordinary Shares. (4) Proposal for Issuance of new shares of restricted employee rights. (5) Proposal for amendment to the Company's Articles of Incorporation. (6) Proposal for amendment to the Company's Measures for the Management of Acquiring or Disposing of Assets. (7) Proposal for amendments to the Rules of Procedure for Shareholders' Meetings of the Company	(1) The resolution is passed. (2) The resolution was passed. Set an ex dividend benchmark date of August 21, 2022, and all payments were made in cash on September 16, 2021. (3) The resolution is passed. (4) The resolution is passed. (5) The resolution is passed. (6) The resolution is passed. (7) The resolution is passed.

2.Important resolutions of the board of directors in 2022 and as of the publication date of the Annual Report

Date	Important resolution
2022.03.21	1. Proposal for Recognizing the lease agreement between the Company and its subsidiary AIP Technology Corp. Taiwan branch. 2. Proposal for 2.2021 total compensation and individual amount distribution for directors and employees. 3. Proposal for the Company's 2021 business report, financial report, and consolidated financial report. 4. Proposal for establishing a capital increase benchmark date for the conversion of Employee stock options and issuance of new shares. 5. Proposal for Canceling the newly issued shares of restricted employee rights.

Date	Important resolution
	6. Proposal for the Company's 2021 surplus distribution plan. 7. Proposal for the Company's 2021 Internal Control System Effectiveness Assessment and Internal Control System Declaration. 8. Proposal for the Company's 2022 cash capital increase. 9. Proposal for the Company's issuance of Private Ordinary Shares. 10. Proposal for the Company's Issuance of 2021 new shares of restricted employee rights to employees. 11. Proposal for the Company's Issuance of 2021 1st stock options to employees. 12. Proposal for Issuance of the Company's 2022 1st employee stock option. 13. Proposal for Issuance of the company's 2022 new shares of restricted employee rights. 14. Proposal for the Company's planning to apply for an increase in bank credit limit. 15. Proposal for Evaluation of the Competency and Independence of the Company's accountants. 16. Proposal for amendment to the Company's Articles of Incorporation. 17. Proposal for amendment to the Company's Measures for the Management of Acquiring or Disposing of Assets. 18. Proposal for amendment to the name and some articles of the Company's "Corporate Social Responsibility Policy and Code of Conduct" and "Code of Practice for Corporate Social Responsibility". 19. Proposal for amendment to the Company's Rules of Procedure for Shareholders' Meetings. 20. The company proposed to hold the 2022 Regular Shareholders' Meeting.
2022.05.06	1. Proposal for the financial statements of the Company in the first quarter of 2022 2. Proposal for establishing a capital increase benchmark date for the conversion of Employee stock options and issuance of new shares. 3. Proposal for the Company's greenhouse gas inventory and verification schedule plan in response to the 'Sustainable Development Roadmap for Listed and OTC Companies'. 4. Proposal for amendment to the Company's Articles of Incorporation. 5. Proposal for amendment to the Company's Measures for the Management of Acquiring or Disposing of Assets. 6. Proposal for amendment to the Company's Corporate Governance Best Practice Principles. 7. Proposal for the Company's 2022 Subscription amount distribution of new shares granted to managers and employees through cash capital increase issuance.
2022.08.09	1. Proposal for the financial statements of the Company in the second quarter of 2022 2. Proposal for establishing a capital increase benchmark date for the conversion of Employee stock options and issuance of new shares. 3. Proposal for Canceling the newly issued shares of restricted employee rights. 4. Proposal for applying for a hedging forward foreign exchange limit and short-term loans to Shanghai Commercial and Savings Bank. 5. Proposal for amendment to the Company's Measures for the Management of Acquiring or Disposing of Assets. 6. Proposal for Revising the Company's measures for Internal Control System. 7. Proposal for recognizing the renewal of lease agreement between the Company and its subsidiary A-Neuron Electronic Corp.
2022.11.08	1. Proposal for remuneration of financial statements of the Company in the third quarter of 2022 2. Proposal for the Company's 2022 2nd cash capital increase. 3. Proposal for recognizing 2022 1st issuance of employee stock options and subscription measures after the revision. 4. Proposal for recognizing issuance measures for 2022 new shares of restricted employee rights after the revision. 5. Proposal for applying for a hedging forward foreign exchange limit and short-term loans to E.SUN Commercial Bank and CTBC Bank Co., Ltd.

Date	Important resolution
2022.12.16	<ol style="list-style-type: none"> 1. Proposal for the audit plan of the Company in 2023 2. Proposal for the business plan of the Company in 2023 3. Proposal for establishing a capital increase benchmark date for the conversion of Employee stock options and issuance of new shares. 4. Proposal for Issuance of the Company's 2022 2nd employee stock option. 5. Proposal for Revising the Company's measures for Internal Control System. 6. Proposal for amendment to the Company's "Management Measures for the Operation of the Board of Directors" . 7. Proposal for establishing the Company's "Internal Major Information Processing Operating Procedures". 8. Proposal for establishing the Company's preparation and verification of sustainability reports. 9. Proposal for establishing the Company's "Risk Management Policy and Procedures". 10. Proposal for establishing a general principle plan for the Company's pre approval of non trust service policies. 11. Proposal for the Company's applying for the extension of forward foreign exchange to the cooperative treasury bank. 12. Proposal for the Company's investing in the capital increase plan for subsidiary A-Neuron Electronic Corp. 13. Proposal for the Company's 2023 Managers' compensation. 14. Proposal for the Company's Issuance of 2022 new shares of restricted employee rights to managers and employees. 15. Proposal for the Company's Issuance of 2022 1st stock options to managers and employees. 16. Proposal for the Company's 2022 2nd Subscription amount distribution of new shares granted to managers and employees through cash capital increase issuance.
2023.02.22	<ol style="list-style-type: none"> 1. Proposal for appointment of the internal audit supervisor of the Company. 2. The Company proposes to replace appointed accountants and annual compensation starting from the first quarter of 2023. 3. Proposal for 2022 Evaluation of the Competency and Independence of the Company's accountants. 4. Proposal for establishing a capital increase benchmark date for the conversion of Employee stock options and issuance of new shares. 5. Proposal for the Company's investing in the capital increase of TMY Technology, Inc.
2023.03.23	<ol style="list-style-type: none"> 1. Proposal for 2022 total compensation and individual amount distribution for directors and employees. 2. Proposal for the Company's 2022 business report, financial report, and consolidated financial report. 3. Proposal for earning distribution of the Company in 2022 4. Proposal for the Company's 2022 Internal Control System Effectiveness Assessment and Internal Control System Declaration. 5. Proposal for the Company's 2022 private ordinary shares being no longer raised and issued after the expiration of the term. 6. Proposal for the Company's 2023 issuance of Private Ordinary Shares. 7. Proposal for Issuance of the company's 2023 new shares of restricted employee rights. 8. Proposal for applying for a short-term loan from a cooperative treasury bank. 9. Proposal for appointment of the Corporate Governance Director of the Company. 10. Proposal for the Company's greenhouse gas inventory and verification schedule plan in the consolidated financial statements in response to the 'Sustainable Development Roadmap for Listed and OTC Companies'. 11. The company proposed to hold the 2023 Regular Shareholders' Meeting.
2023.05.08	<ol style="list-style-type: none"> 1. Proposal for the Company's financial report of the first quarter of 2023. 2. Proposal for changing the company's business address. 3. Proposal for establishing a capital increase benchmark date for the conversion of Employee

Date	Important resolution
	stock options and issuance of new shares. 4. Proposal for amendment to the Company's Standard Operating Procedures for Handling Directors' Requirements.

L. Any dissenting opinion expressed by a director with respect to a major resolution passed by the Board of Directors during the most recent fiscal year and up to the date of publication of the annual report, where said dissenting opinion has been recorded or prepared as a written declaration:None.

M. A summary of resignations and dismissals of the Company's chairman, president, accounting manager, financial manager, chief internal auditor, or research and development officer during the most recent fiscal year and up to the date of publication of the annual report:

Title	Name	DATE OF APPOINTMENT	TERMINATION DATE	REASON FOR RESIGNATION OR DISMISSAL
Internal Audit Supervisor	Fan, Yang-Chieh	2014.11.03	2023.02.22	Job adjustment

(V) Information on CPAs professional fees

A. CPA audit and non audit public service content

Unit: NT\$ Thousand

Accounting Firm	Name of CPA	CPA audit period	Audit fee	Non-audit fee (Note)					Total
				System design	Business registration	Human resources	Others (Note)	Subtotal	
KPMG, Taiwan	Hsu, Yu-Feng Mei, Yuan-Chen	2022	1,760	-	190	-	741	931	2,691

Note: The review fee for capital increase, employee stock options, and restricted stock application documents is NT\$ 231,000; Tax endorsement fee of NT\$ 350,000; The official fee for the English translation is NT\$ 150,000; Non supervisor full-time employee salary review fee of NT\$ 10,000.

B. When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed :None.

C. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) thereof shall be disclosed :None.

(VI) Information on the replacement of CPAs:

A. Former CPAs

Replacement date	February 22, 2023		
Reason and explanation for the replacement	Cooperating with the Company's audit and endorsement of KPMG in Taiwan's internal job adjustment, CPA will be replaced from the accountant Mei, Yuan-Chen to Kou, Hui-Chih starting from the first quarter of 2023, while the accountant Hsu, Yu-Feng will remain unchanged.		
Explanation of termination or non acceptance of appointment by the appointor or accountant	The Party involved		CPAs
	Situation		Appointor
	Proactive termination of appointment		-
Opinions and reasons for issuing audit reports other than unqualified opinions within the latest two years	No longer accepting (continuing) appointments		-
	There is no such situation.		
Whether there are any different opinions from the issuer	Yes	-	Accounting principles or practices
		-	Disclosure of financial reports
		-	Audit scope or steps
		-	Others
	None	✓	
Other disclosure matters (Matters that should be disclosed under Article 10, Paragraph 6, Items 4-7 to 1-7 of these Standards)		None.	

B. Successor CPAs

Firm Name	KPMG in Taiwan
Accountant Name	Hsu, Yu-Feng 、 Kou, Hui-Chih
Date of Appointment	Wednesday, February 22, 2023
Consultation on accounting treatment methods or principles for specific transactions, as well as possible opinions and results on financial reports before appointment	There is no such situation.
Successor CPA vs. Former CPA Written Intention of Different Opinions	There is no such situation (internal job adjustment within the accounting firm).

C. Former CPA's response to Article 10, Paragraph 6, Item 1 and Item 2, Item 3 of these Standards: None

(VII) The Company's chairman, president, or any managerial officer in charge of finance or accounting matters in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

(VIII) Any transfer of equity interests and pledge of, or change in, equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10%

A. Changes in Equity of directors, managers, and major shareholders

Unit: Share(s)

Title	Name	2022		As of April 30, 2023 for the current year	
		Shareholding increase (decrease)	Pledged share increase (decrease)	Shareholding increase (decrease)	Pledged share increase (decrease)
Chairman & CSO	Lee, Chun-Chan	144,000	375,000	148,587	0
Director	GoodTruth Innovation Investment Co., Ltd.	0	0	0	0
The legal representative of the director	Wu, Chung-Yu	0	0	0	0
Director and General Manager	Jiang, Hsin-Chin	277,400	295,000	605,289	(495,000)
Director and Vice President	Hung, Ju-Chen	277,400	550,000	373,227	0
Director	Morrisk Investment Company Limited	0	0	39,232	0
The legal representative of the director	Lien, Shu-Chuan	0	0	18,907	0
Director	Hu, Chiu-Chiang	0	0	0	0
Director	Lo, Cheng-Lien	0	0	0	0
Director	Chen, I-Ching	0	0	21,042	0
Independent Director	Chen, Ying-Te	0	0	10,000	0
Independent Director	Chen, Tung-Hsien	0	0	0	0
Independent Director	Lu, Ping-Hsing	0	0	1,154	0
Vice President	Fan, Yang-Chieh	0	0	6,305	0
Vice President	Lin, Ho-Hsien	(30,000)	0	6,448	0
Senior Director of Finance and Accounting Department	Chan, Mien-Yuan	6,000	0	28,846	0

B. Information on the relative person of the Equity transfer as a related party: None.

C. Information on the relative person of the Equity pledge as a related party: None.

(IX) Relationship among the top ten shareholders:

April 14, 2023 (Register of Shareholders)

Name	Current Shareholding		Spouse & minor shareholding		Shareholding by nominees		Information on relationship among the top ten shareholders, who are related parties or spouses, relatives within the second degree of kinship of another shareholder		Remarks
	Shares	%	Shares	%	Shares	%	Designation (or Name)	Relation	
GoodTruth Innovation Investment Co., Ltd.	5,702,372	5.80%	0	0	0	0	Jiang, Hsin-Chin	Representative	-
GoodTruth Innovation Investment Co., Ltd. Representative: Jiang, Hsin-Chin	3,501,041	3.56%	0	0	0	0	NA	NA	-
Jiang, Hsin-Chin	3,501,041	3.56%	0	0	0	0	NA	NA	-
Juhong Investment Co., Ltd.	2,529,369	2.57%	0	0	0	0	Hung, Ju-Chen	Representative	-
Juhong Investment Co., Ltd. Representative: Hung, Ju-Chen	2,269,344	2.31%	854,599	0.87%	0	0	NA	NA	-
Hung, Ju-Chen	2,269,344	2.31%	854,599	0.87%	0	0	NA	NA	-
Huichieh Investment Co., Ltd.	1,489,816	1.52%	0	0	0	0	Li, Hui-Ju	Representative	-
Huichieh Investment Co., Ltd. Representative: Li, Hui-Ju	94,671	0.10%	162,603	0.17%	0	0	NA	NA	-
Yuanxin Investment Co., Ltd.	1,309,522	1.33%	0	0	0	0	Lin, Ho-Hsien	Representative	-
Yuanxin Investment Co., Ltd. Representative: Lin, Ho-Hsien	166,304	0.17%	120,987	0.12%	0	0	NA	NA	-
Morrisk Investment Company Limited	1,011,720	1.03%	0	0	0	0	Lien, Shu-Chuan	Representative	-
Morrisk Investment Company Limited Representative: Lien, Shu-Chuan	487,575	0.50%	759,440	0.77%	0	0	NA	NA	-
Fuh Hwa Small Capital Fund	1,000,000	1.02%	0	0	0	0	NA	NA	-
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	993,526	1.01%	0	0	0	0	NA	NA	-
Lee, Chun-Chan	991,632	1.01%	19,483	0.02%	0	0	NA	NA	-

(X) Consolidated number of shares owned by the Company, directors, managerial officers, and business controlled directly or indirectly by the Company

A. Comprehensive shareholding ratio

As of December 31, 2022; Unit: 1000 shares

Invested Company (Note)	Investment by the Company		Investment by Directors/Supervisors/ Managers and by Companies Directly or Indirectly Controlled by the Company		Total investment	
	Shares	%	Shares	%	Shares	%
AMAZING MICROELECTRONIC (MALAYSIA)SDN.BHD.	3,502	100.00%	-	-	3,502	100.00%
A-Neuron Electronic Corp.	11,500	27.08%	7,440	17.52%	18,940	44.60%
AIP Technology Corporation	3,000	18.80%	1,070	6.70%	4,070	25.50%

Note: It refers to the investment of the company using the Equity method.

IV. Capital Overview

(I) Capital and Shares

A. Sources of Capital

Unit: Thousand share; NT\$ Thousand

Year/ Month	Issue Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital Stock	Capital Increase by Assets Other than Cash	Other
2006.01	10	7,500	75,000	7,500	75,000	Establishment of the capital	None	2006.1.20 Jing-Shou-Zhong-Zi No.09531615350
2007.07	10	30,000	300,000	18,000	180,000	Cash capital increase NT\$ 105,000	None	2007.7.6 Jing-Shou-Zhong-Zi No.09632396320
2008.01	15	30,000	300,000	21,800	218,000	Cash capital increase NT\$ 38,000	None	2008.1.2 Jing-Shou-Zhong-Zi No.09633367590
2008.01	27.78	30,000	300,000	29,000	290,000	Cash capital increase NT\$ 72,000	None	2008.1.30 Jing-Shou-Zhong-Zi No.09731668860
2011.07	10	100,000	1,000,000	31,900	319,000	Capital Surplus Transferred to Capital NT\$ 29,000	None	2011.7.26 Bei-Fu-Jing-Deng-Zi No.1005045594
2011.12	15	100,000	1,000,000	36,250	362,500	Conversion of employee stock options NT\$ 43,500	None	2011.12.5 Bei-Fu-Jing-Deng-Zi No.1005076525
2012.05	18	100,000	1,000,000	46,250	462,500	Cash capital increase NT\$ 100,000	None	2012.5.4 Bei-Fu-Jing-Deng-Zi No.1015026921
2012.07	10	100,000	1,000,000	55,500	555,000	Capital Surplus Transferred to Capital NT\$ 92,500	None	2012.7.9 Jing-Shou-Shang-Zi No.10101129090
2014.03	35.5	100,000	1,000,000	62,900	629,000	Cash capital increase NT\$ 74,000	None	2014.3.21 Jing-Shou-Shang-Zi No.10301046380
2015.10	0	100,000	1,000,000	66,045	660,450	Issuance of new shares of restricted employee rights of NT\$ 31,450	None	2015.10.30 Jing-Shou-Shang-Zi No.10401230870
2016.04	0	100,000	1,000,000	65,970	659,700	Cancellation of new shares of restricted employee rights of NT\$ 750	None	2016.4.6 Jing-Shou-Shang-Zi No.10501062740
2016.05	0	100,000	1,000,000	65,928	659,280	Cancellation of new shares of restricted employee rights of NT\$ 420	None	2016.5.23 Jing-Shou-Shang-Zi No.10501100520
2017.05	0	100,000	1,000,000	65,904.9	659,049	Cancellation of new shares of restricted employee rights of NT\$ 231	None	2017.5.26 Jing-Shou-Shang-Zi No.10601067920
2017.08	10	100,000	1,000,000	69,860.58	698,605.8	Surplus Transferred to Capital increase of NT\$ 39,556.8	None	2017.8.17 Jing-Shou-Shang-Zi No.10601114000
2017.11	0	100,000	1,000,000	69,802.98	698,029.8	Cancellation of new shares of restricted employee rights of NT\$ 576	None	2017.11.24 Jing-Shou-Shang-Zi No.10601160920
2018.03	0	100,000	1,000,000	69,795.78	697,957.8	Cancellation of new shares of restricted employee rights of NT\$ 72	None	2018.3.29 Jing-Shou-Shang-Zi No.10701033950
2018.08	10	100,000	1,000,000	73,983.527	739,835.27	Surplus Transferred to Capital increase of NT\$ 41,877.47	None	2018.8.20 Jing-Shou-Shang-Zi No.10701098330

Year/ Month	Issue Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital Stock	Capital Increase by Assets Other than Cash	Other
2018.09	0	100,000	1,000,000	73,954.727	739,547.27	Cancellation of new shares of restricted employee rights of NT\$ 288	None	2018.9.7 Jing-Shou-Shang-Zi No.10701109540
2018.10	0	100,000	1,000,000	74,704.727	747,047.27	Issuance of new shares of restricted employee rights of NT\$ 7,500	None	2018.10.12 Jing-Shou-Shang-Zi No.10701129870
2019.03	0	100,000	1,000,000	74,276.727	742,767.27	Cancellation of new shares of restricted employee rights of NT\$ 4,280	None	2019.03.19 Jing-Shou-Shang-Zi No.10801030140
2019.05	58.86	100,000	1,000,000	74,632.727	746,327.27	Employee stock options converted into new shares of NT\$ 3,560	None	2019.05.09 Jing-Shou-Shang-Zi No.10801054910
2019.08	10	100,000	1,000,000	79,089.331	790,893.31	Stock dividends of Common Stock NT\$ 44,566.04	None	2019.08.05 Jing-Shou-Shang-Zi No.10801105610
2019.08	58.86 52.70	100,000	1,000,000	79,338.331	793,383.31	Employee stock options converted into new shares of NT\$ 2,490	None	2019.08.26 Jing-Shou-Shang-Zi No.10801115790
2019.11	52.70	100,000	1,000,000	79,358.331	793,583.31	Employee stock options converted into new shares of NT\$ 200	None	2019.11.18 Jing-Shou-Shang-Zi No.10801162430
2020.04	52.70	100,000	1,000,000	80,133.331	801,333.31	Employee stock options converted into new shares of NT\$ 2,750 Issuance of new shares of restricted employee rights NT\$ 5,000	None	2020.04.07 Jing-Shou-Shang-Zi No.10901053310
2020.07	0	200,000	2,000,000	80,133.331	801,333.31	Capital increase	None	2020.07.02 Jing-Shou-Shang-Zi No.10901122300
2020.07	52.70	200,000	2,000,000	80,158.331	801,583.31	Employee stock options converted into new shares of NT\$ 250	None	2020.07.02 Jing-Shou-Shang-Zi No.10901127450
2020.10	72	200,000	2,000,000	90,158.331	901,583.31	Cash capital increase NT\$ 100,000	None	2020.11.12 Jing-Shou-Shang-Zi No.10901202730
2020.12	83.10	200,000	2,000,000	90,212.331	902,123.31	Employee stock options converted into new shares of NT\$ 540	None	2021.01.04 Jing-Shou-Shang-Zi No.10901246410
2021.04	83.10	200,000	2,000,000	90,384.331	903,843.31	Employee stock options converted into new shares of NT\$ 1,720	None	2021.04.06 Jing-Shou-Shang-Zi No.11001057100
2021.04	0	200,000	2,000,000	90,884.331	908,843.31	Issuance of new shares of restricted employee rights of NT\$ 5,000	None	2021.04.23 Jing-Shou-Shang-Zi No.11001057100
2021.05	83.10	200,000	2,000,000	91,119.331	911,193.31	Employee stock options converted into new shares of NT\$ 2,350	None	2021.05.24 Jing-Shou-Shang-Zi No.11001083530
2021.08	83.10	200,000	2,000,000	91,520.331	915,203.31	Employee stock options converted into new shares of NT\$ 4,010	None	2021.08.17 Jing-Shou-Shang-Zi No.11001145100
2021.11	80.30	200,000	2,000,000	91,538.331	915,383.31	Employee stock options converted into new shares of NT\$ 180	None	2021.11.15 Jing-Shou-Shang-Zi No.11001210700

Year/ Month	Issue Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital Stock	Capital Increase by Assets Other than Cash	Other
2022.04	82.90	200,000	2,000,000	91,761,331	917,613.31	Employee stock options converted into new shares of NT\$ 2,400 Cancellation of new shares of restricted employee rights of NT\$ 170	None	2022.04.21 Jing-Shou-Shang-Zi No.11101061000
2022.05	82.90	200,000	2,000,000	92,261,331	922,613.31	Issuance of new shares of restricted employee rights of NT\$ 5,000	None	2022.05.12 Jing-Shou-Shang-Zi No.11101070110
2022.07	82.90	200,000	2,000,000	92,279,331	922,793.31	Employee stock options converted into new shares of NT\$ 180	None	2022.07.01 Jing-Shou-Shang-Zi No.11101106640
2022.08	82.90	200,000	2,000,000	92,541,631	925,416.31	Employee stock options converted into new shares of NT\$ 2,690 Cancellation of new shares of restricted employee rights of NT\$ 67	None	2022.08.24 Jing-Shou-Shang-Zi No.11101160680
2022.12	77.80	200,000	2,000,000	92,954,631	929,546.31	Employee stock options converted into new shares of NT\$ 4,130	None	2022.12.26 Jing-Shou-Shang-Zi No.11101247630
2023.03	77.80 63.00	200,000	2,000,000	97,982,631	979,826.31	Employee stock options converted into new shares of NT\$ 280 Cash capital increase NT\$ 50,000	None	2023.03.08 Jing-Shou-Shang-Zi No.11230037420
2023.04	0	200,000	2,000,000	98,282,631	982,826.31	Issuance of new shares of restricted employee rights of NT\$ 3,000	None	2023.04.28 Jing-Shou-Shang-Zi No.11230072160

B. Type of stock

As of April 14, 2023 Unit: Share (s)

Type of stock	Authorized Capital			Remarks
	Issued Shares	Unissued Shares	Total	
Registered ordinary shares	98,307,631	101,692,369	200,000,000	Listing on March 11, 2014 (The employee stock options has been subscribed for 25000 shares and the change registration has not been completed yet.)

C. Reporting system: Not applicable

D. Shareholder structure

As of April 14, 2023, Unit: person, Share (s);%

Shareholder structure Quantity	Government Agencies	Financial Institutions	Other Institutional Shareholders	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of shareholders	0	7	284	102	37,679	38,072
Number of shares	0	2,388,000	15,288,077	8,970,784	71,660,770	98,307,631
Shareholding ratio (%)	0.00 %	2.43%	15.55%	9.13%	72.89%	100.00%

Note: The employee stock options has been subscribed for 25000 shares and the change registration has not been completed yet.

E. Shareholding distribution status

As of April 14, 2023, Unit: Share (s)

Range of Shares	Number of Shareholders	Number of shares	Shareholding ratio (%)
1 ~ 999	22,869	894,944	0.91 %
1,000 ~ 5,000	13,137	22,682,832	23.07 %
5,001 ~ 10,000	1,137	8,237,480	8.38 %
10,001 ~ 15,000	303	3,724,154	3.79 %
15,001 ~ 20,000	158	2,815,364	2.86 %
20,001 ~ 30,000	170	4,092,421	4.16 %
30,001 ~ 40,000	92	3,177,813	3.23 %
40,001 ~ 50,000	42	1,910,332	1.94 %
50,001 ~ 100,000	68	4,901,095	4.99 %
100,001 ~ 200,000	36	5,023,611	5.11 %
200,001 ~ 400,000	29	7,752,498	7.89 %
400,001 ~ 600,000	14	6,828,957	6.95 %
600,001 ~ 800,000	4	2,711,062	2.76 %
800,001 ~ 1,000,000	6	5,741,884	5.84 %
Above 1,000,001	7	17,813,184	18.12 %
Total	38,072	98,307,631	100.00 %

F. List of major shareholders (names, shareholding amounts, and proportions of shareholders with a Shareholding of 5% or more or major shareholders with a Shareholding ratio of the top ten)

As of April 14, 2023, Unit: Share (s)

Name of major shareholders	Shares	Number of shares	Shareholding ratio
GoodTruth Innovation Investment Co., Ltd.		5,702,372	5.80%
Jiang, Hsin-Chin		3,501,041	3.56%
Juhong Investment Co., Ltd.		2,529,369	2.57%
Hung, Ju-Chen		2,269,344	2.31%
Huichieh Investment Co., Ltd.		1,489,816	1.52%
Yuanxin Investment Co., Ltd.		1,309,522	1.33%
Morrisk Investment Company Limited		1,011,720	1.03%
Fuhua Small and Medium Selection Fund Special Account		1,000,000	1.02%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		993,526	1.01%
Lee, Chun-Chan		991,632	1.01%

G. Market price, net worth, earnings, dividend and related information over the last two years

Unit: NT\$; Thousand Shares

Item		Year	2021	2022 (Note 9)	As of March 31, 2023
Market price per share (Note 1)	Highest		302	246	135
	Lowest		94.8	78.1	83.6
	Average		189.52	157.35	121.11
Net worth per share (Note 2 and 8)	Before distribution		44.66	43.71	42.85
	After distribution		37.44	40.43	N/A
Earnings per share (Note 3 and 8)	Weighted average shares		91,133	92,365	94,978
	Earnings per share		10.32	4.97	1.00
Dividends per share	Cash dividends		7.22	3.28	N/A
	Stock dividends	Dividends from retained earnings	—	—	N/A
		Dividends from capital surplus	—	—	N/A
	Cumulative unpaid dividends (Note 4)		—	—	N/A
Return on investment	Price/Earnings ratio (Note 5)		18.36	31.66	30.28
	Price/Dividend ratio (Note 6)		26.25	47.97	N/A
	Cash dividend yield rate (Note 7)		3.81%	3.81%	N/A

Note 1 List the highest and lowest market price in each fiscal year and calculate the average market price based on the trading value and volume.

Note 2 The net value per share is based on the number of shares issued at the end of the year and is filled in according to the distribution situation determined by the board of directors or the next annual shareholders' meeting.

- Note 3 If retroactive adjustments are required due to situations such as free share allotments, the earnings per share before and after the adjustment should be presented.
- Note 4 If there are provisions for the issuance conditions of Equity securities that stipulate that dividends that have not been paid in the current year can be accumulated and distributed until the year with a surplus, the cumulative unpaid dividends as of the current year shall be disclosed separately.
- Note 5 Price/earnings ratio = Average closing price per share for the year/Earnings per share.
- Note 6 Price/dividend ratio = Average closing price per share for the year/Cash dividend per share.
- Note 7 Cash dividend yield rate = Cash dividends per share/Average closing price per share for the current fiscal year.
- Note 8 Net value per share and earnings per share refer to the data for the current year as of the publication date of the prospectus.
- Note 9 The dividend per share and related financial information before and after distribution in 2022 were disclosed in accordance with the distribution situation decided by the board of directors on March 23, 2023.

H. Dividend policy and implementation

1. Dividend policy in the Articles of Incorporation

Since 2012, the Company has distributed cash dividends to shareholders every year. The Company will maintain a stable and sustainable dividend policy, and consider increasing the distribution of dividends per share, including cash dividends and stock dividends, when the cash flow is sufficient to meet the previous dividend distribution level and future operational development needs. The dividend policy stipulated in the Company's Articles of Incorporation is as follows:

If there is a surplus in the annual final accounts of the Company, taxes should be paid first to make up for accumulated losses. The next 10% should be set aside as the statutory Profit Distribution Statement, except when the statutory Profit Distribution Statement has reached the company's paid-in capital; According to the company's operational needs and laws and regulations, special Profit Distribution Statements shall be set aside. In addition to dividends, if there is still surplus and Retained earnings at the beginning of the same period, the board of directors shall prepare a shareholder dividend distribution plan and submit it to the shareholders' meeting for distribution. At least a certain ratio shall be allocated for shareholder dividends, and the cash dividends shall not be less than 10% of the total shareholder dividends.

2. Distribution of dividends proposed at the Shareholders' Meeting

The Profit Distribution plan in 2022 of the Company was approved by the board of directors on March 23, 2023. The proposed cash dividend to be distributed to shareholders is NT \$321,383,030, with a dividend of NT\$ 3.28 per share. The actual amount of cash dividend to be distributed per share will be calculated based on the actual number of outstanding shares on the ex dividend benchmark date, and the total amount of the excess will be included in the Company's other income. After the resolution of the board of directors is passed, Chairman is authorized to set a new ex dividend benchmark date, distribution date and other related matters.

3. Expected significant changes in dividend policy: None.

I. Impact on the business performance and earnings per share of the Company resulting from stock dividend distribution proposed at the Shareholders' Meeting: N/A.

J. Compensation of employees, directors,

1. The percentages or ranges with respect to employees', and directors', compensation, as set forth in the Company's Articles of Incorporation. According to the Company's Articles of Incorporation, if there is a profit in the year, 10% to 15% shall be allocated as employees' compensation and no more than 3% as directors' compensation. But when the company still has accumulated losses, the amount to be compensated should be reserved in advance. The objects to which the employees' compensation referred to in the preceding paragraph is paid in stock or cash, including employees of affiliated companies who meet certain conditions.
2. Accounting treatments when differences occur between the estimated and actual distributed amount of employees, and directors, compensation. The estimated compensation amounts for employees and directors in this period are in accordance with the Articles of Incorporation. The calculation basis for the number of employee stock dividends is based on the closing price of the day before the shareholders' meeting and the impact of ex right and ex dividend, and there is no difference from the estimated amount.
3. Approval of compensation distribution by the Board of Directors:
On March 23, 2023, the board of directors of the Company passed a resolution on the distribution of employees' and directors' compensation in 2022, proposing to distribute 15% of employees' compensation in the amount of NT \$100,513,624 and 3% of directors' compensation in the amount of NT \$20,102,724 in cash, and submitting a report to the annual shareholders' meeting for 2023.
 - (1) If there is a difference in the annual estimated amount between the actual distribution and recognized expenses, the difference, reasons, and handling situation: there is no difference in the annual estimated amount between the actual distribution and recognized expenses of the company.
 - (2) The amount of employees' compensation distributed through stocks and its proportion to the total amount of net profit after tax and employees' compensation in individual or individual financial reports for the current period: the Company does not have employees' compensation converted into capital allocation stocks, so it is not applicable.
4. The actual distribution of employees', and directors', compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price of the shares distributed), and, if there is any discrepancy between the actual distribution and recognized employees', directors', compensation, additionally the discrepancy, reason, and how it is being handled shall be disclosed:
In 2022, through a resolution passed by the shareholders' meeting, the employees' compensation for 2021 was NT\$207,568,856, and the director's compensation was NT\$41,513,771.

K. Share repurchases: None.

(II) Corporate Bonds: None.

(III) Preferred Shares: None.

(IV) Global Depository Receipts: None

(V) Employee Stock Options

A. Unexpired employee stock options and impact on shareholders' interests:

As of April 30, 2023

Types of employee stock options	1st (issue) in 2020 Employee stock options	1st (issue) in 2021 Employee stock options	1st (issue) in 2022 Employee stock options
Effective date of declaration	December 17, 2020	September 2, 2021	September 7, 2022
Issuance date	April 6, 2021	April 8, 2022	April 11, 2023
Duration	3 years	3 years	3 years
Number of issuing units	1,000 units	1,500 units	1,200 units
Ratio of subscribed shares issued to total issued shares(%)	1.0172%	1.5258%	1.2207%
Subscription period	April 6th, 2023 ~ April 5th, 2024	April 8th, 2024 ~ April 7th, 2025	April 11th, 2025 ~ April 10th, 2026
Performance method	Delivery by issuing new shares	Delivery by issuing new shares	Delivery by issuing new shares
Restricted subscription period and ratio(%)	The accumulated maximum ratio of exercisable share subscription is 100% upon expiration of 2 years	The accumulated maximum ratio of exercisable share subscription is 100% upon expiration of 2 years	The accumulated maximum ratio of exercisable share subscription is 100% upon expiration of 2 years
Number of executed shares acquired	25,000	0	0
Executed subscription amount	2,975,000	0	0
Number of shares recovered and cancelled by the company	77,000	53,000	12,000
Number of unexecuted shares	898,000 shares	1,447,000 shares	1,188,000 shares
The subscription price per share of unexecuted subscribers	119.00	151.00	122.50
Ratio of unexecuted subscription number to total issued shares (%)	0.9135%	1.4719%	1.2085%
Impact on shareholder Equity	The stock options issued this time will be executed in one year after the expiration of two years on the issuance date, and the dilution effect on the original Equity is still limited.	The stock options issued this time will be executed in one year after the expiration of two years on the issuance date, and the dilution effect on the original Equity is still limited.	The stock options issued this time will be executed in one year after the expiration of two years on the issuance date, and the dilution effect on the original Equity is still limited.

Names, acquisition, and subscription status of managers who have obtained employee stock options and employees with the top ten subscribed number of shares under employee stock options.

April 30, 2023 Unit:Thousand Shares; NT \$ Thousand

2020 1st (issue) employee stock options												
Item	Title	Name	Amount of stock options obtained	Proportion of stock options obtained to total issued shares	Exercised				Unexercised			
					Number of shares	Stock price	Stock amount	Proportion of subscription quantity to total issued shares	Number of shares	Stock price	Stock amount	Proportion of subscription quantity to total issued shares
Manager	Chairman	Lee, Chun-Chan	400	0.41%	0	119.00	0	0.00%	400	119.00	47,600	0.41%
	President	Jiang, Hsin-Chin										
	Executive Vice President	Hung, Ju-Chen										
Employee	Manager	Tsai, Tsung-Ta	199	0.20%	22	119.00	2,618	0.02%	177	119.00	21,063	0.18%
	Project manager	Huang, Yi-Hhsiang										
	Business Manager	Hsu, Tai-Ning										
	Business Manager	Huang, Chien-Chih										
	Manager	Lin, Meng-Wei										
	Deputy Manager	Fan, Mei-Lien										
	Deputy Manager	Huang, Sung-Chih										
	Deputy Manager	Yang, Tun-Chih										
	Senior Engineer	Li, Kuan-Shun										
	Executive	Huang, Chih-Wei										

2021 1st (issue) employee stock options												
Item	Title	Name	Amount of stock options obtained	Proportion of stock options obtained to total issued shares	Exercised				Unexercised			
					Number of shares	Stock price	Stock amount	Proportion of subscription quantity to total issued shares	Number of shares	Stock price	Stock amount	Proportion of subscription quantity to total issued shares
Manager	Chairman	Lee, Chun-Chan	611	0.62%	0	151.00	0	0.00%	611	151.00	92,261	0.62%
	President	Jiang, Hsin-Chin										
	Executive Vice President	Hung, Ju-Chen										
	Senior Director	Chan, Mien-Yuan										
Employee	Director	Lin, Kun-Hsien	158	0.16%	0	151.00	0	0.00%	158	151.00	23,858	0.16%
	Deputy Director	Chuang, Che-Hao										
	Senior Manager	Liu, Shu-Chen										
	Senior Manager	Chen, Tzu-Ping										
	Senior Business Manager	Li, Chu-Hsiang										
	Senior Business Manager	Su, Ling-Ya										
	Business Manager	Chiang, Chieh-Yao										
	Manager	Shih, Chien-Ming										
	Manager	Yeh, Chih-Ting										
	Manager	Chen, Chih-Wei										

2022 1st (issue) employee stock options												
Item	Title	Name	Amount of stock options obtained	Proportion of stock options obtained to total issued shares	Exercised				Unexercised			
					Number of shares	Stock price	Stock amount	Proportion of subscription quantity to total issued shares	Number of shares	Stock price	Stock amount	Proportion of subscription quantity to total issued shares
Manager	Chairman	Lee, Chun-Chan	492	0.50%	0	122.50	0	0.00%	492	122.50	60,270	0.50%
	President	Jiang, Hsin-Chin										
	Executive Vice President	Hung, Ju-Chen										
	Senior Director	Chan, Mien-Yuan										
Employee	Director	Lin, Kun-Hsien	117	0.12%	0	122.50	0	0.00%	117	122.50	14,332.5	0.12%
	Deputy Director	Chuang, Che-Hao										
	Senior Manager	Liu, Shu-Chen										
	Senior Manager	Li, Chien-Wei										
	Senior Business Manager	Li, Chu-Hsiang										
	Senior Business Manager	Su, Ling-Ya										
	Business Manager	Chiang, Chieh-Yao										
	Manager	Chan, Tien-Yu										
	Manager	Liu, Hsuan-Chih										
	Manager	Chuang, Pei-Yi										

- B. The processing status of private Equity employee stock options for the past three years and as of the publication date of the prospectus: None.
- C. New shares that have not fully met the established conditions for restricting employee rights should disclose the status of transactions as of the publication date of the annual report and the impact on shareholder rights.

As of April 30, 2023

New shares types of restricted employee rights	2020 New shares of restricted employee rights	2021 New shares of restricted employee rights	2022 New shares of restricted employee rights
Effective date of declaration	2020/12/17	2021/09/02	2022/09/07
Issuance date	2021/04/06	2022/04/08	2023/04/11
Number of issued new shares of restricted employee rights	500,000 shares	500,000 shares	300,000 shares
Issuance price	Issued free of charge, at a price of NT\$0 per share.	Issued free of charge, at a price of NT\$0 per share.	Issued free of charge, at a price of NT\$0 per share.
Ratio of issued new shares of restricted employee rights to total issued shares	0.51%	0.51%	0.31%
Acquired conditions for new shares of restricted employee rights	Employees who have been granted new shares of restricted employee rights and are still employed shall		
	Employees who have been granted new shares of restricted employee rights and are still employed, and have achieved a recent annual performance score of 80 or above, shall obtain the right to receive new shares according to the		

New shares types of restricted employee rights	2020 New shares of restricted employee rights	2021 New shares of restricted employee rights	2022 New shares of restricted employee rights
	obtain the right to receive new shares according to the following schedule. (1) Expiration of 1 year: 30% (2) Expiration of 2 year: 30% (3) Expiration of 3 year: 40%	following schedule. (1) Expiration of 1 year: 30% (2) Expiration of 2 year: 30% (3) Expiration of 3 year: 40%	
Restricted Rights of new shares of restricted employee rights	(1) During the acquired period, employees shall not sell, pledge, create, transfer, gift or otherwise dispose of new shares of restricted employee rights to others. (2) The voting rights of the shareholders' meeting shall be the same as the ordinary shares already issued by the company after the employee is allocated, and shall be entrusted to the trust and custodian authority for Implementation in accordance with relevant regulations. (3) Shareholders' rights to distribute (subscribe) shares and dividends: Prior to meeting the acquired conditions, new shares of restricted employee rights have the same rights as other ordinary shares of the company to participate in the original shareholders' rights to distribute (subscribe) shares and dividends.		
Custody of new shares of restricted employee rights	All new shares issued with restricted employee rights shall be delivered to the trust institution designated by the Company for safekeeping before the existing conditions are met.		
Handling methods for employees who fail to meet the established conditions after being allocated or subscribed for new shares	1. Resignation or dismissal due to reasons: If the employee has not met the established conditions and has been granted new shares of restricted employee rights, the company may recover them from the employee free of charge. 2. Suspended employees: for those who have not met the established conditions and have been granted new shares of restricted employee rights, the company may recover them free of charge from the employees. For employees who have been specially approved by the company to receive new shares of restricted employee rights but have not yet met the established conditions, the calculation of their term of office entitled to receive new shares shall be suspended from the effective date of the suspension until the date of reinstatement. The calculation of their term of office entitled to receive new shares shall be deferred accordingly. 3. Retirees: If they have not met the acquired conditions and have been granted new shares of restricted employee rights, they can acquire all of them on the effective date of retirement. 4. Disability, death or general death due to occupational disasters: (1).For those who are unable to continue their employment due to physical disabilities caused by occupational disasters, if they have not met the established conditions and have been granted new shares of restricted employee rights, the employee can obtain all of them on the effective date of resignation. (2).Death due to occupational disasters or general death: If the acquired new shares of restricted employee rights have not met the acquired conditions, they can be acquired in full. After completing relevant legal procedures and providing relevant supporting documents within one year from the date of the death of the deceased employee, the inheritor may apply to receive the rights and interests of the shares that they should inherit. 5. Transfer to affiliated enterprises: Due to the operational needs of the Company, employees of the Company have been approved to transfer to affiliated enterprises of the Company. If they have not met the acquired conditions and have been granted new shares of restricted employee rights, they may acquire all of them. 6. When the board of directors decides on the conversion, merger, acquisition, and division of shares: On the date of the board of directors' resolution, all new shares of restricted employee rights that have not met the acquired conditions may be acquired in full.		

New shares types of restricted employee rights	2020 New shares of restricted employee rights	2021 New shares of restricted employee rights	2022 New shares of restricted employee rights
	7. During the period when the acquired conditions are not met, the company will distribute stock (cash) dividends to employees free of charge. 8. Other: In response to adjustments in the Company's relevant policies or operational needs, or other factors, the Company may recover from employees free of charge any new shares of restricted employee rights that have not met the established conditions. 9. The Company will cancel all new shares of restricted employee rights that have not met the established conditions and have been recovered free of charge.		
Number of new shares of restricted employee rights that have been recovered or purchased	13,500	0	0
Number of new shares of restricted rights lifted	289,500	147,900	0
Number of New Shares of restricted rights not lifted	197,000	352,100	300,000
Ratio of new shares of restricted rights to the total number of issued shares (%)	0.20%	0.36%	0.31%
Impact on shareholder Equity	Little impact on dilution of existing ordinary stock equity		

The names and acquisition status of managers who have acquired new shares of restricted employee rights and the top ten employees who have acquired shares as of the publication date of the annual report.

April 30, 2023 Unit: Thousand Shares; NT\$ Thousand

April 30, 2023 Unit: Thousand Shares, NT\$ Thousand

2020 new shares of restricted employee rights												
	Title	Name	Number of new shares of restricted employee rights obtained	Ratio of new shares of restricted employee rights obtained to the total number of issued shares	Restricted rights have been lifted				Restricted rights have not been lifted			
					Number of shares with restrictions lifted	Issuance price	Issuance amount	Ratio of the number of shares of restrictions lifted to the total number of issued shares	Number of shares with restrictions not lifted	Issuance price	Issuance amount	Ratio of new shares of restrictions not lifted to the total number of issued
Manager	Chairman	Lee, Chun-Chan	250	0.25%	150	NT\$10 per share, issued free of charge.	1,500	0.15%	100	NT\$10 per share, issued free of charge.	1,000	0.10%
	President	Jiang, Hsin-Chin										
	Executive Vice President	Hung, Ju-Chen										
	Senior Director	Chan, Mien-Yuan										
Employee	Deputy Director	Tseng, Tang-Kuei	106	0.11%	60.6	NT\$10 per share, issued free of charge.	606	0.06%	45.4	NT\$10 per share, issued free of charge.	454	0.05%
	Deputy Director	Tsai, Yao-Cheng										
	Deputy Director	Chuang, Che-Hao										
	Director	Hung, Li-Chih										
	Senior Manager	Liu, Shu-Chen										
	Senior Business Manager	Li, Chu-Hsiang										
	Senior Business Manager	Su, Ling-Ya										
	Senior Manager	Li, Chien-Wei										
	Senior Manager	Huang, Hsu-Hsiu										
	Manager	Chen, Chih-Wei										

2021 new shares of restricted employee rights													
	Title	Name	Number of new shares of restricted employee rights obtained	Ratio of new shares of restricted employee rights obtained to the total number of issued shares	Restricted rights have been lifted				Restricted rights have not been lifted				
					Number of shares with restrictions lifted	Issuance price	Issuance amount	Ratio of the number of shares of restrictions lifted to the total number of issued shares	Number of shares with restrictions not lifted	Issuance price	Issuance amount	Ratio of new shares of restrictions not lifted to the total number of issued	
Manager	Chairman	Lee, Chun-Chan	210	0.21%	63	NT\$10 per share, issued free of charge.	630	0.06%	147	NT\$10 per share, issued free of charge.	1,470	0.15%	
	President	Jiang, Hsin-Chin											
	Executive Vice President	Hung, Ju-Chen											
	Senior Director	Chan, Mien-Yuan											
Employee	Director	Lin, Kun-Hsien	107	0.11%	32.1	NT\$10 per share, issued free of charge.	321	0.03%	74.9	NT\$10 per share, issued free of charge.	749	0.08%	
	Deputy Director	Chuang, Che-Hao											
	Deputy Director	Tsai, Yao-Cheng											
	Senior Manager	Liu, Shu-Chen											

2021 new shares of restricted employee rights												
	Title	Name	Number of new shares of restricted employee rights obtained	Ratio of new shares of restricted employee rights obtained to the total number of issued shares	Restricted rights have been lifted				Restricted rights have not been lifted			
					Number of shares with restrictions lifted	Issuance price	Issuance amount	Ratio of the number of shares of restrictions lifted to the total number of issued shares	Number of shares with restrictions not lifted	Issuance price	Issuance amount	Ratio of new shares of restrictions not lifted to the total number of issued
Employee	Senior Business Manager	Li, Chu-Hsiang										
	Senior Business Manager	Su, Ling-Ya										
	Senior Manager	Li, Chien-Wei										
	Manager	Chan, Tien-Yu										
	Manager	Liu, Hsuan-Chih										
	Senior Deputy Manager	Chang, Wei-Ta										

2022 new shares of restricted employee rights												
	Title	Name	Number of new shares of restricted employee rights obtained	Ratio of new shares of restricted employee rights obtained to the total number of issued shares	Restricted rights have been lifted				Restricted rights have not been lifted			
					Number of shares with restrictions lifted	Issuance price	Issuance amount	Ratio of the number of shares of restrictions lifted to the total number of issued shares	Number of shares with restrictions not lifted	Issuance price	Issuance amount	Ratio of new shares of restrictions not lifted to the total number of issued
Manager	Chairman	Lee, Chun-Chan										
	President	Jiang, Hsin-Chin										
	Executive Vice President	Hung, Ju-Chen	104	0.11%	0	NT\$10 per share, issued free of charge.	0	0.00%	104	NT\$10 per share, issued free of charge.	1,040	0.11%
	Senior Director	Chan, Mien-Yuan										
Employee	Director	Lin, Kun-Hsien										
	Deputy Director	Chuang, Che-Hao										
	Senior Manager	Huang, Hsu-Hsiu										
	Senior Manager	Liu, Shu-Chen										
	Senior Business Manager	Li, Chu-Hsiang	79	0.08%	0	NT\$10 per share, issued free of charge.	0	0.00%	79	NT\$10 per share, issued free of charge.	790	0.08%
	Senior Business Manager	Su, Ling-Ya										
	Senior Manager	Li, Chien-Wei										
	Manager	Chan, Tien-Yu										
	Manager	Liu, Hsuan-Chih										
	Senior Deputy Manager	Chang, Wei-Ta										

(VI) Issuance of New Shares in Connection with Mergers and Acquisitions: None.

(VII) Finance Plans and Implementation

2022 2nd Issuance of New Shares Through Cash Capital Increase

(I) Plan content

1. Approval date and document number of the competent authority: On December 14,

2022, the Financial Supervision and Administration Commission's letter No. 1110365618 of the Financial Supervision and Administration Commission's application came into effect.

2. Source of funds: 5,000 shares of ordinary stock were issued through cash capital increase, with a face value of NT\$10 per share and an issuance price of NT\$63 per share. The total amount raised was NT\$315,000,000 and the remaining amount was NT\$38,000,000 which will be disbursed through its own funds or other means.

3. Planned project and estimated progress of fund utilization

NT\$ Thousand

Planned project	Expected completion date	Total required funds	Progress of fund utilization
			2023 Quarter 1
Repayment of bank loans	Quarter 1 of 2023	353,000	353,000
Total		353,000	353,000

4. Expected benefits:

The Company's total fundraising plan is NT\$ 353,000,000 to repay bank loans, with the aim of reducing dependence on financial institutions and increasing the flexibility of fund utilization. It is expected to increase our own fund ratio, strengthen financial structure, and enhance debt repayment ability. The Company will reserve the scheduling space for flexible use of funds in the future, so as to enhance the adaptability of the Company's operation and reduce financial risks. It is estimated that the interest expenditure of NT\$ 3,906 thousand will be saved in the year of 2023, and the interest expenditure of NT\$ 5,208 thousand will be reduced annually in the future. The interest expenditure saved is calculated as follows:

NT\$ Thousand

Borrowing institution	Credit limit utilization period	Usage of loan	Loan amount	Interest rate	Expected repayment amount for the first quarter of 2023	Estimated interest expenses that can be saved	
						Year 2023 (Note 1)	Future Years
Bank of Shanghai	2022/08/08-2023/08/08	Short term loans	50,000	1.45%	50,000	544	725
Cooperative Treasury	2022/02/21-2023/02/18 (Note 2)	Short term loans	50,000	1.501%	50,000	563	751
Bank of Shanghai	2022/08/08-2023/08/08	Short term loans	129,000	1.45%	129,000	1,403	1,871
Cooperative Treasury	2022/02/21-2023/02/18 (Note 2)	Short term loans	124,000	1.501%	124,000	1,396	1,861
Total					353,000	3,906	5,208

Note 1: The expected time for cash capital increase to be fully raised is February 2023, and the planned repayment time for the loan is March 2023. Therefore, a 9-month interest savings period is set for 2023.

Note 2: The actual borrowing period is from March 23, 2022 to March 23, 2023.

5. Previous changes in plan content, reasons for changes, and the date of submitting the change plan to the shareholders' meeting: None.

6. Enter the dates specified by the FSC for information declaration on the website: 2023/01/10, 2023/03/31.

(II) Implementation status

Unit: NT\$ Thousand; %

Planned project	Implementation status		2023 Quarter 1	Accumulated Implementation progress	Progress Description
Repayment of bank loans	Payment amount	Expected	353,000	353,000	The company's 2022 2nd Issuance of New Shares Through Cash Capital Increase was completed on February 24, 2023. The total amount of funds raised was NT\$ 315,000,000, which is expected to be used to repay bank loans of NT\$ 353,000,000 in the first quarter of 2023. The shortfall of NT\$ 38,000,000 is due to its own funds. As of the first quarter of 2023, the actual use of raised funds of NT\$ 315,000,000 and its own funds of NT\$ 38,000,000 to repay bank loans of NT\$ 353,000,000 has been achieved, The Implementation progress of the fund plan is still reasonable.
		Actual	353,000	353,000	
	Implementation progress(%)	Expected	100.00	100.00	
		Actual	100.00	100.00	

The Company completed the fundraising of NT\$ 315,000,000 on February 24, 2023, and is expected to use it to repay bank loans of NT\$ 353,000,000 in the first quarter of 2023. The shortfall of NT\$ 38,000,000 is due to our own funds. As of the end of the first quarter of 2023, we have actually used the fundraising of NT\$ 315,000,000 and our own funds of NT\$ 38,000,000 to repay bank loans of NT\$ 353,000,000, achieving the benefit of saving interest expenses. Moreover, the interest rate of the repaid loan is higher than the expected repayment rate, and the interest expenses that can be saved are higher than the expected savings. Therefore, there is no significant abnormality between the expected benefits and the actual achievement situation.

V. Operational Highlights

(I) Description of the business

A. Scope of business:

1.The Company operates the following businesses:

- (1) Electronics Components Manufacturing
- (2) Computer and Peripheral Equipment Manufacturing
- (3) General Instrument Manufacturing
- (4) Information Software Services
- (5) International Trade
- (6) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2.Business ratios at present

Unit: NT\$ Thousand; %

Main Product(s) \ Proportion	2021		2022		2023 Q1	
	Amount	%	Amount	%	Amount	%
ESD	3,972,547	95.91	2,558,516	91.01	587,994	97.31
ESD design and development	43,343	1.05	35,195	1.25	3,809	0.63
Other	126,094	3.04	217,549	7.74	12,462	2.06
Total	4,141,984	100.00	2,811,260	100.00	604,265	100.00

3.Current products (services) and roadmap

(1)Electrostatic /Pulse/Overvoltage protection IC

- (A) Electrostatic/Pulse/Overvoltage Protection IC with high quality clamping voltage performance for ultra high speed signal series
- (B) Static/Pulse/Overvoltage protection IC with high-quality clamping voltage performance for 1.2V~100V working voltage series
- (C) Electrostatic/Pulse/Overvoltage Protection IC with high quality clamping voltage performance for medium and low speed signal series
- (D) Electrostatic/Pulse/Overvoltage Protection IC with high-quality clamping voltage performance for high reliability series
- (E) Electrostatic/Pulse/Overvoltage Protection IC with High Quality clamping Voltage Performance for surge protection series
- (F) Electrostatic/Pulse/Overvoltage Protection IC with high quality clamping voltage performance for ultra small package series
- (G) Electrostatic/Pulse/Overvoltage Protection IC with high quality clamping voltage performance suitable for system integration within packaging (SiP)
- (H) Electrostatic/pulse/overvoltage protection components with high-quality clamping voltage performance for vehicles
- (I) Electrostatic/pulse/overvoltage protection components with high-quality clamping voltage performance for industrial use
- (J) Electrostatic/pulse/overvoltage protection IC with high quality clamping voltage performance for 5G communication series

(2)Electromagnetic interference filter

- (A) High frequency electromagnetic interference filter integrating high-quality clamping voltage performance with electrostatic/pulse/overvoltage protection design
- (B) Electromagnetic interference filter for data transmission systems integrating

- high-quality clamping voltage performance with electrostatic/pulse/overvoltage protection design
- (C) Antenna electromagnetic interference filter integrating high-quality clamping voltage performance with electrostatic/pulse/overvoltage protection design
- (D) A Common Mode Electromagnetic Interference Filter integrating high quality clamping voltage performance with electrostatic/pulse/overvoltage protection design
- (3) Analog signal switcher
 - (A) Audio signal exchanger integrating high-quality clamping voltage performance with electrostatic/pulse/overvoltage protection design
 - (B) High frequency signal exchanger integrating high-quality clamping voltage performance with electrostatic/pulse/overvoltage protection design
 - (C) A data signal exchanger integrating high-quality clamping voltage performance with electrostatic/pulse/overvoltage protection design
 - (D) A high-definition multimedia interface signal extender integrating high-quality clamping voltage performance with electrostatic/pulse/overvoltage protection design
 - (E) High definition multimedia interface switch integrating high-quality clamping voltage performance with electrostatic/pulse/overvoltage protection design
 - (F) Analog signal drivers integrating high-quality clamping voltage performance with electrostatic/pulse/overvoltage protection design
- (4) Communication and receiving system interface
 - (A) Instrument system transmitter interface integrating high-quality clamping voltage performance with electrostatic/pulse/overvoltage protection design
 - (B) Meter data transmitter Interface integrating high-quality clamping voltage performance with electrostatic/pulse/overvoltage protection design
 - (C) vehicle data transmitter interface integrating high-quality clamping voltage performance with electrostatic/pulse/overvoltage protection design
- 4. New products planned for development
 - (1) Electrostatic protection components with nearly perfect clamping voltage performance
 - (2) High current surge and electrostatic protection components with high cost-effectiveness
 - (3) Medical electrostatic /pulse /overvoltage protection components with high cost-effectiveness
 - (4) Smart electrostatic / pulse / overvoltage protection components with high cost-effectiveness
 - (5) Intelligent electromagnetic interference filtering integrating electrostatic / pulse / overvoltage protection components with high cost-effectiveness
 - (6) Overvoltage Protector (Ovp) integrating electrostatic/pulse/overvoltage protection component with high cost-effectiveness
 - (7) Current Limiter integrating electrostatic/pulse/overvoltage protection components with high cost-effectiveness
 - (8) Analog sensing signal amplifiers integrating static/pulse/overvoltage protection components with high cost-effectiveness
 - (9) High speed data signal exchanger integrating electrostatic/pulse/overvoltage protection components with high cost-effectiveness
 - (10) Vehicle signal transceivers integrating static/pulse/overvoltage protection components with high cost-effectiveness
 - (11) Customized analog functional IC integrating electrostatic/pulse/overvoltage protection components with high cost-effectiveness
 - (12) Power component drive IC integrating static/pulse/overvoltage protection

- components with high cost-effectiveness
(13)Current sensing IC integrating electrostatic/pulse/overvoltage protection
components with high cost-effectiveness

B. Industry overview

1.Current status and development of the industry

(1)Current Status and Development of the Global Semiconductor Industry

According to the World Semiconductor Trade Statistics Association (WSTS), in 2022, due to factors such as demand reversal, inflation, and war, the global semiconductor industry's demand for consumer electronic terminals slowed down and the semiconductor market weakened. However, the global revenue of the semiconductor industry in 2022 will reach 580.1 billion US dollars, higher than the 555.9 billion US dollars in 2021; Looking ahead to 2023, WSTS expects that with the addition of new production capacity in wafer foundries, the expansion of IDM plants meets expectations, and the demand for automotive and industrial applications continues to strengthen, which will drive the growth of the analog component market. As electronic product functions increase, the silicon content of built-in chips will continue to grow, which will also drive the growth of the logic IC market. Therefore, WSTS expects the overall global semiconductor output value to still reach \$557 billion in 2023.

After years of testing in the international market, domestic semiconductor industry has found an industrial model of vertical integration of upstream, midstream, and downstream industries, as well as the concentration of resources by various companies specializing in the field of technology, in a rapidly changing environment. From the design, photomask, wafer materials, wafer processing, packaging, and testing industries, supplemented by the semiconductor agency industry, to represent globally renowned semiconductor manufacturers' components, a professional and vertically complete industrial structure is formed. The IC design industry is located at the forefront of the semiconductor industry, mainly for self research and development design or customer commission, to complete the required integrated circuit layout design. Through the principle of industrial division of labor, mask production, the wafer manufacturing process and packaging work are outsourced by downstream manufacturers, and finally tested by themselves or entrusted to professional testing factories. The role of the IC design industry in domestic electronic industry supply chain is particularly important. According to statistics from the International Institute of Industrial Science at the Institute of Industry Research, Taiwan's growth rate in the IC design industry in 2022 increased by 18.5% compared to 2021.

(2)Current Status and Development of Electrostatic/Pulse/Overvoltage Protection Design

The characteristic of electronic circuits is that they can perform complex computational functions by processing very small signals. To achieve extremely accurate signal processing quality, it is necessary to operate electronic circuits in an extremely clean and noise free environment. However, the real environment is filled with noise sources, among which electrostatic/pulse/overvoltage interference is the most common. Therefore, with the increasing diversity and variability of electronic product users' requirements for usage functions and environments, the requirement for stable operation of electronic products to be free from noise interference has become increasingly stringent, and electrostatic / pulse / overvoltage interference is the first issue that must be addressed. Therefore, electrostatic/pulse/overvoltage protection design has shifted from an "optional" demand to a "necessary" demand in recent market evolution. This also establishes the

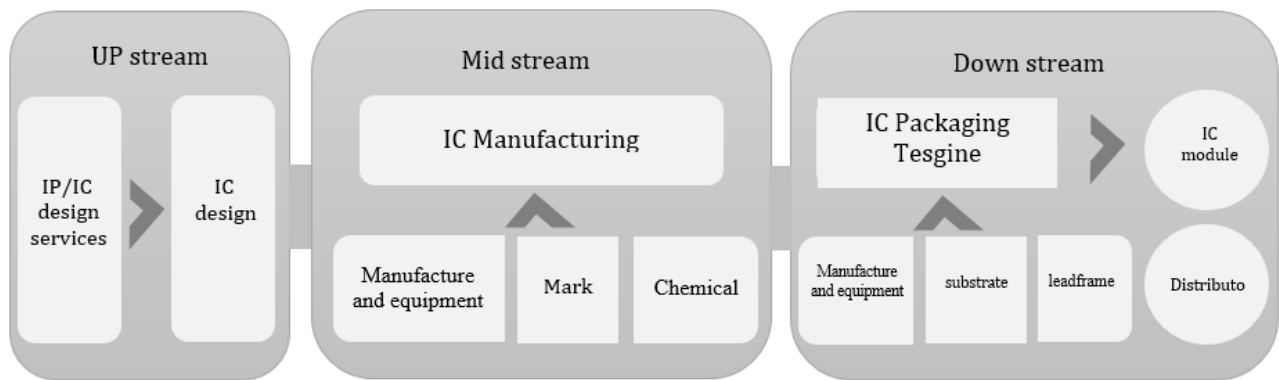
importance of developing electrostatic/pulse/overvoltage protection design technologies.

With the increasing popularity of integrated electronic products, smart electronic products, and portable electronic products, the reliability of electronic products has become a key factor in providing consumers with complete functional services. Manufacturers not only need to design the carrying capacity of electronic products as much as possible, but also set higher requirements for reliability when designing products. Therefore, the degree of integration of electronic products is increasing, and the density of circuits is also increasing, making electronic circuits afraid of being disturbed by noise. Among them, the impact from Electrostatic /pulse/overvoltage or electromagnetic wave interference is becoming increasingly serious. The performance degradation of many electronic products is largely due to electrostatic/pulse/overvoltage attacks, which deplete the lifespan of internal electronic components and require replacement of components. The demand for repair of electronic products due to Electrostatic /pulse/overvoltage damage is unacceptable to consumers who highly rely on mobile products, and it also consumes the resources of product manufacturers and harms brand trust.

In response to the stability needs of electronic systems, governments around the world have increasingly strict product safety specifications, with protective components serving as gatekeepers for overvoltage, overcurrent, and temperature in electronic products. Among them, interface protection for consumer electronics and IT products is the biggest demand. Each certification agency also sets various safety standards for system products and conducts testing and verification, including requiring system products to operate normally and without errors under the interference of various instantaneous interference sources, such as testing electrostatic protection, electrical fast transient (EFT) interference, etc. With the improvement of safety awareness, these standards and testing methods are becoming increasingly stringent, and the appearance requirements of various electronic products are becoming increasingly sophisticated. Gradually, the metal shell is replaced by a lighter and thinner plastic material, resulting in poorer shielding and reduced immunity to external interference noise; In addition, the more advanced the manufacturing process, the smaller the transistor size, and the smaller the electrostatic/pulse/overvoltage withstand capacity of the IC, highlighting the necessity of electrostatic/pulse/overvoltage protection design. With the promotion of product thinness and safety awareness, the role of protecting components becomes more important.

2.The relationship between industry supply chains:

The semiconductor industry in Taiwan has a professional division of labor system, and the IC design industry is at the forefront of the industry chain, specializing in completing integrated circuit design and product sales. The upstream, midstream, and downstream of domestic IC industry are listed as follows:



Data source: Industrial value chain information platform.

3. Development trend and product competitiveness

(1) Various development trends of products

The Company's R&D team has been engaged in the development of electrostatic /pulse/overvoltage protection design technology for IC since 1992. Over time, the research scope of electrostatic/pulse/overvoltage protection design technology has also been comprehensively expanded to all electronic products that use electricity.

(A) Electrostatic /Pulse/Overvoltage protection IC

The continuous evolution of semiconductor technology, from 0.8um and 0.5um CMOS processes to current nanotechnology, has led to mass production of 90nm, 65nm, and even 45nm, 20nm, 16nm, 10nm, 7nm, and 5nm. These effects mainly include an increase in system integration and faster signal transmission speed, but the ability to withstand electrostatic /pulses/overvoltage is also significantly reduced. Therefore, the Company has developed a system level electrostatic/pulse/overvoltage protection chip to improve this natural characteristic. Distinguished by application and signal speed, the Company's electrostatic protection products cover:

- High-speed signal electrostatic/pulse/overvoltage protection products

The characteristic of high-speed signal transmission is that the signal itself has a small voltage, which is easily masked by noise. Therefore, the protective IC itself must provide the ability to clamping the noise voltage at a very low value, that is, provide a very low clamping voltage, so that the signal itself voltage is not distorted. However, at the same time, the parasitic capacitance of the protective IC itself should not be too large to affect the transmission of high-speed signals. These two conditions conflict with the design of protective IC, and the Company's R&D team has been continuously challenging this conflicting design for a long time.

Almost all products such as computers, televisions, and mobile phones have a demand for high-speed signal transmission. For example, transmission specifications such as TYPE-C USB, USB4, USB3.1 3.2, HDMI 1.0 2.0, Giga LAN, SATA, ThunderboltIII, V-by-OneHS/US all have transmission speeds of tens of Gigabit per second, providing convenient audio and video transmission effects.

The Company provides industry-leading electrostatic protection IC with capacitance loads as low as 0.1pF, providing a complete electrostatic/pulse /overvoltage solution for TYPE-C USB systems. The Company will continue to strive to design products that can provide higher electrostatic/pulse/ overvoltage protection specifications and lower load capacitance.

- Low-speed control signal electrostatic/pulse/overvoltage protection products

The Company's electrostatic protection products for low-speed signals or

control signals are mainly used in lower speed applications such as power supplies, audio systems, keyboards, etc. In addition, similar to biomedical products, products with low signal speed and close contact with the human body are also widely used. The electrostatic protection of this type of product does not have high requirements for load capacitance, but it has high requirements for electrostatic specifications. If used in audio signals, the requirement for noise is also a key point. Therefore, the development direction of the product is mainly aimed at different product applications, and corresponding protective components should be specially developed according to customer needs.

- High-voltage Electrostatic /pulse/overvoltage protection products

These products cover electrostatic protection for various high-voltage signals ranging from 7V to 100V, but there is still great room for development in industrial and automotive electronics applications. The Company will continue to develop electrostatic/pulse/overvoltage protection components for different working voltages based on customer needs.

(B) Electromagnetic interference filter (EMI Filter)

The signal frequency of electronic products is constantly increasing, and the problem of electromagnetic interference will also become increasingly serious, especially for mobile phones or hand held devices. Due to the small size of the product, electromagnetic interference between signals is very serious, so filters are needed to ensure signal quality.

The Company's EMI Filter not only has excellent filtering performance, but also integrates ESD protection function on single chips, which can save the benefits of adding TVS in client applications, and has high cost-effectiveness and design convenience for customers.

(C) Analog signal processing chip

The Company's analog signal processing chips have built-in system level of electrostatic/pulse/overvoltage protection functions, which not only provide signal processing functions but also improve the electrostatic/pulse/overvoltage protection capabilities of electronic systems.

- USB signal switch
- Lan signal switch
- BUS signal switch
- Video signal switch
- OVP
- Analog Signal Driver

(D) RS485/RS232, CAN Bus communication interface

- Industrial control and medical systems

The application in the field of industrial control emphasizes products with high safety and reliability, and requires high resistance of RS485/RS232 chips to harsh environments. Therefore, high specifications of electrostatic/pulse/overvoltage withstand voltage (>Level2) are required. In addition, due to environmental limitations, some applications require the transceiver chip itself to have high isolation and voltage resistance, and the Company has also launched corresponding products for this part.

- Monitoring field

The product specifications in the monitoring field are relatively diverse, and there are more cost considerations for products. In the field of monitoring, there is not a high demand for security, and the specification requirement for ESD is IEC61000-4-2 Contact 8Kv. In terms of product

functionality, RS485/RS232 chips are mainly divided into two categories: 5.0V and 3.3V operating voltages. In addition, due to environmental limitations, some applications require the transceiver chip itself to have high isolation and voltage resistance, and the Company has also launched corresponding products for this part.

- The field of smart cars

The signal transmission in the field of smart cars requires absolute reliability, and in addition, it needs to be suitable for changing usage environments. Therefore, it is necessary to demand high specifications of electrostatic/pulse /overvoltage withstand voltage. The Company's CAN Bus transceiver product is developed with this specification as its goal.

(2)Competitive situation

The Company focuses on electrostatic protection IC and is renowned as a professional IC design company in Taiwan with the most complete electrostatic protection solutions, providing comprehensive technical support. Suppliers of protective components in Taiwan will not have direct competition due to differences in product, process, and application specifications. The direct competitors abroad are mainly companies such as Nexperia, Semtech, Onsemi, ST Microelectronics, etc. At present, the Company has entered various electronic related fields and is fully committed to developing more products that meet customer needs.

According to the 2021 OMDIA market survey, the main suppliers providing Pure ESD Protection solutions in the global market in 2020 were ranked as Nexperia, ON Semiconductor, AMAZING Microelectronic Corp., Semtech, ST Microelectronics, Infineon, ROHM, and Littlefuse. The Company still maintains its global third place ranking in 2019, but the global market share has increased from 11.4% to 12.6%, and the ranking status for 2021 and 2022 still needs updated data from OMDIA.

C. Technology and research overview

1.Technology level of businesses operated and R&D

The Company was founded in 2006 and currently offers system level electrostatic protection components, electromagnetic interference filters with integrated electrostatic protection, analog signal processors with integrated electrostatic protection, wired transceiver chips with integrated electrostatic protection, with a particular focus on perfectly clamping the protective components of electric voltage. The electrostatic (ESD) protection components provided by the Company have been applied to high /low speed transmission interfaces and various types of electronic products such as USB PD3.1 Type-C, USB4 Type-C, USB4 Type-A, USB3.0/3.1/3.2 Type-C, USB3.0/3.1/3.2 Type-A, Thunderbolt, Thunderbolt-2/3, HDMI-1.4/2.0/2.1, Display Port-1.1/1.2/1.3/1.4/2.0, LAN 10/100/1000, LAN 2.5G/5G/10G, mSATA, VGA, DVI, SD Card, SIM Card, RS232, RS485, SM Bus, Audio/Speaker, GPIO, LED, DC-in Power, Power Buttons and XDSL. As for electromagnetic interference filters integrating ESD and EMI on the same chip, they are suitable for application in portable products to save costs and space. In addition, integrating ESD protection technology into various interface IC chips eliminates the need for manufacturers to install external ESD protection components, and simultaneously achieves cost savings and PCB space.

The protection of high-speed circuits requires low load capacitance and low clamping voltage. Currently, the protection components produced by the Company have extremely low load capacitance and very low clamping voltage close to the working voltage of high-speed circuits. The load capacitance seen in product applications includes the load capacitance of packaging and chips, so the protective components must be further reduced by packaging the capacitance, or another

solution is to combine the necessary functions in product applications to reduce the number of IC. This method can also reduce the load capacitance, such as the Company's products of filter components integrating electrostatic protection, analog signal processor integrating electrostatic protection, wired transceiver chips integrating electrostatic protection, are defined and developed based on this thinking, and have a welcome high cost-effectiveness for customer use.

Electrostatic attack is a threat that every electronic product cannot avoid, and the durability of future electronic products will be closely related to Electrostatic Protection. The research and development goal of the Company's R&D team is to focus on providing electrostatic discharge protection design solutions and technologies suitable for various electronic products, so that electronic products have complete electrostatic discharge protection effects.

2.R&D personnel and their education and experience

Year/Education		2022	March 31, 2023
Academic distribution ratio	Doctor's degree	6	6
	Master's degree or above	39	40
	Bachelor's degree or above	21	21
	Senior Above	0	0
Total		66	67
Average service years		6.33	6.1

3.Annual R&D expenses invested in the past five years

Unit: NT\$ Thousand

Item \ Year	2022	2023 Q1
R&D expenses	415,855	108,602
Net sales	2,811,260	604,265
Ratio of R&D expenses to net sales (%)	15%	18%

4.Technologies or products successfully developed in the past

- (1)Ultra low capacitance electrostatic protection components and technologies are suitable for protection applications of ultra-high speed signals, such as USB PD3.1 Type-C, USB4 Type-C, USB4 Type-A, USB3.0/3.1/3.2 Type-C, USB3.0/3.1/3.2 Type-A, HDMI1.0-2.0, Giga-LAN, SATA, Thunderbolt, Thunderbolt-2/3, V-by-One HS/US and other ultra-high speed connection ports.
- (2)Protection components and technologies integrating electrostatic and pulse are suitable for protection applications in systems susceptible to pulse attacks, such as LVDS, VGA, LAN connection ports, power ports, outdoor communication systems, etc.
- (3)A full range of electrostatic/pulse/overvoltage protection components and technologies, are suitable for working voltages ranging from 1.2V to 100V in various electronic systems.
- (4)Ultra-thin and ultra-low clamping voltage electrostatic protection components and technologies are suitable for protection applications of portable electronic systems, such as RF modules, Fingerprint modules, Camera modules, wireless

charging modules, etc.

- (5) Electrostatic/pulse/overvoltage protection components and technologies of High reliability, are suitable for protection design applications in industrial specifications, automotive electronic specifications, and medical electronic specifications.
- (6) The transceiver transmission chip design integrating electrostatic and pulse protection is suitable for smart automotive applications, industrial applications, smart home applications, and smart outdoor transmission system applications.
- (7) A broadband signal analog processor integrating electrostatic protection design and overvoltage protection design, is suitable for protection design applications in interface systems that are sensitive to noise.
- (8) EMI filter components and technologies integrating electrostatic protection design, are suitable for protection design applications in interface systems that require differential mode filtering and common mode filtering.
- (9) SIP (System in Package) electrostatic protection design technology is suitable for protection design applications of various chip designs in nanofabrication processes.
- (10) Customized electrostatic protection components and technologies are suitable for protection design applications in special system design and advanced system design.

D. Long- and short-term business development plans

1. Short term business development plan

- (1) Deeply cultivate existing customer base, enhance customer trust in the Company, and establish brand status.
- (2) Actively develop new customer groups, establish overseas market penetration, such as the Chinese market, the Korean market, the Japanese market, the European market, and the American market, mainly provide Electrostatic Protection IC, and provide a complete Electrostatic Protection scheme to create the maximum value for customers, and then establish the customer's trust position.

2. Long term business development plan

- (1) Develop new and innovative patented products based on customer and market needs, and increase their coverage in the application market.
- (2) Enhance the Company's market share in the global electrostatic/pulse/overvoltage protection IC market and deeply explore various electronic product fields.
- (3) Establish a leading brand position in global electrostatic/pulse/overvoltage protection technology.

(II) Market and sales overview

A. Market analysis

1. Major sales regions

Unit: NT\$ Thousand; %

Year/ Sales regions	2021		2022		2023 Q1	
	Amount	%	Amount	%	Amount	%
Taiwan	2,601,433	62.81%	1,619,532	57.61%	387,326	64.10%
China (including Hong Kong)	1,262,147	30.47%	862,998	30.70%	150,963	24.98%
Republic of Korea	147,831	3.57%	185,094	6.58%	34,020	5.63%
U.S.A	75,807	1.83%	75,916	2.70%	16,899	2.80%
Other countries	54,766	1.32%	67,720	2.41%	15,057	2.49%
Total	4,141,984	100.00%	2,811,260	100.00%	604,265	100.00%

2. Main competitors and market share

After 16 years of development, electrostatic protection IC have been regarded as an independent market research project, and various market research institutions have conducted separate market scale surveys and competitive analysis on electrostatic protection IC. According to IHS market research, the main suppliers providing electrostatic protection solutions in the global market in 2016 were ranked as ON Semiconductor, Nexperia, ST Microelectronics, AMAZING Microelectronic Corp., Semtech, Littlefuse, and Infineon. These seven suppliers accounted for 80% of the global market share, and the Company ranked fourth globally in 2016. After two years, according to the 2019 IHS Markit market survey, the main suppliers providing Pure ESD Protection solutions in the global market in 2018 have changed to Nexperia, ON Semiconductor, AMAZING Microelectronic Corp., Semtech, ST Microelectronics, Littlefuse, Infineon, etc. The Company ranked third globally in 2018, with an estimated 11% market share in global sales. As for the Company's ranking in 2020, according to OMDIA's market survey in 2021, there have been slight changes in the ranking of the main suppliers providing Pure ESD Protection solutions in the global market in 2020, including Nexperia, ON Semiconductor, AMAZING Microelectronic Corp., Semtech, ST Microelectronics, Infineon, ROHM, and Littlefuse. The Company still maintains its global third place ranking in 2018, but the global market share has increased to 12.6%, and the ranking status for 2021 and 2022 still needs updated data from OMDIA.

3. Future market supply, demand and growth

In terms of overall market demand, almost all technological devices in today's daily life are based on semiconductor chips, which are controlled by application programs and perform diverse functions. The application level of semiconductors covers various consumer electronic products such as mobile phones, virtual (augmented) reality, drones, wearable devices, and automobiles. The demand for key semiconductor technology development and component supply in the industry is increasing day by day, driving the stable expansion of the overall potential market.

The Company's electrostatic protection products have a wide range of applications, including consumer electronics, industrial electronics, automotive electronics, and

even military electronic systems, which require electrostatic protection to prevent electronic systems from being damaged by Electrostatic. The electrostatic can cause damage to electronic systems, ranging from minor damage to system downtime or even permanent hardware damage. Therefore, Electrostatic Protection can be considered a necessary function of electronic systems, playing an important role in increasing production yield and improving product reliability.

In addition, with the advent of the 5G era, electromagnetic waves are particularly sensitive to the impact of signals, so it is particularly important to choose integrated electromagnetic interference filters. In addition, electrostatic protection ESD products will be more widely used in the Internet of Things (IOT) and artificial intelligence (AI) technology applications, such as smart action devices, smart home appliances, smart medical electronics, and smart vehicle electronics, all of which will be the application scope of the next wave of electrostatic protection ESD products. It can be seen that the application of electrostatic protection ESD products is becoming more diverse and the market demand has growth potential. Based on the rise of emerging market applications mentioned above, the reliability of electronic products will become one of the necessary conditions, and the demand for electrostatic discharge protection IC is also increasing. It is expected that with the increase in market demand, the Company's future performance will grow accordingly.

4. Advantages and Disadvantages of Competitive Niches and Development Prospects and Corresponding Countermeasures

(1) Competitive niches

(A) Continuous innovation in professional technology

The Company focuses on IC design and services related to electrostatic protection. In recent years, we have actively researched and developed new products and improved production technology and processes to develop niche products with technological and quality advantages.

(B) Stable operation of enterprises

Our management team is committed to our business operations and adheres to the business philosophy of sustainability, innovation, and service, enabling the company to maintain continuous growth and relatively stable operations in the face of fierce competition.

(C) Excellent brand and quality

The Company has always adhered to providing customers with high-quality products, accurate delivery times, reasonable prices, and satisfactory services, establishing a good reputation and reputation, and obtaining ISO certification, which helps the Company maintain its technological innovation and leading edge.

(2) Future development

A. Advantages

(A) With the continuous progress of information technology, the popularization of portable products, the launch of low-cost computers, the development of the Internet, and the advancement of semiconductor process miniaturization technology, the application of IC has become more widespread, driving the overall market demand of the IC industry.

(B) With sufficient support from wafer manufacturing, packaging, and testing companies in terms of production capacity and technology, domestic IC design companies can not only focus their resources on their own areas of expertise, but also coordinate and cooperate with downstream companies

in the shortest possible time. Regardless of cost, quality, or time control, it helps to enhance the Company's market competitiveness.

(C)The main members of the Company are all elites from the industry, and their technology has reached international standards, effectively mastering the technology of niche products.

B. Disadvantages and correspondent strategies

(A)Development of domestic and foreign competitors

Correspondent measures: Strengthen R&D and production capabilities, develop differentiated products, establish partnerships with customers, increase product market share, and increase distance and competitiveness with competitors.

(B)Short life cycle of 3C products

Correspondent measures: In the face of the industry trend of short life cycle and rapid market changes of 3C products, the Company continues to strengthen its grasp of market trends and improve research and development technology. We also use key technologies owned by the company to develop products, in order to expand market share and enhance the company's competitiveness.

(C)Shortage of domestic R&D and design talents

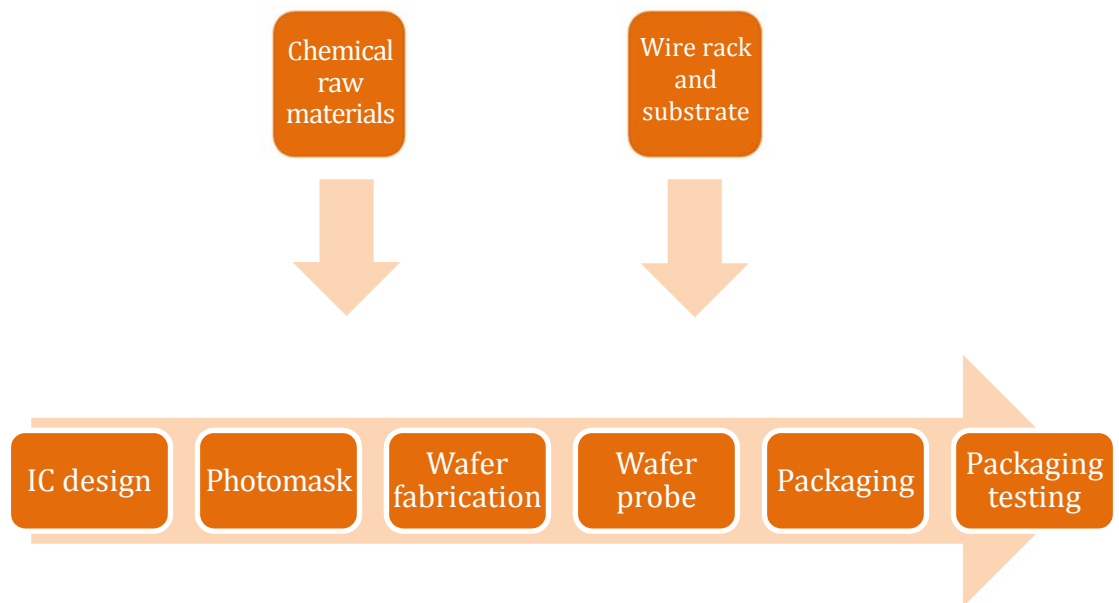
Correspondent measures: increase the recruitment and training of new employees, establish a career development stage for employees, strengthen the centripetal force force of employees, reduce the turnover rate, and cooperate with schools and units to cultivate relevant talents into the talent pool of the company.

B. Important purposes and production process

1.Important purposes of main products

Main product names	Important use or application of the product
Electrostatic /Pulse/Overvoltage protection IC	Consumer electronics products, industrial control and medical systems, monitoring fields, automotive electronics, home appliance products, network communication products, 5G communication systems, satellite communication systems, and aerospace applications.
Electromagnetic interference filter	Consumer electronics products, industrial control and medical systems, monitoring fields, automotive electronics, home appliance products, network communication products, 5G communication systems, satellite communication systems, and aerospace applications.
Analog signal switcher	Consumer electronics products, industrial control and medical systems, monitoring fields, automotive electronics, home appliance products, network communication products.
RS232/RS485/CAN Transceiver interface chip	Industrial control and medical systems, monitoring fields, automotive electronics, and home appliance products.

2. Production process



C. Supply of major materials

The Company's main raw materials are wafers, sourced from major domestic manufacturers, and have established a good and long-term stable supply and demand relationship with the Company. The prices can also appropriately reflect the market situation. As of now, the Company's main raw material supply situation is good, and there have been no incidents of work stoppage, supply shortage, or other disputes.

D.Name of suppliers that account for 10% or more total purchases in any one of the past two years and the amount and proportion of purchases, as well as the reason for change

1.Suppliers that account for 10% or more total purchases in any one of the past two years and the amount and proportion of purchases (sales), as well as the reason for change: No significant changes.

Unit: NT\$ Thousand; %

Item	2021				2022				As of the first quarter of 2023			
	Name	Amount	Proportion of net purchase for the year (%)	Relationship with the Issuer	Name	Amount	Proportion of net purchase for the year (%)	Relationship with the Issuer	Name	Amount	Proportion of net purchase for the year (%)	Relationship with the Issuer
1	A	240,393	41.43%	None	I	369,656	54.72%	None	I	83,911	69.90%	None
2	I	237,387	40.92%	None	A	176,838	26.18%	None	A	26,397	21.99%	None
3	B	79,037	13.62%	None	B	69,562	10.30%	None	B	9,735	8.11%	None
4	Other	23,353	4.03%	None	Other	59,492	8.80%	None	Other	-	-	-
-	Net purchase	580,170	100.00%	-	Net purchase	675,548	100.00%	-	Net purchase	120,043	100.00%	-

2.Name of customers that account for 10% or more total sales in any one of the past two years and the amount and proportion of sales, as well as the reason for change: No significant changes.

Unit: NT\$ Thousand; %

Items	2021				2022				As of the first quarter of 2023			
	Name	Amount	Proportion of net sales for the year (%)	Relationship with the Issuer	Name	Amount	Proportion of net sales for the year (%)	Relationship with the Issuer	Name	Amount	Proportion of net sales for the year (%)	Relationship with the Issuer
1	S002	1,389,568	33.55%	None	S002	938,931	33.40%	None	S002	224,294	37.12%	None
2	S111	589,064	14.22%	None	S111	255,637	9.09%	None	S111	56,638	9.37%	None
3	Other	2,163,352	52.23%	None	Other	1,616,692	57.51%	None	Other	323,333	53.51%	None
-	Net sales	4,141,984	100.00%	-	Net sales	2,811,260	100.00%	-	Net sales	604,265	100.00%	-

E. Production volume and value in the past two years

Unit: Thousand; NT\$ Thousand

Production value Main products	2021		2022	
	Yield	Output value	Yield	Output value
ESD	7,383,096	2,131,407	3,919,685	1,314,252
Other	44,478	48,464	45,095	111,475
Total	7,427,574	2,179,871	3,964,780	1,425,727

Note 1: the Company does not have production equipment, so disclosure of production capacity information is not applicable.

F. Sales volume and value in the past two years

Unit: Thousand; NT\$ Thousand

Year Sales volume and value Main products	2021				2022			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
ESD	4,725,431	2,517,556	2,539,995	1,454,991	2,693,095	1,504,880	1,587,241	1,053,636
ESD design and development	0	22,304	0	21,039	0	26,921	0	8,274
Other	18,263	61,573	28,090	64,521	15,125	87,731	28,234	129,818
Total	4,743,694	2,601,433	2,568,085	1,540,551	2,708,220	1,619,532	1,615,475	1,191,728

(III) Employees information

Employees information in the two most recent fiscal years and up to the date of publication of the annual report:

Year		2021	2022	As of March 31, 2023
No. of Employees	Sales personnel	21	18	18
	Management personnel	58	64	65
	General Staff	65	66	67
	Total	144	148	150
Average Age		36.94	37.5	37.59
Average experience		6.65	7.06	7.12
Education (%)	Ph.D	4.86%	4.73%	4.67%
	Graduate School	38.89%	38.51%	38.66%
	University/ College	55.56%	56.08%	56.00%
	Senior High School	0.69%	0.68%	0.67%
	Others	0.00%	0.00%	0.00%

(IV) Environmental protection expenditure

As of the date of publication of the annual report, the total loss (including compensation) and penalties suffered by the Company from environmental pollution in past two years, future responsive strategies (including improvement measures) and possible expenditure (including potential loss, estimated penalty and compensation amount. If the amount cannot reasonably be estimated, explain the reason): None.

(V) Labor relations

A. Employee welfare measures, education, training, retirement mechanism and implementation, as well as agreements and measures to protect the rights of employees

1. Employee welfare

The Company has an employee welfare committee, which regularly organizes various activities with the goal of seeking the best welfare for employees. Currently, the Company promotes the following welfare measures:

Welfare matters	
• Labor insurance, health insurance, group insurance	• Mountaineering activities
• Travel Ping An Insurance, Overseas Business Travel Insurance	• Diversified club activities, subsidized club funds
• Employee health check	• Equipped with fitness equipment
• Three section gift certificates, birthday gift certificates	• Subsidy for in-service training courses for employees
• Marriage, funeral, and childbirth subsidies	• Organize and subsidize domestic and international tourism for employees
• Flexible Holidays Better than Labor Standards	• Reward long-term employees with one gold coin for every five years of service

Welfare matters	
•Free coffee bar	•Encourage childbirth. Those who give birth during their employment can register as "AMAZING Baby" and receive a gold coin as a gift
•Comfortable reading space	

2.Education and training measures

The Company attaches great importance to the career development of each employee, and in recent years, we have introduced a connection between digital learning and professional functional training to accelerate training performance; Promote various training activities and talent training programs, subsidize on-the-job training for colleagues, and provide a comprehensive learning platform.

HR; NT\$ Thousand

Items	Number of shifts	Total person times	Total hours	Total costs
Training for new employees	179	19	179	0
Professional functional training	22	107	288.5	131.5
General education and training	5	135	12	40
Occupational safety and health education and training	5	238	26.5	3.5
Information security education and training	2	53	42	40
Practice and Management of Measuring Instrument Calibration	9	23	36	0
Internal auditors Continuing Education Program	4	4	28.5	13.4
Accounting Supervisor Continuing Education Program	2	2	32	16
Participate in various lectures and seminars	4	4	17.5	0

3.Retirement mechanism

The Retirement mechanism of our employees is in accordance with the provisions of the Labor Standards Law and the Labor Pension Regulations, and is applicable to the new pension system of the Labor Standards Law. The retirement pension is paid monthly at 6% of the employee's salary to the employee's personal retirement account. In 2022, NT\$ 8,056 thousand has been allocated, and the employee's participation in the retirement plan is 100%.

4.Labor agreements

The Company has a harmonious and good labor management relationship. Employees can communicate with supervisors and management authorities on various issues related to the company's systems and work environment through regular quarterly labor meetings, which can serve as an important reference source for administrative management to maintain good interaction between labor and management. As of now, the labor management relationship has been harmonious.

5.Work environment and employee safety protection measures

The Company has been awarded the ISO14001 Environmental Management System Certification, ISO45001 Occupational Safety and Health Management System Certification, and IECQQC080000 Hazardous Substance Process Management System Certification by

the Standards and Inspection Bureau of the Ministry of Economic Affairs. We also provide a comprehensive and safe working environment, and regularly hold fire drills, maintain access control management, and fire equipment to reduce colleagues and property fire risks and safety concerns.

6. Measures to protect employees' interests

All operations of the Company follow the Labor Standards Law as a benchmark and ensure the rights of employees.

B. Losses arising from labor disputes in the most recent year and as of the publication date of this annual report, and disclosure of the potential estimated amount and countermeasures to date and in the future.

As of now, the Company's labor relations have been harmonious, and we do not expect any such losses to occur in the future.

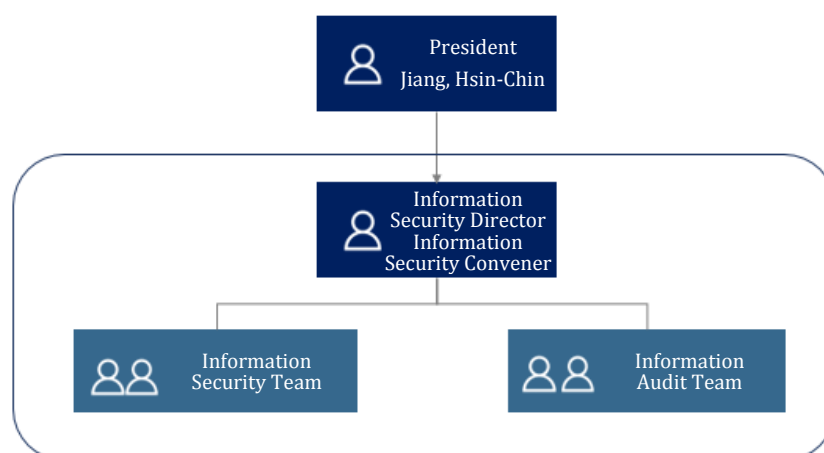
(VI) Cybersecurity management

Information security organization

A. The Company has established an information security organization in 2021, with the Information Security Group establishing information security protection. The Information Security Audit Group is responsible for inspecting the implementation of information security policies; And the Information Security Group will serve as the emergency response team, responsible for responding to information security related events, reporting, isolating damage control, assigning system services, and reviewing and improving post event response strategies.

B. The staffing of the Company's information security organization is the Chief of Information Security (responsible for promoting information security policies and resource scheduling affairs), who is also served by the General Manager. One dedicated supervisor for information security in the second line of defense is responsible for information security protection and system planning. Two information security Implementation units in the first line of defense are responsible for daily operational information security business Implementation and abnormal monitoring. All members of the information security organization have obtained a total of 4 information security professional certificates recognized by the information security Department between 2021 and 2022.

Information security organization



C. The Information Security Organization regularly reports to the general manager on mechanisms for information security such as virus prevention, disaster prevention, hacker prevention, and leak prevention. Conduct information security Implementation

inspections every six months and hold review meetings to continuously track and improve information security management.

- D. The Company has established information security related measures in accordance with ISO27001:2013 and complies with international certification standards to control information security anomalies and deviation correction, and achieve information security control goals.

Information Security Policy

Establish information security risk management, conduct asset classification inventory and risk identification to ensure the confidentiality and security of the Company's information assets, and comply with relevant regulations. By maintaining the confidentiality, integrity, and availability of data, systems, devices, and network environments, we ensure the continuous operation of our operations. It aims to protect information security and maintain the operation of key information systems with the goal of information security. It plans continuous operational response measures, quickly completes disaster recovery, and enables the key operations of the Company and customers to recover as quickly as possible.

Information Security Declaration of AMAZING Microelectronic Corp.

The Company's mission is to provide customers with the most basic to complex ESD protection needs, and to grow together with customer products and markets. Our core value is "R&D and customer growth together; working together to reach the world peak", in order to achieve the vision of ESD Leading (becoming the ESD protection solution, the most stable, innovative, and trustworthy service provider). The Company continues to strive to strengthen its own information security and protection capabilities, protect important information assets of our research and development and customers, quickly respond to various security incidents, and provide support energy for stable operation of our partners, creating a win-win situation together.

Specific management plan

- A. Establish a systematic information security management system and use PDCA method for immediate response and processing of information security.
- B. Establish phased response measures and continuously improve based on the International Security Education Model (NIST's Security Incident Response Guidelines):
1. Prior safety protection
 - (1) Computer room infrastructure support and temperature and humidity monitoring, information security advocacy, and terminal antivirus software construction.
 - (2) Establish a multi-level firewall isolation architecture to prevent the spread of viruses.
 - (3) When developing application system programs, information security is considered and the source code is reviewed to avoid injection attacks.
 2. Detection and Analysis
 - (1) Network traffic anomaly monitoring and internal antivirus detection analysis.
 - (2) Warning of account login errors and notification of email account abnormal login.
 3. Isolation, clearance, and restoration
 - (1) Observation and tracking of abnormal event records.
 - (2) Confirm abnormal damage control and isolation, supplemented by backup and restoration services.

4. Post processing

- (1) Confirm the source of risk, modify management controls if necessary, take reinforcement measures or avoid risks.

Implementation Review and Tracking

- A. Joined the TWCERT/CSIRT Information Security Alliance on August 30, 2021, sharing information on information security and regional joint defense.
- B. In the second half of 2021, an ISMS information security management system was established to identify and manage information risks. In November 2021, an audit was conducted, a review and improvement meeting was held, and a report was submitted to the general manager and management team.
- C. Obtained ISO/IEC 27001:2013 information security certification in February 2022.
- D. Information security investment resources

Unit: NT\$ Thousand

Investment in information security protection	Annual Implementation funds
Information security Education and Training	250
Information security protection hardware equipment	500
Information security protection/security control software	2,500

E. Education and training
2021

Internal security education and training	Actual number of participants	Explanation
Password security and social engineering prevention	57	Convene 5 separate sessions

2022

Internal security education and training	Actual number of participants	Explanation
Preventing phishing emails and communication software information security	121	Convene 1 session
Social engineering and Personal Resources Protection	52	Convene 1 session

- A. List any losses suffered by the Company in the most recent fiscal year and up to the publication date of the annual report due to significant cybersecurity incidents, the possible impact therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of why shall be provided: In recent years, there have been frequent incidents of information security, but AMAZING Microelectronic Corp. has already placed great emphasis on research and development, and is well aware of the importance of information security. We have spared no effort in advocating and enhancing the awareness of information security protection among all employees. In addition to setting relevant information security control regulations, we have also continued to invest in improving the energy of information security protection; In the past two years and as of the publication date of the prospectus, there have been no losses caused by any incidents of information security.

(VII) Material Contracts

Type of Contract	Party	Contract Duration	Major Content	Restriction
Processing contract	Company A	2021.09.01-2024.08.31	Encapsulated products	Confidentiality Terms
Insurance contract	TOKIO MARINE NEWA INSURANCE	2022.12.20-2023.12.20	Directors, Supervisors, and Key Personnel Liability insurance	None
Insurance contract	First product insurance	2022.07.04-2023.07.04	Product liability insurance	None
Agent contract	S001	2015.01.01- Automatically renewed annually	Acting sales of the Company's products	Confidentiality Terms
Agent contract	S002	2017.07.08- Automatically renewed annually	Acting sales of the Company's products	Confidentiality Terms
Agent contract	S111	2016.11.01- Automatically renewed annually	Acting sales of the Company's products	Confidentiality Terms

VI. Financial Information

(I) Five-Year Financial Summary and External Auditor's Opinion

A. Condensed Balance Sheets - International Financial Report Standards (Consolidated)

Unit: NT\$ Thousand

Item \ Year		Financial Summary for the Last Five Years					
		2018	2019	2020	2021	2022	At the end of March 2023
Current assets		2,471,560	2,759,750	3,192,338	3,868,041	2,913,944	2,988,524
Property, plant and equipment		512,794	502,479	1,048,127	1,640,125	1,572,220	1,567,360
Intangible assets		84,249	78,105	84,035	95,509	84,653	82,305
Other assets		130,148	164,594	208,650	735,451	1,130,175	1,126,620
Total assets		3,198,751	3,504,928	4,533,150	6,339,126	5,700,992	5,764,809
Current liabilities	Before distribution	833,965	835,153	868,456	2,068,008	1,467,148	1,405,553
	After distribution	1,145,927	1,219,793	1,328,539	2,730,525	1,788,531 (Note 1)	—
Non-current liabilities		8,044	24,514	20,030	27,389	36,299	38,054
Total liabilities	Before distribution	842,009	859,667	888,486	2,095,397	1,503,447	1,443,607
	After distribution	1,153,971	1,244,307	1,348,569	2,757,914	1,824,830 (Note 1)	—
Equity attributable to shareholders of the parent company		2,286,332	2,532,501	3,468,814	4,088,402	4,063,132	4,198,606
Share capital		747,047	796,218	905,115	915,383	929,546	979,826
Capital surplus	Before distribution	413,043	427,764	1,132,067	1,204,075	1,386,676	1,683,061
	After distribution	413,043	427,764	1,068,918	1,204,075	1,386,676 (Note 1)	—
Retained earnings	Before distribution	1,175,186	1,321,811	1,464,633	2,008,269	1,804,993	1,578,964
	After distribution	818,658	937,171	1,067,699	1,345,752	1,483,610 (Note 1)	—
Other equity interest		(48,944)	(13,292)	(33,001)	(39,325)	(58,083)	(43,245)
Treasury stock		—	—	—	—	—	—
Non-controlling interest		70,410	112,760	175,850	155,327	134,413	122,596
Total equity	Before distribution	2,356,742	2,645,261	3,644,664	4,243,729	4,197,545	4,321,202
	After distribution	2,044,780	2,260,621	3,184,581	3,581,212	3,876,162 (Note 1)	—

Note: Financial information for the past five fiscal years has been audited by auditors.

Note 1: The distribution of cash dividends in 2022 was approved by a resolution of the board of directors.

B. Condensed Balance Sheets - International Financial Report Standards (Individual)

Unit: NT\$ Thousand

Item \ Year		Financial Summary for the Last Five Years					
		2018	2019	2020	2021	2022	At the end of March 2023
Current assets		2,415,955	2,631,322	2,982,382	3,687,755	2,752,963	The financial data for the quarter prior to the publication date of the annual report is of December 31, 2022, so there is no such data available.
Property, plant, and equipment		511,959	502,171	1,047,560	1,632,519	1,471,727	
Intangible assets		3,382	3,425	4,422	21,026	15,300	
Other assets		194,049	249,668	301,203	819,821	1,304,556	
Total assets		3,125,345	3,386,586	4,335,567	6,161,121	5,544,546	
Current liabilities	Before distribution	830,969	830,309	848,619	2,045,904	1,444,717	
	After distribution	1,142,931	1,214,949	1,308,702	2,708,421	1,766,100 (Note 1)	
Non-current liabilities		8,044	23,776	18,134	26,815	36,697	
Total liabilities	Before distribution	839,013	854,085	866,753	2,072,719	1,481,414	
	After distribution	1,150,975	1,238,725	1,326,836	2,735,236	1,802,797 (Note 1)	
Equity attributable to shareholders of the parent company		2,286,332	2,532,501	3,468,814	4,088,402	4,063,132	
Share capital		747,047	796,218	905,115	915,383	929,546	
Capital surplus	Before distribution	413,043	427,764	1,132,067	1,204,075	1,386,676	
	After distribution	413,043	427,764	1,068,918	1,204,075	1,386,676 (Note 1)	
Retained earnings	Before distribution	1,175,186	1,321,811	1,464,633	2,008,269	1,804,993	
	After distribution	818,658	937,171	1,067,699	1,345,752	1,483,610 (Note 1)	
Other equity interest		(48,944)	(13,292)	(33,001)	(39,325)	(58,083)	
Treasury stock		—	—	—	—	—	
Non-controlling interest		—	—	—	—	—	
Total equity	Before distribution	2,286,332	2,532,501	3,468,814	4,088,402	4,063,132	
	After distribution	1,974,370	2,147,861	3,008,731	3,425,885	3,741,749 (Note 1)	

Note: Financial information for the past five fiscal years has been audited by auditors.

Note 1: The distribution of cash dividends in 2022 was approved by a resolution of the board of directors.

C. Condensed Comprehensive Income Statements - International Financial Report Standards (Consolidated)

Unit: Except that unit of earnings per share is NT\$, the unit of the others is NT\$ Thousand.

Item \ Year	Financial Summary for the Last Five Years					
	2018	2019	2020	2021	2022	At the end of March 2023
Operating revenue	2,905,379	2,761,782	3,188,173	4,141,984	2,811,260	604,265
Gross profit	1,165,830	1,167,651	1,191,313	1,958,138	1,119,605	303,543
Operating profit (loss)	601,189	587,947	607,162	1,141,037	354,926	104,411
Non-operating income and expenses	61,567	(3,847)	719	(22,145)	167,245	(3,253)
Net income before tax	662,756	584,100	607,881	1,118,892	552,171	101,158
Net income from continuing operations	544,297	480,283	507,998	921,738	431,899	84,092
Loss from discontinued operations	—	—	—	—	—	—
Net income (loss)	544,297	480,283	507,998	921,738	431,899	84,092
Other comprehensive income (net value after tax)	(5,862)	(2,913)	(10,242)	9,133	2,588	(1,198)
Total comprehensive income	538,435	477,370	497,756	930,871	434,487	82,894
Net income attributable to shareholders of the parent company	562,495	503,153	531,286	940,570	459,241	95,354
Net income attributable to non-controlling interests	(18,198)	(22,870)	(23,288)	(18,832)	(27,342)	(11,262)
Total comprehensive income attributable to owners of the parent company	556,633	500,240	523,485	951,394	455,401	94,711
Total comprehensive income attributable to non-controlling interests	(18,198)	(22,870)	(25,729)	(20,523)	(20,914)	(11,817)
Earnings per share	7.18	6.37	6.46	10.32	4.97	1.00

Note: Financial information for the past five fiscal years has been audited by auditors.

D. Comprehensive Income Statements - International Financial Report Standards (Individual)

Unit: Except that unit of earnings per share is NT\$, the unit of the others is NT\$ Thousand.

Items \ Year	Financial data for the past five years					
	2018	2019	2020	2021	2022	At the end of March 2023
Operating revenue	2,905,379	2,761,782	3,173,872	4,098,641	2,776,065	The financial data for the quarter prior to the publication date of the annual report is of December 31, 2022, so there is no such data available.
Gross profit	1,165,830	1,167,651	1,179,309	1,919,048	1,088,444	
Operating profit (loss)	626,311	618,028	637,743	1,163,014	393,835	
Non-operating income and expenses	54,643	(11,058)	(4,938)	(28,304)	155,640	
Net income before tax	680,954	606,970	632,805	1,134,710	549,475	
Net income from continuing operations	562,495	503,153	531,286	940,570	459,241	
Loss from discontinued operations	—	—	—	—	—	
Net income (loss)	562,495	503,153	531,286	940,570	459,241	
Other comprehensive income (net value after tax)	(5,862)	(2,913)	(7,801)	10,824	(3,840)	
Total comprehensive income	556,633	500,240	523,485	951,394	455,401	
Net income attributable to shareholders of the parent company	562,495	503,153	531,286	940,570	459,241	
Net income attributable to non-controlling interests	—	—	—	—	—	
Total comprehensive income attributable to owners of the parent company	556,633	500,240	523,485	951,394	455,401	
Total comprehensive income attributable to non-controlling interests	—	—	—	—	—	
Earnings per share	7.18	6.37	6.46	10.32	4.97	

Note: Financial information for the past five fiscal years has been audited by auditors.

E. Names and Auditing Opinions of CPAs for the Past Five Fiscal Years

Year	Accounting Firm	Name of CPAs	Opinion
2018	KPMG	Hsu, Yu-Feng/Mei, Yuan-Chen	Qualified opinion
2019	KPMG	Hsu, Yu-Feng/Mei, Yuan-Chen	Qualified opinion
2020	KPMG	Hsu, Yu-Feng/Mei, Yuan-Chen	Qualified opinion
2021	KPMG	Hsu, Yu-Feng/Mei, Yuan-Chen	Qualified opinion
2022	KPMG	Hsu, Yu-Feng/Mei, Yuan-Chen	Qualified opinion

(II) Five-Year Financial Analysis

A. Consolidated Financial Analyses - Adopted International Financial Report Standards

Analysis Item		Year	Financial Analysis for the Last Five Years					
			2018	2019	2020	2021	2022	2023 Q1
Financial structure	Debt ratio (%)		26.32	24.53	19.60	33.05	26.37	25.04
	Ratio of long-term capital to property, plant and equipment (%)		461.16	531.32	349.64	260.41	269.29	278.13
Solvency	Current ratio (%)		296.36	330.45	367.59	187.04	198.61	212.62
	Quick ratio (%)		244.74	293.18	312.49	162.92	164.99	179.28
	Times interest earned ratio		843.13	267.83	399.61	1,177.54	110.22	84.26
Operation performance	Accounts receivable turnover rate (times)		4.90	4.32	4.60	4.62	4.13	6.20
	Average days for cash receipts		74.49	84.49	79.34	79.00	88.38	58.87
	Inventory turnover rate (times)		3.90	4.38	5.18	4.55	3.51	2.62
	Payables turnover rate (times)		6.03	6.27	5.82	5.36	5.17	5.00
	Average days for sale of goods		93.58	83.33	70.46	80.21	103.99	139.31
	Turnover rate for property, plant and equipment (times)		5.64	5.44	4.11	3.08	1.75	1.54
	Total asset turnover rate (times)		0.95	0.82	0.79	0.76	0.47	0.42
Profitability	Return on assets (%)		17.85	14.38	12.67	16.97	7.24	5.94
	Return on equity (%)		24.90	19.20	16.15	23.37	10.23	7.90
	Ratio of income before tax to paid-in capital (%)		88.72	73.60	67.38	122.23	56.17	41.30
	Net profit margin (%)		18.73	17.39	15.93	22.25	15.36	13.92
	Earnings per share (NT\$)		7.18	6.37	6.46	10.32	4.97	1.00
Cash Flow	Cash Flow ratio (%) (Note 1)		55.65	85.01	55.55	82.76	16.07	—
	Cash Flow adequacy ratio (%)		120.52	184.83	122.78	125.08	104.93	95.98
	Cash reinvestment ratio (%) (Note 1)		10.73	15.74	2.80	34.87	-13.36	—
Leverage	Operating leverage		1.78	1.84	1.82	1.61	2.73	2.32
	Financial leverage		1.00	1.00	1.00	1.00	1.01	1.01

Explain changes in financial ratios over the past two fiscal years. (Not required if the difference does not exceed 20%.)

1. Liabilities to asset ratio: mainly due to a decrease in other current liabilities and current income tax liabilities in 2022.
2. Interest coverage ratio: mainly due to a decrease in operating profit in 2022 compared to 2021.
3. Inventory turnover rate (times): mainly due to a decrease in sales costs in 2022 compared to 2021.
4. Average sales days: Mainly due to a decrease in inventory turnover rate in 2022 compared to 2021.
5. Turnover rate for property, plant and equipment (times): mainly due to a decrease in operating revenue in 2022 compared to 2021.
6. Total Asset turnover (times): mainly due to a decrease of operating income in 2022 compared to 2021.
7. Return on Assets (%): Mainly due to a decrease in operating profit in 2022 compared to 2021.
8. Return on Equity (%): Mainly due to a decrease in operating profit in 2022 compared to 2021.
9. Ratio of income before tax to paid-in capital (%): mainly due to a decrease in operating profit in 2022 compared to 2021.
10. Net profit margin (%): Mainly due to a decrease in operating profit in 2022 compared to 2021.
11. Earnings per share (NT\$): Mainly due to a decrease in operating profit in 2022 compared to 2021.
12. Cash flow ratio (%): This is mainly due to a decrease in operating profit in 2022, resulting in a decrease in net cash flow from operating activities.
13. Cash reinvestment ratio (%): This is mainly due to a decrease in operating profit in 2022, resulting in a decrease in net cash flow from operating activities.
14. Operating leverage: This is mainly due to a decrease in operating profit in 2022.

Note: The financial data for 2018-2022 have been audited and endorsed by accountants.

Note1: If the net cash flow from operating activities is negative, the cash flow analysis is expressed as "-".

B. Individual Financial Analyses - Adopted International Financial Report Standards

Analysis Item		Year	Financial Analysis for the Last Five Years					2023 Q1
			2018	2019	2020	2021	2022	
Financial structure	Debt ratio (%)		26.85	25.22	19.99	33.64	26.72	The financial data for the quarter prior to the publication date of the prospectus is of December 31, 2022, so there is no such data available.
	Ratio of long-term capital to property, plant, and equipment (%)		448.16	509.05	332.86	252.08	278.57	
Solvency	Current ratio (%)		290.74	316.91	351.44	180.25	190.55	
	Quick ratio (%)		238.95	280.02	295.44	155.97	156.44	
	Times interest earned ratio		866.25	286.77	446.95	1,339.10	117.07	
Operation performance	Accounts receivable turnover rate (times)		4.9	4.32	4.58	4.59	4.10	
	Average days for cash receipts		74.49	84.49	79.69	79.52	89.02	
	Inventory turnover rate (times)		3.9	4.38	5.17	4.54	3.50	
	Payables turnover rate (times)		6.03	6.27	5.81	5.35	5.15	
	Average days for sale of goods		93.58	83.33	70.59	80.39	104.29	
	Turnover rate for property, plant and equipment (times)		5.65	5.45	4.10	3.06	1.79	
	Total asset turnover rate (times)		0.98	0.85	0.82	0.78	0.47	
Profitability	Return on assets (%)		18.97	15.51	13.79	17.93	7.91	
	Return on equity (%)		26.71	20.88	17.71	24.89	11.27	
	Ratio of income before tax to paid-in capital (%)		91.15	76.48	70.15	123.96	59.11	
	Net profit margin (%)		19.36	18.22	16.74	22.95	16.54	
	Earnings per share (NT\$)		7.18	6.37	6.46	10.32	4.97	
Cash Flow	Cash Flow ratio (%)		58.19	88.82	58.21	84.64	17.60	
	Cash Flow adequacy ratio (%)		120.60	186.69	123.76	127.22	108.35	
	Cash reinvestment ratio (%)		11.54	17.29	3.21	36.20	-13.47	
Leverage	Operating leverage		1.71	1.75	1.71	1.55	2.41	
	Financial leverage		1.00	1.00	1.00	1.00	1.01	

Explain changes in financial ratios over the past two fiscal years. (Not required if the difference does not exceed 20%.)

1. Liabilities to asset ratio: mainly due to a decrease in other current liabilities and current income tax liabilities in 2022.
2. Interest coverage ratio: mainly due to a decrease in operating profit in 2022 compared to 2021.
3. Inventory turnover rate (times): mainly due to a decrease in sales costs in 2022 compared to 2021.
4. Average sales days: Mainly due to a decrease in inventory turnover rate in 2022 compared to 2021.
5. Turnover rate for property, plant and equipment (times): mainly due to a decrease in operating revenue in 2022 compared to 2021.
6. Total Asset turnover (times): mainly due to a decrease of operating income in 2022 compared to 2021.
7. Return on Assets (%): Mainly due to a decrease in operating profit in 2022 compared to 2021.
8. Return on Equity (%): Mainly due to a decrease in operating profit in 2022 compared to 2021.
9. Ratio of income before tax to paid-in capital (%): mainly due to a decrease in operating profit in 2022 compared to 2021.
10. Net profit margin (%): Mainly due to a decrease in operating profit in 2022 compared to 2021.
11. Earnings per share (NT\$): Mainly due to a decrease in operating profit in 2022 compared to 2021.
12. Cash flow ratio (%): This is mainly due to a decrease in operating profit in 2022, resulting in a decrease in net cash flow from operating activities.
13. Cash reinvestment ratio (%): This is mainly due to a decrease in operating profit in 2022, resulting in a decrease in net cash flow from operating activities.
14. Operating leverage: This is mainly due to a decrease in operating profit in 2022.

Note: The financial data for 2018-2022 have been audited and endorsed by accountants.

The calculation formula for the above financial analysis is as follows:

1. Financial structure

(1) Debt ratio = Total liabilities/Total assets.

(2) Ratio of long-term capital to property, plant and equipment = (Net shareholders' equity + Long-term liabilities)/Net value of property, plant and equipment.

2. Solvency

(1) Current ratio = Current assets/Current liabilities.

(2) Quick ratio = (Current assets - Inventory - Prepaid expenses)/Current liabilities.

(3) Times interest earned ratio= Income before income tax and interest expenses/Interest expenses.

3. Operation performance

(1) Accounts receivable turnover rate (including accounts receivable and notes receivable from business operation) = Net sales/Average accounts receivable in each period (including accounts receivable and notes receivable from business operation).

(2) Average days for cash receipts = 365/Accounts receivable turnover rate.

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

(4) Payables turnover rate (including accounts payable and notes payable from business operation) = Cost of sales/Average accounts payable in each period (including accounts payable and notes payable from business operation).

(5) Average days for sale of goods = 365/Inventory turnover rate.

(6) Turnover rate for property, plant and equipment = Net sales/Average property, plant and equipment.

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

4. Profitability

(1) Return on assets (ROA) = [Profit or loss after tax + Interest expenses × (1 - Tax rate)]/Average total assets.

(2) Return on equity (ROE) = Profit or loss after tax/Average net shareholder equity.

(3) Profit Before Tax to Capital Stock=Income Before tax/Capital Stock

(4) Net profit margin = Profit or loss after tax/Net sales.

(5) Earnings per share = (Net income after tax - Preferred shares dividends)/Weighted average number of shares issued.

5. Cash Flows

(1) Cash Flow ratio = Net Cash Flows generated from operating activities/Current liabilities.

(2) Cash Flow adequacy ratio = Net Cash Flow from operating activities for the most recent five years/ (Capital expenditures + Inventory increment + Cash dividends) for the most recent five years.

(3) Cash reinvestment ratio = (Net Cash Flow from operating activities - Cash dividends)/ (Gross fixed assets + Long-term investment + Other assets + Operating capital).

6. Leverage

(1) Operating leverage = (Net operating revenue - Variable operating costs and expenses)/Operating income

(2) Financial leverage = Operating income/ (Operating income - Interest expenses).

(III) Audit Committee's Review Report for the Most Recent Fiscal Year's Financial Statement

Audit report issued by the Audit Committee

The business report, financial statements, and earnings distribution proposal of the year 2022, which were prepared by the Company's Board of Directors, have been certified by Hsu, Yu-Feng and Mei, Yuan-Chen, CPAs of KPMG. The business report, financial statements, and the earnings distribution proposal have been reviewed by the Committee and were found to be true and correct. The Committee hereby submits the reports and proposal for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

General Shareholders' Meeting of AMAZING Microelectronic Corp. in 2023

Convener of the Audit Committee: Chen, Ying-Te

March 23, 2023

- (IV) The consolidated financial report of the company audited and endorsed by CPAs for the most recent year
Please refer to Appendix 1 (pages 119-179).
- (V) The individual financial report of the company audited and endorsed by CPAs for the most recent year :
Please refer to Appendix 2 (pages 180-235).
- (VI) Financial Impact on the Company where the Company and its Affiliated Companies Have Incurred any Financial or Cash Flow Difficulties in the Most Recent Year and as of the Publication Date of the Annual Report:
None.

VII. Review and Analysis of the Company's Financial Position, Performance, and Risk Management

(I) Financial Position

A. Comparative Analysis of Financial Position Table

Unit: NT\$ Thousand ; %

Item \ Year	2021	2022	Difference	
			Amount	%
Current assets	3,868,041	2,913,944	(954,097)	(25%)
Property, plant and equipmen	1,640,125	1,572,220	(67,905)	(4%)
Intangible assets	95,509	84,653	(10,856)	(11%)
Other assets	735,451	1,130,175	394,724	54%
Total assets	6,339,126	5,700,992	(638,134)	(10%)
Current liabilities	2,068,008	1,467,148	(600,860)	(29%)
Non-current liabilities	27,389	36,299	8,910	33%
Total liabilities	2,095,397	1,503,447	(591,950)	(28%)
Capital stock	915,383	929,546	14,163	2%
Capital surplus	1,204,075	1,386,676	182,601	15%
Retained earnings	2,008,269	1,804,993	(203,276)	(10%)
Other equity interest	(39,325)	(58,083)	(18,758)	48%
Non-controlling interest	155,327	134,413	(20,914)	(13%)
Total shareholder Equity	4,243,729	4,197,545	(46,184)	(1%)

1. The main reasons for significant changes in assets, liabilities, and equity in the past two years:
- (1) Current assets: Mainly due to a decrease in operating revenue and a decrease in accounts receivable in the current period.
 - (2) Other assets: Mainly due to signing a production capacity guarantee agreement with suppliers, paying production capacity deposits and long-term prepayment.
 - (3) Current liabilities: Mainly due to a decrease in other current liabilities and current income tax liabilities in 2022.
 - (4) Non current liabilities: Mainly due to an increase in deferred income tax liabilities in 2022.
 - (5) Total liabilities: Mainly due to a decrease in other current liabilities and current income tax liabilities in 2022.
 - (6) Other Equity interest: Mainly due to the issuance of new shares of restricted employee rights in 2022.
2. Future response plan: Not applicable.

(II) Financial Performance

A. Comparative Analysis of Financial Performance Table

Unit: NT \$Thousand;%

Item \ Year	2021	2022	Difference	
			Amount	%
Operating revenue	4,141,984	2,811,260	(1,330,724)	(32%)
Operating costs	2,183,846	1,691,655	(492,191)	(23%)
Gross profit	1,958,138	1,119,605	(838,533)	(43%)
Operating expenses	817,101	764,679	(52,422)	(6%)
Net operating income	1,141,037	354,926	(786,111)	(69%)
Non-operating income and expenses	(22,145)	167,245	189,390	855%
Net income before tax	1,118,892	522,171	(596,721)	(53%)
Less: Income tax expense (benefits)	197,154	90,272	(106,882)	(54%)
Net profit for the period (losses)	921,738	431,899	(489,839)	(53%)
Total comprehensive Profit or Loss for the current period	930,871	434,487	(496,384)	(53%)
<p>1. The main reasons for significant changes in operating revenue, operating net profit, and Net income before tax in the past two years are as follows: (For changes less than 20% and changes in amount less than 10 million, no analysis will be conducted):</p> <p>(1) Operating revenue, operating costs, and Gross profit: Mainly due to a decrease in operating revenue due to reduced market demand, resulting in a decrease in operating costs and Gross profit.</p> <p>(2) Non operating income and expenses: Mainly due to the impact of the depreciation of the Taiwan currency and an increase in exchange benefits.</p> <p>(3) Net income before tax: The main reason is that the operating profit of the current period has decreased, and the income tax expense has also decreased accordingly.</p> <p>(4) Net income before tax, Net income before tax, Net profit for the period, and comprehensive Profit or Loss for the period: Mainly due to a decrease in operating revenue for the current period.</p> <p>2. Expected sales volume and its basis: Please refer to the "1. Report to Shareholders"; However, the Company has no publicly disclosed financial forecast, so we do not intend to disclose the expected sales volume.</p> <p>3. Possible impact on the company's future financial operations and corresponding plans: (1) Possible impact on the company's future financial operations: No significant impact. (2) Response plan: Not applicable.</p>				

(III)Cash Flow

A. Analysis of changes in Cash Flow for the most recent fiscal year

Unit: NT\$ Thousand : %

Item \ Year	2021	2022	Increase (decrease) amount	Increase (decrease) proportion (%)
Net cash inflows (outflows) from operating activities	1,711,413	235,750	(1,475,663)	(86%)
Net cash inflows (outflows) from investing activities	(679,062)	84,618	763,680	112%
Net cash inflows (outflows) from financing activities	(413,032)	(248,407)	164,625	40%
Net cash flow	616,950	80,100	(536,850)	(87%)
Analysis of changes in increase/decrease ratio:				
(1) Operating activities: Mainly due to a decrease in operating profits during the current period.				
(2) Investing activities: Mainly due to a decrease in the increase of the acquisition of property, plant and equipment, as well as the deposit of deposits compared to the previous period.				
(3) Financing activities: Mainly due to an increase in short-term borrowings in the current period.				

B. Improvement plan for insufficient liquidity: There are no situations of insufficient cash liquidity.

C. Cash Flow analysis for the coming year (2023): N/A.

(IV)The Effect of Major Capital Expenditures on Financials and the Business During the Most Recent Fiscal Year : None

(V) Investment Policy, the Main Reasons for Profit or Loss as well as the Improvement Plan Over the Past Year, and an Investment Plan for Next Year :

A. Reinvestment policy:

The Company has established the "Management Measures for Acquiring and Disposing of Assets" in accordance with the "Guidelines for Handling the Acquisition or Disposition of Assets by Public Companies" issued by the competent authority, which serve as the basis for the Company's long-term investments. When making reinvestments based on factors such as operational needs or future growth considerations, relevant units provide professional information, and the financial unit consolidates the data and makes recommendations and evaluations to the responsible supervisor, which are approved by the responsible supervisor or board of directors in accordance with the approval authority; In addition, in order to enhance the supervision and management of reinvested companies, the Company has also formulated the "Subsidiary Supervision and Management Measures", which establish relevant standards for information disclosure, financials, the business, inventory, and financial management, and regularly or irregularly carry out audit operations. We evaluate the past and future prospects, market conditions, and operational physique of the invested companies to serve as the basis for decision-making authorities to make investment decisions.

B. The main reasons for profit or loss from reinvestment in the past year, improvement plans, and investment plans for the next year

Unit: NT\$ Thousand

Name of reinvestment business	Main business items	Recognized (Loss) Profit of invested companies in 2022	the Main Reasons for Profit or Loss	Improvement plan	Next year Investment plan
AMAZING MICROELECTRONIC (MALAYSIA) SDN. BHD.	Research and development, manufacturing, trading, and service of electronic components	(62)	The main reason is that the overall electronic industry environment in Southeast Asia is not good, resulting in business performance not being as expected.	The Company will continue to seek business opportunities to expand local business.	Plan after confirming the business opportunity.
A-Neuron Electronic Corp.	Biotechnology services	(10,375)	The research and development phase has not yet generated revenue.	Some products have entered the stage of applying for medical equipment inspection and registration. However, the development of other products has entered the validation stage, such as clinical trials and medical product reviews. Once the product application and marketing process are completed and product validation is completed, revenue contribution can be generated to reduce losses.	Under certain product validation results, we will participate in a cash capital increase (with a maximum amount of NT \$100 million) to establish the capacity for product launch and marketing.
AIP Technology Corporation	R&D and design services	252	R&D and design service revenue.	—	Wait for the speed of business development to be discussed by the board of directors.

(VI) Risk assessment for the most recent year and as of the publication date of the annual report:

A. Cash Flow analysis for the coming year

1. Changes in interest rates

The Company's interest income for 2021 and 2022 was divided into NT\$ 7,467,000 and NT\$ 17,549,000, accounting for 0.18% and 0.62% of the net operating income, respectively; The interest expenses for 2021 and 2022 were NT\$ 951,000 and NT\$ 4,781,000, respectively, accounting for 0.02% and 0.17% of the net operating income. Therefore, the changes in interest rates have no significant impact on the company.

2.Changes in exchange rates

The exchange (Loss) Profit of the Company for 2021 and 2022 were NT\$ (26,570,000) and NT\$ 151,726,000, respectively, accounting for (2.37%) and 29.06% of the net profit before tax. Changes in exchange rates will have a certain impact on the profits of the merged company.

In addition, the Company has taken the following measures to cope with the impact of Changes in exchange rates:

- (1) Collect information on Changes in exchange rates at any time, strengthen consultation with banks on foreign exchange, and grasp exchange rate trends.
- (2) Pay attention to domestic and international political and economic situations at all times to quickly grasp the fluctuations of the foreign exchange market. Based on the strength and weakness of the pricing currency, carry out early or delayed payment operations for Accounts receivable transactions.
- (3) When quoting customers and negotiating procurement conditions, consider Changes in exchange rates to ensure the company's reasonable profits and costs.

3.Inflation

The Company was not significantly affected by inflation. Moreover, the Company monitors market price fluctuations and maintains communications with suppliers and customers to reduce the impact of inflation on the Company's profit and loss.

B. Policies, main causes of gains or losses and future measures with respect to high-risk, high-leveraged investments, lending or endorsement guarantees, and derivatives transactions

The Company has not engaged in high-risk, high-leveraged investments, lending, or endorsement guarantees; The Company also has policies for lending, endorsement guarantees, and derivatives transactions for compliance. the Company engages in derivatives transactions mainly to avoid risks arising from Changes in exchange rates in assets or liabilities denominated in foreign currencies. The types of trading are limited to forward foreign exchange denominated in foreign currencies, and derivatives transactions and management are carried out in accordance with the "Management Measures for Acquiring and Disposing of Assets" approved by the shareholders' meeting. Therefore, the Company has not had any significant financial impact due to engaging in derivatives transactions.

C. Future research and development plans, and estimated expenditures

The Company has always built its brand and image with its own technology, and we have spared no effort in investing in research and development. the Company expects to invest 500 to 600 million NT\$ in research and development in 2023, mainly for the development and mass production of new processes and products. Future product research and development plans are expected to include:

- (1) Development of Electrostatic Discharge Protection Technology with perfect clamping voltage performance
- (2) High current surge and electrostatic protection components with nearly perfect clamping voltage performance
- (3) Medical electrostatic/pulse/overvoltage protection components with nearly perfect clamping voltage performance
- (4) Smart electrostatic/pulse/overvoltage protection components with nearly perfect clamping voltage performance
- (5) Intelligent electromagnetic interference filtering integrating electrostatic / pulse / overvoltage protection components

- (6) Overvoltage Protector (OVP) integrating electrostatic/pulse/overvoltage protection component with nearly perfect clamping voltage performance
- (7) Current Limiter integrating electrostatic/pulse/overvoltage protection components with nearly perfect clamping voltage performance
- (8) A high-speed analog multiplexer integrating electrostatic/pulse/overvoltage protection components with nearly perfect clamping voltage performance
- (9) A high-speed data signal processor integrating electrostatic/pulse/overvoltage protection component with nearly perfect clamping voltage performance
- (10) A vehicle signal transmitter integrating electrostatic/pulse/overvoltage protection component with nearly perfect clamping voltage performance
- (11) Customized functional IC integrating electrostatic/pulse/overvoltage protection component with nearly perfect clamping voltage performance
- (12) Power component drive IC integrating static/pulse/overvoltage protection components
- (13) Sensing IC integrating electrostatic/pulse/overvoltage protection components

Based on the experience of market development in the past few years, the Company has established a good interactive relationship with customers, and product research and development can meet their applications and needs. In the future, the Company will cooperate with more international companies and is expected to launch more pre market products, increasing the market share and gross profit margin of our products.

D. Effect of important policies adopted on the Company's financial operations and changes in the legal environment at home and abroad, and measures to be taken in response.

The Company's daily operations are conducted in accordance with domestic and foreign regulations. We are constantly aware of policy development trends and regulatory changes, and provide relevant information to the management for decision-making reference, in order to adjust the company's relevant operating strategies. As of the publication date of the annual report, domestic and foreign policies and legal changes do not have a significant impact on the Company's business and financials.

E. Effect of technological changes and industrial changes on the Company's financial performance and solutions.

The Company is constantly aware of technological changes and developments related to our industry, and quickly grasps industry dynamics. In addition, we continuously enhance our research and development capabilities and actively expand our future market Application Fields. Therefore, technological and industrial changes have a positive impact on the Company.

F. Effect on the Company's crisis management of changes to the Company's corporate image, and measures to be taken in response.

Since its establishment, the Company has focused on its own business operations, product research and development, attached importance to internal management, and followed relevant laws and regulations; So far, there have been no incidents that have affected the company's image. In the future, all relevant laws and regulations will be followed, with a focus on maintaining the corporate image.

G. Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken.

The Company has not had any mergers and acquisitions in the most recent fiscal year and as of the publication date of the annual report. If potential merger or acquisition targets are identified in the future, the Company will Disposal of Assets and consider the merger in a prudent manner, consult with relevant professionals as needed, and proceed with the best

decision to secure the interests of shareholders overall.

H. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken.

The Company is an IC design company and does not have its own plant, so it is not applicable.

I. Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken.

In terms of procurement:

The raw material for the Company's products is silicon wafers, and the suppliers of silicon wafers are only supplied by a few professional factories. This is a characteristic of the general IC design industry. However, the merged companies have inspected two or more suppliers for procurement management to ensure stable supply and quality.

In terms of sales:

The customers of the merged company are concentrated in the electronics industry and sell products through agents. Accounts receivable are more than 50%, composed of two group agents, resulting in a concentration of accounts receivable credit risk in the merged company. In order to reduce the credit risk of accounts receivable, the merged company regularly and continuously evaluates the financial status of these agents and the possibility of collecting accounts receivable. As of now, the merged company has a good record of receiving payments and is not expected to incur significant losses.

J. Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, or shareholder holding greater than a 10% stake in the Company is transferred or otherwise changes hands, and mitigation measures being or to be taken.

Within the latest fiscal year and as of the publication date of the annual report, there has been no transfer of a major quantity of shares belonging to a director, or shareholder holding greater than a 10% stake in the Company.

K. Effect upon and risk to the Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken.

There was no change in the Company's governance personnel or top management in the most recent fiscal year.

L. Disclosure of issues in dispute, monetary amount of claims, filing date, parties involved, and status of any litigation or other legal proceedings within the latest fiscal year and as of the publication date of the annual report where the Company and/or any of its directors, President, person in charge, shareholders with 10% or more share ownership, or affiliates involved in pending litigation, legal proceedings or administrative proceedings, or a final judgment or ruling which may have a material adverse effect on the Company's shareholder equity or price of securities: None.

M. Other important risks, and mitigation measures being or to be taken :
None.

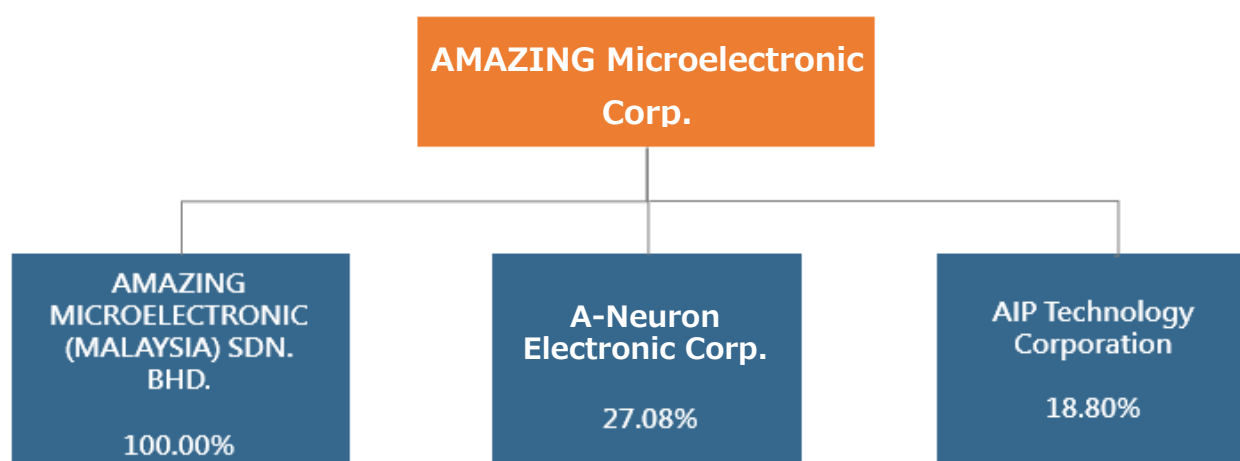
(VII) Other Major Events :None.

VIII. Special Disclosure

(I) Information on Affiliated Companies

A. Consolidated business report

1. Affiliate company structure



2. Basic information on affiliates

Unit: NT\$ thousand

Name of Affiliate	Date of Incorporation	Address	Paid-in Capital	Primary Business and Production Projects
AMAZING MICROELECTRONIC (MALAYSIA) SDN. BHD.	2013/08	Malaysia	USD1,000	Electronic components, research and development, manufacturing, trading, and services
A-Neuron Electronic Corp.	2016/05	Taiwan	NTD194,450	Biotechnology services
AIP Technology Corporation	2018/04	Cayman Islands	USD1,596	R&D and design services

3. Where there is a controlled and subordinate relationship, the information of the shareholders shall be provided: None.

4. The industries covered by the overall business operations of related enterprises: as mentioned above. 2. Basic information of related enterprises.

5. Information on directors, supervisors, and President of affiliates.

Unit: Thousand shares; %

Name of Affiliate	Position	Name or Representative	Shareholding	
			Number of Shares	Percentage of Ownership
AMAZING MICROELECTRONIC (MALAYSIA) SDN. BHD.	Director	AMAZING Microelectronic Corp. Representative: Jiang, Hsin-Chin, Hung, Ju-Chen	3,502	100%
A-Neuron Electronic Corp.	Chairman	Wu, Chung-Yu	0	0.0%
	Vice Chairman	Jiang, Hsin-Chin	340	0.80%
	Director	Morrisk Investment Company Limited Representative: Lien, Shu-Chuan	4,700	11.07%
	Director	AMAZING Microelectronic Corp. Representative: Lee, Chun-Chan	11,500	27.08%
	Supervisor	Hung, Ju-Chen	1,100	2.59%
AIP Technology Corporation	Director	Jiang, Hsin-Chin	270	1.69%
	Director	Hung, Ju-Chen	200	1.25%
	Director	AMAZING Microelectronic Corp. Representative: Lee, Chun-Chan	3,000	18.80%
	Director	Morrisk Investment Company Limited Representative: Lien, Shu-Chuan	200	1.25%
	Director	Chen, Tung-Yang	2,500	15.66%

B. Affiliate Business Overview

December 31, 2022 Unit: NT\$ Thousand

Name of Affiliate	Capital	Total Assets	Total Liabilities	Net Value	Operating revenue	Operating Profit	Profit or Loss (After Tax)	EPS (NT\$)
AMAZING MICROELECTRONIC (MALAYSIA) SDN. BHD.	30,710	43,265	27	4,299	0	(64)	(62)	0
A-Neuron Electronic Corp.	194,450	35,827	6,822	29,005	0	(34,095)	(33,717)	0
AIP Technology Corporation	49,013	139,052	20,651	118,401	35,195	(4,267)	1,377	0.09

C. Consolidated financial statements of affiliates: Please refer to pages 119-179

D. Business report of affiliates: None.

(II) Private placement of securities in the most recent fiscal year and as of the publication date of the annual report: None.

(III) Holding or disposal of shares in the Company by the Company's subsidiaries in the most recent fiscal year and as of the publication date of the annual report: None.

(IV) Other necessary statements: None.

(V) Situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act which might materially affect shareholders' equity or the price of the Company's securities occurring in the most recent fiscal year as of the publication date of the annual report: None.

Representation Letter

The entities that are required to be included in the combined financial statements of Amazing Microelectronic Corp. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the Consolidated Financial Statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements." endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Amazing Microelectronic Corp. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: AMAZING Microelectronic Corp.

Chairman: Lee, Chun-Chan

Date: March 23, 2023

Appendix 1

Representation Letter

The entities that are required to be included in the combined financial statements of Amazing Microelectronic Corp. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the Consolidated Financial Statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements. " endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Amazing Microelectronic Corp. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Amazing Microelectronic Corp.

Chairman: Jyun-Chang, Li

Date: March 23, 2023



安侯建業聯合會計師事務所
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Independent Auditors' Report

To the Board of Directors of Amazing Microelectronic Corp.:

Opinion

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

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 with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“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 of 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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Group's financial statements are stated as follows:

1. Revenue recognition

Please refer to note 4(o) “Revenue recognition” to the consolidated financial statements for accounting policies on revenue recognition, note 5(b) for estimation and assumption uncertainties over revenue recognition for sales discounts and returns, and note 6(s) “Revenue from contracts with customers” for the assessment of revenue recognition for sales discounts and returns.



Description of key audit matter:

In respect of revenue recognition, the Group shall entitle customers to sales discounts, allowances and returns as agreed in contracts or based on historical experiences, and the estimates of the aforementioned matters shall be recognized as reductions from revenues. Besides, revenue is a key indicator for investors and management to evaluate the Group's financial or business performance. Therefore, the accuracy of both the amounts and periods of recognition has significant impact on financial statements. Consequently, we considered recognition of sales returns and discounts to be a key audit matter in our audit.

Our audit procedures in this area included:

Our audit procedures in this area included testing control in order-to-cash transaction cycle, inspecting sales contracts and related documents, conducting an analytical review of significant changes in customers, and sampling sales transactions prior and subsequent to year-end, so as to verify that the revenues were recognized during the appropriate periods. In addition, we assessed whether sales returns and discounts were recognized in accordance with relevant standards.

Our audit procedures regarding to sales returns and discounts estimated by management included evaluating the assumptions adopted by management, comparing the assumptions with internal or external information, and obtaining understanding of whether there are material sales returns or discounts subsequently.

2. Valuation of inventories

Please refer to note 4(h) "Inventories" to the consolidated financial statements for the accounting policies on inventory valuation, note 5(a) for the uncertainties over accounting estimation and assumption regarding to inventory valuation, and note 6(e) "Inventories" for elaboration of inventory valuation.

Description of key audit matter:

The Group produces and sells ESD ICs, which are developed and manufactured in response to the needs of manufacturers, so the products are unique. The market demand and prices may change, which may result in fluctuations in the sales demand for the related products, and the inventory is measured at the lower of cost or net realizable value, which is subject to management's judgment based on relevant internal and external evidence. Therefore, we considered inventory valuation to be a key audit matter in our audit.

Our audit procedures in this area included:

Our audit procedures in this area included assessing the reasonableness of the Group's policies on loss allowances for inventory write-downs or obsolescence and whether the aforementioned loss allowances have been recognized pursuant to relevant standards. Reviewing inventory aging reports, analyzing changes in inventory ages, inspecting sales of inventories, and evaluating the basis of net realizable values adopted, so as to verify the reasonableness of the allowance for inventory losses. In addition, we assessed related items to ascertain the appropriateness of management's disclosure about allowance for inventory losses.

Other Matter

Amazing Microelectronic Corp. has prepared its parent-company-only financial statements 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 with the IFRSs, IASs, IFRC, 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yu-Feng Hsu and Yuan-Chen Mei.

KPMG

Taipei, Taiwan (Republic of China)
March 23, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021		
		Amount	%	Amount	%			Amount	%	Amount	%	
Assets												
Current assets:												
1100	Cash and cash equivalents (note 6(a))	\$	1,926,476	34	1,846,376	29	2100	Short-term borrowings (note 6(k))	-	-	-	
1110	Current financial assets at fair value through profit or loss (note 6(b))	-	-	-	437	-	2130	Current contract liabilities (note 6(s))	9,422	-	10,607	
1170	Trade receivables (notes 6(d) and (s))	277,108	5	1,085,417	17	2170	Trade payables	200,929	4	453,999	7	
1310	Inventories (note 6(e))	474,243	8	490,033	8	2200	Other payables	233,554	4	364,847	6	
1476	Other current financial assets (note 6(a))	183,413	3	424,980	7	2230	Current tax liabilities	99,969	2	345,882	6	
1479	Other current assets (note 6(j))	52,704	1	20,798	-	2280	Current lease liabilities (note 6(l))	12,519	-	15,926	-	
	Total current assets	2,913,944	51	3,868,041	61	2300	Other current liabilities (note 6(m))	557,755	10	876,747	14	
Non-current assets:												
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c) and 13)	25,488	-	20,472	-	2570	Deferred income tax liabilities (note 6(o))	13,242	-	87	-	
1600	Property, plant and equipment (note 6(f))	1,572,220	28	1,640,125	26	2580	Non-current lease liabilities (note 6(l))	5,600	-	11,823	-	
1755	Right-of-use assets (note 6(g))	17,898	-	27,531	-	2645	Guarantee deposits received	17,457	-	15,479	-	
1760	Investment property (note 6(h))	53,827	1	-	-		Total non-current liabilities	36,299	-	27,389	-	
1780	Intangible assets (note 6(i))	84,653	1	95,509	2		Total liabilities	1,503,447	26	2,095,397	33	
1840	Deferred income tax assets (note 6(o))	164,246	3	201,546	3		Equity attributable to owners of parent (note 6(p)):					
1920	Guarantee deposits paid (note 6(j))	545,572	10	439,565	7	3110	Ordinary shares	929,546	16	915,383	14	
1990	Other non-current assets (notes 6(j) and 8)	323,144	6	46,337	1	3200	Capital surplus	1,386,676	25	1,204,075	19	
	Total non-current assets	2,787,048	49	2,471,085	39		Retained earnings:					
						3310	Legal reserve	405,475	7	311,417	5	
						3320	Special reserve	2,408	-	13,292	-	
						3350	Unappropriated retained earnings	1,397,110	25	1,683,560	27	
								1,804,993	32	2,008,269	32	
							Other equity:					
						3400	Other equity interest	(58,083)	(1)	(39,325)	(1)	
							Total equity attributable to owners of parent	4,063,132	72	4,088,402	64	
						36xx	Non-controlling interests	134,413	2	155,327	3	
							Total equity	4,197,545	74	4,243,729	67	
Total assets		\$	5,700,992	100	6,339,126	100	Total liabilities and equity	\$	5,700,992	100	6,339,126	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2022		2021	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenues (note 6(s))	\$ 2,811,260	100	4,141,984	100
5000	Operating costs (notes 6(e) and 12)	<u>1,691,655</u>	<u>60</u>	<u>2,183,846</u>	<u>53</u>
	Gross profit from operations	<u>1,119,605</u>	<u>40</u>	<u>1,958,138</u>	<u>47</u>
	Operating expenses (note 12):				
6100	Selling expenses	196,242	7	215,182	5
6200	Administrative expenses	152,582	5	192,126	4
6300	Research and development expenses	<u>415,855</u>	<u>15</u>	<u>409,793</u>	<u>10</u>
		<u>764,679</u>	<u>27</u>	<u>817,101</u>	<u>19</u>
	Net operating income	<u>354,926</u>	<u>13</u>	<u>1,141,037</u>	<u>28</u>
	Non-operating income and expenses (note 6(u)):				
7100	Interest income	17,549	-	7,467	-
7010	Other income	2,511	-	85	-
7020	Other gains and losses	151,966	5	(28,746)	(1)
7050	Finance costs	<u>(4,781)</u>	<u>-</u>	<u>(951)</u>	<u>-</u>
		<u>167,245</u>	<u>5</u>	<u>(22,145)</u>	<u>(1)</u>
	Profit before income tax	522,171	18	1,118,892	27
7950	Less: Income tax expenses (note 6(o))	<u>90,272</u>	<u>3</u>	<u>197,154</u>	<u>5</u>
	Profit	<u>431,899</u>	<u>15</u>	<u>921,738</u>	<u>22</u>
8300	Other comprehensive income:				
8310	Items that may not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(5,551)	-	11,502	-
8349	Income tax related to components of other comprehensive income that may not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(5,551)</u>	<u>-</u>	<u>11,502</u>	<u>-</u>
8360	Items that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	8,139	-	(2,369)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>8,139</u>	<u>-</u>	<u>(2,369)</u>	<u>-</u>
8300	Other comprehensive income	<u>2,588</u>	<u>-</u>	<u>9,133</u>	<u>-</u>
	Total comprehensive income	<u>\$ 434,487</u>	<u>15</u>	<u>930,871</u>	<u>22</u>
	Profit attributable to:				
8610	Owners of parent	\$ 459,241	16	940,570	22
8620	Non-controlling interests	<u>(27,342)</u>	<u>(1)</u>	<u>(18,832)</u>	<u>-</u>
		<u>\$ 431,899</u>	<u>15</u>	<u>921,738</u>	<u>22</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 455,401	16	951,394	23
8720	Non-controlling interests	<u>(20,914)</u>	<u>(1)</u>	<u>(20,523)</u>	<u>(1)</u>
		<u>\$ 434,487</u>	<u>15</u>	<u>930,871</u>	<u>22</u>
9750	Basic earnings per share (NT dollars) (note 6(r))	<u>\$ 4.97</u>		<u>10.32</u>	
9850	Diluted earnings per share (NT dollars) (note 6(r))	<u>\$ 4.87</u>		<u>10.09</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent													
Retained earnings							Other equity						
							Unrealized gains (losses) on financial assets measured at fair value	Unearned employee remuneration	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity	
							Exchange differences on translation of foreign financial statements	through other comprehensive income					
Ordinary shares	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings							
\$ 902,123	2,992	1,132,067	258,671	13,292	1,192,670	1,464,633	(4,237)	(8,995)	(19,769)	(33,001)	3,468,814	175,850	3,644,664
-	-	-	-	-	940,570	940,570	-	-	-	-	940,570	(18,832)	921,738
-	-	-	-	-	-	-	(678)	11,502	-	10,824	10,824	(1,691)	9,133
-	-	-	-	-	940,570	940,570	(678)	11,502	-	10,824	951,394	(20,523)	930,871
Balance at January 1, 2021													
Profit													
-	-	-	52,746	-	(52,746)	-	-	-	-	-	-	-	-
-	-	(63,149)	-	-	(396,934)	(396,934)	-	-	-	(55,947)	(460,083)	-	(460,083)
5,000	-	50,947	-	-	-	-	-	-	(55,947)	-	-	-	-
8,260	(2,992)	60,330	-	-	-	-	-	-	-	-	65,598	-	65,598
-	-	19,690	-	-	-	-	-	-	-	-	19,690	-	19,690
-	-	3,451	-	-	-	-	-	-	38,799	-	42,250	-	42,250
-	-	739	-	-	-	-	-	-	-	-	739	-	739
915,383	-	1,204,075	311,417	13,292	1,683,560	2,008,269	(4,915)	2,507	(36,917)	(39,325)	4,088,402	155,327	4,243,729
-	-	-	-	-	459,241	459,241	-	-	-	-	459,241	(27,342)	431,899
-	-	-	-	-	-	-	1,711	(5,551)	-	(3,840)	(3,840)	6,428	2,588
-	-	-	-	-	459,241	459,241	1,711	(5,551)	-	(3,840)	455,401	(20,914)	434,487
Balance at December 31, 2021													
Profit													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	94,058	-	(94,058)	-	-	-	-	-	-	-	-
-	-	-	-	(10,884)	10,884	-	-	-	-	-	-	-	-
-	-	-	-	-	(662,517)	(662,517)	-	-	-	-	(662,517)	-	(662,517)
5,000	-	66,965	-	-	-	-	-	-	(71,965)	(71,965)	-	-	-
-	-	45,628	-	-	-	-	-	-	-	-	45,628	-	45,628
(237)	-	237	-	-	-	-	-	-	-	-	-	-	-
-	-	3,348	-	-	-	-	-	-	57,047	57,047	60,395	-	60,395
9,400	-	66,420	-	-	-	-	-	-	-	-	75,820	-	75,820
-	-	3	-	-	-	-	-	-	-	-	3	-	-
\$ 929,546	-	1,386,676	405,475	2,408	1,397,110	1,804,993	(3,204)	(3,044)	(51,835)	(58,083)	4,063,132	134,413	4,197,545
Balance at December 31, 2022													

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 522,171	1,118,892
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	43,522	43,711
Amortization expense	36,751	28,449
Net loss on financial assets at fair value through profit or loss	437	1,719
Interest expense	4,781	951
Interest income	(17,549)	(7,467)
Share-based payments	106,023	61,940
Gain on disposal of property, plant and equipment	-	(4)
Unrealized foreign exchange gain	(51,763)	-
Gain on lease modification	(1,475)	(74)
Total adjustments to reconcile profit (loss)	<u>120,727</u>	<u>129,225</u>
Changes in operating assets and liabilities:		
Decrease (increase) in trade receivables	807,000	(377,919)
Decrease (increase) in inventories	15,790	(20,177)
(Increase) decrease in other current assets	(8,207)	1,131
Increase in other non-current assets	(241,033)	-
(Decrease) increase in contract liabilities	(1,185)	3,208
(Decrease) increase in trade payables	(252,155)	93,620
(Decrease) increase in other payables	(131,293)	108,456
(Decrease) increase in other current liabilities	(318,992)	736,377
Total changes in operating assets and liabilities	<u>(130,075)</u>	<u>544,696</u>
Total adjustments	<u>(9,348)</u>	<u>673,921</u>
Cash inflow generated from operations	512,823	1,792,813
Interest received	15,026	8,610
Interest paid	(4,781)	-
Income taxes paid	(287,318)	(90,010)
Net cash flows from operating activities	<u>235,750</u>	<u>1,711,413</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(10,567)	-
Acquisition of property, plant and equipment	(6,330)	(559,982)
Proceeds from disposal of property, plant and equipment	-	36
Increase in guarantee deposits paid	(74,297)	(407,495)
Acquisition of intangible assets	(13,253)	(29,851)
Decrease in other current financial assets	244,090	335,280
Increase in other non-current assets	(55,025)	(17,050)
Net cash flows from (used in) investing activities	<u>84,618</u>	<u>(679,062)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	353,000	-
Increase in guarantee deposits received	314	987
Payment of lease liabilities	(15,027)	(20,273)
Cash dividends paid	(662,517)	(460,083)
Exercise of employee share options	75,820	65,598
Other financing activities	3	739
Net cash flows used in financing activities	<u>(248,407)</u>	<u>(413,032)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>8,139</u>	<u>(2,369)</u>
Net increase in cash and cash equivalents	<u>80,100</u>	<u>616,950</u>
Cash and cash equivalents at beginning of period	<u>1,846,376</u>	<u>1,229,426</u>
Cash and cash equivalents at end of period	<u><u>\$ 1,926,476</u></u>	<u><u>1,846,376</u></u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

AMAZING MICROELECTRONIC CORP. (“the Company”) was incorporated on January 26, 2006 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The address of its registered office is 6F-6, No. 736, Zhongzheng Rd., Zhonghe Dist., New Taipei City, Taiwan 235, R.O.C. On November 8, 2007, the Company established a branch in Hong Kong, which has been principally responsible for management of IC merchandise warehouses. On November 5, 2012, the Company launched its initial public offering (IPO). On December 25, 2012, the Company became an ESB-listed (Emerging Stock Board) entity. On March 11, 2014, the Company became a TPEx-listed entity.

The Company and its subsidiaries (together referred to as the “Company”) principally engage in the design and development of ESD protection ICs, biotechnology services, ESD protection design and IP services.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 23, 2023.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(Continued)

AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g., convertible debt.	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the 2020 amendments ¹ , new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e., future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

(Continued)

AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of significant accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C.

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis.

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value.

(ii) Functional and presentation currency

The Functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Group’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(Continued)

AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of investee	Principal activities	Percentage of ownership	
			December 31, 2022	December 31, 2021
The Company	AMAZING MICROELECTRONIC (MALAYSIA) SDN. BHD.	Research, development, manufacture, trading and service related to electronic components	100.00 %	100.00 %
The Company	A-Neuron Electronic Corp.	Biotechnology service	27.08 %	27.08 %
The Company	AIP Technology Corporation	Research, development and design services	18.80 %	18.80 %

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- an investment in equity securities designated as at fair value through other comprehensive income
- an investment in equity securities designated as at fair value through other comprehensive income;

(Continued)

AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the presentation currency NTD at the exchange rates of the reporting date. The income and expenses of foreign operations are translated into the presentation currency NTD at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payables to a foreign operation is neither planned nor likely to occur in the foreseeable future, the foreign currency gains and losses arising from such items are considered to a part of investment in the foreign operation and are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

- (i) It is expected to be realized, or intends to be sold or consumed, in the normal operating cycle;
- (ii) It holds primarily for the purpose of trading;
- (iii) It expects to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It expects to be settled in the normal operating cycle;
- (ii) It holds primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (iv) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date and settle date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI); or fair value through profit and loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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Notes to the Consolidated Financial Statements

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and trade receivables, other receivables, guarantee deposit paid and other financial assets).

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

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When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;
or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

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Notes to the Consolidated Financial Statements

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Interest rate benchmark reform

1) Modifications of financial instruments

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortized cost changed as a result of interest rate benchmark reform, the Group will update the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group will first update the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Thereafter, the Group will apply applied the policies on accounting for modifications to the additional changes.

(iv) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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Notes to the Consolidated Financial Statements

(i) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment on the date of transition to the Standards, was determined with reference to its fair value at that date.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings and structures	3~50 years
Research equipment	3 years
Office equipment	3 years
Leasehold improvements	3~10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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Notes to the Consolidated Financial Statements

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including photocopying equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

From January 1, 2021, when the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group will remeasure the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- the rent concessions occurring as a direct consequence of the COVID-19 pandemic;
- the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and
- there is no substantive change in other terms and conditions of the lease.

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Notes to the Consolidated Financial Statements

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(l) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

- | | |
|----------------------|------------|
| 1) Computer software | 1~3 years |
| 2) Patents | 1~10 years |

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

On a regular basis, the Group recognizes provisions for relevant sales returns and discounts according to sales forecasted by distributors as well as possible returns and discounts estimated based on contracts and historical experiences.

(o) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

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Notes to the Consolidated Financial Statements

1) Sale of goods

Some contracts entitle customers the right to return, and revenues are recognized when returns can be reasonably estimated, and other criteria are met. If the return cannot be reasonably estimated, revenue will be recognized when the return period expires or when the return can be reasonably estimated. Under IFRS 15, revenue is recognized to the extent that it is highly probable that a material reversal of cumulative revenue will not occur.

2) Service revenue

The Group provides design services to its customers and recognizes the revenue by directly measuring the value of the services transferred to date, which is output method.

Advance receipts are recognized as contractual liabilities, and cumulative contractual liabilities are transferred to revenue when goods or services are delivered to customers.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Share-based payment

When issuing new shares, the Group retains 10% to 15% of the new shares to be subscribed by its employees pursuant to the Company Act. Besides, the remuneration costs, measured based on the grant-date fair value of the new shares, are recognized as expenses. Meanwhile, the “capital surplus-others” under shareholders' equity (new shares subscribed by employees) was increased.

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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Notes to the Consolidated Financial Statements

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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Notes to the Consolidated Financial Statements

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

(s) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for normal wear and tear, obsolescence or unmarketable items at reporting date and then writes down the cost of inventories to net realizable value. Due to the uniqueness of the Group's products, the value of inventories may be affected by the market demand and price, there may be significant changes in the net realizable value of inventories. Refer to note 6(e) for further description of the valuation of inventories.

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(b) Revenue recognition

The Group estimates possible sales returns and discounts according to contractual terms, historical experience, market and economic conditions, and other known factors; the estimate is recognized as a reduction from sales revenues. In addition, The Group periodically reviews the reasonableness of estimation is reviewed periodically. Due to factors such as market price competition and product technology development, there may be major adjustments to the estimated amount. For revenue recognition for sales discounts and returns, please refer to note 6(m) "Other current liabilities" and 6(s) "Revenue from contracts with customers" to the consolidated financial statements.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Petty cash and revolving funds	\$ 342	445
Checking deposits	1,224	703
Demand deposits	284,941	813,298
Time deposits	<u>1,819,499</u>	<u>1,455,550</u>
	2,106,006	2,269,996
Less: Time deposits-maturity more than three-month (Other current financial assets)	<u>179,530</u>	<u>423,620</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 1,926,476</u></u>	<u><u>1,846,376</u></u>

Please refer to note 6(v) for the sensitivity analysis of the financial assets and liabilities of the Group.

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

(i) Financial assets at fair value through profit or loss-current

	December 31, 2022	December 31, 2021
Mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging:		
Forward exchange contracts	<u>\$ -</u>	<u>437</u>

Engaging in derivative financial instrument transactions is used to hedge the foreign exchange rate risks the Group is exposed to, arising from operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as measured at fair value through profit or loss financial asset and liabilities:

	December 31, 2021		
	Contract amount (in thousands)	Currency	Maturity date
Forward exchange sold	<u>USD 4,000</u>	USD to NTD	2022.1.12~2022.2.11

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(c) Financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Financial assets at fair value through other comprehensive income:		
TPEx-listed shares	\$ 25,488	20,472

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments in 2022 and 2021.

(d) Trade receivables

	December 31, 2022	December 31, 2021
Trade receivables	\$ 277,108	1,085,417
Less: Loss allowance	-	-
	\$ 277,108	1,085,417

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information including macroeconomic and relevant industry information. The exposures to credit risk and expected credit losses for trade receivables were determined as follows:

December 31, 2022			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 277,108	-	-
December 31, 2021			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 993,563	-	-
1 to 30 days past due	90,578	-	-
31 to 60 days past due	-	-	-
61 to 90 days past due	1,276	-	-
Total	\$ 1,085,417		-

As of December 31, 2022 and 2021, the Group did not recognize any loss allowance for trade receivables.

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
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(e) Inventories

	December 31, 2022	December 31, 2021
Finished goods	\$ 226,791	373,854
Work in progress	55,590	69,881
Raw materials	191,862	46,298
	<u>\$ 474,243</u>	<u>490,033</u>

The details of operating costs were as follows :

	2022	2021
Inventory that has been sold	\$ 1,555,247	2,169,768
Loss on inventory write-down and obsolescence	131,125	5,202
Loss on disposal of inventories	5,629	9,514
Income from sale of scraps	(346)	(638)
	<u>\$ 1,691,655</u>	<u>2,183,846</u>

As of December 31, 2022 and 2021, the Group did not pledge its inventories as collateral for its loans.

(f) Property, plant and equipment

(i) The cost and depreciation of the property, plant and equipment of the Group for the years ended December 31, 2022 and 2021, were as follows:

	Land	Buildings and construction	Research and development equipment	Office equipment	Lease improvement	Total
Cost:						
Balance on January 1, 2022	\$ 1,046,442	648,445	36,719	32,244	4,926	1,768,776
Additions	-	1,048	1,729	3,043	510	6,330
Reclassification from prepayments to equipment	-	-	180	738	5,691	6,609
Reclassification to investment property	(35,425)	(19,235)	-	-	-	(54,660)
Disposal	-	-	(144)	(323)	-	(467)
Balance on December 31, 2022	<u>\$ 1,011,017</u>	<u>630,258</u>	<u>38,484</u>	<u>35,702</u>	<u>11,127</u>	<u>1,726,588</u>
Balance on January 1, 2021	\$ 651,861	443,707	25,045	27,766	5,479	1,153,858
Additions	394,581	204,738	11,674	5,558	-	616,551
Disposal	-	-	-	(1,080)	(553)	(1,633)
Balance on December 31, 2021	<u>\$ 1,046,442</u>	<u>648,445</u>	<u>36,719</u>	<u>32,244</u>	<u>4,926</u>	<u>1,768,776</u>
Accumulated depreciation:						
Balance on January 1, 2022	\$ -	74,205	27,159	23,422	3,865	128,651
Depreciation	-	13,513	5,096	5,581	2,442	26,632
Reclassification to investment property	-	(448)	-	-	-	(448)
Disposal	-	-	(144)	(323)	-	(467)
Balance on December 31, 2022	<u>\$ -</u>	<u>87,270</u>	<u>32,111</u>	<u>28,680</u>	<u>6,307</u>	<u>154,368</u>

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
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	<u>Land</u>	<u>Buildings and construction</u>	<u>Research and development equipment</u>	<u>Office equipment</u>	<u>Lease improvement</u>	<u>Total</u>
Balance on January 1, 2021	\$ -	60,110	22,476	19,786	3,359	105,731
Depreciation	-	14,095	4,683	4,684	1,059	24,521
Disposal	-	-	-	(1,048)	(553)	(1,601)
Balance on December 31, 2021	<u>\$ -</u>	<u>74,205</u>	<u>27,159</u>	<u>23,422</u>	<u>3,865</u>	<u>128,651</u>
Carrying amounts:						
Balance on December 31, 2022	<u>\$ 1,011,017</u>	<u>542,988</u>	<u>6,373</u>	<u>7,022</u>	<u>4,820</u>	<u>1,572,220</u>
Balance on January 1, 2021	<u>\$ 651,861</u>	<u>383,597</u>	<u>2,569</u>	<u>7,980</u>	<u>2,120</u>	<u>1,048,127</u>
Balance on December 31, 2021	<u>\$ 1,046,442</u>	<u>574,240</u>	<u>9,560</u>	<u>8,822</u>	<u>1,061</u>	<u>1,640,125</u>

The Group decided to lease its land, buildings and construction to third parties, therefore, corresponding property were reclassified to investment property.

(g) Right-of-use assets

Information about leases for which the Group as a lessee was presented below:

	<u>Buildings and construction</u>	<u>Delivery equipment</u>	<u>Office equipment</u>	<u>Total</u>
Cost:				
Balance on January 1, 2022	\$ 47,724	14,737	652	63,113
Additions	2,867	5,347	96	8,310
Disposal / Write-off	(3,608)	(5,636)	(50)	(9,294)
Balance on December 31, 2022	<u>\$ 46,983</u>	<u>14,448</u>	<u>698</u>	<u>62,129</u>
Balance on January 1, 2021	\$ 31,904	15,625	563	48,092
Additions	18,447	7,596	89	26,132
Disposal / Write-off	(2,627)	(8,484)	-	(11,111)
Balance on December 31, 2021	<u>\$ 47,724</u>	<u>14,737</u>	<u>652</u>	<u>63,113</u>
Accumulated depreciation:				
Balance on January 1, 2022	\$ 28,090	7,202	290	35,582
Depreciation for the year	11,210	5,048	247	16,505
Disposal / Write-off	(2,170)	(5,636)	(50)	(7,856)
Balance on December 31, 2022	<u>\$ 37,130</u>	<u>6,614</u>	<u>487</u>	<u>44,231</u>
Balance on January 1, 2021	\$ 17,348	8,445	80	25,873
Depreciation for the year	12,806	6,174	210	19,190
Disposal / Write-off	(2,064)	(7,417)	-	(9,481)
Balance on December 31, 2021	<u>\$ 28,090</u>	<u>7,202</u>	<u>290</u>	<u>35,582</u>
Carrying amounts:				
Balance at December 31, 2022	<u>\$ 9,853</u>	<u>7,834</u>	<u>211</u>	<u>17,898</u>
Balance at January 1, 2021	<u>\$ 14,556</u>	<u>7,180</u>	<u>483</u>	<u>22,219</u>
Balance at December 31, 2021	<u>\$ 19,634</u>	<u>7,535</u>	<u>362</u>	<u>27,531</u>

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of two years.

Information about investment property was presented below:

	Owned Property		
	Land	Buildings	Total
Cost:			
Balance on January 1, 2022	\$ -	-	-
Reclassification from property, plant and equipment	35,425	19,235	54,660
Balance on December 31, 2022	<u><u>\$ 35,425</u></u>	<u><u>19,235</u></u>	<u><u>54,660</u></u>
Balance on December 31, 2021 (as opening balance)	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Accumulated depreciation:			
Balance on January 1, 2022	\$ -	-	-
Reclassification from property, plant and equipment	-	448	448
Depreciation	-	385	385
Balance on December 31, 2022	<u><u>\$ -</u></u>	<u><u>833</u></u>	<u><u>833</u></u>
Balance on December 31, 2021 (as opening balance)	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Carrying amount:			
Balance on January 1, 2022	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Balance on December 31, 2022	<u><u>\$ 35,425</u></u>	<u><u>18,402</u></u>	<u><u>53,827</u></u>
Balance on December 31, 2021 (as opening balance)	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

The fair value of the Group's investment property is determined based on the closing price of identical real estates within the nearby area. As of December 31, 2022, the fair value is approximately \$73,805 thousand.

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Intangible assets

The cost and amortization and impairment of the intangible assets of the Group for the years ended December 31, 2022 and 2021, were as follows:

	<u>Goodwill</u>	<u>Patent</u>	<u>Software</u>	<u>Total</u>
Cost:				
Balance on January 1, 2022	\$ 46,786	51,047	57,985	155,818
Additions	<u>-</u>	<u>-</u>	<u>13,253</u>	<u>13,253</u>
Balance on December 31, 2022	<u><u>\$ 46,786</u></u>	<u><u>51,047</u></u>	<u><u>71,238</u></u>	<u><u>169,071</u></u>
Balance on January 1, 2021	\$ 46,786	51,047	28,134	125,967
Additions	<u>-</u>	<u>-</u>	<u>29,851</u>	<u>29,851</u>
Balance on December 31, 2021	<u><u>\$ 46,786</u></u>	<u><u>51,047</u></u>	<u><u>57,985</u></u>	<u><u>155,818</u></u>
Accumulated amortization:				
Balance on January 1, 2022	\$ -	23,396	36,913	60,309
Amortization for the year	<u>-</u>	<u>5,105</u>	<u>19,004</u>	<u>24,109</u>
Balance on December 31, 2022	<u><u>\$ -</u></u>	<u><u>28,501</u></u>	<u><u>55,917</u></u>	<u><u>84,418</u></u>
Balance on January 1, 2021	\$ -	18,291	23,641	41,932
Amortization for the year	<u>-</u>	<u>5,105</u>	<u>13,272</u>	<u>18,377</u>
Balance on December 31, 2021	<u><u>\$ -</u></u>	<u><u>23,396</u></u>	<u><u>36,913</u></u>	<u><u>60,309</u></u>
Carrying amount:				
Balance on December 31, 2022	<u><u>\$ 46,786</u></u>	<u><u>22,546</u></u>	<u><u>15,321</u></u>	<u><u>84,653</u></u>
Balance on January 1, 2021	<u><u>\$ 46,786</u></u>	<u><u>32,756</u></u>	<u><u>4,493</u></u>	<u><u>84,035</u></u>
Balance on December 31, 2021	<u><u>\$ 46,786</u></u>	<u><u>27,651</u></u>	<u><u>21,072</u></u>	<u><u>95,509</u></u>

On the reporting date, the Group assesses the impairment of the recoverable amount of goodwill by calculating based on value in use. Values in use, estimated based on the cash flows forecasted by the Company, were calculated using a discount rate of 17.75% and 19.14% on December 31, 2022 and 2021 respectively, so as to reflect relevant CGUs' certain risk exposure.

For 2022 and 2021, the Group did not recognize any impairment loss for goodwill.

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(j) Other current assets and other non-current assets

	December 31, 2022	December 31, 2021
Other current assets		
Guarantee deposits paid-current	\$ 22,111	-
Prepayments	19,076	8,782
VAT over paid	9,819	11,693
Others	1,698	323
	\$ 52,704	20,798
Other non-current assets		
Long-term prepayments for purchases	\$ 241,033	-
Prepayments for equipment	40,181	6,609
Long-term deferred expenses	22,130	19,928
Restricted assets	19,800	19,800
	\$ 323,144	46,337
Guarantee deposits paid - non-current	\$ 545,572	439,565

The Group entered into the procurement agreements with the supplier, whereby both parties agreed the price and the minimum quantity the Group has to purchased. As of December 31, 2022, the performance security deposits and long-term prepayments for purchase of US\$25.54 million (equivalent to NT\$759,698 thousand) was paid according to the contracts. The performance security deposits shall be refunded when certain criteria of the contract has been met.

The Group entered into several contracts with processing manufacturers regarding to product development and machinery purchase. As of December 31, 2022 and 2021, the performance security deposits totaled US\$1.42 million and US\$1.12 million (NT\$43,568 thousand and NT\$31,043 thousand) were paid according to the contract, respectively. The performance security deposits shall be refunded when certain criteria of the contract has been met.

The Group has pledged its time deposits (included in non-current restricted assets) to guarantee the purchase of materials; please refer to note 8 for details.

(k) Short-term borrowings

	December 31, 2022	December 31, 2021
Unsecured bank loans	\$ 353,000	-
Unused short-term credit lines	\$ 486,000	-
Range of interest rates	1.501%~1.575	-

The Group has not pledged its assets as collateral for its bank loans.

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(l) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Current	\$ <u>12,519</u>	<u>15,926</u>
Non-current	\$ <u>5,600</u>	<u>11,823</u>

For the maturity analysis, please refer to note 6(v).

The amount recognized in profit or loss was as follows:

	2022	2021
Interest on lease liabilities	\$ <u>1,013</u>	<u>951</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>308</u>	<u>250</u>

The amounts recognized in the statement of cash flow were as follows:

	2022	2021
Total cash outflow for leases	\$ <u>16,348</u>	<u>20,523</u>

(i) Real estate leases

The Group leases buildings and construction for its office space. The leases of office space typically run for 2 to 3 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases delivery equipment with lease term of 3 years. The Group also leases photocopiers with contract term of 1 to 3 years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(m) Other current liabilities

	December 31, 2022	December 31, 2021
Refund liabilities-current	\$ 556,385	875,458
Receipts under custody	1,256	1,144
Other notes payable	<u>114</u>	<u>145</u>
	\$ <u>557,755</u>	<u>876,747</u>

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The movements in refund liabilities were as follows:

	Refund liabilities
Balance on January 1, 2022	\$ 875,458
Refund liabilities recognized during the year	2,522,697
Refund liabilities used during the year	<u>(2,841,770)</u>
Balance on December 31, 2022	<u>\$ 556,385</u>
	Refund liabilities
Balance on January 1, 2021	\$ 139,083
Refund liabilities recognized during the year	4,104,180
Refund liabilities used during the year	<u>(3,367,805)</u>
Balance on December 31, 2021	<u>\$ 875,458</u>

The provision for refund liabilities is measured at the estimate of possible returns and discounts in the future. Due to factors such as product price adjustments and the changes in market demand, the Group made a corresponding adjustment to the provision for refund liabilities to maintain it at a required level at the end of the period.

(n) Employee benefits

The defined contribution plan of the company and its subsidiaries is in accordance with the provisions of the Labor Pension Act and is allocated to the labor pension individual account of the Labor Insurance Bureau at a contribution rate of 6% of the monthly salary of the employee. Under this plan, after the merging company allocates a fixed amount to the Bureau of Labor Insurance, there are no statutory or constructive obligation to pay additional amounts.

According to the social security and provident fund system stipulated by the government of the People's Republic of China, the mainland China office allocates social security and provident fund according to a certain percentage of the total salary of employees every month. The pension of each employee is managed and arranged by the government, and the Company has no further obligations except for the monthly allocation.

Overseas subsidiaries and the Korean office have applied to define pension contribution pursuant to local laws.

In 2022 and 2021, the Group's pension expenses under the definite allocation pension method were \$9,813 and \$8,996 thousand, respectively.

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Notes to the Consolidated Financial Statements

(o) Income taxes

(i) The components of income tax in the years 2022 and 2021, were as follow:

	<u>2022</u>	<u>2021</u>
Current tax expense		
Current period	\$ 39,818	349,978
Deferred tax expense		
Origination and reversal of temporary differences	50,454	(152,824)
Income tax expense from continuing operations	<u>\$ 90,272</u>	<u>197,154</u>

For 2022 and 2021, none of the Group's income tax expenses or benefits was recognized in other comprehensive income or directly recognized in equity.

Reconciliation of income tax and profit before tax for 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Profit excluding income tax	\$ <u>522,171</u>	<u>1,118,892</u>
Income tax using the Company's domestic tax rate	\$ 104,434	223,778
Surtax on undistributed earnings	6,841	-
Investment tax credit effects	(26,502)	(24,498)
Realized investment loss	-	(1,209)
Adjustments to prior-year income tax	(23)	(7,095)
Others	5,522	6,178
	<u>\$ 90,272</u>	<u>197,154</u>

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Deductible temporary difference	\$ 106	97
The carryforward of tax losses	33,004	26,272
	<u>\$ 33,110</u>	<u>26,369</u>

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

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2) Recognized deferred tax assets

Deferred tax assets:

	Inventory obsolescence	Provision allowance for sales returns and discounts	Unrealized foreign exchange loss	Investment loss recognized under equity method	Others	Total
Balance on January 1, 2022	\$ 15,432	175,091	2,229	7,517	1,277	201,546
Recognized in profit or loss	26,225	(63,814)	(2,229)	2,037	481	(37,300)
Balance on December 31, 2022	<u>\$ 41,657</u>	<u>111,277</u>	<u>-</u>	<u>9,554</u>	<u>1,758</u>	<u>164,246</u>
Balance on January 1, 2021	\$ 14,392	27,816	-	5,869	1,386	49,463
Recognized in profit or loss	1,040	147,275	2,229	1,648	(109)	152,083
Balance on December 31, 2021	<u>\$ 15,432</u>	<u>175,091</u>	<u>2,229</u>	<u>7,517</u>	<u>1,277</u>	<u>201,546</u>

Deferred tax liabilities:

	Unrealized gain on financial instrument	Unrealized foreign exchange gain	Total
Balance on January 1, 2022	\$ (87)	-	(87)
Recognized in profit or loss	87	(13,242)	(13,155)
Balance on December 31, 2022	<u>\$ -</u>	<u>(13,242)</u>	<u>(13,242)</u>
Balance on January 1, 2021	\$ (431)	(397)	(828)
Recognized in profit or loss	344	397	741
Balance on December 31, 2021	<u>\$ (87)</u>	<u>-</u>	<u>(87)</u>

3) Uncertainty in Income Tax Treatment

For all profit-seeking enterprise income tax settlement declarations that have been declared but not yet approved, the Group evaluates relevant factors, including regulations specified in relevant orders and previous experiences; consequently, the Group considers the estimate of income tax liabilities to be adequate.

4) Assessment of tax

The tax returns of the Company, A-Neuron Electronic corp. and Taiwan branch of AIP Technology Corporation through 2020 were assessed by the R.O.C. Tax Authority.

(p) Capital and other equity

As of December 31, 2022 and 2021, the Group's authorized share capital amounted to \$2,000,000 thousand with a par value of \$10 per share; the total number of issued shares were 92,954 thousand and 91,538 thousand shares, respectively. All issued shares were paid up upon issuance.

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Reconciliation of shares outstanding for 2022 and 2021 were as follows:

	Ordinary shares	
	2022	2021
Balance on January	91,538	90,212
Exercise of share options	940	826
Issue restricted stock	500	500
Write off restricted stock awards	(24)	-
Balance on December 31	92,954	91,538

(i) Issuance of common stock

On June 15, 2020, the Company resolved to issue new restricted shares in a shareholders' meeting; on April 6, 2021, 500 thousand shares with a par value of NT\$10 per share were granted. The capital increase of which the record date was April 6, 2021 had been approved by the competent authority. Please refer to Note 6(q) for the aforementioned criteria of new share issuance.

On July 12, 2021, the Company resolved to issue new restricted shares in a shareholders' meeting; on April 8, 2022, 500 thousand shares with a par value of NT\$10 per share were granted. The capital increase of which the record date was April 8, 2022 had been approved by the competent authority. Please refer to Note 6(q) for the aforementioned criteria of new share issuance.

The Company wrote off 24 thousand restricted shares issued in accordance with the Restricted Employee Stock Issuance Guidance, and took March 31, and August 10, 2022, as the dates of capital reduction, respectively, and the registration had been completed.

During the year ended December 31, 2021, the Company's employees have exercised 790 thousand shares, and the registration has been completed.

During the year ended December 31, 2022, the Company's employees have exercised 940 thousand shares, and the registration has been completed.

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2022	December 31, 2021
Share premium	\$ 818,600	818,600
Employee share options	354,251	242,203
Restricted stock	213,083	142,533
Other	742	739
	\$ 1,386,676	1,204,075

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According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed in cash in proportion to the shareholders' original shares. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

In the general shareholders' meeting held on July 12, 2021, the Company resolved to distribute cash from the "capital surplus-share premium". The dividends distributed to owners were as follows:

	2020	
	<u>Amount per share</u>	<u>Total amount</u>
Dividends distributed to ordinary shareholders		
Cash	\$ 0.70	\$ 63,149

(iii) Retained earnings

The Group's Article of Incorporation stipulates the Company's net earnings should first be used to offset prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, unless the amount of the legal reserve has already reached the total paid-in capital. In addition, special reserve shall be appropriated according to related regulations and the Company's operating needs, after which any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval. In respect of shareholder dividends, the cash dividend must not be less than 10% of the total dividend distributed to shareholders.

1) Legal reserve

When the Company has no losses, it may upon resolution of the shareholders' meeting, issue new shares or cash from the statutory surplus reserve, provided that the reserve exceeds 25% of the paid in capital.

2) Special reserve

In accordance with the regulations of the Financial Supervisory Commission, when the Company distributes distributable earnings, the company will set aside the same amount of special surplus reserve from the current profit and loss and the undistributed earnings of the previous period for the net deduction of other shareholders' equity that occurred in the current year; the same amount of special surplus reserve from the undistributed earnings of the previous period will not be distributed. If there is a subsequent reversal of the amount of reductions in other shareholders' equity, the surplus may be distributed for the portion of the reversal.

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3) Earning distribution

Earnings distribution for 2021 and 2020 was decided by the resolution adopted, at the general meeting of shareholders held on June 8, 2022 and July 12, 2021, respectively. The relevant dividend distributions to shareholders were as follows:

	2021		2020	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 7.22	<u>662,517</u>	4.40	<u>396,934</u>

The aforementioned earnings appropriation is identical with the amounts resolved by the Board of Directors and the estimates stated in the financial statements. Relevant information is available on the Market Observation Post System website.

4) Other equity, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Employee unearned remuneration	Total
Balance at January 1, 2022	\$ (4,915)	2,507	(36,917)	(39,325)
Exchange differences on foreign operations	1,711	-	-	1,711
Unrealized gains(losses) from financial assets measured at fair value through other comprehensive income	-	(5,551)	-	(5,551)
Issuance of restricted employee shares	-	-	(71,965)	(71,965)
Cost of restricted employee shares	-	-	57,047	57,047
Balances at December 31, 2022	<u>\$ (3,204)</u>	<u>(3,044)</u>	<u>(51,835)</u>	<u>(58,083)</u>

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
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	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Employee unearned remuneration	Total
Balances at January 1, 2021	\$ (4,237)	(8,995)	(19,769)	(33,001)
Exchange differences on foreign operations	(678)	-	-	(678)
Unrealized gains(losses) from financial assets measured at fair value through other comprehensive income	-	11,502	-	11,502
Issuance of restricted employee shares	-	-	(55,947)	(55,947)
Cost of restricted employee shares	-	-	38,799	38,799
Balances at December 31, 2021	<u>\$ (4,915)</u>	<u>2,507</u>	<u>(36,917)</u>	<u>(39,325)</u>

5) Movements in non-controlling interests

	<u>2022</u>	<u>2021</u>
Opening Balance	\$ 155,327	175,850
Net loss for the period attributable to non- controlling interests	(27,342)	(18,832)
Comprehensive profit or loss for the period attributable to non-controlling interests	<u>6,428</u>	<u>(1,691)</u>
	<u>\$ 134,413</u>	<u>155,327</u>

(q) Share-based payments

(i) Restricted stock

On June 11, 2018, the Company's Board of Shareholders resolved to award 750 thousand new restricted shares to only full-time employees who meet certain requirements, which has been registered with, and approved by the Securities and Futures Bureau of the FSC. On July 2, 2018, the Board of Directors resolved to issue the aforesaid shares, and the grant-date fair value thereof was \$93 per share.

On June 10, 2019, the Company's Board of Shareholders resolved to issue 500 thousand new restricted shares for full-time employees who meet certain requirements, which has been registered with and approved by the Securities and Futures Bureau of the FSC. On August 9, 2019, the Board of Directors resolved to issue the aforesaid shares, and the grant-date fair value thereof amounted to \$84.7 per share.

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES

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On June 15, 2020, the Company's Board of Shareholders resolved to issue 500 thousand new restricted employee shares for full-time employees who meet certain requirements in a shareholders' meeting, which has been registered with and approved by the Securities and Futures Bureau of FSC. On December 15, 2020, the Board of Directors resolved to issue the aforesaid shares, and the grant-date fair value thereof amounted to \$135 per share.

On July 12, 2021, the Company's Board of Shareholders resolved to issue 500 thousand new restricted employee shares for full-time employees who meet certain requirements in a shareholders' meeting, which has been registered with and approved by the Securities and Futures Bureau of FSC. On March 21, 2022, the Board of Directors resolved to issue the aforesaid shares, and the grant-date fair value thereof amounted to \$165.5 per share.

Those employees with the restricted stock awards are with the condition that these employees continue to provide service to the Company for at least 1 year (from the grant date). 30% of the restricted stock is vested after 1 year, another 30% is vested after 2 years, and the remaining 40% is vested after 3 years. The restricted stock is kept by a trust, which is appointed by the Company, before it is vested. These shares shall not be sold, pledged, assigned, transferred, gifted, or disposed of. During this period, the Company may participate in the rights of the original shareholders to allot (subscribe) shares and distribute dividends, and the Company will give the allotted stock (cash) dividends to the employees without compensation. The Company will cancel all new shares of restricted stock that do not meet the vesting conditions without compensation.

Details of the restricted stock of the Company were as follows:

	2022	2021
Outstanding at 1 January(number)	\$ 850	628
Granted during the year(number)	500	500
Vested during the year(number)	(294)	(278)
Forfeited during the year(number)	(24)	-
Outstanding at 31 December(number)	\$ 1,032	850

The expenses incurred by the Company from January 1 to December 31, 2022 and 2021, for new shares of restricted stock were \$60,395 thousand and \$42,250 thousand, respectively. On March 21 and August 9, 2022, the Board of Directors passed a resolution to recall 24 thousand new shares of restricted stock and cancel the capital reduction due to salary plan adjustment.

As of, the balance of capital surplus associated with restricted stock was \$213,083 thousand. As of December 31, 2022 and 2021, the balances of other equity interest - unearned employee remuneration were \$51,835 thousand and \$36,917 thousand, respectively.

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Notes to the Consolidated Financial Statements

(ii) Employee stock options

- 1) As of December 31, 2022, the Company's equity-settled share-based payment transactions were as follows:

	Equity-settled			
	2021 Employee stock options	2020 Employee stock options	2019 Employee stock options	2017 Employee stock options
Grant date	2022.04.08	2021.04.06	2020.01.30	2018.08.13
Number of shares granted	1,500 Unit	1,000 Unit	1,000 Unit	1,000 Unit
Contract term	3 years	3 years	3 years	3 years
Recipients	Employees of the Company	Employees of the Company	Employees of the Company	Employees of the Company
Vesting conditions	100% of the share options can be exercised according to the plan after two years	100% of the share options can be exercised according to the plan after two years	100% of the share options can be exercised according to the plan after two years	100% of the share options can be exercised according to the plan after two years

- 2) Parameters of determining the fair value of equity instruments granted

The Company used the binomial option evaluation model in measuring the fair value of the share-based payment at the grant date. The measurement inputs were as follows:

	2021 Employee stock option plan	2020 Employee stock option plan	2019 Employee stock option plan	2017 Employee stock option plan
Fair value per share at grant date (NTD)	56.82	31.72	24.04	29.69
Exercise price (NTD)	165.50	135.00	91.90	99.60
Expected life (year)	2.27	1.26	0.08	-
The current strike price of the underlying stock (NTD)	155.20	122.30	77.80	80.30
Expected volatility (%)	52.68%	38.39%	37.74%	43.24%
Risk-free interest rate (%)	0.8609%	0.1683%	0.4875%	0.571%

- 3) Information of the share options

	2022	
	Weighted average exercise price (NTD)	Number of options
Year 2021-First employee stock options		
Outstanding at January 1	\$ -	-
Granted during the year	165.50	1,500
Forfeited during the year	-	(39)
Outstanding at December 31	155.20	<u>1,461</u>
Exercisable at the end of the period	-	<u>-</u>
Weighted average of expected remaining contractual period (year)	<u>2.27</u>	

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Notes to the Consolidated Financial Statements

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
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(r) Earnings per share

The calculation of basic and diluted earnings per share were as follows:

(i) Basic earnings per share

	<u>2022</u>	<u>2021</u>
Net income attributable to ordinary shareholders of the Company	<u>459,241</u>	<u>940,570</u>
Weighted average number of common shares outstanding (thousand shares)	<u>92,365</u>	<u>91,133</u>
Basic earnings per share (in dollars)	<u>4.97</u>	<u>10.32</u>

(ii) Diluted earnings per share

	<u>2022</u>	<u>2021</u>
Net income attributable to ordinary shareholders of the Company	<u>\$ 459,241</u>	<u>940,570</u>
Weighted-average number of common shares outstanding (thousand shares)	92,365	91,133
Effect of restricted stock	398	469
Effect of employees' remuneration	1,442	1,035
Effect of employee stock options	182	586
Weighted average number of common shares outstanding (diluted) (thousand shares)	<u>94,387</u>	<u>93,223</u>
Diluted earnings per share (in dollars)	<u>\$ 4.87</u>	<u>10.09</u>

(s) Revenue from contracts with customers

(i) Details of revenue

	<u>2022</u>	<u>2021</u>
Primary geographical markets :		
Taiwan	\$ 1,619,532	2,601,433
China (including Hong Kong)	862,998	1,262,147
Korea	185,094	147,831
United States	75,916	75,807
Other countries	67,720	54,766
	<u>\$ 2,811,260</u>	<u>4,141,984</u>
Major product/service lines:		
ESD	\$ 2,558,516	3,972,547
ESD design and development	35,195	43,343
Others	217,549	126,094
	<u>\$ 2,811,260</u>	<u>4,141,984</u>

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Trade receivables	\$ <u>277,108</u>	<u>1,085,417</u>	<u>707,498</u>
Contract liabilities	\$ <u>9,422</u>	<u>10,607</u>	<u>7,399</u>

Please refer to Note 6 (d) for the details of trade receivables and allowance for impairment.

The amount of revenue recognized for the years ended December 31, 2022 and 2021 that was included in the contract liability balance at the beginning of the period were \$8,371 thousand and \$6,400 thousand, respectively.

(t) Employee and director' remuneration

In accordance with the Articles of Incorporation, the Company should contribute 10 to 15% of the profit as employees' remuneration and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2022 and 2021, the Company estimated its employees' remuneration amounting to \$100,514 thousand and \$207,569 thousand, and directors' and supervisors' remuneration amounting to \$20,103 thousand and \$41,514 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles of Incorporation.

These remunerations were expensed under operating expenses during 2022 and 2021. Related information would be available at the Market Observation Post System website. The amounts, as resolved by the Board of Directors, of employees' and directors' remuneration do not differ from those estimated in the Company's parent-only financial statements for 2022 and 2021.

(u) Non-operating income and expenses

(i) Interest income

The details of the interest income were as follows:

	2022	2021
Interest income from bank deposits	\$ 17,486	7,387
Other interest income	<u>63</u>	<u>80</u>
	<u>\$ 17,549</u>	<u>7,467</u>

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
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(ii) Other income

The details of other income were as follows:

	<u>2022</u>	<u>2021</u>
Rent income	\$ 1,999	-
Other income	512	85
	<u>\$ 2,511</u>	<u>85</u>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	<u>2022</u>	<u>2021</u>
Foreign exchange gains (losses)	\$ 151,726	(26,570)
Losses on financial assets at fair value through profit or loss	(663)	(1,719)
Fee expense	(572)	(535)
Gains on lease modification	1,475	74
Others	-	4
	<u>\$ 151,966</u>	<u>(28,746)</u>

(iv) Financial costs

The details of the financial costs were as follows:

	<u>2022</u>	<u>2021</u>
Interest expense	\$ 4,781	951

(v) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk. For 2022 and 2021, the maximum credit risk exposure was \$2,999,626 thousand, and \$3,836,847 thousand, respectively.

2) Concentration of credit risk

As of December 31, 2022 and 2021, the trade receivables from the Group's three major customers were amounted to \$170,009 thousand and \$829,343 thousand respectively. The aforementioned amounts represented 61% and 76% of total trade receivables respectively. Thus, credit risk is significantly centralized.

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES

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Please refer to Note 6(d) for credit risk exposure amount of trade receivables. Other financial assets measured at amortized cost include other financial assets - current and guarantee deposit paid. These financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-month expected credit losses. Please refer to Note 4(g) for an explanation of how the financial instruments are considered to have low credit risk.

(ii) Liquidity risk

The following table presents the contractual maturity dates for financial liabilities, including the effect of estimated interest.

	Carrying amount	Contractual cash Flow	Within 6 months	6 to 12 Months	1 to 2 years	More than two years
Balance on December 31, 2022						
Short-term borrowings	\$ 353,000	354,458	354,458	-	-	-
Trade payables	200,929	200,929	200,929	-	-	-
Other payables	233,554	233,554	233,554	-	-	-
Guarantee deposits received	17,457	17,457	17,457	-	-	-
Lease liabilities	18,119	18,646	8,231	4,643	4,687	1,085
	<u>\$ 823,059</u>	<u>825,044</u>	<u>814,629</u>	<u>4,643</u>	<u>4,687</u>	<u>1,085</u>
Balance on December 31, 2021						
Trade payables	\$ 453,999	453,999	453,999	-	-	-
Other payables	364,847	364,847	364,847	-	-	-
Guarantee deposits received	15,479	15,479	15,479	-	-	-
Lease liabilities	27,749	29,002	8,667	8,264	11,493	578
	<u>\$ 862,074</u>	<u>863,327</u>	<u>842,992</u>	<u>8,264</u>	<u>11,493</u>	<u>578</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency were as follows:

December 31, 2022				December 31, 2021		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 46,216	30.71	1,419,281	76,657	27.68	2,121,859
RMB	1,309	4.408	5,772	1,254	4.344	5,448
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	\$ 6,053	30.71	185,885	13,374	27.68	370,194
RMB	76	4.408	335	94	4.344	409

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AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
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2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade receivables, guarantee deposit paid, and trade payables that are denominated in foreign currency.

The analysis assumes that all other variables remain constant, a strengthening (weakening) of 1% of the NTD against the USD and CNY as of December 31, 2022 and 2021, would have increased (decreased) the net income before tax by \$12,388 thousand and \$17,567 thousand for 2022 and 2021 respectively.

The analysis is performed on the same basis for 2022 and 2021.

3) Foreign exchange gain and loss on monetary items

The amounts of (realized and unrealized) foreign exchange gains (losses) on the consolidated company monetary items converted into functional currencies as well as the exchange rate information about conversion into the parent's functional currencies, NTD (consolidated company presentation currency) were as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Exchange gains (losses)</u>	<u>Average exchange rate</u>	<u>Exchange gains (losses)</u>	<u>Average exchange rate</u>
NTD	<u>\$ 151,726</u>	<u>1</u>	<u>(26,570)</u>	<u>1</u>

(iv) Other market price risk

For the years ended December 31, 2022 and 2021, the sensitivity analysis for the changes in the securities price at the reporting date were performed using the same basis for the comprehensive income as illustrated below:

	<u>2022</u>		<u>2021</u>	
<u>Prices of securities at the reporting date</u>	<u>Other comprehensive income before tax</u>	<u>Net income</u>	<u>Other comprehensive income before tax</u>	<u>Net income</u>
Increase 1%	\$ 255	-	205	-
Decrease 1%	(255)	-	(205)	-

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(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2022				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
TPEx-listed shares	\$ 25,488	25,488	-	-	25,488
Financial assets measured at amortized cost					
Cash and cash equivalents (excluding petty cash and revolving funds)	1,926,134	-	-	-	-
Trade receivables	277,108	-	-	-	-
Other current financial assets	183,413	-	-	-	-
Guarantee deposits paid	567,683	-	-	-	-
Restricted assets	19,800	-	-	-	-
Subtotal	<u>2,974,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,999,626</u>	<u>25,488</u>	<u>-</u>	<u>-</u>	<u>25,488</u>
Financial liabilities measured at amortized cost					
Short term borrowings	\$ 353,000	-	-	-	-
Trade payables	200,929	-	-	-	-
Other payables	233,554	-	-	-	-
Lease liabilities	18,119	-	-	-	-
Guarantee deposits received	17,457	-	-	-	-
Total	<u>\$ 823,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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	December 31, 2021				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets designated as hedging at the time of original recognition	\$ 437	437	-	-	437
Financial assets at fair value through other comprehensive income					
TPEx-listed shares	20,472	20,472	-	-	20,472
Financial assets measured at amortized cost					
Cash and cash equivalents (excluding petty cash and revolving funds)	1,845,931	-	-	-	-
Trade receivables	1,085,417	-	-	-	-
Other financial assets current	424,980	-	-	-	-
Guarantee deposits paid	439,566	-	-	-	-
Restricted assets	19,800	-	-	-	-
Subtotal	3,815,694	-	-	-	-
Total	<u>\$ 3,836,603</u>	<u>20,909</u>	<u>-</u>	<u>-</u>	<u>20,909</u>
Financial liabilities measured at amortized cost					
Trade payables	\$ 453,999	-	-	-	-
Other payables	364,847	-	-	-	-
Lease liabilities	27,749	-	-	-	-
Guarantee deposits received	15,479	-	-	-	-
Total	<u>\$ 862,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

Fair values of financial instruments were measured based on quoted market prices if these prices were available in active markets. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a base to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

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A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument. Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

The categories and nature of the fair value for the Group's financial instruments which have an active market are presented as follows:

Shares in public companies are financial assets with standard terms and conditions and are traded in active markets, and their fair values are determined with reference to quoted market prices.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

- 3) For the years ended December 31, 2022 and 2021, there was no transfer among the fair value hierarchy of financial assets and financial liabilities.

(w) Financial risk management

(i) Overview

The Group has exposures to the following risks from its financial instruments.

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

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(ii) Structure of risk management

The Board is solely responsible for establishing and monitoring the Group's risk management framework, and the deputy general manager and the finance department reports regularly to the Board of Directors on the activities thereof.

The objective of the Group's financial risk management is to manage the above-mentioned risks associated with operational activities and the use of financial instruments. To mitigate relevant financial risks, the Group's important financial activities are reported to and approved by the Board of Directors in accordance with the internal control system; during the implementation period of the financial plan, financial activities must be in compliance with operating procedures for segregation of duties and scope of authority.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group has formulated policies on credit lines for accounts receivable. Under the policies, before granting payment and delivery terms, the Group shall analyze the credit rating of each agent. The Group's review includes, when available, external ratings and, in some cases, a bank note. Purchase limits, which represents the maximum outstanding amount that does not require the approval of the Board of Directors, are established for each customer. The limits are reviewed annually.

The Group has opened an account for impairment allowance to reflect incurred losses on accounts receivable. This allowance account mainly comprised a specific loss component that related to individually significant exposures, and a collective loss component established for Group's similar assets for which losses were incurred but not yet identified. The loss allowance is determined based on the historical payment statistics for similar financial assets.

The Group's customers have been concentrated within the electronics industry and the products are sold through distributors. On December 31, 2022 and 2021, 61% and 76% of trade receivables were due to 3 distributors, which resulted in concentration of credit risk. To reduce credit risk associated with accounts receivable, the Group regularly assesses the financial position of these distributors, monitors the credit lines thereof and the recoverability of accounts receivable; the Group does not expect any material loss.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Generally, the Group manages sufficient cash and cash equivalents so as to cope with its operations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the NTD and USD.

The currencies of the Company's trade receivables and trade payables are mainly USD.

In respect to monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

(x) Capital management

The policy of the Board of Directors is to maintain a sound capital base to sustain the confidence of investors, creditors and the market and to support the development of future operations.

The Group's debt-to-equity ratio at the reporting date were as follows:

	December 31, 2022	December 31, 2021
Total liabilities	\$ 1,503,447	2,095,397
Less: cash and cash equivalents	(1,926,476)	(1,846,376)
Other financial assets-current (Note 1)	(179,530)	(423,620)
Net Assets	<u>\$ (602,559)</u>	<u>(174,599)</u>
Total equity	<u>\$ 4,197,545</u>	<u>4,243,729</u>

Note 1: Only time deposits maturing after 3 months were included.

As of December 31, 2022, the Group's capital management strategy is consistent with the prior year.

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(y) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow were as follows:

- (i) For right-of-use assets under leases, please refer to note 6(g).
(ii) Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2022	Cash flows	Non-cash changes Changes in lease payments	December 31, 2022
Short-term borrowings	\$ -	353,000	-	353,000
Lease liabilities	27,749	(15,027)	5,397	18,119
Total liabilities from financing activities	<u>\$ 27,749</u>	<u>337,973</u>	<u>5,397</u>	<u>371,119</u>

	January 1, 2021	Cash flows	Non-cash changes Changes in lease payments	December 31, 2021
Lease liabilities	\$ 22,643	(20,273)	25,379	27,749
Total liabilities from financing activities	<u>\$ 22,643</u>	<u>(20,273)</u>	<u>25,379</u>	<u>27,749</u>

(7) Related-party transactions

(a) Key management personnel compensation

	2022	2021
Short-term employee benefits	\$ 149,898	176,809
Post-employment benefits	432	432
Share-based payments	46,010	29,654
	<u>\$ 196,340</u>	<u>206,895</u>

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2022	December 31, 2021
Time deposits (classified under other non-current assets)	Security deposit for purchase	<u>\$ 19,800</u>	<u>19,800</u>

(Continued)

AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies

- (a) The Group entered into sales contracts with distributors; as of December 31, 2022 and 2021, performance bonds received from the distributors amounted to \$453,500 thousand and \$550,500 thousand, respectively.
- (b) The Group contracted with suppliers to guarantee capacity and contracted with processing manufacturers to develop and package products as well as to purchase machinery; please refer to note 6(j) for relevant information.

(10) Losses due to major disasters: None

(11) Subsequent events

On December 16, 2022, the Board of Directors resolved to issue common 5,000 shares for cash, with a par value of NT\$10 per share. The issue price was NT\$63 per share. The capital increase proposal has been approved by the competent authority. The shares have been paid up on February 24, 2023, which has been set as the record date of the capital increase. The total amount raised was \$315,000 thousand, and the registration has been completed.

(12) Other

- (a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

	By function	For the year ended December 31					
		2022			2021		
		Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
By item							
Employee benefits							
Salaries		3,493	466,600	470,093	3,661	540,567	544,228
Labor and health insurance		281	20,703	20,984	307	18,454	18,761
Pension		174	9,639	9,813	183	8,813	8,996
Remuneration of directors		-	20,653	20,653	-	42,134	42,134
Others		86	8,267	8,353	102	9,270	9,372
Depreciation		-	43,522	43,522	-	43,711	43,711
Amortization		12,642	24,109	36,751	10,072	18,377	28,449

- (b) A-Neuron Electronic Corp. (subsidiary) has the following research projects in the process of co-development:
 - (i) Research project–SeizurEnd™: At present, “Detection function and use of the module of SeizureFinder™” is in the co-development phase with medical research units.
 - (ii) Research project–Vision™: At present, chip design for “Vision™ Optic Nerve Stimulator”, the implantable system, has been completed and finalized. Besides, the manufacturing process for biosafety protection has been established, and yield rate improvement has been undergoing. Furthermore, detailed design and the prototype are being developed.

(Continued)

AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties: None
- (iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Advanced Lithium Electrochemistry (Cayman) Co., Ltd. (KY-Advanced Lithium Electrochemistry)	-	Non-current financial assets at fair value through other comprehensive income	385	25,488	0.55 %	25,488	0.55 %	

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (ix) Trading in derivative instruments: Please refer to Note 6(b)
- (x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	AMAZING Microelectronic Corp.	A-Neuron Electronic Corp.	1	Rent income	1,398	Payment made at the beginning of the month	0.05%
0	AMAZING Microelectronic Corp.	AIP Technology Corporation (Taiwan Branch)	1	Rent income	3,289	Payment made at the beginning of the month	0.12%

Note 1: The above amounts had been eliminated upon consolidation.

Note 2: Numbers are filled in as follows:

- 1. “0” represents the parent entity.
- 2. Subsidiaries are numbered starting from “1”.

Note 3: Relationships with transaction counterparties are categorized as follows:

- 1. Parent and subsidiary.
- 2. Subsidiary and parent.
- 3. Associates.

AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Information on investment:

The following is the information on investees for the year ended December 31, 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Highest percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of ownership	Carrying value				
The Company	AMAZING MICROELECTRONIC (MALAYSIA) SDN. BHD.	Malaysia	Research, development, manufacture, trading and service related to electronic components	30,431	30,431	3,502	100.00 %	4,299	100.00 %	(62)	(62)	Note
The Company	A-Neuron Electronic Corp.	Taiwan	Biotechnology service	96,178	96,178	11,500	27.08 %	49,692	27.08 %	(33,717)	(10,375)	Note
The Company	AIP Technology Corporation	Cayman	Research, development and design services	29,267	29,267	3,000	18.80 %	32,659	18.80 %	1,377	252	Note

Note: The above amounts had been eliminated upon consolidation.

(c) Information on investment in mainland China:

The Group has offices in Shanghai and Shenzhen, to provide management and advisory services associated with operating activities. Also, the offices in Mainland China are in charge of doing promotions and market research. The incorporation of the two offices was approved by the Investment Commission of MOEA, with the approval number of 10100279850 and 10100234860, dated July 10 and June 11, 2012, respectively.

(i) The names of investees in Mainland China, the main businesses and products, and other information: None

(ii) Limitation on investment in Mainland China: None

(iii) Significant transactions:

None

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Good Truth Innovation Investment Co., Ltd.		5,702,372	6.13 %

AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information

(a) General information

The Group's reportable segments are the IC Design and Development Segment, the Biotechnology Segment, as well as the R&D and Design Segment. As the biotechnology sector is still at a research and development stage, it has not yet started to generate revenue.

(b) Information about reportable segments and their measurement and reconciliations

The Group's operating segment information and reconciliation were as follows:

	2022				
	IC design and development	Biotechnology	R&D design	Reconciliation and elimination	Total
Revenue:					
Revenue from external customers	\$ 2,776,065	-	35,195	-	2,811,260
Interest revenue	15,378	433	1,744	(6)	17,549
Total revenue	<u>\$ 2,791,443</u>	<u>433</u>	<u>36,939</u>	<u>(6)</u>	<u>2,828,809</u>
Interest expense	\$ (4,734)	(55)	(70)	78	(4,781)
Depreciation and amortization	\$ (68,158)	(3,586)	(8,038)	(491)	(80,273)
Reportable segment profit or loss	<u>\$ 549,412</u>	<u>(33,717)</u>	<u>1,416</u>	<u>5,060</u>	<u>522,171</u>
Reportable segment assets	<u>\$ 5,548,872</u>	<u>35,827</u>	<u>139,052</u>	<u>(22,759)</u>	<u>5,700,992</u>
Reportable segment liabilities	<u>\$ 1,481,442</u>	<u>6,822</u>	<u>20,651</u>	<u>(5,468)</u>	<u>1,503,447</u>
2021					
	IC design and development	Biotechnology	R&D design	Reconciliation and elimination	Total
Revenue:					
Revenue from external customers	\$ 4,098,641	-	43,343	-	4,141,984
Interest revenue	6,968	401	101	(3)	7,467
Total revenue	<u>\$ 4,105,609</u>	<u>401</u>	<u>43,444</u>	<u>(3)</u>	<u>4,149,451</u>
Interest expense	\$ (848)	(117)	(59)	73	(951)
Depreciation and amortization	\$ (62,667)	(3,351)	(3,025)	(3,117)	(72,160)
Reportable segment profit or loss	<u>\$ 1,134,647</u>	<u>(33,859)</u>	<u>14,999</u>	<u>3,105</u>	<u>1,118,892</u>
Reportable segment assets	<u>\$ 6,165,287</u>	<u>70,515</u>	<u>125,337</u>	<u>(22,013)</u>	<u>6,339,126</u>
Reportable segment liabilities	<u>\$ 2,072,745</u>	<u>7,793</u>	<u>16,230</u>	<u>(1,371)</u>	<u>2,095,397</u>

(c) Product and service information

All of the Group's revenues are from external customers; please refer to the statement of comprehensive income for relevant information.

(Continued)

AMAZING MICROELECTRONIC CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Geographic information

The Group's geographical information is as follows. Revenues are categorized according to locations of agents' offices; please refer to note 6(s) for details. Non-current assets are categorized according to geographical location.

Geographic information	December 31, 2022	December 31, 2021
Non-current assets:		
Taiwan	\$ 2,021,863	1,768,594
Other	10,079	21,107
Total	<u>\$ 2,031,942</u>	<u>1,789,701</u>

Non-current assets include property, plant and equipment, investment property, right-of-use assets, intangible assets, prepayments for equipment and other assets, not including financial

instruments and deferred tax assets.

(e) Major customers

	2022	2021
Group A	\$ 938,931	1,389,568
Group B	255,637	589,064
	<u>\$ 1,194,568</u>	<u>1,978,632</u>

Appendix 2



安侯建業聯合會計師事務所
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Independent Auditors' Report

To the Board of Directors of Amazing Microelectronic Corp.:

Opinion

We have audited the financial statements of Amazing Microelectronic Corp. (“the Company”), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Company's financial statements are stated as follows:

1. Revenue recognition

Please refer to note 4(o) “Revenue recognition” for the accounting policies related to revenue recognition, and note 5(b) for estimation and assumption uncertainties over revenue recognition for sales discounts and returns, and note 6(t) “Revenue from contracts with customers” for the assessment of revenue recognition for sales discounts and returns.

Description of key audit matter:

In respect of revenue recognition, the Company shall entitle customers to sales discounts, allowances and returns as agreed in contracts or based on historical experiences, and the estimates of the aforementioned matters shall be recognized as reductions from revenues. Besides, revenue is a key indicator for investors and management to evaluate the Company's financial or business performance. Therefore, the accuracy of both the amounts and periods of recognition has significant impact on financial statements. Consequently, we considered recognition of sales returns and discounts to be a key audit matter in our audit.



Our audit procedures in this area included:

Our audit procedures in this area included testing control in order-to-cash transaction cycle, inspecting sales contracts and related documents, conducting an analytical review of significant changes in customers, and sampling sales transactions prior and subsequent to year-end, so as to verify that the revenues were recognized during the appropriate periods. In addition, we assessed whether sales returns and discounts were recognized in accordance with relevant standards.

Our audit procedures regarding to sales returns and discounts estimated by management included evaluating the assumptions adopted by management, comparing the assumptions with internal or external information, and obtaining understanding of whether there are material sales returns or discounts subsequently.

2. Valuation of inventories

Please refer to note 4(g) “Inventories” for the accounting policies related to valuation of inventories, and note 5(a) for the uncertainties over accounting estimation and assumption regarding to inventory valuation, and note 6(e) “Inventories” for elaboration of inventory valuation.

Description of key audit matter:

The Company produces and sells ESD ICs, which are developed and manufactured in response to the needs of manufacturers, so the products are unique. The market demand and prices may change, which may result in fluctuations in the sales demand for the related products, and the inventory is measured at the lower of cost or net realizable value, which is subject to management’s judgment based on relevant internal and external evidence. Therefore, we considered inventory valuation to be a key audit matter in our audit.

Our audit procedures in this area included:

Our audit procedures in this area included assessing the reasonableness of the Company's policies on loss allowances for inventory write-downs or obsolescence and whether the aforementioned loss allowances have been recognized pursuant to relevant standards. Reviewing inventory aging reports, analyzing changes in inventory ages, inspecting sales of inventories, and evaluating the basis of net realizable values adopted, so as to verify the reasonableness of the allowance for inventory losses. In addition, we assessed related items to ascertain the appropriateness of management’s disclosure about allowance for inventory losses.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company’s financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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



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

The engagement partners on the audit resulting in this independent auditors' report are Yu-Feng Hsu and Yuan-Chen Mei.

KPMG

Taipei, Taiwan (Republic of China)
March 23, 2023

Notes to Readers

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

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and financial statements, the Chinese version shall prevail.

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
AMAZING MICROELECTRONIC CORP.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenues (note 6(t))	\$ 2,776,065	100	4,098,641	100
5000	Operating costs (notes 6(e) and 12)	<u>1,687,621</u>	<u>61</u>	<u>2,179,593</u>	<u>53</u>
	Gross profit from operations	1,088,444	39	1,919,048	47
	Operating expenses (notes 6(g), (h), (i), (o) and 12):				
6100	Selling expenses	192,901	7	212,613	5
6200	Administrative expenses	152,546	5	188,695	5
6300	Research and development expenses	<u>349,162</u>	<u>13</u>	<u>354,726</u>	<u>9</u>
		<u>694,609</u>	<u>25</u>	<u>756,034</u>	<u>19</u>
	Net operating income	<u>393,835</u>	<u>14</u>	<u>1,163,014</u>	<u>28</u>
	Non-operating income and expenses (notes 6(f), (n), (v) and 7):				
7100	Interest income	15,378	1	6,968	-
7010	Other income	7,199	-	2,176	-
7020	Other gains and losses, net	147,982	5	(28,361)	(1)
7050	Finance costs	(4,734)	-	(848)	-
7070	Share of profit (losses) of associates and joint ventures accounted for using equity method	<u>(10,185)</u>	<u>-</u>	<u>(8,239)</u>	<u>-</u>
		<u>155,640</u>	<u>6</u>	<u>(28,304)</u>	<u>(1)</u>
	Profit before income tax	549,475	20	1,134,710	27
7950	Less: Income tax expenses (note 6(p))	<u>90,234</u>	<u>3</u>	<u>194,140</u>	<u>5</u>
	Profit	<u>459,241</u>	<u>17</u>	<u>940,570</u>	<u>22</u>
8300	Other comprehensive income:				
8310	Items that may not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(5,551)	-	11,502	-
8349	Income tax related to components of other comprehensive income that may not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(5,551)</u>	<u>-</u>	<u>11,502</u>	<u>-</u>
8360	Items that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	1,711	-	(678)	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>1,711</u>	<u>-</u>	<u>(678)</u>	<u>-</u>
8300	Other comprehensive income	<u>(3,840)</u>	<u>-</u>	<u>10,824</u>	<u>-</u>
	Total comprehensive income	\$ <u>455,401</u>	<u>17</u>	\$ <u>951,394</u>	<u>22</u>
9750	Basic earnings per share (NT dollars) (note 6(s))	\$ <u>4.97</u>		\$ <u>10.32</u>	
9850	Diluted earnings per share (NT dollars) (note 6(s))	\$ <u>4.87</u>		\$ <u>10.09</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
AMAZING MICROELECTRONIC CORP.

Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Other equity				
					Unrealized gains (losses) on financial assets measured at fair value	Exchange differences on translation of foreign financial statements	Unearned employee remuneration	Total other equity interest	Total equity
Ordinary shares	Capital advance	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings			
\$ 902,123	2,992	1,132,067	258,671	13,292	1,192,670	1,464,633	(4,237)	(33,001)	3,468,814
-	-	-	-	-	940,570	940,570	-	-	940,570
-	-	-	-	-	940,570	940,570	(678)	10,824	10,824
-	-	-	-	-	940,570	940,570	(678)	10,824	951,394
-	-	-	52,746	-	(52,746)	-	-	-	-
-	-	(63,149)	-	-	(396,934)	(396,934)	-	-	(460,083)
5,000	-	50,947	-	-	-	-	-	(55,947)	-
8,260	(2,992)	60,330	-	-	-	-	-	-	65,598
-	-	19,690	-	-	-	-	-	-	19,690
-	-	3,451	-	-	-	-	-	-	42,250
-	-	739	-	-	-	-	-	-	739
915,383	-	1,204,075	311,417	13,292	1,683,560	2,008,269	(4,915)	(39,325)	4,088,402
-	-	-	-	-	459,241	459,241	-	-	459,241
-	-	-	-	-	-	-	1,711	(3,840)	(3,840)
-	-	-	-	-	459,241	459,241	1,711	(3,840)	455,401
-	-	-	94,058	-	(94,058)	-	-	-	-
-	-	-	-	(10,884)	10,884	-	-	-	-
-	-	-	-	(662,517)	(662,517)	(662,517)	-	-	(662,517)
5,000	-	66,965	-	-	-	-	-	(71,965)	-
-	-	45,628	-	-	-	-	-	-	45,628
(237)	-	237	-	-	-	-	-	-	-
-	-	3,348	-	-	-	-	-	-	60,395
9,400	-	66,420	-	-	-	-	-	57,047	75,820
-	-	3	-	-	-	-	-	-	3
\$ 929,546	-	1,386,676	405,475	2,408	1,397,110	1,804,993	(3,204)	(58,083)	4,063,132
							(3,044)	(51,835)	

Balance at January 1, 2021

Profit
Other comprehensive income
Total comprehensive income
Appropriation and distribution of retained earnings:
Legal reserve appropriated
Cash dividends of ordinary shares
Issuance of restricted employee stock
Employee stock options exercised
Share-based payment transactions-employee stock options
Cost of restricted employee stock
Other changes in capital surplus
Balance at December 31, 2021

Profit
Other comprehensive income
Total comprehensive income
Appropriation and distribution of retained earnings:
Legal reserve appropriated
Special reserve reversal
Cash dividends of ordinary share
Issuance of restricted employee stock
Share-based payments – employee stock options
Expiration of restricted employee stock
Cost of restricted employee stock
Employee stock options exercised
Other changes in capital surplus
Balance at December 31, 2022

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

AMAZING MICROELECTRONIC CORP.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 549,475	1,134,710
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	36,537	39,348
Amortization expense	31,621	23,319
Net loss on financial assets or liabilities at fair value through profit or loss	437	1,719
Interest expense	4,734	848
Interest income	(15,378)	(6,968)
Share-based payments	106,023	61,940
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	10,185	8,239
Unrealized foreign exchange gain	(51,733)	-
Gain on lease modification	(1,475)	(74)
Total adjustments to reconcile profit (loss)	<u>120,951</u>	<u>128,371</u>
Changes in operating assets and liabilities:		
Decrease (increase) in trade receivables	801,023	(371,004)
Decrease (increase) in inventories	15,790	(20,177)
Increase in other current assets	(9,484)	(712)
Increase in other non-current assets	(241,033)	-
(Decrease) increase in contract liabilities	(3,807)	4,123
(Decrease) increase in trade payables	(252,155)	93,620
(Decrease) increase in other payables	(132,131)	106,382
(Decrease) increase in other current liabilities	(319,018)	736,376
Total adjustments	<u>(19,864)</u>	<u>676,979</u>
Cash inflow generated from operations	529,611	1,811,689
Interest received	12,823	7,825
Interest paid	(4,734)	(3)
Income taxes paid	(283,401)	(87,910)
Net cash flows from operating activities	<u>254,299</u>	<u>1,731,601</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(10,567)	-
Acquisition of property, plant and equipment	(4,625)	(549,472)
Increase in guarantee deposits paid	(75,022)	(407,495)
Acquisition of intangible assets	(13,253)	(29,851)
Decrease in other financial assets	135,470	459,900
Increase in other current non-current assets	(55,026)	(17,049)
Net cash flows used in investing activities	<u>(23,023)</u>	<u>(543,967)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	353,000	-
Increase in guarantee deposits received	1,133	987
Payment of lease liabilities	(13,598)	(18,827)
Cash dividends paid	(662,517)	(460,083)
Exercise of employee share options	75,820	65,598
Other financing activities	3	739
Net cash flows used in financing activities	<u>(246,159)</u>	<u>(411,586)</u>
Net (decrease) increase in cash and cash equivalents	<u>(14,883)</u>	<u>776,048</u>
Cash and cash equivalents at beginning of period	<u>1,801,422</u>	<u>1,025,374</u>
Cash and cash equivalents at end of period	<u><u>\$ 1,786,539</u></u>	<u><u>1,801,422</u></u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
AMAZING MICROELECTRONIC CORP.

Notes to the Parent-Company-Only Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

AMAZING MICROELECTRONIC CORP. (the “Company”) was incorporated on January 26, 2006 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The address of its registered office is 6F-6, No. 736, Zhongzheng Rd., Zhonghe Dist., New Taipei City, Taiwan 235, R.O.C. On November 8, 2007, the Company established a branch in Hong Kong, which has been principally responsible for management of IC merchandise warehouses. On November 5, 2012, the Company launched its initial public offering (IPO). On December 25, 2012, the Company became an ESB-listed (Emerging Stock Board) entity. On March 11, 2014, the Company became a TPEx-listed entity.

The Company principally engage in the design and development of ESD protection ICs.

(2) Approval date and procedures of the financial statements:

The financial statements were authorized for issue by the Board of Directors on March 23, 2023.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g., convertible debt.	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the 2020 amendments ¹ , new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e., future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and financial performance. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of significant accounting policies:

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value.

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar, which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payables to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as noncurrent:

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. Trade receivables that the Company intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivables, guarantee deposit paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and

(Continued)

AMAZING MICROELECTRONIC CORP.

Notes to the Parent-Company-Only Financial Statements

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortized cost changed as a result of interest rate benchmark reform, the Company will update the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company will first update the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Thereafter, the Company will apply applied the policies on accounting for modifications to the additional changes.

(iv) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the non-consolidated financial statements. Under equity method, the net income, other comprehensive income and equity in non-consolidated financial statements are the same as those attributable to the owners of parent in the consolidated financial statements.

The changes in ownership of the subsidiaries not causing losing controls, are recognized as equity transaction.

(i) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment on the date of transition to the Standards, was determined with reference to its fair value at that date.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures	3~ 50 years
2) Research equipment	3 years
3) Office equipment	3 years
4) Leasehold improvements	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including photocopying equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

From January 1, 2021, when the basis for determining future lease payments changes as required by interest rate benchmark reform, the Company will remeasure the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

As a practical expedient, the Company elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- the rent concessions occurring as a direct consequence of the COVID-19 pandemic;

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

- the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and
- there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(l) Intangible assets

(i) Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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The Company's intangible assets are computer software, which are amortized in one to three years on a straight-line basis based on their future economic benefit periods.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

The Company does not have goodwill, intangible assets with indefinite useful life, or intangible assets which are unavailable for use.

(n) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

On a regular basis, the Company recognizes provisions for relevant sales returns and discounts according to sales forecasted by distributors as well as possible returns and discounts estimated based on contracts and historical experiences.

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(o) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below:

1) Sale of goods

Some contracts entitle customers the right to return, and revenues are recognized when returns can be reasonably estimated, and other criteria are met. If the return cannot be reasonably estimated, revenue will be recognized when the return period expires or when the return can be reasonably estimated. Under IFRS 15, revenue is recognized to the extent that it is highly probable that a material reversal of cumulative revenue will not occur.

Advance receipts are recognized as contractual liabilities, and cumulative contractual liabilities are transferred to revenue when goods or services are delivered to customers.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Share-based payment

When issuing new shares, the Company retains 10% to 15% of the new shares to be subscribed by its employees pursuant to the Company Act. Besides, the remuneration costs, measured based on the grant-date fair value of the new shares, are recognized as expenses. Meanwhile, the "capital surplus—others" under shareholders' equity (new shares subscribed by employees) was increased.

The grant-date fair values of share-based payment awards granted to employees are recognized as remuneration cost with a corresponding increase in equity over the vesting period. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

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AMAZING MICROELECTRONIC CORP.
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For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The SARs that shall be granted to employees is settled in cash, and the fair value thereof is recognized as an expense with a corresponding increase in liabilities over the period during which the employees become unconditionally entitled to payment. On each reporting date and settlement date, related liabilities should be remeasured, and any changes in the fair values thereof should be recognized as personnel cost in the line item of profit or loss.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or

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AMAZING MICROELECTRONIC CORP.
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- 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

(s) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

(t) Operating segments

Please refer to the consolidated financial report for the operating segments information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the parent-company-only financial statements in conformity with Regulations Governing the Preparation of Financial Reports by Securities Issuers" requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the parent-company-only financial statements is as follows:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for normal wear and tear, obsolescence or unmarketable items at reporting date and then writes down the cost of inventories to net realizable value. Due to the uniqueness of the Company's products, the value of inventories may be affected by the market demand and price, there may be significant changes in the net realizable value of inventories. Refer to note 6(e) for further description of the valuation of inventories.

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Notes to the Parent-Company-Only Financial Statements

(b) Revenue recognition

The Company estimates possible sales returns and discounts according to contractual terms, historical experience, market and economic conditions, and other known factors; the estimate is recognized as a reduction from sales revenues. In addition, the reasonableness of estimation is reviewed periodically. For revenue recognition for sales discounts and returns, please refer to note 6(m) "Other current liabilities" and 6(t) "Revenue from contracts with customers" to the financial statements.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	\$ 302	405
Checking Deposits	1,224	703
Demand deposits	254,923	768,384
Time deposits	<u>1,693,620</u>	<u>1,330,930</u>
	1,950,069	2,100,422
Less: Time deposits-maturity more than three-month	<u>163,530</u>	<u>299,000</u>
Cash and cash equivalents in the statement of cash flows	<u><u>\$ 1,786,539</u></u>	<u><u>1,801,422</u></u>

Please refer to note 6(w) for the sensitivity analysis of the financial assets and liabilities of the Company.

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

(i) Financial assets at fair value through profit or loss-current

	December 31, 2022	December 31, 2021
Mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging:		
Forward exchange contracts	\$ <u>-</u>	<u>437</u>

Engaging in derivative financial instrument transactions is used to hedge the foreign exchange rate risks the Company is exposed to, arising from operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as measured at fair value through profit or loss financial asset and liabilities :

	December 31, 2021		
	Contract amount (in thousand)	Currency	Maturity date
Forward exchange sold	<u>USD 4,000</u>	USD to NTD	2022.01.12~2022.02.11

(Continued)

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Notes to the Parent-Company-Only Financial Statements

(c) Financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Financial assets at fair value through other comprehensive income:		
TPEx-listed shares	\$ <u>25,488</u>	<u>20,472</u>

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term strategic purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2022 and 2021.

(d) Trade receivable

	December 31, 2022	December 31, 2021
Trade receivables	\$ 276,140	1,078,502
Less : Loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 276,140</u>	<u>1,078,502</u>

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information including macroeconomic and relevant industry information. The expected credit losses for trade receivables were determined as follows:

December 31, 2022			
	Gross carrying amount	Weighted- average expected loss rate	Loss allowance
Current	\$ <u>276,140</u>	-	<u>-</u>
December 31, 2021			
	Gross carrying amount	Weighted- average expected loss rate	Loss allowance
Current	\$ 986,648	-	-
1 to 30 days past due	90,578	-	-
31 to 60 days past due	-	-	-
61 to 90 days past due	<u>1,276</u>	-	<u>-</u>
	<u>\$ 1,078,502</u>		<u>-</u>

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As of December 31, 2022 and 2021, the Company did not recognize allowance for trade receivables.

(e) Inventories

	December 31, 2022	December 31, 2021
Finished goods	\$ 226,791	373,854
Work in progress	55,590	69,881
Raw materials	191,862	46,298
	<u>\$ 474,243</u>	<u>490,033</u>

The details of operating costs were as below:

	2022	2021
Inventory that has been sold	\$ 1,551,213	2,165,515
Write-down of inventories	131,125	5,202
Loss on disposal of inventories	5,629	9,514
Income from sale of scraps	(346)	(638)
	<u>\$ 1,687,621</u>	<u>2,179,593</u>

As of December 31, 2022 and 2021, the Company did not pledge its inventories as collateral for its loans.

(f) Investments accounted for using equity method

- (i) A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2022	December 31, 2021
Subsidiaries	<u>\$ 86,650</u>	<u>95,124</u>

Please refer to the consolidated financial statements for the year ended December 31, 2022 for further information.

(g) Property, plant and equipment

- (i) The cost and depreciation of property, plant and equipment of the Company for the years ended December 31, 2022 and 2021, were as follows:

	Land	Buildings and construction	Research and development equipment	Office equipment	Lease improvement	Total
Cost:						
Balance on January 1, 2022	\$ 1,046,442	648,445	27,444	29,455	4,004	1,755,790
Additions	-	1,048	1,549	1,939	89	4,625
Reclassification to investment property	(94,759)	(51,463)	-	-	-	(146,222)
Disposal	-	-	(144)	(323)	-	(467)
Balance on December 31, 2022	<u>\$ 951,683</u>	<u>598,030</u>	<u>28,849</u>	<u>31,071</u>	<u>4,093</u>	<u>1,613,726</u>

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	Land	Buildings and construction	Research and development equipment	Office equipment	Lease improvement	Total
Balance on January 1, 2021	\$ 651,861	443,707	24,795	25,902	4,557	1,150,822
Additions	394,581	204,738	2,649	4,504	-	606,472
Disposal	-	-	-	(951)	(553)	(1,504)
Balance on December 31, 2021	<u>\$ 1,046,442</u>	<u>648,445</u>	<u>27,444</u>	<u>29,455</u>	<u>4,004</u>	<u>1,755,790</u>
Accumulated depreciation:						
Balance on January 1, 2022	\$ -	74,205	24,298	21,824	2,944	123,271
Depreciation	-	12,868	1,905	4,552	1,071	20,396
Reclassification to investment property	-	(1,201)	-	-	-	(1,201)
Disposal	-	-	(144)	(323)	-	(467)
Balance on December 31, 2022	<u>\$ -</u>	<u>85,872</u>	<u>26,059</u>	<u>26,053</u>	<u>4,015</u>	<u>141,999</u>
Balance on January 1, 2021	\$ -	60,110	22,435	18,279	2,438	103,262
Depreciation	-	14,095	1,863	4,496	1,059	21,513
Disposal	-	-	-	(951)	(553)	(1,504)
Balance on December 31, 2021	<u>\$ -</u>	<u>74,205</u>	<u>24,298</u>	<u>21,824</u>	<u>2,944</u>	<u>123,271</u>
Carrying amounts:						
Balance at December 31, 2022	<u>\$ 951,683</u>	<u>512,158</u>	<u>2,790</u>	<u>5,018</u>	<u>78</u>	<u>1,471,727</u>
Balance at January 1, 2021	<u>\$ 651,861</u>	<u>383,597</u>	<u>2,360</u>	<u>7,623</u>	<u>2,119</u>	<u>1,047,560</u>
Balance at December 31, 2021	<u>\$ 1,046,442</u>	<u>574,240</u>	<u>3,146</u>	<u>7,631</u>	<u>1,060</u>	<u>1,632,519</u>

As of December 31, 2022 and 2021, the property, plant and equipment were not pledged as collateral.

(h) Right-of-use assets

The Company leases buildings, construction and delivery equipment. The changes in costs and depreciation were as follows:

	Buildings and construction	Delivery equipment	Total
Cost:			
Balance on January 1, 2022	\$ 47,724	11,301	59,025
Additions	2,867	5,347	8,214
Disposal / Write-off	(3,608)	(4,244)	(7,852)
Balance on December 31, 2022	<u>\$ 46,983</u>	<u>12,404</u>	<u>59,387</u>
Balance on January 1, 2021	\$ 31,904	12,189	44,093
Additions	18,447	7,596	26,043
Disposal / Write-off	(2,627)	(8,484)	(11,111)
Balance on December 31, 2021	<u>\$ 47,724</u>	<u>11,301</u>	<u>59,025</u>
Accumulated depreciation:			
Balance on January 1, 2022	\$ 28,088	5,311	33,399
Depreciation for the year	11,210	3,902	15,112
Disposal / Write-off	(2,170)	(4,244)	(6,414)
Balance on December 31, 2022	<u>\$ 37,128</u>	<u>4,969</u>	<u>42,097</u>

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	Buildings and construction	Delivery equipment	Total
Balance on January 1, 2021	\$ 17,346	7,699	25,045
Depreciation for the year	12,806	5,029	17,835
Disposal / Write-off	(2,064)	(7,417)	(9,481)
Balance on December 31, 2021	<u>\$ 28,088</u>	<u>5,311</u>	<u>33,399</u>
Carrying amounts			
Balance at December 31, 2022	<u>\$ 9,855</u>	<u>7,435</u>	<u>17,290</u>
Balance at January 1, 2021	<u>\$ 14,558</u>	<u>4,490</u>	<u>19,048</u>
Balance at December 31, 2021	<u>\$ 19,636</u>	<u>5,990</u>	<u>25,626</u>

(i) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases are owned by the Company. The leases of investment properties contain an initial non-cancellable lease term of two years. Information about investment property was presented below:

	Owned property		
	Land	Buildings and construction	Total
Cost:			
Balance on January 1, 2022	\$ -	-	-
Reclassification from property, plant and equipment	94,759	51,463	146,222
Balance on December 31, 2022	<u>\$ 94,759</u>	<u>51,463</u>	<u>146,222</u>
Balance on December 31, 2021 (as opening balance)	<u>\$ -</u>	<u>-</u>	<u>-</u>
Accumulated depreciation:			
Balance on January 1, 2022	\$ -	-	-
Reclassification from property, plant and equipment	-	1,201	1,201
Depreciation	-	1,029	1,029
Balance on December 31, 2022	<u>\$ -</u>	<u>2,230</u>	<u>2,230</u>
Balance on December 31, 2021 (as opening balance)	<u>\$ -</u>	<u>-</u>	<u>-</u>
Carrying amount:			
Balance on January 1, 2022	<u>\$ -</u>	<u>-</u>	<u>-</u>
Balance on December 31, 2022	<u>\$ 94,759</u>	<u>49,233</u>	<u>143,992</u>
Balance on December 31, 2021 (as opening balance)	<u>\$ -</u>	<u>-</u>	<u>-</u>

The fair value of the Company's investment property is determined based on the closing price of identical real estates within the nearby area.

As of December 31, 2022, the fair value is approximately \$196,741 thousand.

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(j) Other current assets and other non-current assets

Other current assets and other non-current assets consisted of the following:

	December 31, 2022	December 31, 2021
Other current assets		
Guarantee deposits paid-current	\$ 22,111	-
Prepayments	18,631	6,809
VAT overpayment	8,276	10,401
Others	<u>32</u>	<u>245</u>
	<u>\$ 49,050</u>	<u>17,455</u>
Other non-current assets		
Long-term prepayments for purchases	\$ 241,033	-
Prepayments for equipment	40,181	-
Long-term deferred expenses	22,130	19,927
Restricted assets	<u>19,800</u>	<u>19,800</u>
	<u>\$ 323,144</u>	<u>39,727</u>
Guarantee deposits paid - non-current	<u>\$ 544,182</u>	<u>437,450</u>

The Company entered into the procurement agreements with the supplier, whereby both parties agreed the price and the minimum quantity the Company has to purchased. As of December 31, 2022, the performance security deposits and long-term prepayments for purchase of US\$25.54 million (equivalent to NT\$759,698 thousand) was paid according to the contracts. The performance security deposits shall be refunded when certain criteria of the contract has been met.

The Company entered into several contracts with processing manufacturers regarding to product development and machinery purchase. As of December 31, 2022 and 2021, the performance security deposits totaled US\$1.42 million (NT\$43,568 thousand) and US\$1.12 million (NT\$31,043 thousand) were paid according to the contract, respectively. The performance security deposits shall be refunded when certain criteria of the contract has been met.

The Company has pledged its time deposits (included in non- current restricted assets) to guarantee the purchase of materials; please refer to note 8 for details.

(k) Short-term borrowings

	December 31, 2022	December 31, 2021
Unsecured bank loans	<u>\$ 353,000</u>	<u>-</u>
Unused short-term credit lines	<u>\$ 486,000</u>	<u>-</u>
Range of interest rates	<u>1.501%~1.575%</u>	<u>-</u>

The Company has not pledged its assets as collateral for its bank loans.

(Continued)

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Notes to the Parent-Company-Only Financial Statements

(l) Lease liabilities

The carrying values of lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Current	\$ <u>11,929</u>	<u>14,529</u>
Non-current	\$ <u>5,552</u>	<u>11,249</u>

For the maturity analysis, please refer to note 6(w).

The amount recognized in profit and loss:

	2022	2021
Interest on lease liabilities	\$ <u>959</u>	<u>845</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>204</u>	<u>213</u>

The amounts recognized in the cash flow statement were as follows:

	2022	2021
Total cash outflow for leases	\$ <u>14,761</u>	<u>19,040</u>

(i) Real estate lease

The Company leases buildings and construction for its office space. The leases of office space typically run for 2 to 3 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Company leases delivery equipment, with lease term of 3 years. The Company also leases photocopiers with contract term of 1 to 3 years. These leases are short-term or leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(m) Other current liabilities

	December 31, 2022	December 31, 2021
Refund liabilities-current	\$ 556,385	875,458
Receipts under custody	1,146	1,061
Other notes payable	<u>114</u>	<u>144</u>
	\$ <u>557,645</u>	<u>876,663</u>

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The movements in refund liabilities were as follows:

	Refund liabilities
Balance on January 1, 2022	\$ 875,458
Refund liabilities recognized during the year	2,522,697
Refund liabilities used during the year	<u>(2,841,770)</u>
Balance on December 31, 2022	<u>\$ 556,385</u>
Balance on January 1, 2021	\$ 139,083
Refund liabilities recognized during the year	4,104,180
Refund liabilities used during the year	<u>(3,367,805)</u>
Balance on December 31, 2021	<u>\$ 875,458</u>

The provision for refund liabilities is measured at the estimate of possible returns and discounts in the future. Due to factors such as product price adjustments and increased market demand, the Company made a corresponding adjustment to the provision for refund liabilities to maintain it at a required level at the end of the period.

(n) Operating lease

The Company leases out office space and parking space. The Company has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	December 31, 2022	December 31, 2021
Less than one year	\$ 6,862	1,044
One to two years	<u>182</u>	<u>-</u>
Total undiscounted lease payments	<u>\$ 7,044</u>	<u>1,044</u>

For the years ended December 31, 2022 and 2021, rental income from office space and parking space were \$6,687 and \$2,091 thousand respectively.

(o) Employee benefits

The defined allocation plan of the company is in accordance with the provisions of the Labor Pension Act and is allocated to the labor pension individual account of the Labor Insurance Bureau at a contribution rate of 6% of the monthly salary of the employee. Under this plan, after the company allocates a fixed amount to the Bureau of Labor Insurance, there are no statutory or constructive obligation to pay additional amounts.

In 2022 and 2021, the Company's pension expenses under the definite allocation pension method were \$8,056 and \$7,420 thousand, respectively.

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AMAZING MICROELECTRONIC CORP.
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(p) Income taxes

(i) The components of income tax expense for 2022 and 2021 were as follow:

	<u>2022</u>	<u>2021</u>
Current income tax expense		
Current period	\$ 39,841	346,864
Deferred tax expense		
Origination and reversal of temporary differences	50,393	(152,724)
Total income tax expense	<u>\$ 90,234</u>	<u>194,140</u>

In 2022 and 2021, the Company did not recognize any income tax expenses or benefits recognized in other comprehensive income or directly recognized in equity.

Reconciliation of income tax and profit before tax for 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Profit excluding income tax	<u>\$ 549,475</u>	<u>1,134,710</u>
Income tax using the Company's domestic tax rate	\$ 109,895	226,942
Adjustments to prior-year income tax	-	(7,095)
Investment tax credit effects	(26,502)	(24,498)
Realized investment loss	-	(1,209)
Surtax on undistributed earnings	6,841	-
	<u>\$ 90,234</u>	<u>194,140</u>

(ii) Deferred income tax assets and liabilities

Movements in the amount of deferred tax assets and liabilities were as follows:

Deferred tax assets:

	<u>Inventory obsolescence</u>	<u>Provision allowance for sales returns and allowances</u>	<u>Unrealized foreign exchange loss</u>	<u>Investment loss recognized under equity method</u>	<u>Others</u>	<u>Total</u>
Balance on January 1, 2022	\$ 15,432	175,091	2,165	7,517	1,217	201,422
Recognized in profit or loss	26,225	(63,814)	(2,165)	2,037	105	(37,612)
Balance on December 31, 2022	<u>\$ 41,657</u>	<u>111,277</u>	<u>-</u>	<u>9,554</u>	<u>1,322</u>	<u>163,810</u>
Balance on January 1, 2021	\$ 14,392	27,816	-	5,869	1,362	49,439
Recognized in profit or loss	1,040	147,275	2,165	1,648	(145)	151,983
Balance on December 31, 2021	<u>\$ 15,432</u>	<u>175,091</u>	<u>2,165</u>	<u>7,517</u>	<u>1,217</u>	<u>201,422</u>

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AMAZING MICROELECTRONIC CORP.
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Deferred Tax Liabilities:

	Unrealized gain on financial instrument	Unrealized foreign exchange gain	Total
Balance on January 1, 2022	\$ (87)	-	(87)
Recognized in profit or loss	87	(12,869)	(12,782)
Balance on December 31, 2022	<u>\$ -</u>	<u>(12,869)</u>	<u>(12,869)</u>
Balance on January 1, 2021	\$ (431)	(397)	(828)
Recognized in profit or loss	344	397	741
Balance on December 31, 2021	<u>\$ (87)</u>	<u>-</u>	<u>(87)</u>

(iii) Uncertainty in Income Tax Treatment

For all profit-seeking enterprise income tax settlement declarations that have been declared but not yet approved, the Company evaluates relevant factors, including the provisions of relevant interpretation letters and previous experience, and believes that sufficient income tax liabilities have been estimated.

(iv) Assessment of tax

The Company's tax returns for the year through 2020 were assessed by the R.O.C. Tax Authority.

(q) Capital and other equity

As of December 31, 2022 and 2021, the Company authorized share capital amounted to \$2,000,000 thousand with a par value of \$10 per share; the total number of issued shares were 92,954 thousand and 91,538 thousand shares, respectively. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for 2022 and 2021 were as follows:

	Ordinary shares	
	2022	2021
Balance on January 1	91,538	90,212
Exercise of share options	940	826
Issuance of restricted employee stock	500	500
Write off restricted employee stock	(24)	-
Balance on December 31	<u>92,954</u>	<u>91,538</u>

(i) Issuance of common stock

On June 15, 2020, the Company resolved to issue new restricted shares in a shareholders' meeting; on April 6 2021, 500 thousand shares with a par value of NT\$10 per share were granted. The capital increase of which the record date was April 6, 2021 had been approved by the competent authority. Please refer to Note 6(r) for the aforementioned criteria of new share issuance.

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AMAZING MICROELECTRONIC CORP.
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On July 12, 2021, the Company resolved to issue new restricted shares in a shareholders' meeting; on April 8, 2022, with a par value of NT\$10 per share, totaling 500 thousand shares. The capital increase case has been approved by the competent authority, and April 8, 2022 was set as the capital increase base date. Please refer to Note 6(r) for the aforementioned criteria of new share issuance.

The Company wrote off 24 thousand restricted shares issued in accordance with the Restricted Employee Stock Issuance Guidance, and took March 31, and August 10, 2022, as the dates of capital reduction, respectively, and the registration had been completed.

During the year ended December 31, 2021, the Company's employees have exercised 790 thousand shares, and the registration has been completed.

During the year ended December 31, 2022, the Company's employees have exercised 940 thousand shares, and the registration has been completed.

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2022	December 31, 2021
Share premium	\$ 818,600	818,600
Employee share options	354,251	242,203
Restricted employee shares	213,083	142,533
Other	<u>742</u>	<u>739</u>
	<u>\$ 1,386,676</u>	<u>1,204,075</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed in cash in proportion to the shareholders' original shares. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

On July 12, 2021, the Company passed a resolution at the general meeting of shareholders to distribute cash from the "capital reserve-share premium". The dividends distributed to owners were as follows:

	2020
	Dividends per share (in NTDs)
	Amount
Dividends distributed to ordinary shareholders:	
Cash	\$ 0.70 \$ <u>63,149</u>

(Continued)

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(iii) Retained earnings

The Company's Article of Incorporation stipulates the Company's net earnings should first be used to offset prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, unless the amount of the legal reserve has already reached the total paid-in capital. In addition, special reserve shall be appropriated according to related regulations and the Company's operating needs, after which any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval. In respect of shareholder dividends, the cash dividend must not be less than 10% of the total dividend distributed to shareholders.

1) Legal reserve

When the Company has no losses, it may upon resolution of the shareholders' meeting, issue new shares or cash from the statutory surplus reserve, provided that the reserve exceeds 25% of the paid in capital.

2) Special reserve

In accordance with the regulations of the Financial Supervisory Commission, when the Company distributes distributable earnings, the Company will set aside the same amount of special surplus reserve from the current profit and loss and the undistributed earnings of the previous period for the net deduction of other shareholders' equity that occurred in the current year; the same amount of special surplus reserve from the undistributed earnings of the previous period will not be distributed. If there is a subsequent reversal of the amount of reductions in other shareholders' equity, the surplus may be distributed for the portion of the reversal.

3) Earning distribution

Earnings distribution for 2021 and 2020 was decided by the resolution adopted, at the general meeting of shareholders held on June 8, 2022 and July 12, 2021, respectively. The relevant dividend distributions to shareholders were as follows:

	2021		2020	
	Dividends per share (in NTDs)	Amount	Dividends per share (in NTDs)	Amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 7.22	<u><u>662,517</u></u>	4.40	<u><u>396,934</u></u>

The aforementioned earnings appropriation is identical with the amounts resolved by the Board of Directors and the estimates stated in the financial statements.

Relevant information is available on the Market Observation Post System website.

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AMAZING MICROELECTRONIC CORP.
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4) Other equity, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Employee unearned remuneration	Total
Balance at January 1, 2022	(4,915)	2,507	(36,917)	(39,325)
Exchange differences on foreign operations	1,711	-	-	1,711
Unrealized gains(losses) from financial assets measured at fair value through other comprehensive income	-	(5,551)	-	(5,551)
Issuance of new shares with restricted employee rights	-	-	(71,965)	(71,965)
Remuneration costs for new shares with restricted employee rights	-	-	57,047	57,047
Balances at December 31, 2022	<u><u>\$ (3,204)</u></u>	<u><u>(3,044)</u></u>	<u><u>(51,835)</u></u>	<u><u>(58,083)</u></u>
Balances at January 1, 2021	(4,237)	(8,995)	(19,769)	(33,001)
Exchange differences on foreign operations	(678)	-	-	(678)
Unrealized gains(losses) from financial assets measured at fair value through other comprehensive income	-	11,502	-	11,502
Issuance of new shares with restricted employee rights	-	-	(55,947)	(55,947)
Remuneration costs for new shares with restricted employee rights	-	-	38,799	38,799
Balances at December 31, 2021	<u><u>\$ (4,915)</u></u>	<u><u>2,507</u></u>	<u><u>(36,917)</u></u>	<u><u>(39,325)</u></u>

(r) Share-based payments

(i) Restricted stock

On June 11, 2018, the Company's Board of Shareholders resolved to award 750 thousand new restricted shares to only full-time employees who meet certain requirements, which has been registered with, and approved by the Securities and Futures Bureau of the FSC. On July 2, 2018, the Board of Directors resolved to issue the aforesaid shares, and the grant-date fair value thereof was \$93 per share.

On June 10, 2019, the Company's Board of Shareholders resolved to issue 500 thousand new restricted shares for full-time employees who meet certain requirements, which has been registered with and approved by the Securities and Futures Bureau of the FSC. On August 9, 2019, the Board of Directors resolved to issue the aforesaid shares, and the grant-date fair value thereof amounted to \$84.7 per share.

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On June 15, 2020, the Company's Board of Shareholders resolved to issue 500 thousand new restricted employee shares for full-time employees who meet certain requirements in a shareholders' meeting, which has been registered with and approved by the Securities and Futures Bureau of FSC. On December 15, 2020, the Board of Directors resolved to issue the aforesaid shares, and the grant-date fair value thereof amounted to \$135 per share.

On July 12, 2021, the Company's Board of Shareholders resolved to issue 500 thousand new restricted employee shares for full-time employees who meet certain requirements in a shareholders' meeting, which has been registered with and approved by the Securities and Futures Bureau of FSC. On March 21, 2022, the Board of Directors resolved to issue the aforesaid shares, and the grant-date fair value thereof amounted to \$165.5 per share.

Those employees with the restricted stock awards are with the condition that these employees continue to provide service to the Company for at least 1 year (from the grant date). 30% of the restricted stock is vested after 1 year, another 30% is vested after the 2 years, and the remaining 40% is vested after 3 years. The restricted stock is kept by a trust, which is appointed by the Company, before it is vested. These shares shall not be sold, pledged, assigned, transferred, gifted, or disposed of. During this period, the Company may participate in the rights of the original shareholders to allot (subscribe) shares and distribute dividends, and the Company will give the allotted stock (cash) dividends to the employees without compensation. The Company will cancel all new shares of restricted stock that do not meet the vesting conditions without compensation

Details of the restricted stock of the Company were as follows:

	2022	2021
Outstanding at 1 January (number)	\$ 850	628
Granted during the year (number)	500	500
Vested during the year (number)	(294)	(278)
Forfeited during the year (number)	(24)	-
Outstanding at 31 December (number)	\$ 1,032	850

The expenses incurred by the Company from January 1 to December 31, 2022 and 2021, for new shares of restricted stock were \$60,395 thousand and \$42,250 thousand, respectively. On March 21 and August 9, 2022, the Board of Directors passed a resolution to recall 24 thousand new shares of restricted stock and cancel the capital reduction due to salary plan adjustment.

As of, the balance of capital surplus associated with restricted stock was \$213,083 thousand. As of December 31, 2022 and 2021, the balances of other equity interest-unearned employee remuneration were \$51,835 thousand and \$36,917 thousand, respectively.

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(ii) Employee stock options

- 1) As of December 31, 2022, the Company's equity-settled share-based payment transactions were as follows:

	Equity-Settled			
	2021 Employee stock options	2020 Employee stock options	2019 Employee stock options	2017 Employee stock options
Grant date	2022.04.08	2021.04.06	2020.01.30	2018.8.13
Number of shares granted	1,500 shares	1,000 shares	1,000 shares	1,000 shares
Contract term	3 years	3 years	3 years	3 years
Recipients	Employees	Employees	Employees	Employees
Vesting conditions	100% of the share options can be exercised according to the plan after two years	100% of the share options can be exercised according to the plan after two years	100% of the share options can be exercised according to the plan after two years	100% of the share options can be exercised according to the plan after two years

- 2) Parameters of determining the fair value of equity instruments granted

The Company used the binomial option evaluation model in measuring the fair value of the share-based payment at the grant date. The measurement inputs were as follows:

	2021 Employee stock options	2020 Employee stock options	2019 Employee stock options	2017 Employee stock options
Fair value per share at grant date (NTD)	56.82	31.72	24.04	29.69
Exercise price (NTD)	165.50	135.00	91.90	99.60
Expected life (year)	2.27	1.26	0.08	-
The current strike price of the underlying stock (NTD)	155.20	122.30	77.80	80.30
Expected volatility (%)	52.68%	38.39%	37.74%	43.24%
Risk-free rate (%)	0.8609%	0.1683%	0.4875%	0.571%

- 3) Information of the share options

Year 2021-First employee stock options	2022	
	Weighted average exercise price (NTD)	Number of options
Outstanding at January 1	\$ -	-
Granted during the year	165.50	1,500
Forfeited during the year	-	(39)
Outstanding at December 31	155.20	<u>1,461</u>
Exercisable at the end of the period	-	<u>-</u>
Weighted average of expected remaining contractual period (year)	<u>2.27</u>	

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	2022		2021	
Year 2020-First employee stock options	Weighted average exercise price (NTD)	Number of options	Weighted average exercise price (NTD)	Number of options
Outstanding at January 1	\$ 130.40	993	-	-
Granted during the year	-	-	135.00	1,000
Forfeited during the year	-	(60)	-	(7)
Outstanding at December 31	122.30	<u>933</u>	130.40	<u>993</u>
Exercisable at the end of the period	-	-	-	-
Weighted average of expected remaining contractual period (year)	<u>1.26</u>		<u>2.26</u>	

	2022		2021	
Year 2019-First employee stock options	Weighted average exercise price (NTD)	Number of options	Weighted average exercise price (NTD)	Number of options
Outstanding at January 1	\$ 82.90	968	85.80	990
Exercised during the year	82.90	(527)	-	-
Exercised during the year	77.80	(413)	-	-
Forfeited during the year	-	-	-	(22)
Outstanding at December 31	77.80	<u>28</u>	82.90	<u>968</u>
Exercisable at the end of the period	77.80	<u>28</u>	-	-
Weighted average expected of remaining contractual period (year)	<u>0.08</u>		<u>1.08</u>	

	2021	
Year 2017-First employee stock options	Weighted average exercise price (NTD)	Number of options
Outstanding at January 1	83.10	826
Exercised during the year	83.10	(808)
Exercised during the year	80.30	(18)
Exercisable stock options at the end of the period	-	-

(s) Earnings per share

The calculation of basic and diluted earnings per share were as follows:

(i) Basic earnings per share

	2022	2021
Net income attributable to ordinary shareholders	<u>459,241</u>	<u>940,570</u>
Weighted average number of outstanding ordinary shares (thousand shares)	<u>92,365</u>	<u>91,133</u>
Basic earnings per share (in dollars)	<u>4.97</u>	<u>10.32</u>

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(ii) Diluted earnings per share

	2022	2021
Net income attributable to ordinary shareholders	\$ 459,241	940,570
Weighted average number of outstanding ordinary shares (thousand shares)	92,365	91,133
Effect of restricted stock	398	469
Effect of employees' remuneration	1,442	1,035
Effect of employee stock options	182	586
Weighted average number of ordinary shares outstanding-diluted (thousand shares)	94,387	93,223
Diluted earnings per share (in dollars)	4.87	10.09

(t) Revenue from contracts with customers

(i) Details of revenue

	2022	2021
Primary geographical markets:		
Taiwan	\$ 1,592,610	2,579,129
China (including Hong Kong)	855,140	1,247,166
Korea	185,094	147,831
United States	75,916	75,291
Others	67,305	49,224
	\$ 2,776,065	4,098,641
Major products/services lines:		
ESD	\$ 2,558,516	3,972,547
Others	217,549	126,094
	\$ 2,776,065	4,098,641

(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Trade receivables	\$ 276,140	1,078,502	707,498
Contract liabilities	\$ 320	4,127	4

Please refer to Note 6 (d) for the details of trade receivables and allowance for impairment.

The amount of revenue recognized for the years ended December 31, 2022 and 2021 that was included in the contract liability balance at the beginning of the period were \$4,127 thousand and \$4 thousand, respectively.

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(u) Employee and director remuneration

In accordance with the Articles of Incorporation, the Company should contribute 10 to 15% of the profit as employees' remuneration and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2022 and 2021, the Company estimated its employees' remuneration amounting to \$100,514 thousand and \$207,569 thousand, and directors' and supervisors' remuneration amounting to \$20,103 thousand and \$41,514 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles of Incorporation. These remunerations were expensed under operating expenses during 2022 and 2021. Related information would be available at the Market Observation Post System website. The amounts, as resolved by the Board of Directors, of employees' and directors' remuneration do not differ from those estimated in the Company's parent-only financial statements for 2022 and 2021.

(v) Non-operating income and expenses

(i) Interest income

The details of the interest income were as follows:

	2022	2021
Interest income from bank deposits	\$ 15,325	6,901
Other interest income	53	67
	\$ 15,378	6,968

(ii) Other income

The details of other income were as follows:

	2022	2021
Rent income	\$ 6,687	2,091
Other income, others	512	85
	\$ 7,199	2,176

(Continued)

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(iii) Other gains and losses

The details of other gains and losses were as follows:

	<u>2022</u>	<u>2021</u>
Foreign exchange gains (losses)	\$ 147,733	(26,185)
Losses on financial assets at fair value through profit or loss	(663)	(1,719)
Fee expense	(563)	(531)
Gains on lease modifications	1,475	74
	<u>\$ 147,982</u>	<u>(28,361)</u>

(iv) Financial costs

The details of other income were as follows:

	<u>2022</u>	<u>2021</u>
Interest expense	\$ <u>4,734</u>	<u>848</u>

(w) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of December 31, 2022 and 2021 the maximum credit risk exposure was \$2,840,949 thousand and \$3,657,584 thousand, respectively.

2) Concentration of credit risk

As of December 31, 2022 and 2021, the trade receivables from the Company's three major customers were amounted to \$170,009 thousand and \$829,343 thousand, respectively. The aforementioned amounts represented 62% and 77% of total trade receivables respectively. Thus, credit risk is significantly centralized.

Please refer to Note 6(d) for credit risk exposure amount of trade receivables. Other financial assets measured at amortized cost include other financial assets-current and guarantee deposit paid. These financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-month expected credit losses. Please refer to Note 4(f) for an explanation of how the financial instruments are considered to have low credit risk.

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(ii) Liquidity risk

The following table presents the contractual maturity dates for financial liabilities, including the effect of estimated interest.

	Carry amount	Contract cash flow	Within 6 months	6-12 months	1-2 years	More than 2 years
Balance on December 31, 2022						
Short-term borrowings	\$ 353,000	354,458	354,458	-	-	-
Trade payables	200,929	200,929	200,929	-	-	-
Other payables	220,925	220,925	220,925	-	-	-
Guarantee deposits received	18,276	18,276	18,276	-	-	-
Lease liabilities	17,481	17,999	7,743	4,533	4,638	1,085
	<u>\$ 810,611</u>	<u>812,587</u>	<u>802,331</u>	<u>4,533</u>	<u>4,638</u>	<u>1,085</u>
Balance on December 31, 2021						
Trade payables	\$ 453,999	453,999	453,999	-	-	-
Other payables	353,056	353,056	353,056	-	-	-
Guarantee deposits received	15,479	15,479	15,479	-	-	-
Lease liabilities	25,778	26,968	7,936	7,543	10,927	562
	<u>\$ 848,312</u>	<u>849,502</u>	<u>830,470</u>	<u>7,543</u>	<u>10,927</u>	<u>562</u>

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Company's significant exposure to foreign currency were as follows:

	December 31, 2022			December 31, 2021		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 42,468	30.71	1,304,195	75,474	27.68	2,089,135
CNY	1,309	4.408	5,772	1,254	4.344	5,448
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	\$ 6,053	30.71	185,885	13,374	27.68	370,194
CNY	76	4.408	335	94	4.344	409

1) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade receivables, guarantee deposit paid, and trade payables that are denominated in foreign currency. The analysis assumes that when all other variables remain constant, a strengthening (weakening) of 1% of the NTD against the USD and CNY as of December 31, 2022 and 2021, would have increased (decreased) the net income before tax by \$11,237 thousand and \$17,240 thousand for 2022 and 2021, respectively.

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2) Foreign exchange gain and loss on monetary items

The amounts of (realized and unrealized) foreign exchange gains (losses) on the Company's monetary items converted into functional currencies as well as the exchange rate information about conversion into the parent's functional currencies, NTD (the Company's presentation currency) were as follows:

	2022		2021	
	foreign exchange gains and (losses)	average exchange rate	foreign exchange gains and (losses)	average exchange rate
TWD	<u>\$ 147,733</u>	<u>1</u>	<u>(26,185)</u>	<u>1</u>

(iv) Other market price risk

For the years ended December 31, 2022 and 2021, the sensitivity analysis for the changes in the securities price at the reporting date were performed using the same basis for the comprehensive income as illustrated below:

	2022		2021	
Prices of securities at the reporting date	Other comprehensive income before tax	Net income	Other comprehensive income before tax	Net income
Increase 1%	\$ 255	-	205	-
Decrease 1%	(255)	-	(205)	-

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income (available for sale financial assets) is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy as stated below. However, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities disclosure of fair value information is not required:

	December 31, 2022				
	Fair value				
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
TPEX-listed shares	\$ 25,488	25,488	-	-	25,488

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December 31, 2022					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents (excluding petty cash and revolving funds)	1,786,237	-	-	-	-
Trade receivables	276,140	-	-	-	-
Other current financial assets	166,991	-	-	-	-
Guarantee deposits paid (including current and non-current)	566,293	-	-	-	-
Restricted assets	19,800	-	-	-	-
Subtotal	<u>2,815,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,840,949</u>	<u>25,488</u>	<u>-</u>	<u>-</u>	<u>25,488</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 353,000	-	-	-	-
Trade payables	200,929	-	-	-	-
Other payables	220,925	-	-	-	-
Lease liabilities	17,481	-	-	-	-
Guarantee deposits received	18,276	-	-	-	-
Total	<u>\$ 810,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2021					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets designated as hedging at the time of original recognition	\$ 437	437	-	-	437
Financial assets at fair value through other comprehensive income					
TPEX-listed shares	<u>20,472</u>	<u>20,472</u>	<u>-</u>	<u>-</u>	<u>20,472</u>

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

		December 31, 2021			
		Carrying amount	Fair value		
			Level 1	Level 2	Level 3
Financial assets at fair value through other comprehensive income					
Cash and cash equivalents (excluding petty cash and revolving funds)	\$ 1,801,017	-	-	-	-
Trade receivables	1,078,502	-	-	-	-
Other current financial assets	299,906	-	-	-	-
Guarantee deposits paid	437,450	-	-	-	-
Restricted assets	19,800	-	-	-	-
Subtotal	3,636,675	-	-	-	-
Total	\$ 3,657,584	20,909	-	-	20,909
Financial liabilities measured at amortized cost					
Trade payables	\$ 453,999	-	-	-	-
Other payables	353,056	-	-	-	-
Lease liabilities	25,778	-	-	-	-
Guarantee deposits received	15,479	-	-	-	-
Total	\$ 848,312	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

Fair values of financial instruments were measured based on quoted market prices if these prices were available in active markets. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a base to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument. Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

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AMAZING MICROELECTRONIC CORP.
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The categories and nature of the fair value for the Company's financial instruments which have an active market are presented as follows:

Shares in public companies are financial assets with standard terms and conditions and are traded in active markets, and their fair values are determined with reference to quoted market prices.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

- 3) For the years ended December 31, 2022 and 2021, there was no transfer among the fair value hierarchy of financial assets and financial liabilities.

(x) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments and operating activities:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying parent-company-only financial statements.

(ii) Structure of risk management

The Board is solely responsible for establishing and monitoring the Company's risk management framework, and the deputy general manager and the finance department reports regularly to the Board of Directors on the activities thereof.

The objective of the Company's financial risk management is to manage the above-mentioned risks associated with operational activities and the use of financial instruments. To mitigate relevant financial risks, the Company's important financial activities are reported to and approved by the Board of Directors in accordance with the internal control system; during the implementation period of the financial plan, financial activities must be in compliance with operating procedures for segregation of duties and scope of authority.

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AMAZING MICROELECTRONIC CORP.
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(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company has formulated policies on credit lines for accounts receivable. Under the policies, before granting payment and delivery terms, the Company shall analyze the credit rating of each agent. The Company's review includes, when available, external ratings and, in some cases, a bank note. Purchase limits, which represents the maximum outstanding amount that does not require the approval of the Board of Directors, are established for each customer. The limits are reviewed annually.

The Company has opened an account for impairment allowance to reflect incurred losses on accounts receivable. This allowance account mainly comprised a specific loss component that related to individually significant exposures, and a collective loss component established for Company's similar assets for which losses were incurred but not yet identified. The loss allowance is determined based on the historical payment statistics for similar financial assets.

The Company's customers have been concentrated within the electronics industry and the products are sold through distributors. On December 31, 2022 and 2021, 62% and 77% of trade receivables were due to 3 distributors, which resulted in concentration of credit risk. To reduce credit risk associated with accounts receivable, the Company assesses the financial position of these distributors, monitors the credit lines thereof and the recoverability of accounts receivable; the Company does not expect any material loss.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Generally, the Company manages sufficient cash and cash equivalents so as to cope with its operations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

1) Currency risk

The Company is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the NTD and USD.

The currencies of the Company's trade receivables and trade payables are mainly USD.

In respect to monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

(y) Capital management

The policy of the Board of Directors is to maintain a sound capital base to sustain the confidence of investors, creditors and the market and to support the development of future operations.

The Company's debt-to-equity ratio at the reporting date were as follows:

	December 31, 2022	December 31, 2021
Total liabilities	\$ 1,481,414	2,072,719
Less: cash and cash equivalents	(1,786,539)	(1,801,422)
Other current financial assets (Note 1)	(163,530)	(299,000)
Net Assets	<u>\$ (468,655)</u>	<u>(27,703)</u>
Total equity	<u>\$ 4,063,132</u>	<u>4,088,402</u>

Note 1: Only time deposits maturing after 3 months were included.

As of December 31, 2022 the Company had not changed its capital management method.

(z) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow:

(i) For right-of-use assets under leases, please refer to note 6(h).

(ii) Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2022	Cash flows	Non-cash changes Changes in lease payments	December 31, 2022
Short-term borrowings	\$ -	353,000	-	353,000
Lease liabilities	25,778	(13,598)	5,301	17,481
Total liabilities from financing activities	<u>\$ 25,778</u>	<u>339,402</u>	<u>5,301</u>	<u>370,481</u>

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

	January 1, 2021	Cash flows	Non-cash changes Changes in lease payments	December 31, 2021
Lease liabilities	\$ 19,421	(18,827)	25,184	25,778
Total liabilities from financing activities	\$ <u>19,421</u>	<u>(18,827)</u>	<u>25,184</u>	<u>25,778</u>

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the financial statements.

Name of related party	Relationship with the Company
A-Neuron Electronic Corp.	Subsidiaries
AIP Technology Corporation	Subsidiaries

(b) Significant transactions with related parties

Rent income

	2022	2021
A-Neuron Electronic Corp.	\$ 1,399	1,399
AIP Technology Corporation	3,289	692
	\$ <u>4,688</u>	<u>2,091</u>

(c) Key management personnel compensation

Key management personnel compensation comprised the following:

	2022	2021
Short-term employee benefits	\$ 142,558	169,055
Post-employment benefits	432	432
Share-based payments	46,010	29,654
	\$ <u>189,000</u>	<u>199,141</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Pledged to secure	December 31, 2022	December 31, 2021
Time deposits (classified under other non-current assets)	Security deposit for purchase	\$ <u>19,800</u>	<u>19,800</u>

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

(9) Commitments and contingencies:

- (a) The Company entered into sales contracts with distributors; as of December 31, 2022 and 2021, performance bonds received from the distributors amounted to \$453,500 thousand and \$550,500 thousand, respectively.
- (b) The Company contracted with suppliers to guarantee capacity and contracted with processing manufacturers to develop and package products as well as to purchase machinery; Please refer to note 6(j) for relevant information.

(10) Losses due to major disasters: None

(11) Subsequent events:

On December 16, 2022, the Board of Directors resolved to issue common 5,000 shares for cash, with a par value of NT\$10 per share. The issue price was NT\$63 per share. The capital increase proposal has been approved by the competent authority. The shares have been paid up on February 24, 2023, which has been set as the record date of the capital increase. The total amount raised was NT\$315,000 thousand, and the registration has been completed.

(12) Other:

- (a) A summary of employee benefits, depreciation, and amortization, by function, were as follows:

By item	By function	For the year ended December 31					
		2022			2021		
		Operating cost	Operating Expense	Total	Operating cost	Operating Expense	Total
Employee benefits							
Salaries		-	424,793	424,793	-	502,870	502,870
Labor and health insurance		-	17,937	17,937	-	16,047	16,047
Pension		-	8,056	8,056	-	7,420	7,420
Remuneration of directors		-	20,653	20,653	-	42,134	42,134
Others		-	7,480	7,480	-	8,367	8,367
Depreciation		-	36,537	36,537	-	39,348	39,348
Amortization		12,642	18,979	31,621	10,072	13,247	23,319

For the years ended December 31, 2022 and 2021, the supplemental information of the numbers of employees and employee benefit expense of the Company was as follows:

	2022	2021
Numbers of employees	<u>156</u>	<u>152</u>
Numbers of directors without serving concurrently as employee	<u>8</u>	<u>8</u>
Average employee benefits	\$ <u>3,096</u>	<u>3,713</u>
Average employee salaries	\$ <u>2,870</u>	<u>3,492</u>
Average adjustment rate of employee salaries	<u>(17.81)%</u>	<u>45.62 %</u>
Supervisor's remuneration	\$ <u>-</u>	<u>90</u>

(Continued)

AMAZING MICROELECTRONIC CORP.
Notes to the Parent-Company-Only Financial Statements

- (i) The compensation policies of the Company (including directors, managers and employees) were as follows:

1) Policy for employee remuneration:

The Company is committed to providing competitive remuneration and benefits and implementing the goal of gender equality and equal pay for equal work to attract outstanding talents from all walks of life, and give back to colleagues for their contributions to the Company. According to the market salary standard, the external competitiveness and internal fairness of talents, labor market supply and demand, overall economic indicators, etc., a competitive salary system in accordance with local laws and regulations is designed every year, taking into account the personnel's educational background, professional technical ability and work seniority, regardless of gender, religion, race, nationality, political position, marital status, trade unions, etc.

- 2) The Company has established an appropriate performance review mechanism to strengthen the organizational effectiveness through annual performance appraisal operations and to improve the capabilities of employees. The promotion and adjustment of all colleagues are based on personal ability and qualifications, regardless of age, gender or region; employees are paid according to personal performance and Company's profitability, share the Company's operating profits.

- (ii) Policy on remuneration of directors and managers:

The remuneration of the directors of the Company is determined by the Remuneration Committee and the Board of Directors according to the degree of participation in the Company's operations. The degree and value of contribution are determined with reference to the usual level of peers.

According to the Company's Articles of Incorporation, if the Company makes a profit in the year, it should allocate no more than 3% of the directors' remuneration, so the relationship between performance and remuneration changes is reasonable.

Managers' remuneration includes salaries, bonuses, employee remuneration and retirement benefits, which is based on the position held, the responsibilities and contributions to the Company shall be determined with reference to the industry standards, and the payment of remuneration will also take into account the Company's operational risks faced by the Company in the future and is positively related to its operating performance, and the managers' remuneration is approved by the Remuneration Committee and the Board of Directors.

(Continued)

AMAZING MICROELECTRONIC CORP.

Notes to the Parent-Company-Only Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties: None
- (iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Advanced Lithium Electrochemistry(Cayman) Co., Ltd. (KY-Advanced Lithium Electrochemistry)	-	Non-current fair value through other comprehensive income	385	25,488	0.55 %	25,488	

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (ix) Trading in derivative instruments:

Please refer to Note 6(b).

(b) Information on investment:

The following is the information on investees for the year ended December 31, 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars and shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying value			
The Company	AMAZING MICROELECTRONIC (MALAYSIA) SDN. BHD.	Malaysia	Research, development, manufacture, trading and service related to electronic components	30,431	30,431	3,502	100.00 %	4,299	(62)	(62)	
The Company	A-Neuron Electronic Corp.	Taiwan	Biotechnology service	96,178	96,178	11,500	27.08 %	49,692	(33,717)	(10,375)	
The Company	AIP Technology Corporation	Cayman	Research, development and design services	29,267	29,267	3,000	18.80 %	32,659	1,377	252	

(c) Information on investment in mainland China:

The Company has offices in Shanghai and Shenzhen, to provide management and advisory services associated with operating activities. Also, the offices in Mainland China are in charged of doing promotions and market research. The incorporation of the two offices was approved by the Investment Commission of MOEA, with the approval number of 10100279850 and 10100234860, dated July 10 and June 11, 2012, respectively.

- (i) The names of investees in Mainland China, the main businesses and products, and other information: None
- (ii) Limitation on investment in Mainland China: None
- (iii) Significant transactions: None

AMAZING MICROELECTRONIC CORP.
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(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Good Truth Innovation Investment Co., Ltd.		5,702,372	6.13 %

(14) Segment information:

Please refer to the consolidated financial report as of and for the year ended December 31, 2022.

**AMAZING
Microelectronic Corp.**

Chairman: Lee, Chun-Chan



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