

I. Names, titles, telephone numbers, and e-mail addresses of the spokesperson and acting spokesperson

Spokesperson :	Lung-Yao Hsu	Acting Spokesperson :	Chin-Tang Huang
Title :	Deputy General Manager	Title :	Manager
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II. Addresses and Telephone Numbers of Head Office and Factory

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Tel :	(03) 568-8699
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III. Name, address, website, and telephone number of the stock transfer agency:

Name :	Stock Affairs Agency Department of Grand Fortune Securities Co., Ltd.
Website :	http://www.gfortune.com.tw
Address :	6F, No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei 100405
Tel :	(02) 2371-1658

IV. Name, name, address, website, and telephone number of the auditors certified for the financial report in the most recent year

Name of CPA :	CPA Se-Kai Lin, CPA Ya-Fang Wen
Name of Accounting Firm :	PwC Taiwan
Website :	http://www.pwc.tw/
Office address :	27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208
Tel :	(02) 2729-6666

V. Name of any exchange where the company's securities are

traded overseas and the method by which information on the overseas securities is inquired

None.

VI. Company website

<https://www.wwpt.com.tw/>

Table of Contents

TABLE OF CONTENTS	3
ONE. LETTER TO SHAREHOLDERS.....	1
I. 2022 BUSINESS RESULTS.....	1
2023 BUSINESS PLAN	4
TWO. COMPANY PROFILE	7
I. ESTABLISHMENT DATE	7
II. COMPANY HISTORY	7
THREE. CORPORATE GOVERNANCE REPORT.....	10
I. ORGANIZATIONAL SYSTEM:.....	10
II. PROFILE OF THE DIRECTOR, GENERAL MANAGER, DEPUTY GENERAL MANAGERS, ASSISTANT VICE PRESIDENTS, AND HEADS OF DEPARTMENTS AND BRANCHES:.....	13
III. REMUNERATION PAID TO DIRECTORS, SUPERVISORS, GENERAL MANAGERS, AND DEPUTY GENERAL MANAGERS IN THE LATEST YEAR:.....	31
IV. STATE OF THE COMPANY’S IMPLEMENTATION OF CORPORATE GOVERNANCE.....	38
V. INFORMATION ON CPA FEES:	55
VI. INFORMATION ON CHANGE OF CPAs: DISCLOSURE OF CHANGES OF CPAs IN THE MOST RECENT 2 YEARS AND THEREAFTER:.....	56
VII. ANY OF THE COMPANY’S CHAIRMAN, GENERAL MANAGER, OR ANY MANAGERIAL OFFICER IN CHARGE OF FINANCE OR ACCOUNTING AFFAIRS BEING EMPLOYED BY THE ACCOUNTING FIRM OR ANY OF ITS AFFILIATED COMPANY IN THE MOST RECENT YEAR:	56
VIII. ANY EQUITY TRANSFER OR CHANGE IN EQUITY PLEDGE BY A DIRECTOR, SUPERVISOR, MANAGERIAL OFFICER, OR SHAREHOLDER WITH 10% STAKE OR MORE DURING THE LAST YEAR OR THE CURRENT YEAR UP TO THE DATE OF PUBLICATION OF THE ANNUAL REPORT:.....	56
IX. RELATIONSHIP AMONG THE TOP 10 SHAREHOLDERS INCLUDING SPOUSES, SECOND DEGREE RELATIVES OR CLOSER: 59	
X. THE NUMBER OF SHARES HELD BY THE COMPANY, THE COMPANY’S DIRECTORS, SUPERVISORS, MANAGERIAL OFFICERS, AND ENTERPRISES DIRECTLY OR INDIRECTLY CONTROLLED BY THE COMPANY IN THE SAME REINVESTMENT BUSINESS, AND CALCULATING THE COMPREHENSIVE SHAREHOLDING RATIO:	61
FOUR. FINANCING ACTIVITIES.....	62
I. CAPITAL AND SHARES:	62
II. STATUS OF CORPORATE BONDS (INCLUDING OVERSEAS CORPORATE BONDS):.....	68
III. PROCESSING OF PREFERRED SHARES:	69
IV. STATUS OF OVERSEAS DEPOSITORY RECEIPTS:	69

V.	STATUS OF EMPLOYEE STOCK OPTIONS:	69
VI.	NEW RESTRICTED EMPLOYEE SHARES:	72
VII.	ISSUANCE OF NEW SHARES FOR MERGERS AND ACQUISITIONS OR FOR THE TRANSFER OF SHARES OF OTHER COMPANIES:	72
VIII.	IMPLEMENTATION OF CAPITAL UTILIZATION PLAN:	72
FIVE. OVERVIEW OF OPERATIONS		75
I.	DESCRIPTION OF THE BUSINESS.....	75
II.	ANALYSIS OF THE MARKET AND PRODUCTION AND MARKETING SITUATION	100
III.	INFORMATION ON EMPLOYEES OF THE GROUP IN THE MOST RECENT TWO YEARS AND UP TO THE PUBLICATION DATE OF THIS ANNUAL REPORT	113
IV.	DISBURSEMENTS FOR ENVIRONMENTAL PROTECTION	113
V.	LABOR RELATIONS.....	119
VI.	CYBER SECURITY MANAGEMENT.....	120
VII.	IMPORTANT CONTRACTS	122
SIX. OVERVIEW OF FINANCIAL STATUS.....		124
I.	CONDENSED BALANCE SHEET AND INCOME STATEMENT FOR THE PAST FIVE YEARS	124
II.	ANALYSES OF FINANCE OVER THE PAST FIVE YEARS	129
III.	AUDIT COMMITTEE’S REPORT ON THE FINANCIAL STATEMENTS OF THE MOST RECENT YEAR.....	134
IV.	THE MOST RECENT YEAR’S FINANCIAL REPORT	135
V.	PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE MOST RECENT FISCAL YEAR AUDITED AND CERTIFIED BY CERTIFIED PUBLIC ACCOUNTANTS	135
VI.	IF THE COMPANY AND ITS AFFILIATED COMPANIES HAVE ENCOUNTERED FINANCIAL DISTRESS IN THE MOST RECENT YEAR UP TO THE PROSPECTUS’ PUBLICATION DATE, THE IMPACT ON THE COMPANY’S FINANCIAL POSITION MUST BE DISCLOSED.	135
SEVEN. REVIEW AND ANALYSIS OF THE FINANCIAL POSITION AND PERFORMANCE AND RISK MANAGEMENT		136
I.	FINANCIAL POSITION.....	136
II.	FINANCIAL PERFORMANCE.....	137
III.	CASH FLOW	139
IV.	IMPACTS OF MAJOR CAPITAL EXPENDITURES IN THE MOST RECENT YEAR ON FINANCIAL OPERATIONS:.....	139
V.	MAIN REASONS FOR PROFIT OR LOSS, IMPROVEMENT PLANS, AND INVESTMENT PLANS FOR THE NEXT YEAR:	140
VI.	ANALYSIS AND EVALUATION OF RISK MATTERS IN THE MOST RECENT YEAR AND UP TO THE PUBLICATION DATE OF THIS ANNUAL REPORT:.....	141
VII.	OTHER MAJOR MATTERS:	145
EIGHT. SPECIAL MATTERS TO BE INCLUDED		146
I.	AFFILIATED COMPANY PROFILES	146

II. PRIVATE PLACEMENT OF SECURITIES IN THE MOST RECENT YEAR UP TILL THE PUBLICATION DATE OF THIS ANNUAL REPORT:.....	151
III. HOLDING OR DISPOSAL OF THE COMPANY’S SHARES BY SUBSIDIARIES IN THE MOST RECENT YEAR UP TILL THE PUBLICATION DATE OF THIS ANNUAL REPORT:	151
IV. OTHER NECESSARY SUPPLEMENTARY INFORMATION:	151

NINE. MATTERS THAT HAVE A SIGNIFICANT IMPACT ON SHAREHOLDERS’ EQUITY OR SECURITIES PRICES..... 151

I. ANY OCCURRENCES OF EVENTS DEFINED UNDER ARTICLE 36, PARAGRAPH 2, SUBPARAGRAPH 2 OF THE SECURITIES AND EXCHANGE ACT IN THE LAST YEAR UP TILL THE PUBLICATION DATE OF THIS ANNUAL REPORT THAT SIGNIFICANTLY IMPACTED SHAREHOLDERS’ EQUITY OR SECURITY PRICES:.....	151
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ATTACHMENT 1. 2022 CONSOLIDATED FINANCIAL STATEMENTS OF WIN WIN PRECISION 152

One. Letter to Shareholders

I. 2022 Business Results

In 2022, affected by the geopolitical turmoil of the Russia-Ukraine War, and the supply chain crisis caused by the COVID-19 pandemic, the inflation has become more severe. In addition, with the continuous interest rate hikes adopted by numerous central banks, the global economy has slowed down significantly, the financial environment is tightened, the debt crisis is becoming increasingly serious, with strong impacts on emerging markets and developing countries. Taking the solar energy market as an example, the Russia-Ukraine War has actively enhanced the construction of renewable energy infrastructure, increase the demands for related equipment, resulting an optimistic prospects for the development of the solar energy industry. However, the supply of raw materials still relies on China. Xinjiang and Mongolia were hit by the pandemic, the supply of polysilicon was interrupted, and the price soared. This situation is expected to continue until 2023 before slowing down.

According to the latest data from Info Link Consulting, an agency specializing in solar energy, the global new installations may exceed 220GW in 2022; Bloomberg even stated that it may reach 250GW, an increase of up to 30% from 2021, showing a strong demand for solar energy. Nearly 70% of the demand is still shared by the markets of three major economies: China, Europe, and the United States; based on the estimation in the Global Market Outlook for Solar Power 2022-2026 of SolarPower Europe, the installation volume is able to maintain a stable growth rate of more than 10% during 2023-2026, showing that long-term demand for solar energy is bullish.

Currently, the main installations still come from China. Under the dual carbon goals of “peaking carbon dioxide emissions by 2030” and “realizing carbon neutrality by 2060,” while being benefiting from the gradual opening of new production capacity and the mitigated supply chain, in 2022, the annual installed capacity was expected to reach 80GW, an increase of 45% from 55GW in 2021. The demand in Europe exploded in 2022. According to the forecast of Solar Power Europe (SPE), the installed capacity would reach 40GW this year, and even InfoLink predicted that it would reach nearly 50GW. With the catalysis of the Ukraine-Russia War, the rising energy prices have also caused governments to plan to reduce their imported energy reliance on Russia, and acceleration of the renewable energy/solar energy is the most direct way, which also caused a large increase in demand in 2022. Under the influence of supply chain limitation and trade war, in the US market, the Solar Energy Industries Association (SEIA) has lowered the demand for 2022, and it estimated that the demand may maintain 26.9GW as in 2021 or even go lower. In the short term, the problem of supply chain delays will continue to affect the US growth momentum. In addition, India, Brazil, Turkey and other emerging market countries performed well in 2022, which also accelerated the vigorous development of the global solar industry.

As a whole, due to the consensus on carbon neutrality, the solar energy showed a positive and vigorous

development in most countries around the world in 2022. Nonetheless, the Company has insisted to diversify operations of markets to reduce risks, strengthen the inventory management and turnover rate, maintain a good utilization rate throughout the year to reduce costs, and continue to maintain high-quality products to for keeping market prices, so shipments have grown significantly. The business focus for the whole year of 2022 still remained on the European market. In addition to the existing bases, including Germany, emerging countries such as Poland, the Netherlands, Austria, and the Nordic also were the main force to expand European sales from 210MW to more than 350MW; meanwhile, deployment in Spain, Italy and other countries are conducted again.

(I) 2022 business results:

For 2022, the Company's consolidated revenue is NT\$5.598 billion, an increase of 79% from NT\$3.128 billion in 2021, which includes a 44% increase in revenue from the semiconductor business and an 87% increase in revenue from the solar business. The solar energy module shipment grew from 263.2 MWp in 2021 to 410.5 MWp in 2022, an increase of 56%. The growth of shipments mainly came from the European market.

The consolidated gross profit margin in 2022 is 28%, a slight increase of 1% from 27% in 2021.

For 2022, the operating expenses is NT\$987,186 thousand, with an operating expense rate of 17%, comparing to NT\$751,919 thousand with the operating expense rate of 24% in 2021. The operating expenses increased by NT\$235,267 thousand, but he operating expense rate declined by 7% due to the significant increase in the operating revenue.

Management expenses increased by NT\$51,044 thousand, mainly due to the increase of NT\$31,480 thousand in salaries and bonuses.

Sales expenses increased by NT\$167,440 thousand, mainly due to the increase of NT\$121,821 thousand in freight for sales and export expenses (freight of sales rate is 9% in 2022 and 11% in 2021), salaries and bonuses increased by NT\$35,670 thousand, and entertainment/hospitality and travel expenses increased by NT\$7,685 thousand.

The R&D expenses increased by NT\$8,023 thousand mainly due to the expansion of production capacity, the depreciation of newly purchased equipment, and the increase in plant rents.

The non-operating income in 2022 is NT\$24,354 thousand, comparing to the 2021 non-operating expenses of NT\$16,294 thousand, an increase of NT\$40,648 thousand. The main reason is the increase of NT\$38,481 thousand in exchange gains. The non-operating income and loss in these two years are mainly from exchange gains and losses of the foreign currency incomes.

The net profit after tax in 2022 is NT\$512,608 thousand and EPS is NT\$10.14, comparing to the net profit of NT\$52,082 thousand and EPS NT\$1.08 in 2021, an increase of NT\$460,526 thousand due to the substantial growth in revenue.

(II) The 2022 financial data and ratios are analyzed as below:

(Unit: NT\$ thousand)

Item	2022	2021	Different in amount
Net operating revenue	5,597,815	3,128,162	2,469,653
Gross profit	1,576,998	830,116	746,882
Operating income	589,812	78,197	511,615
Net profit after tax	512,608	52,082	460,526
Net profit attributable to the owners of the Company	512,608	52,082	460,526

Year/ Item		2022	2021
Financial structure	Debt ratio	46%	49%
	Long-term working capital to real estate, plants and equipment ratio	1763%	1037%
Solvency	Current ratio (%)	204%	188%
	Quick ratio (%)	82%	92%

(III) The R&D status of the Company in 2022 is as below:

1	High-performance module MGX-P3 products (560W/460W/415W) have obtained international IEC certification and started the sales.
2	High-performance module MGX-P3 products (560W/460W/415W) have obtained the UK MSC certification and started the sales.
3	High-performance module MGL product (375W), solar module for non-toxic water quality test, ITRI's test results are "safe and non-toxic water quality, all results are far below the river and reservoir water quality standards set by the Environmental Protection Administration".
4	The High-performance module MGL product (375W) has obtained VPC certification started the sales.
5	Win Win Precision was awarded the invention patent of "The Management System for Managing Multiple Solar Modules" by the Intellectual Property Office, MOEA, with the patent number: M627259.
6	High-performance module MGX-E2 products (550/455/415W), MGXB-E2 products (545/460/405W), and MGXC-E2 products (545/455/405W) obtained international certifications including IEC and CSA secondary certification, and started the sales.

7	High-performance modules MGT-E1 products (675/610W), NGT-E1 products (690/625W), NGX-E1 products (565/470/425W), MGX-E1 products (555/465/415W), MGX-D1 Products (555/415W), MGT-D1 products (675/610W), NGX-D1 products (565/425W), NGT-D1 products (695/630W) obtained international IEC secondary certifications and started the sales.
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2023 business plan

(I) Operation guidelines

It is predicted that in 2023, the global economy will decline by about 0.5% from 2022, mainly reasons include the impact of inflation, the risks of capital flows, currencies, and debts in the emerging markets and developing economies resulted from the interest rate hiking strategy of advanced economies, such as the United States, and the weakening growth momentum from the two major economies, the United States and China. These factors have lowered the growth forecasts for 2023. However, in terms of the solar energy industry, the energy shortage and soaring prices drove the demand in the solar energy; based on the estimation in the Global Market Outlook for Solar Power 2022-2026 of SolarPower Europe, the installation volume is able to maintain a stable growth rate of more than 10% during 2023-2026, showing that long-term demand for solar energy is bullish.

Europe is still the focus of our sales in 2023. We expect that the customer base and shipments of WINAICO will continue to grow this year, and we also expect the sales to reach a new high or even increase by more than 30% to 300MW. Our focus will be Germany, the Netherlands, Belgium, Luxembourg, Austria, and Poland, to establish a strategic partner alliance, and jointly promote and develop the market. In addition to working with local installers in the household market that we are good at, we have also begun to cooperate with distributors in Poland, Spain and other places in recent years. This year, we plan to launch large-scale products, and try to launch into the industrial market with the concept of low engineering cost. Diversified development is helpful to increase our market share.

On top of Europe, in the coming year, we are still optimistic about the growth of Australia and Taiwan. With the support of governmental policies, the overall demands in the both markets continue to increase. With years of efforts by our sales staff, the customer base and shipments have steadily increased with gradually expanding brand awareness, and 2023 is expected to be a year of continuous growth.

Overall, we expect that the global demand and shipments in 2023 will continue the substantial growth trend in 2022, although the current inflation, interest rate hike strategy, China-US trade war and Russia-Ukraine War have resulted in some uncertainties, they will not affect our overall

market operation direction. Win Win has been deeply cultivating the overseas market for many years. The sales team is cautiously optimistic about the overall demand in 2023. Other than continuously monitoring the macro environment factors such as energy prices, the China-US trade war, and forced labor issues in the western countries, monitoring the mainstream product trends, launching new products steadily and quickly, good cost control and inventory management, maintaining expansion of customers in target markets, and brand management, are still the main keys to the development of the solar module industry.

We will launch the new product series, N-Type NGX series, in the second quarter. Meanwhile, we are also developing HJT as the second advancement, to closely follow up with high-tech products, and improve module efficiency so that customers feel the advantages to have us as the technical partner. It will be the biggest foundation for us to stabilize our market share this and next year. In terms of marketing, we still believe in the strategy that channel is the king. The brand visibility of “WINAICO” and the expansion of basic customer base, emphasis of localized services, with the continuous implementation of our estuary strategy. By expanding sales areas, clientele and sales model, to avoid excessive reliance on one single market and diversify risks.

(II) Development strategy

1. Trend of product development: solar modules are mid- and downstream components of the solar industry. Therefore, when designing products, it is necessary to observe the upstream development trend and take into account the needs of downstream applications. This year, Topcon and double-sided glass products will be launched, while continuing the development strategies of N-type HJT, the large-size cells, and narrowing the gaps between cells.
2. Development trends of brand and customer expansion: Win Win is different from most of other Taiwanese module manufacturers. We have positioned ourselves as a brand from the very beginning. Operating WINAICO-branded modules has always been the pillar of sales strategy, and it is the main reason why we are able to maintain overseas markets in the red sea. The entry threshold for solar modules is not high, so China has caught up with Taiwan in recent years in terms of technology, and even has a tendency to lead; along with the advantages of upstream raw materials, as well as the rapid response of equipment manufacturers and resources supplemented by government, it is difficult to win the battle only with cheap price; which in turns high lights the importance of brand visibility and product differentiation. Regarding sales model, in addition to the original focus on the installer channel, in recent years, we have also begun to cultivate distributors in countries other than Germany, such as the Netherlands, Austria and Poland, or to launch large-size modules for the industrial market and other the medium-sized roof market, to increase market share through different sales models and market types.
3. Trend of cost optimization: Win Win continuously improves the stability of cooperation with

upstream suppliers in China, which is helpful for cost competitiveness, while optimizing the cost structure through OEM, to strive for profit margins; however, at the same time, the Company continues to look for third-party partners to cope with government policies and expand the Company's capability of resource integration. In addition, we will continue to optimize the flexibility of inventory adjustment, and react to market demand in real time to reduce the risk of sluggish finished products and avoid the risk of lowering prices for sales.

The Company's management team and all employees deeply understand how much our shareholders' expect for the Company. In the future, we will actively improve operating performance, strengthen management state, and strive to return all shareholders with profits with a more stable and practical attitude.

Chairman:	Szu-Ming Chen	Chief Executive Officer	Szu-Ming Chen	Accounting Officer:	Mei-Ling Teng
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Two. Company Profile

I. Establishment date

November 5, 2003.

II. Company History

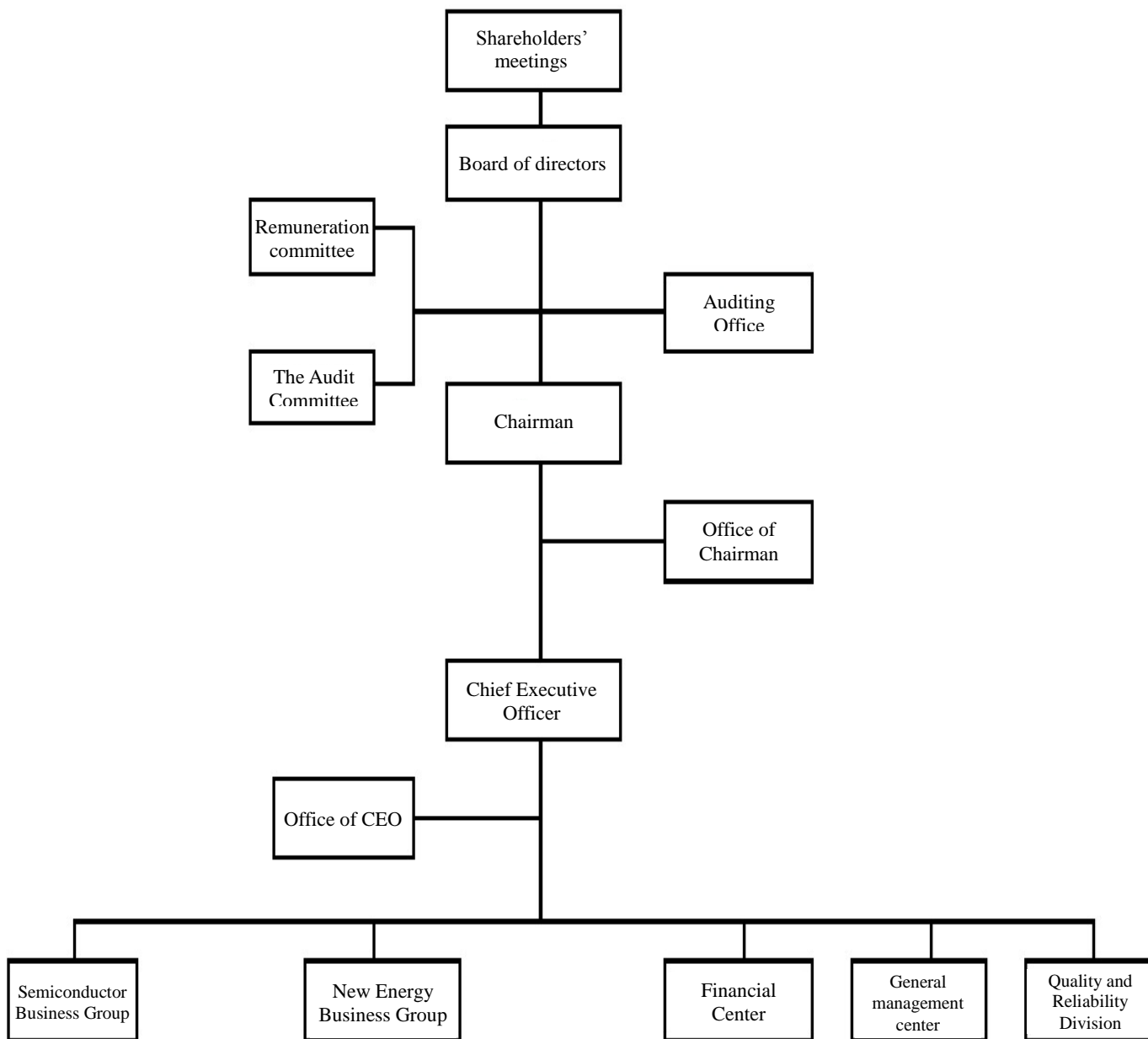
2003	November	WWPM was founded with a capital of NT\$2,500 thousand. WWPM is engaged in trading of semi-conductor machine consumables.
2004	January	The maintenance department was established to engage in the maintenance of vacuum components.
2004	May	The paid-in capital increased to NT\$6,000 thousand.
2004	November	The paid-in capital increased to NT\$105,000 thousand.
2004	December	Established the Engineering Department and the vacuum pump maintenance center to provide PM and maintenance of 8-inch semi-conductor machines.
2007	October	The solar energy business group was established and the European brand Winergy Solar was established.
2008	June	Increase of paid-in capital amounted to NT\$78,000 thousand.
2008	June	Established the subsidiary in Singapore for investment holding purpose.
2008	August	The subsidiary subsidiary in Wurzburg, Germany, was established to expand the solar power generation system engineering business in Germany.
2008	October	Increase of paid-in capital amounted to NT\$152,274 thousand.
2008	December	The Taiwan subsidiary Yuli Precision Co., Ltd. was established to engage in the manufacturing and processing of semi-conductor-related equipment and spare parts.
2009	October	Increase of paid-in capital amounted to NT\$175,115 thousand.
2009	December	Establish the global brand WINAICO Solar in order to expand the global solar photovoltaic system business.
2010	January	The capital increase in cash of NT\$60,000 thousand and the capital increase of NT\$22,253 thousand upon completion of the employee stock warrants. After the capital increase, the paid-in capital was NT\$257,368 thousand.
2010	March	Build a 40 MWp solar photovoltaic module production line and strengthen the R&D capability for applied products.

2010	April	Capital increase of NT\$3,600 thousand was made upon completion of the exercise of employee stock options, and the paid-in capital was NT\$260,968 thousand.
2010	May	Approved by the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan for the public offering of shares.
2010	June	Established the subsidiary in the Netherlands with holding function to coordinate the promotion of solar power generation system business in various European countries.
2010	July	The subsidiary in the U.S.A. was established to expand and promote the solar power generation system business in the Americas.
2010	August	The Dutch subsidiary, WINAICO ITALIA SRL, was established to expand the business of solar power generation system engineering in Italy.
2010	August	The Company was awarded the “Little Giant Award” by the Ministry of Economic Affairs.
2010	September	The earning and employees’ bonus were capitalized for NT\$79,175 thousand; the paid-in capital became NT\$340,143 thousand.
2011	May	The Company was awarded the “Golden Torch Award” among the top ten blue-chip companies and top ten blue-chip products of the year by the Outstanding Enterprise Manager Association of the Republic of China.
2011	May	The Company was awarded the “National Brand Yushan Award” for Best Product by the Enterprise Competitiveness Association of the Republic of China.
2011	September	The earning was capitalized for NT\$34,014 thousand; the paid-in capital became NT\$374,157 thousand.
2012	March	The Australian and UK subsidiaries were established, to expand the solar power generation system business in Australia and the UK, respectively.
2012	June	The capital increased in cash for NT\$60,000 thousand; the paid-in capital became NT\$432,942 thousand.
2012	September	The earning was capitalized for NT\$21,647 thousand; the paid-in capital became NT\$454,589 thousand.
2013	August	The subsidiary in Japan was established to expand and promote the business of solar modules and power generation systems in Japan.
2014	July	Expand the production line of solar photovoltaic modules to 120MWp to build our own production capacity to meet the needs of various types of customers around the world.
2015	July	The operational headquarters was relocated to Hsinchu City in September 2014, and the change of corporate address was registered with the Ministry of Economic Affairs in July 2015.

2018	March	The subsidiary in Nanjing, China was established to expand the semi-conductor market in China.
2018	December	Merged the subsidiary, Youli Precision, to consolidate the Group's resources and reduce operating costs.
2020	October	The Company was awarded the "Golden Energy Award" by the Ministry of Economic Affairs of the Republic of China.
2021	September	The Company was awarded the title of a Potential Medium-sized Enterprise by the Industrial Development Bureau, Ministry of Economic Affairs.
2022	August	NT\$27,275 thousand of earnings were transferred to capital increase, and then the paid-in capital was NT\$481,864 thousand.
2022	October	The capital increased in cash for NT\$70,000 thousand; the paid-in capital became NT\$551,864 thousand.
2023	January	Taipei Exchange approve the Company's shares to be listed in the Emerging Stock Market for trading.

Three. Corporate Governance Report

I. Organizational system: (I) Organizational system:



(II) Major duties of each department:

Department	Major duties and responsibilities
Auditing Office	<ol style="list-style-type: none">1. Assists various departments in adjusting and correcting any deviations from the Company's rules and regulations.2. Establish systematic and institutionalized methods, assess and audit the risks and deficiencies of various operating activities of the Company.3. Execute regular and irregular audits, and confirm the performance of various operating cycles and the progress of improvement.4. Performs various internal control inspections and audits as assigned by superiors.
Office of CEO	<ol style="list-style-type: none">1. Leads and directs the overall operational effectiveness of the Company.2. The Industrial Engineering Department is responsible for the Company's overall operating cost analysis and process improvement.3. The Department of Industry and Safety is responsible for the management of safety and health, fire safety, and industrial waste.4. The IT department is responsible for the integration and establishment of the Company's ERP, CIM, SCM, corporate information platform, and network management and maintenance.
Finance Division	<ol style="list-style-type: none">1. The research, formulation, analysis, and planning of the Company's financial goals, strategies, and long-term and short-term plans.2. Utilization and dispatch of the Company's funds and management of bank relationship.3. Consolidated the preparation, analysis and control of various budgets of the Company.4. Stock affairs-related operations.
General office	<ol style="list-style-type: none">1. Human resource management: human resource policy and strategy formulation, performance management, employee training and development, organizational planning, compensation management, employee relations, and administrative and general affairs management.2. Material management: formulation of annual procurement strategies, cost saving projects, procurement and supplier development, evaluation, management, export customs clearance, warehousing and inventory management, etc.
Semiconductor Business Group	<ol style="list-style-type: none">1. Marketing strategy planning, market development, and marketing management of the semi-conductor business group. .2. R&D and management of products of the Semiconductor Business Group.3. System design, development, and management of products of the Semiconductor Business Group.

Department	Major duties and responsibilities
New Energy Business Group	<ol style="list-style-type: none"> 1. Planning and management of marketing strategies for the solar energy business group. 2. R&D and management of solar energy products. 3. Manufacturing of solar energy products and equipment maintenance and management.
Quality and Reliability Division	<ol style="list-style-type: none"> 1. Promotes and implements the company's quality policy, and establishes short-, medium-, and long-term quality goals and strategies. 2. Production process control, quality performance evaluation, treatment of abnormal quality analysis, and confirmation of countermeasures. 3. Formulate inspection and sampling plans, product reliability analysis, and plan and implement total quality management activities. 4. ISO quality audit, system verification, audit, evaluation, and personnel education and training. 5. Assess the quality capability of third parties and manage customer complaint procedures.

II. Profile of the Director, General Manager, Deputy General Managers, Assistant Vice Presidents, and Heads of Departments and Branches:

(I) Profile of Directors:

1. Director:

Unit: shares; % Date: April 9, 2023

Title	Nationality or place of registration	Name	Gender and age	Date of Election (Appointment)	Term of Office	Date of First Elected	Shareholdings on election		Current shareholdings		Shares currently held by spouses and/or children of minor age		Shares held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company	Any other supervisor, Director, or Supervisor who is a spouse or a relative within the second degree of kinship of this person		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Chairman (Note 1)	R.O.C.	Szu-Ming Chen	Male 41-50 years old	2022.06.17	Three years	2003.10.28	1,933,102	4.25	2,077,481	3.76	638,313	1.16	—	—	EMBA, National Chiao-Tung University Sales Manager, FORMOSA UHV ENGINEERING CO., LTD.	Chief Executive Officer of Win Win Precision Technology Co., Ltd., WINAICO B.V., WINAICO Deutschland GmbH, WINAICO Solar Projekt 1 GmbH, WINAICO Japan KK, WINAICO DELAWARE Co., Ltd., WINAICO AUSTRALIA PTY LTD, director of Nanjing Win Win Precision Technology Co., Ltd., Chairman of Jian Li Investment Co., Ltd.	—	—	—
Director	R.O.C.	Yi-Chun Chen	Female 41-50 years old	2022.06.17	Three years	2008.12.31	1,415,968	3.11	1,630,286	2.95	1,669,862	3.03	—	—	Master in Information System, Lawrence Technological University in the US System Engineer, FORMOSA UHV ENGINEERING CO., LTD.	Deputy General Manager of Win Win Precision Technology Co., Ltd., director of Nanjing Win Win Precision Technology Co., Ltd., director of Zhong Yi Investment Co., Ltd.	Director	Hsiao-Chun Chen Yi-Ching Chen	Relative within the second-degree kinship Relative within the second-degree kinship
Director	R.O.C.	Yi-Ching Chen	Female 41-50 years old	2022.06.17	Three years	2008.12.31	3,847,198	8.46	4,581,579	8.30	282,240	0.51	—	—	EMBA, Nankai University in Tianjin Quality System Manager, INTEGRATED CIRCUIT SOLUTION INC.	VicePresident of Win Win Precision Technology Co., Ltd., WINAICO DELAWARE Co., Ltd., WINAICO AUSTRALIA PTY LTD, WINAICO Japan KK, director of Nanjing Win Win Precision Technology Co., Ltd., director of Jian Li Investment Co., Ltd.	Director	Yi-Chun Chen Hsiao-Chun Chen	Relative within the second-degree kinship Relative within the second-degree kinship
Director	R.O.C.	Hsiao-Chun Chen	Female 41-50 years old	2022.06.17	Three years	2008.12.31	988,796	2.18	1,177,544	2.13	138,883	0.25	—	—	Department of Business Administration, Chung Hua University Accounting Clerk, (MESURE TECHNOLOGY CO., LTD.	Deputy General Manager of head management center of Win Win Precision Technology Co., Ltd., director of Zhong Yi Investment Co., Ltd., supervisor of Nanjing Win Win Precision Technology Co., Ltd.	Director	Yi-Chun Chen Yi-Ching Chen	Relative within the second-degree kinship Relative within the second-degree kinship
Director	R.O.C.	Kuan-Wen Hung	Female 51-60 years old	2022.06.17	Three years	2013.06.21	—	—	—	—	—	—	—	—	MBA, National Taipei University CFO of TXC Corporation	CFO of TXC Corporation	—	—	—

Title	Nationality or place of registration	Name	Gender and age	Date of Election (Appointment)	Term of Office	Date of First Elected	Shareholdings on election		Current shareholdings		Shares currently held by spouses and/or children of minor age		Shares held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company	Any other supervisor, Director, or Supervisor who is a spouse or a relative within the second degree of kinship of this person		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Independent Director	R.O.C.	Chang-Chiao Han	Male 61-70 years old	2022.06.17	Three years	2010.06.02	—	—	—	—	—	—	—	—	PhD, Electronic Engineering, Case Western Reserve University General Manager, INTEGRATED CIRCUIT SOLUTION INC.	Chairman also serves as General Manager, Chingis Technology Corporation, Independent Director, Garmin Semiconductor Corp.	—	—	—
Independent Director	R.O.C.	Kuo-Lung Yen	Male 61-70 years old	2022.06.17	Three years	2013.06.21	—	—	—	—	—	—	—	—	Master of Finance, National Chengchi University CPA, Answer CPAS Firm	CPA, An Zhen United Accounting Firm; Independent Director, Nichidenbo Corporation	—	—	—
Independent Director	R.O.C.	Ying-Li Lin	Male 41-50 years old	2022.06.17	Three years	2010.10.13	—	—	—	—	—	—	—	—	Ph.D., Department of Finance, Business Administration, National Taiwan University of Science and Technology Associate Professor, Department of Finance, Asia University.	Associate Professor, Department of Finance, Asia University. Director of Innovation Incubation Center, Department of Industry-University Operations, Asia University Vice President, Department of Industry-University Operations, Asia University	—	—	—
Independent Director	R.O.C.	Nien-Ni Ku	Female 41-50 years old	2022.06.17	Three years	2022.06.17	—	—	—	—	—	—	—	—	LLM, Virginia University, the US. Senior Assistant Vice President, Wonderland Group	—	—	—	—

Note 1: The chairman of the company also serves as the chief executive officer. In order to improve operating efficiency and decision-making execution, the chairman usually fully communicates with the directors about the company's operating conditions and planning guidelines to implement corporate governance. However, in order to strengthen the independence of the board of directors, the company has elected Four independent directors and the establishment of an audit committee and a remuneration committee have strengthened the operation of the board of directors and supervised the operation of the company through the audit committee to check and balance the authority of the chairman and CEO, and strengthen the salary control and supervision mechanism of directors and managers.

2. Principal corporate shareholders: None.

3. Major shareholders of corporations: None.

4. Educational training for directors:

Title	Name	Commencement date of first term	Date of advanced study		Organizer	Title of Program	Hours of advanced study
			Start	End			
Chairman	Szu-Ming Chen	2022.06.17	2022.11.17	2022.11.17	Securities and Futures Institute	Analysis of Corporate's Financial Information and Application of Decision-Making	3
			2022.11.18	2022.11.18	Securities and Futures Institute	Laws and Regulations of Corporate Governance and Securities	3
Director	Yi-Chun Chen	2022.06.17	2022.11.17	2022.11.17	Securities and Futures Institute	Analysis of Corporate's Financial Information and Application of Decision-Making	3
			2022.11.18	2022.11.18	Securities and Futures Institute	Laws and Regulations of Corporate Governance and Securities	3
Director	Hsiao-Chun Chen	2022.06.17	2022.11.17	2022.11.17	Securities and Futures Institute	Analysis of Corporate's Financial Information and Application of Decision-Making	3
			2022.11.18	2022.11.18	Securities and Futures Institute	Laws and Regulations of Corporate Governance and Securities	3
Director	Yi-Ching Chen	2022.06.17	2022.11.17	2022.11.17	Securities and Futures Institute	Analysis of Corporate's Financial Information and Application of Decision-Making	3
			2022.11.18	2022.11.18	Securities and Futures Institute	Laws and Regulations of Corporate Governance and Securities	3
Director	Kuan-Wen Hung	2022.06.17	2022.07.27	2022.07.27	Jointly organized by Taiwan Stock Exchange and Taipei Exchange	Sustainable Development Roadmap Industry Themed Seminar	2
			2022.08.08	2022.08.08	Taiwan Corporate Governance Association	Sustainable Corporate Governance from the Perspective of Risk--From Corporate Governance to ESG	3
			2022.08.10	2022.08.10	Taiwan Corporate Governance Association	How Board of Directors Monitors ESG Risks to Forster Sustainability Competitiveness for Companies	3
			2022.11.17	2022.11.17	Securities and Futures Institute	Analysis of Corporate's Financial Information and Application of Decision-Making	3
			2022.11.18	2022.11.18	Securities and Futures Institute	Laws and Regulations of Corporate Governance and Securities	3
Independent Director	Chang-Chiao Han	2022.06.17	2022.11.17	2022.11.17	Securities and Futures Institute	Analysis of Corporate's Financial Information and Application of Decision-Making	3
			2022.11.18	2022.11.18	Securities and Futures Institute	Laws and Regulations of Corporate Governance and Securities	3
Independent Director	Kuo-Lung Yen	2022.06.17	2022.11.17	2022.11.17	Securities and Futures Institute	Analysis of Corporate's Financial Information and Application of Decision-Making	3
			2022.11.18	2022.11.18	Securities and Futures Institute	Laws and Regulations of Corporate Governance and Securities	3
Independent Director	Ying-Li Lin	2022.06.17	2022.11.17	2022.11.17	Securities and Futures Institute	Analysis of Corporate's Financial Information and Application of Decision-Making	3
			2022.11.18	2022.11.18	Securities and Futures Institute	Laws and Regulations of Corporate Governance and Securities	3
Independent Director	Nien-Ni Ku	2022.06.17	2022.08.10	2022.08.10	ROC Corporate Management and Sustainable Development Association	Non-consensual mergers and acquisitions and the responsibility of the person in charge of the company	3
			2022.11.17	2022.11.17	Securities and Futures Institute	Analysis of Corporate's Financial Information and Application of Decision-Making	3
			2022.11.18	2022.11.18	Securities and Futures Institute	Laws and Regulations of Corporate Governance and Securities	3

5. Disclosure of professional qualifications and independence of independent directors:

Qualifications Name	Professional qualifications and experience	Independence analysis	The number of other public companies Part-time as an independent director for
Szu-Ming Chen	<p>Industrial Experience/ Professional Ability: Making judgments about operations; knowledge of the industry; business management; leadership and decision-making</p> <p><u>Major Experience</u> EMBA, National Chiao-Tung University Sales Manager, FORMOSA UHV ENGINEERING CO., LTD.</p> <p>Possessing the working experience for five years or more, and the practical experience required by the Company's business</p> <p>(1) <u>None of the conditions indicated under Article 30 of the Company Act</u></p> <p>(2) <u>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</u></p>	<p>During the two years before being elected or during the term of office:</p> <p>(1) Not a director, supervisor or employee of another company where a majority of the company's director seats or voting shares and those of any other company are controlled by the same person (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(2) Not a director, supervisor, managerial officer or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (provided, if the certain company or institutions holds 20% or more and no more than 50% of the total number of issued shares of the Company; and independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(3) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or the Business Mergers and Acquisitions Act or related laws or regulations.</p> <p>(4) Not a spouse or relative within the second degree of kinship with any other director</p>	-
Yi-Chun Chen	<p>Industrial Experience/ Professional Ability: Making judgments about operations; knowledge of the industry; business management; leadership and decision-making</p> <p><u>Major Experience</u></p>	<p>During the two years before being elected or during the term of office:</p> <p>(1) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Paragraph 1 or 2, Article 27 of the Company Act (provided, independent</p>	-

Qualifications Name	Professional qualifications and experience	Independence analysis	The number of other public companies Part-time as an independent director for
	<p>Master in Information System, Lawrence Technological University in the US System Engineer, FORMOSA UHV ENGINEERING CO., LTD. Possessing the working experience for five years or more, and the practical experience required by the Company's business</p> <p>(1) <u>None of the conditions indicated under Article 30 of the Company Act</u></p> <p>(2) <u>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</u></p>	<p>directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(2) Not a director, supervisor or employee of another company where a majority of the company's director seats or voting shares and those of any other company are controlled by the same person (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(3) Not a director, supervisor, or employee of any other company or institution where the chairman, general manager, or someone with an equivalent position of the company is the same person or spouse. (Excluding independent directors appointed in accordance with the Act or the laws and regulations of the local country)</p> <p>(4) Not a director, supervisor, managerial officer or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (provided, if the certain company or institutions holds 20% or more and no more than 50% of the total number of issued shares of the Company; and independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(5) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or the Business Mergers and Acquisitions Act or related laws or regulations.</p>	
Yi-Ching Chen	<p>Industrial Experience/ Professional Ability: Making judgments about operations; knowledge of the industry; business management; leadership and decision-making</p>	<p>During the two years before being elected or during the term of office:</p> <p>(1) Not a director, supervisor or employee of another company where a majority of the company's director seats or voting shares and those of any other company are controlled by the same person (provided, independent directors appointed in accordance with the Act or the laws and</p>	-

Qualifications Name	Professional qualifications and experience	Independence analysis	The number of other public companies Part-time as an independent director for
	<p><u>Major Experience</u> EMBA, Nankai University in Tianjin Quality System Manager, INTEGRATED CIRCUIT SOLUTION INC. Possessing the working experience for five years or more, and the practical experience required by the Company's business</p> <p>(1) <u>None of the conditions indicated under Article 30 of the Company Act</u></p> <p>(2) <u>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</u></p>	<p>regulations of the local country by and concurrently serving as such at the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(2) Not a director, supervisor, or employee of any other company or institution where the chairman, general manager, or someone with an equivalent position of the company is the same person or spouse. (Excluding independent directors appointed in accordance with the Act or the laws and regulations of the local country)</p> <p>(3) Not a director, supervisor, managerial officer or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (provided, if the certain company or institutions holds 20% or more and no more than 50% of the total number of issued shares of the Company; and independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(4) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or the Business Mergers and Acquisitions Act or related laws or regulations.</p>	
Hsiao-Chun Chen	<p>Industrial Experience/ Professional Ability: Making judgments about operations; knowledge of the industry; business management; leadership and decision-making; accounting and taxation</p> <p><u>Major Experience</u> Department of Business Administration, Chung Hua University Accounting Clerk, (MESURE TECHNOLOGY CO., LTD. Possessing the working experience for five years or</p>	<p>During the two years before being elected or during the term of office:</p> <p>(1) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Paragraph 1 or 2, Article 27 of the Company Act (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(2) Not a director, supervisor or employee of another company where a majority of the company's director seats or voting shares and those of any other company are controlled by the same</p>	

Qualifications Name	Professional qualifications and experience	Independence analysis	The number of other public companies Part-time as an independent director for
	<p>more, and the practical experience required by the Company's business</p> <p>(1) <u>None of the conditions indicated under Article 30 of the Company Act</u></p> <p>(2) <u>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</u></p>	<p>person (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(3) Not a director, supervisor, or employee of any other company or institution where the chairman, general manager, or someone with an equivalent position of the company is the same person or spouse. (Excluding independent directors appointed in accordance with the Act or the laws and regulations of the local country)</p> <p>(4) Not a director, supervisor, managerial officer or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (provided, if the certain company or institutions holds 20% or more and no more than 50% of the total number of issued shares of the Company; and independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(5) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or the Business Mergers and Acquisitions Act or related laws or regulations.</p>	
Kuan-Wen Hung	<p>Industrial Experience/ Professional Ability: Making judgments about operations; knowledge of the industry; business management; leadership and decision-making; financial analysis</p> <p><u>Major Experience</u> MBA, National Taipei University CFO of TXC Corporation</p> <p>Possessing the working experience for five years or more, and the practical experience required by the</p>	<p>During the two years before being elected or during the term of office:</p> <p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a natural-person shareholder who holds 1% or more of the total number of issued shares of the company in the name of himself/herself and his/her spouse, underage children, or in someone else's name or is a top-10 shareholding shareholder.</p> <p>(3) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Paragraph 1 or 2, Article 27 of the Company Act (provided, independent</p>	-

Qualifications Name	Professional qualifications and experience	Independence analysis	The number of other public companies Part-time as an independent director for
	<p>Company's business</p> <p>(1) <u>None of the conditions indicated under Article 30 of the Company Act</u></p> <p>(2) <u>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</u></p>	<p>directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(4) Not a director, supervisor or employee of another company where a majority of the company's director seats or voting shares and those of any other company are controlled by the same person (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(5) Not a director, supervisor, or employee of any other company or institution where the chairman, general manager, or someone with an equivalent position of the company is the same person or spouse. (Excluding independent directors appointed in accordance with the Act or the laws and regulations of the local country)</p> <p>(6) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or the Business Mergers and Acquisitions Act or related laws or regulations.</p> <p>(7) Not a spouse or relative within the second degree of kinship with any other director</p>	
Chang-Chiao Han	<p>Industrial Experience/ Professional Ability: Making judgments about operations; knowledge of the industry; business management; leadership and decision-making; accounting and taxation</p> <p><u>Major Experience</u> PhD, Electronic Engineering, Case Western Reserve University General Manager, INTEGRATED CIRCUIT SOLUTION INC. Possessing the working experience for five years or</p>	<p>During the two years before being elected or during the term of office:</p> <p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a director or supervisor of the company or any of its affiliates (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded)</p> <p>(3) Not a natural person shareholder that holds by himself/herself or by his/her spouse or minor child or in someone else's name more than 1% of all circulating shares of the Company or is on the Top 10 shareholding list.</p> <p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third</p>	1

Qualifications Name	Professional qualifications and experience	Independence analysis	The number of other public companies Part-time as an independent director for
	<p>more, and the practical experience required by the Company's business</p> <p>(1) <u>None of the conditions indicated under Article 30 of the Company Act</u></p> <p>(2) <u>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</u></p>	<p>degree of kinship, of a managerial officer under (1) or any of the persons in (2) and (3).</p> <p>(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Paragraph 1 or 2, Article 27 of the Company Act (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(6) Not a director, supervisor or employee of another company where a majority of the company's director seats or voting shares and those of any other company are controlled by the same person (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(7) Not a director, supervisor, or employee of any other company or institution where the chairman, general manager, or someone with an equivalent position of the company is the same person or spouse. (Excluding independent directors appointed in accordance with the Act or the laws and regulations of the local country)</p> <p>(8) Not a director, supervisor, managerial officer or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (provided, if the certain company or institutions holds 20% or more and no more than 50% of the total number of issued shares of the Company; and independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and</p>	

Qualifications Name	Professional qualifications and experience	Independence analysis	The number of other public companies Part-time as an independent director for
		Exchange Act or the Business Mergers and Acquisitions Act or related laws or regulations. (10) Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company.	
Kuo-Lung Yen	<p>Industrial Experience/ Professional Ability: Making judgments about operations; knowledge of the industry; business management; leadership and decision-making; accounting and taxation</p> <p><u>Major Experience</u> Master of Finance, National Chengchi University CPA, Answer CPAS Firm A judge, public prosecutor, attorney, certified public accountant or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company Have work experience in the areas of commerce, law, finance, or accounting or otherwise necessary for the business of the company</p> <p>(1) <u>None of the conditions indicated under Article 30 of the Company Act</u></p> <p>(2) <u>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</u></p>	<p>During the two years before being elected or during the term of office:</p> <p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a director or supervisor of the company or any of its affiliates (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded)</p> <p>(3) Not a natural person shareholder that holds by himself/herself or by his/her spouse or minor child or in someone else's name more than 1% of all circulating shares of the Company or is on the Top 10 shareholding list.</p> <p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons in (2) and (3).</p> <p>(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Paragraph 1 or 2, Article 27 of the Company Act (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(6) Not a director, supervisor or employee of another company where a majority of the company's director seats or voting shares and those of any other company are controlled by the same person (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(7) Not a director, supervisor, or employee of any other company or institution where the chairman, general manager, or someone with an equivalent position of the company is the same person or spouse. (excluding independent directors appointed in accordance with the Act or the laws and regulations of the local country)</p> <p>(8) Not a director, supervisor, managerial officer or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the</p>	1

Qualifications Name	Professional qualifications and experience	Independence analysis	The number of other public companies Part-time as an independent director for
		<p>Company (provided, if the certain company or institutions holds 20% or more and no more than 50% of the total number of issued shares of the Company; and independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or the Business Mergers and Acquisitions Act or related laws or regulations.</p> <p>(10) Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company.</p>	
Ying-Li Lin	<p>Industrial Experience/ Professional Ability: Making judgments about operations; knowledge of the industry; business management; leadership and decision-making; financial analysis</p> <p><u>Major Experience</u> Ph.D., Department of Finance, Business Administration, National Taiwan University of Science and Technology Associate Professor, Department of Finance, Asia University.</p> <p>A judge, public prosecutor, attorney, certified public accountant or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company Have work experience in the areas of commerce, law,</p>	<p>During the two years before being elected or during the term of office:</p> <p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a director or supervisor of the company or any of its affiliates (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded)</p> <p>(3) Not a natural person shareholder that holds by himself/herself or by his/her spouse or minor child or in someone else's name more than 1% of all circulating shares of the Company or is on the Top 10 shareholding list.</p> <p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons in (2) and (3).</p> <p>(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Paragraph 1 or 2, Article 27 of the Company Act (provided, independent</p>	-

Qualifications Name	Professional qualifications and experience	Independence analysis	The number of other public companies Part-time as an independent director for
	<p>finance, or accounting or otherwise necessary for the business of the company</p> <p>(1) <u>None of the conditions indicated under Article 30 of the Company Act</u></p> <p>(2) <u>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</u></p>	<p>directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(6) Not a director, supervisor or employee of another company where a majority of the company's director seats or voting shares and those of any other company are controlled by the same person (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(7) Not a director, supervisor, or employee of any other company or institution where the chairman, general manager, or someone with an equivalent position of the company is the same person or spouse. (Excluding independent directors appointed in accordance with the Act or the laws and regulations of the local country)</p> <p>(8) Not a director, supervisor, managerial officer or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (provided, if the certain company or institutions holds 20% or more and no more than 50% of the total number of issued shares of the Company; and independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or the Business Mergers and Acquisitions Act or related laws or regulations.</p> <p>(10) Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company.</p>	
Nien-Ni Ku	Industrial Experience/ Professional Ability: Operational Judgment, Industry Knowledge, Business	During the two years before being elected or during the term of office: (1) Not an employee of the Company or any of its affiliates.	-

Qualifications Name	Professional qualifications and experience	Independence analysis	The number of other public companies Part-time as an independent director for
	<p>Management, Leadership, Legal Compliance</p> <p><u>Major Experience</u> LLM, Virginia University, the US. Senior Assistant Vice President, Wonderland Group A judge, public prosecutor, attorney, certified public accountant or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company Have work experience in the areas of commerce, law, finance, or accounting or otherwise necessary for the business of the company</p> <p>(1) <u>None of the conditions indicated under Article 30 of the Company Act</u></p> <p>(2) <u>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.</u></p>	<p>(2) Not a director or supervisor of the company or any of its affiliates (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded)</p> <p>(3) Not a natural person shareholder that holds by himself/herself or by his/her spouse or minor child or in someone else's name more than 1% of all circulating shares of the Company or is on the Top 10 shareholding list.</p> <p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons in (2) and (3).</p> <p>(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Paragraph 1 or 2, Article 27 of the Company Act (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(6) Not a director, supervisor or employee of another company where a majority of the company's director seats or voting shares and those of any other company are controlled by the same person (provided, independent directors appointed in accordance with the Act or the laws and regulations of the local country by and concurrently serving as such at the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p> <p>(7) Not a director, supervisor, or employee of any other company or institution where the chairman, general manager, or someone with an equivalent position of the company is the same person or spouse. (Excluding independent directors appointed in accordance with the Act or the laws and regulations of the local country)</p> <p>(8) Not a director, supervisor, managerial officer or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (provided, if the certain company or institutions holds 20% or more and no more than 50% of the total number of issued shares of the Company; and independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent are excluded).</p>	

Qualifications Name	Professional qualifications and experience	Independence analysis	The number of other public companies Part-time as an independent director for
		<p>(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or the Business Mergers and Acquisitions Act or related laws or regulations.</p> <p>(10) Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company.</p>	

6. Board of directors diversity and independence:

Diversity of the Board of Directors: The composition of the Board of Directors of the Company follows the “Corporate Governance Best Practice Principles” and the “Regulations Governing the Election of Directors and Independent Directors” to consider the diversity of the Board of Directors from multiple aspects. The Company has a total of 9 directors, including 4 independent directors, of which 5 are female directors. The policy of director diversity is advocated and respected. Overall performance of the Company. The members of the Board of Directors are elected on the basis of their ability, with diverse and complementary abilities across industries (accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Name	Gender	Age	Duration of Independent Director		Experience				Professional competence		
			More than 3 years	Less than 3 years	Business management	Finance/Accounting	Industrial experience	Professional knowledge	Finance/Accounting	Leadership decision-making ability	Business management
Szu-Ming Chen	Male	41-50 years old			√		√	√		√	√
Yi-Chun Chen	Female	41-50 years old			√		√	√		√	√
Yi-Ching Chen	Female	41-50 years old			√		√	√		√	√
Hsiao-Chun Chen	Female	41-50 years old			√		√	√		√	√
Kuan-Wen Hung	Female	51-60 years old			√	√	√	√	√	√	√
Chang-Chiao Han	Male	61-70 years old	√		√		√	√		√	√
Kuo-Lung Yen	Male	61-70 years old	√		√	√	√	√	√	√	√
Ying-Li Lin	Male	41-50 years old	√		√	√	√	√	√	√	√
Nien-Ni Ku	Female	41-50 years old		√	√		√	√		√	√

Independence of the Board of Directors: The Company has 9 members on the Board, of which 4 are independent directors, accounting for 4/9 of the total seats on the Board. The Company has established an Audit Committee to replace supervisors and the 9 members of the Board are spouses or relatives within the second degree of kinship. The company accounts for 1/3 of the total seats of the board of directors, and thus does not meet the requirements of Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(II) Profile of the General Manager, Deputy General Managers, Assistant Vice Presidents, and Heads of Departments and Branches:

Unit: shares; % Date: April 9, 2023

Title	Nationality	Name	Gender	Commencement date of first term	Shares held		Shares held by spouses and/or children of minor age		Shares held through nominees		Principal work experience and academic qualifications	Positions Held Concurrently in Other Company	Any other managerial officer who is a spouse or a relative within the second degree of kinship of this person		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Chief executive officer (Note 1)	R.O.C.	Szu-Ming Chen	Male	2003.10.01	2,077,481	3.76	638,313	1.16	—	—	EMBA, National Chiao-Tung University Sales Manager, FORMOSA UHV ENGINEERING CO., LTD.	WINAICO B.V., WINAICO Deutschland GmbH, WINAICO Solar Projekt 1 GmbH, WINAICO Japan KK, WINAICO Delaware Co., Ltd., WINAICO AUSTRALIA PTY LTD, director of Nanjing Win Win Precision Technology Co., Ltd., Chairman of Jian Li Investment Co., Ltd.	—	—	—
Deputy General Manager	R.O.C.	Yi-Chun Chen	Female	2003.11.01	1,630,286	2.95	1,669,862	3.03	—	—	Master in Information System, Lawrence Technological University in the US System Engineer, FORMOSA UHV ENGINEERING CO., LTD.	Director of Nanjing Win Win Precision Technology Co., Ltd., director of Zhong Yi Investment Co., Ltd.	Assistant President Deputy General Manager Executive Vice President	Kuo-Hung Cheng Hsiao-Chun Chen Yi-Ching Chen	Spouse Relative within the second-degree kinship Relative within the second-degree kinship
Executive Vice Premier	R.O.C.	Yi-Ching Chen	Female	2008.01.01	4,581,579	8.30	282,240	0.51	—	—	EMBA, Nankai University in Tianjin Quality System Manager, INTEGRATED CIRCUIT SOLUTION INC.	Director of WINAICO Delaware Co., Ltd., WINAICO AUSTRALIA PTY LTD, WINAICO Japan KK, director of Nanjing Win Win Precision Technology Co., Ltd., director of Jian Li Investment Co., Ltd.	Deputy General Manager Deputy General Manager	Yi-Chun Chen Hsiao-Chun Chen	Relative within the second-degree kinship Relative within the second-degree kinship
Deputy General Manager	R.O.C.	Chia-Ming Liu	Male	2022.05.01	18,000	0.03	—	—	—	—	Ph.D., Mechanical Engineering, National Cheng Kung University Chief Technology Officer, E-Hungry Systems Technology Co., Ltd. Manager of ITRI	—	—	—	—

Title	Nationality	Name	Gender	Commencement date of first term	Shares held		Shares held by spouses and/or children of minor age		Shares held through nominees		Principal work experience and academic qualifications	Positions Held Concurrently in Other Company	Any other managerial officer who is a spouse or a relative within the second degree of kinship of this person		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Deputy General Manager	R.O.C.	Hsiao-Chun Chen	Female	2003.11.01	1,177,544	2.13	138,883	0.25	—	—	Department of Business Administration, Chung Hua University Accounting Clerk, (MESURE TECHNOLOGY CO., LTD.	Director of Zhong Yi Investment Co., Ltd., supervisor of Nanjing Win Win Precision Technology Co., Ltd.	Deputy General Manager Executive Vice President	Yi-Chun Chen Yi-Ching Chen	Relative within the second-degree kinship Relative within the second-degree kinship
Deputy General Manager and Chief Financial Officer	R.O.C.	Lung-Yao Hsu	Male	2009.11.04	108,832	0.20	109,405	0.20	—	—	Department of Commerce, National Taiwan University General manager assistant of HannsTouch Solution Incorporated, Chief of Nano Dragon Technology Management Division	—	—	—	—
Assistant President	R.O.C.	Wen-Jen Lin(Note 2)	Male	2010.02.22	1,248,288	2.26	2,051,860	3.72	—	—	Master of Chemistry, National Taiwan University Assistant president of HannsTouch Solution Incorporated, Assistant president of CANDO Corp.,	—	—	—	—
Assistant President	R.O.C.	Kuo-Hung Cheng	Male	2022.01.01	—	—	—	—	—	—	Department of Business Administration, Chung Hua University Senior engineer of UNITED MICROELECTRONICS CORP.	—	Deputy General Manager	Yi-Chun Chen	Spouse
Assistant President	R.O.C.	Yi-Liang Chen	Male	2018.08.21	10,954	0.02	—	—	—	—	Ph.D., Institute of Microelectronics, National Cheng Kung University Chief of R&D Department, Sunshine Photonics Co., Ltd.	—	—	—	—
Assistant President	R.O.C.	Yung-Lung Lin	Male	2021.12.22	30,000	0.05	—	—	—	—	Department of Industrial Engineering and Management, Mingzhi University of Science and Technology Chief of Manufacturing Center of Chongqing Topcrown Technology Co., Ltd.	—	—	—	—

Title	Nationality	Name	Gender	Commencement date of first term	Shares held		Shares held by spouses and/or children of minor age		Shares held through nominees		Principal work experience and academic qualifications	Positions Held Concurrently in Other Company	Any other managerial officer who is a spouse or a relative within the second degree of kinship of this person		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Assistant President	R.O.C.	Hsien-Ming Tu	Male	2022.01.01	250,086	0.45	—	—	—	—	Department of Automation, Feng Chia University Manager of UNITED MICROELECTRONICS CORP.	—	—	—	
Accounting Officer	R.O.C.	Ching-Yi Fang(Note 3)	Female	2023.03.20	—	—	—	—	—	—	Master of Finance, National Chiao Tung University Senior Manager, Finance and Accounting Dept., Medimaging Integrated Solution Inc.	—	—	—	

Note 1: The Chairman of the Company also serves as the CEO. In order to improve the operating efficiency and decision-making execution ability, the Chairman communicated with the Directors on the operating status, plans and policies of the Company in order to implement corporate governance. In order to strengthen the independence of the board of directors, the company has increased the independence The way of director seats is to enhance the function of the board of directors and strengthen the function of supervision.

Note 2: Retired in April 2023.

Note 3: Started in March 2023, pending appointment of latest board of directors.

III. Remuneration paid to directors, supervisors, general managers, and deputy general managers in the latest year:

(I) Remuneration to directors and supervisors

1. Remuneration to directors

Unit: NT\$ thousand

Title	Name	Remuneration of Directors								Total Remuneration (A+B+C+D) as a % of the Net Income	Relevant remunerations received by Directors who are also employees								Sum of A, B, C, D, E, F and G as a percentage of net income (%)		Claim of remunerations from re-invested businesses other than subsidiaries or the parent company							
		Remuneration (A)		Retirement allowance/severance (B)		Remuneration to Directors (C)		Businesses execution expenses (D)			Salary, bonus and special disbursement (E)		Retiring allowance/severance (F)		Employees' Profit Sharing Bonus (G)		Number of Shares Subscribed Through Employee Stock Options (H)					Number of Shares of Employee Restricted Stocks (I)						
		This company	Companies in the financial statements	This company	Companies in the financial statements	This company	Companies in the financial statements	This company	Companies in the financial statements		This company	Companies in the financial statements	This company	Companies in the financial statements	This company	Companies in the financial statements	This company	Companies in the financial statements	This company	Companies in the financial statements		This company	Companies in the financial statements	This company	Companies in the financial statements			
Chairman	Szu-Ming Chen																											
Director	Yi-Chun Chen																											
Director	Yi-Ching Chen																											
Director	Hsiao-Chun Chen																											
Director	Kuan-Wen Hung (Note 1)	200	200	0	0	0	0	35	35	0.05	0.05	57,026	57,026	420	420	430	0	430	0	0	0	0	0	0	11.34	11.34	None	
Director	Ssu-Hao Chen (Note 2)																											
Director	UMC Capital (Note 2)																											
Independent Director	Chang-Chiao Han																											
Independent Director	Kuo-Lung Yen	600	600	0	0	0	0	125	125	0.14	0.14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.14	0.14	None
Independent Director	Ying-Li Lin																											
Independent Director	Nien-Ni Ku (Note 3)																											

Note: Remuneration to independent directors in 2022 includes the following: 1. The remuneration was determined in accordance with the Articles of Incorporation by taking into consideration the level of participation of independent

directors in the Company's operations, the value of contribution, and the level of peers in the industry. 2. Operational expenses are paid based on the attendance of the Board of Directors.

Note 1: Dismissed from the post of supervisor and elected as the director for the first time in the full the re-election in the shareholders' meeting on June 17, 2022.

Note 2: Dismissed from the post of director in the full the re-election in the shareholders' meeting on June 17, 2022.

Note 3: Elected as the independent director for the first time in the full the re-election in the shareholders' meeting on June 17, 2022.

Director Remuneration Grade Table

Range of remuneration to the Company's Directors	Name of Directors			
	Total amount of the first four remunerations (A + B + C + D)		Total amount of the first seven remunerations (A + B + C + D + E + F + G)	
	This company	All companies in the financial statements (I)	This company	All companies in the financial statements (J)
Less than NT\$1,000,000	Szu-Ming Chen, Yi-Chun Chen, Hsiao-Chun Chen, Yi-Ching Chen, Kuan-Wen Hung (Note 1), Ssu-Hao Chen (Note 2), Chang-Chiao Han, Kuo-Lung Yen, Ying-Li Lin, Nien-Ni Ku (Note 3), UMC Capital (Note 2)	Szu-Ming Chen, Yi-Chun Chen, Hsiao-Chun Chen, Yi-Ching Chen, Kuan-Wen Hung (Note 1), Ssu-Hao Chen (Note 2), Chang-Chiao Han, Kuo-Lung Yen, Ying-Li Lin, Nien-Ni Ku (Note 3), UMC Capital (Note 2)	Kuan-Wen Hung (Note 1), Chang-Chiao Han, Kuo-Lung Yen, Ying-Li Lin, Nien-Ni Ku (Note 3), UMC Capital (Note 2)	Kuan-Wen Hung (Note 1), Chang-Chiao Han, Kuo-Lung Yen, Ying-Li Lin, Nien-Ni Ku (Note 3), UMC Capital (Note 2)
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	-	-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	-	-	Ssu-Hao Chen (Note 2)	Ssu-Hao Chen (Note 2)
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	-	Hsiao-Chun Chen	Hsiao-Chun Chen
NT\$ 5,000,000 (inclusive) ~ NT\$ 10,000,000 (exclusive)	-	-	-	-
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-	Szu-Ming Chen, Yi-Chun Chen, Yi-Ching Chen	Szu-Ming Chen, Yi-Chun Chen, Yi-Ching Chen
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-	-	-
Over NT\$100,000,000	-	--	-	-
Total	11 people	11 people	11 people	11 people

Note 1: Dismissed from the post of supervisor and elected as the director for the first time in the full the re-election in the shareholders' meeting on June 17, 2022.

Note 2: Dismissed from the post of director in the full the re-election in the shareholders' meeting on June 17, 2022.

Note 3: Elected as the independent director for the first time in the full the re-election in the shareholders' meeting on June 17, 2022.

2. Remuneration to supervisors

Title	Name	Remunerations for supervisors						Sum of A, B, and C as a percentage of net income (%)		Claim of remunerations from re-invested businesses other than subsidiaries or the parent company
		Remuneration (A)		Remunerations (B)		Operating expenditure (C)		This company	Companies in the financial statements	
		This company	Companies in the financial statements	This company	Companies in the financial statements	This company	Companies in the financial statements			
Supervisors	Fang-Chou Chang	600	600	-	-	15	15	0.12	0.12	None
Supervisors	Pai-Chan Chang									
Supervisors	Kuan-Wen Hung									

Note: The supervisors were discharged after the re-election of directors in the general shareholders' meeting on June 17, 2022. After the re-election, all independent directors formed an Audit Committee to replace the supervisory function.

Range of remunerations for supervisors

Range of remunerations paid to supervisors of the Company	Name of supervisor	
	Sum of the first three remunerations (A+B+C)	
	This company	All companies in the financial statements (D)
Less than NT\$1,000,000	Fang-Chou Chang, Pai-Chan Chang, Kuan-Wen Hung	Fang-Chou Chang, Pai-Chan Chang, Kuan-Wen Hung
Total	3 people	3 people

Note: The supervisors were discharged after the re-election of directors in the general shareholders' meeting on June 17, 2022. After the re-election, all independent directors formed an Audit Committee to replace the supervisory function.

(II) Total salaries, bonuses, special expenditures, and bonuses to the general manager and deputy general managers

Unit: In Thousands of New Taiwan Dollars/Thousand Shares

Title	Name	Salaries (A)		Retirement allowance/severance (B)		Rewards and special disbursements (C)		Employee remuneration (D)				Total Remuneration (A+B+C+D) as a % of the Net Income		Number of Shares of Employee Stock Options Obtained		Number of Shares of Employee Restricted Stocks Obtained		Claim of remunerations from re-invested businesses other than subsidiaries or the parent company
		This company	Companies in the financial statements	This company	Companies in the financial statements	This company	Companies in the financial statements	This company		Companies in the financial statements		This company	Companies in the financial statements	This company	Companies in the financial statements	This company	Companies in the financial statements	
								Current value	Stock value	Current value	Stock value							
Chief Executive Officer	Szu-Ming Chen	59,978	59,978	503	503	111	111	500	-	500	-	11.92	11.92	-	-	-	-	None
Executive Vice President	Yi-Ching Chen																	
Deputy General Manager	Yi-Chun Chen																	
Deputy General Manager	Chia-Ming Liu																	
Deputy General Manager	Hsiao-Chun Chen																	
Deputy General Manager Chief Financial Officer	Lung-Yao Hsu																	

Remuneration Grade Table to General Manager and Deputy General Managers

Bracket by which remunerations are paid to respective general managers and deputy general managers of the Company	Name of General Manager/Deputy General Manager	
	This company	All companies included in the financial statements
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Chia-Ming Liu, Lung-Yao Hsu	Chia-Ming Liu, Lung-Yao Hsu
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Hsiao-Chun Chen	Hsiao-Chun Chen
NT\$ 5,000,000 (inclusive) ~ NT\$ 10,000,000 (exclusive)	-	-
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	Szu-Ming Chen, Yi-Chun Chen, Yi-Ching Chen	Szu-Ming Chen, Yi-Chun Chen, Yi-Ching Chen
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-
Over NT\$100,000,000	-	-
Total	6 people	6 people

1. Names of managerial officers who received employee compensation:

Date: April 30, 2023; unit: NT\$ thousand

Title	Name	Stock value	Current value	Total	Total as % of the Net Income
Chief Executive Officer	Szu-Ming Chen	0	650	650	0.13
Executive Vice President	Yi-Ching Chen				
Deputy General Manager	Yi-Chun Chen				
Deputy General Manager	Chia-Ming Liu				
Deputy General Manager	Hsiao-Chun Chen				
Assistant President	Wen-Jen Lin (Note 1)				
Assistant President	Yi-Liang Chen				
Assistant President	Hsien-Ming Tu				
Assistant President	Yung-Lung Lin				
Assistant President	Kuo-Hung Cheng				
Chief Financial Officer	Lung-Yao Hsu				
Accounting Officer	Ching-Yi Fang (Note 2)				
Accounting Officer	Mei-Ling Teng (Note 3)				

Note 1: Retired in April 2023.

Note 2: Started in March 2023, pending appointment of latest board of directors.

Note 3: Resigned in March 2023.

(III) Compare and explain the total remuneration paid to the directors, supervisors, general manager, and Deputy general managers of the Company in the most recent 2 years by the Company and all companies included in the consolidated financial statements as a percentage of net income after tax Correlation between remuneration procedures and business performance and future risks:

Title	2022		2021	
	This company	All consolidated entities	This company	All consolidated entities
Director	11.48%	11.48%	61.80%	61.80%
Supervisors	0.12%	0.12%	1.23%	1.23%
General Manager and Deputy General Manager	11.92%	11.92%	59.31%	59.31%

The remuneration to the Company's directors and supervisors includes transportation, service remuneration, and earnings distribution. The transportation allowance is negotiated based on their attendance status and with reference to the domestic industry standard. The earnings distribution is in accordance with the Company's Articles of Incorporation. The Board of Directors drafts the proposal for the distribution. The remuneration to the general manager and Deputy general managers, including salaries, bonuses, and employee bonuses, is determined in accordance with their positions, responsibilities, and performance, and with reference to the standards of the same industry in the same industry. The funds are released after being reviewed and approved by the Remuneration Committee and the Board of Directors for approval.

IV. State of the Company's Implementation of Corporate Governance

(I) Operation of the Board of Directors

The Board of Directors held 7 meetings in the latest year. The attendance of directors is as follows:

Title	Name	Number of times of attendance in person	Frequency of attendance through proxy	Actual attendance rate (%)	Notes
Chairman	Szu-Ming Chen	7	-	100	The director was re-elected in the re-election on June 17, 2022, with a total of 7 attendances required.
Director	Yi-Chun Chen	6	1	86	The director was re-elected in the re-election on June 17, 2022, with a total of 7 attendances required.
Director	Hsiao-Chun Chen	7	-	100	The director was re-elected in the re-election on June 17, 2022, with a total of 7 attendances required.
Director	Yi-Ching Chen	7	-	100	The director was re-elected in the re-election on June 17, 2022, with a total of 7 attendances required.
Director	Kuan-Wen Hung	5	-	100	The new director was elected in the re-election on June 17, 2022, with a total of 5 attendances required.
Director	Ssu-Hao Chen	-	-	-	The director was dismissed in the re-election on June 17, 2022, with a total of 2 attendances required.
Director	UMC Capital Representative: Chang-Yu Liu	2	-	100	The director was dismissed in the re-election on June 17, 2022, with a total of 2 attendances required.
Independent Director	Chang-Chiao Han	7	-	100	The director was re-elected in the re-election on June 17, 2022, with a total of 7 attendances required.
Independent Director	Ying-Li Lin	6	-	86	The director was re-elected in the re-election on June 17, 2022, with a total of 7 attendances required.
Independent Director	Kuo-Lung Yen	7	-	100	The director was re-elected in the re-election on June 17, 2022, with a total of 7 attendances required.
Independent Director	Nien-Ni Ku	5	-	100	The new director was elected in the re-election on June 17, 2022, with a total of 5 attendances required.
Supervisors	Kuan-Wen Hung	2	-	100	The director was dismissed in the re-election on June 17, 2022, with a total of 2 attendances required.

Supervisors	Fang-Chou Chang	1	-	50	The director was dismissed in the re-election on June 17, 2022, with a total of 2 attendances required.
Supervisors	Pai-Chan Chang	-	-	-	The director was dismissed in the re-election on June 17, 2022, with a total of 2 attendances required.

Other details to be documented:

- I. In case of any following situation during the operation of the Board of Directors, the date, meeting, description of proposal, opinions from all independent directors and the Company's treatment to such opinions shall be specified.
- (I) Conditions described in Article 14-3 of the Securities and Exchange Act: Not applicable, the Company has established an Audit Committee, and the matters referred to in Article 14-5 of the Securities and Exchange Act shall apply.
- (II) Other than the aforementioned, any resolution of the Board of Directors meetings objected to by the independent directors or with reserved opinions, recorded or by written statements: None.
- II. In the implementation of a director's recusal for being an interested party in a proposal, the director's name, the proposal content, the recusal reasons and his or her participation in voting should be stated:

Board meeting date/session	Content of Motions	Reason for avoidance	Voting result
March 31, 2022 The 13th session of the 7th term	The distribution of remunerations for the 7th board of directors and supervisors in 2021.	Chang-Chiao Han, Chang-Yu Liu, Ying-Li Lin, Nien-Ni Kuo, and Yu-Chang Liu, the Representative of UMC Capital are subject to the proposal, so they recused themselves due to conflict of interest.	The motion was unanimously approved by all other present directors.
July 26, 2022 The 2nd session of the 8th term	Managerial officers' participation in the allocation of employee stock options in the 2022 cash capital increase of the Company.	Szu-Ming Chen, Yi-Chun Chen, Hsiao-Chun Chen, and Yi-Ching Chen are subject to the proposal, so they recused themselves due to conflict of interest.	The motion was unanimously approved by all other present directors.
August 11, 2022 The 3rd session of the 8th term	Proposal to amend the "Procedures for Issuing and Subscribing the First Employees Warrants for 2022."	Szu-Ming Chen, Yi-Chun Chen, Hsiao-Chun Chen, and Yi-Ching Chen are subject to the proposal, so they recused themselves due to conflict of interest.	The motion was unanimously approved by all other present directors.

- III. Assessment of the reinforced functional objectives of the Board of Directors (*e.g.*, to set up the Audit Committee and to enhance information transparency, among others) and implementation status of the objectives of the immediate year and the latest year
- The Company's 1st Audit Committee was formally established on August 11, 2022. It consists of four independent directors. The committee meeting is held at least once per quarter. performance, the effective implementation of the Company's internal control, the Company's compliance with relevant laws and regulations, and the management and control of the Company's existing or potential risks. The Audit Committee convened 3 times in 2022 and the meeting was conducted smoothly.
 - The Company's first Remuneration Committee was formally established on December 19, 2011, consisting of three independent directors. In order to strengthen corporate governance, an additional independent director was added during the re-election of the shareholders' meeting in 2022. Currently, the Remuneration Committee consists of four independent directors. composition. The Remuneration Committee held 2 meetings in 2022 and it was operating smoothly.

(II) Operation of the Audit Committee or participation of supervisors in the operation of the Board of Directors

1. The Audit Committee held 3 meetings (A) in the last year, and the attendance of independent directors is as follows:

Title	Name	No. of meetings attended in person (B)	Frequency of attendance through proxy	In-person attendance rate (%) (B/A)	Notes
Independent Director	Chang-Chiao Han	3	-	100	
Independent Director	Ying-Li Lin	2	-	67	
Independent Director	Kuo-Lung Yen	3	-	100	
Independent Director	Nien-Ni Ku	3	-	100	

Other details to be documented:

I. If the operation of the Audit Committee is under any of the following circumstances, the date, term, proposal content of the meetings of the Audit Committee, resolution of the Audit Committee, the objections, reservations or major recommendations of the independent directors, the results of the Audit Committee's resolutions and the Company's handling of the Audit Committee's opinions should be described:

(I) Matters specified in Article 14-5 of the Securities and Exchange Act:

Meeting date (Term)	Content of Motions	Objection, qualified opinions, or key recommendation of any independent director	The outcomes of audit committee resolutions	The measures taken by the Company based on the opinions of the audit committee
August 11, 2022 The 1st session of the 1st term	<ol style="list-style-type: none"> Proposal to amend some operating requirements of the "internal control system" Consolidated financial statements for the first half of 2022 Proposal to establish a company in Mainland China Proposal to establish the subsidiary in Taiwan Proposed issuance of employee share warrants to the list of employees 	None.	The proposal was unanimously approved by all attending members upon inquiry by the chairperson.	Proposed to the 3rd session of the 8th term board of directors for a resolution and handled in accordance with the resolution of the board of directors.
October 17, 2022 The 2nd session of the 1st term	<ol style="list-style-type: none"> The Company's proposal to acquire 100% equity of WINAICO Deutschland GmbH (hereinafter referred to as DE Company) from its subsidiary, WINAICO BV Amendments to the "Guidelines for Handling Acquisition and Disposal of Assets" Amendment to the Company's "Internal Control System - Computer Operating System Control Cycle" Amendments to the Company's "Rules of Procedure for Board of Directors Meetings" Amendments to the Company's "Procedures for Handling Material Internal Information" Stipulation of the "Operational Procedures for Applying for Suspension and Resumption of Trading in Emerging Stock Market" Establishment of the Company's "Insider Reporting Management Procedures" Establishment of the Company's "Self-Evaluation of the Performance of the Board of Directors" 	None.	The proposal was unanimously approved by all attending members upon inquiry by the chairperson.	Proposed to the 4th session of the 8th term board of directors for resolution and handled in accordance with the resolution of the board of directors.

December 28, 2022 The 3rd session of the 1st term	<ol style="list-style-type: none"> 1. The 1st session of the 1st term change of the Company's capital contribution to the joint venture with changes to the resolutions in Proposal 3 of the first meeting of the 1st Audit Committee. 2. Proposed capital increase in subsidiary, WINAICO Japan KK 3. The Company's 2023 audit plan 4. Amendments to the Company's "Internal Control System - Computer Operating System Control Cycle" 5. Amendments to the Company's "Internal Control System - Revolving Sales and Collections" procedure 6. Amendments to the Company's "Internal Control System - Production Cycle" 7. Amendment to the "Schedule of Approval Authorities" 8. Application for general performance endorsements and guarantees by the Company 	None.	The proposal was unanimously approved by all attending members upon inquiry by the chairperson.	Proposed to the 5th session of the 8th term board of directors for a resolution and handled in accordance with the resolution of the board of directors.
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(II) In addition to the previous matters, other matters that have not been approved by the Audit Committee but approved by more than two-thirds of all directors: None.

II. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None.

III. Communication between independent directors and the internal chief auditor and accountants (including material matters, methods, and results of communication on the Company's financial and business status):

(I) Independent directors have direct communication channels with the internal audit supervisor and CPAs, and the communication is good.

(II) The Company's Audit Committee will be convened on a regular basis, and CPAs, audit supervisors, and relevant supervisors may also be invited to the meeting as non-voting guests.

(III) The internal audit officer submits the audit summary report to the Audit Committee on a quarterly basis according to the annual audit plan.

(IV) Communication meetings between the Company's independent directors and internal auditors and accountants are held at least twice a year. A meeting may be convened at any time in case of major irregularities.

2. The Board of Directors held 7 meetings in the latest year, and attendance by Supervisors is as follows:

Title	Name	Number of times of attendance in person	Actual attendance rate (%)	Notes
Supervisors	Kuan-Wen Hung	2	100	The director was dismissed in the re-election on June 17, 2022, with a total of 2 attendances required.
Supervisors	Fang-Chou Chang	1	50	The director was dismissed in the re-election on June 17, 2022, with a total of 2 attendances required.
Supervisors	Pai-Chan Chang	-	-	The director was dismissed in the re-election on June 17, 2022, with a total of 2 attendances required.

Other details to be documented:

I. Composition and Responsibilities of Supervisors:

- (I) Communication between supervisors and the Company's employees and shareholders:
Supervisors may exercise their powers of supervision in a timely manner. When necessary, they may communicate with the employees and shareholders of the Company in a timely manner. Supervisors may review the internal audit report of the Company and track the implementation of the Company's internal control and internal audit.
- (II) Communication between supervisors and internal audit supervisors and accountants:
Supervisors of the Company review the reports of the audit unit on a regular basis. During the audit, the CPA firm will send a letter to the corporate governance unit to inform the supervisor of the audit information.

II. If supervisors are present at the board meeting to express their opinions, the date and session of the meeting, the content of the proposal, the resolution of the board meeting, and the Company's response to the opinions expressed by the supervisors should be specified: None.

(III) Corporate governance practices and deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons:

Assessed areas	Operational status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Does the company establish and disclose its corporate governance best practice principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?		✓	The Company has established the Corporate Governance Best-Practice Principles, to establish an effective corporate governance framework, protect the rights and interests of shareholders, strengthen the powers of the board of directors, fulfill the function of the audit committee, respect the rights and interests of stakeholders, and enhance information transparency, with related regulations.	None
II. Shareholding structure and shareholders' rights		✓	(I) The Company has established the "Rules and Procedures of Shareholders' Meeting," with spokesperson and the contact window for shareholder service in place to handle the shareholders' suggestions, questions and disputes. The contact methods are disclosed on the Company's website.	Same as the summary.
(I) Does the Company have internal operating procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(II) The Company grasp the list of the major shareholder substantially controlling the Company and the ultimate controllers of major shareholders through the shareholder roster provided by the shareholder service agency at the book closure.	None
(II) Does the Company possess a list of major shareholders and beneficial owners of these major shareholders?	✓		(III) The Company has established the "Rules Governing Financial and Business Matters Between Win Win Precision Technology Co., Ltd. and its Affiliated Enterprises" to regulate the business dealings between the Company and the affiliates. The Rules were approved on December 16, 2010 upon the resolution adopted by the Board, to be implemented accordingly. Between the Company and the affiliates, there are specific management accountabilities regarding personnel, assets, and finance.	None
(III) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	✓		(IV) The Company has established the Procedures for Handling Material Inside Information," and fully inform the insiders of the Company to comply with.	None
(IV) Has the Company established internal rules prohibiting insider trading on undisclosed information?	✓			None

Assessed areas	Operational status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>III. Composition and Responsibilities of the Board of Directors</p> <p>(I) Has the Board of Directors developed and implemented a diversified policy for the composition of its members?</p> <p>(II) Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other functional committees?</p> <p>(III) Has the Company established standards and method for evaluating the performance of the Board of Directors, and implemented the performance evaluation annually?</p> <p>(IV) Does the Company regularly evaluate its external auditors' independence?</p>	<p>✓</p> <p></p> <p></p> <p>✓</p>	<p></p> <p>✓</p> <p>✓</p> <p></p>	<p>(I) The Company's nomination of independent directors is based on the rigorous selection of professionals from different fields such as industry, academia, etc., and the board members actively provide suggestions as an important reference for the Company's management team's decision-making.</p> <p>(II) The Company has the Remuneration Committee and the Audit Committee in place, and will establish other functional committees as needed in the future.</p> <p>(III) The Company has established the "Rules for Performance Evaluation of Board of Directors" for regular performance evaluation.</p> <p>(IV) The Company's attesting CPAs are evaluated by the Board for their independence and professional capabilities before the engagement.</p>	<p>None</p> <p>Same as the summary.</p> <p>None</p> <p>None</p>
<p>IV. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?</p>	<p>✓</p>		<p>The Company's Department of Finance appoints dedicated personnel to take charge of organizing matters relating the Board of Directors' and shareholders' meetings, taking care of registration and alteration registration of the company, producing minutes of the Board of Directors' and shareholders' meetings, providing information required for directors and supervisors to carry out their tasks, make corporate registration and change registration.</p>	<p>Same as the summary.</p>
<p>V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?</p>		<p>✓</p>	<p>The Company establishes the communication channels with the stakeholders through the Company's website, telephone and fax; however, the stakeholder-specific section is not yet established at the official website, and will be established depending on the actual needs.</p>	<p>Same as the summary.</p>
<p>VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?</p>	<p>✓</p>		<p>The Company has appointed the stock registrar of Grand Fortune Securities Co., Ltd. to handle the affairs of the Shareholders' Meeting.</p>	<p>None</p>
<p>VII. Information Disclosure</p> <p>(I) (I) Has the Company established a public website to disclose operational, financial, and corporate governance information?</p> <p>(II) Does the company have other information disclosure channels (e.g., maintaining an English website, appointing responsible people to handle information collection and disclosure, enforcing a spokesperson system, webcasting investor conference on company website)?</p> <p>(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?</p>	<p>✓</p> <p></p> <p>✓</p>	<p></p> <p></p> <p>✓</p>	<p>(I) The Company has established a corporate website at http://www.wwpt.com.tw for the reference of shareholders and the general public. In the future, the Company will enhance the disclosure of relevant financial and business information as needed.</p> <p>(II) The Company has set up a spokesman system, and the spokesperson or an acting spokesperson speaks on behalf of the Company. In addition, dedicated personnel have been assigned to collect information on the Company and to disclose the Observation Post System in accordance with regulations.</p> <p>(III) The Company is an emerging stock exchange company, which applies to the announcement and filing of the annual financial statements within four months after the end of the fiscal year. The Company also completes the announcement and filing of the second quarter financial statements and the operating status of each month before the specified deadline.</p>	<p>None</p> <p>None</p> <p>Same as the summary.</p>

Assessed areas	Operational status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		<p>(I) The Company treats its employees and customers with due responsibilities to the society, and adopts the following measures for the rights and interests of employees and employee care:</p> <ol style="list-style-type: none"> 1. The Company has established the Employee Welfare Committee, which will handle the welfare matters for the Company's employees. 2. In addition to labor insurance and national health insurance, the Company has also purchased group accident insurance, overseas travel insurance, and overseas emergency hospital medical insurance for all employees. The insurance expenses are entirely borne by the Company. 3. The Company also has the health checkup for new recruits and annual health checkup for active employees. All employees of the Company participate in labor insurance and health insurance. All benefits are provided in accordance with the relevant regulations. 4. Appropriate pensions according to laws. 5. Provide employees with on-the-job training. 6. Provide employees with grievance channels. 7. Enforce the Act of Gender Equality in Employment. 8. Enforcement of the Sexual Harassment Prevention Act. <p>(II) Investor relations, supplier relations, and rights of stakeholders: The Company has a dedicated unit to deal with investors' suggestions or questions; it has good financial and business relations with suppliers and stakeholders, and is based on the principle of equality and mutual benefit to create the best interests of both parties.</p> <p>(III) Continuing education of directors and supervisors Please refer to the Director's Education and Training Table in this annual report</p> <p>(IV) For the implementation of risk management policies and risk measurement standards, please refer to Seven. VI. Risk Analysis and Evaluation (page 100) of this annual report.</p> <p>(V) The Company maintains smooth communication channels with customers, and the implementation is good.</p> <p>(VI) The Company has purchased liability insurance for directors and supervisors in 2022.</p>	None
IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement: The Company is not a TWSE or TPEX listed company, so it was not included among the companies evaluated.				

(IV) Composition, responsibilities and operations of the Compensation Committee:

1. Information on members of the Compensation Committee:

Status	Qualifications Name	Professional qualifications and experience	Independence analysis	Number of other public offering companies with part-time membership of their Compensation Committee
Independent Director	Chang-Chiao Han	Please refer to "Disclosure of directors' professional qualifications and independence of the independent directors."		-
Independent Director	Kuo-Lung Yen			2
Independent Director	Ying-Li Lin			-
Independent Director	Nien-Ni Ku			-

2. Operation

- (1). The Company's Compensation Committee has 4 members in total.
- (2). Term of office for this session: June 17, 2022 to June 16, 2025. The Committee has held 5 meetings (A) in the most recent fiscal year (2022), and the qualifications and attendance of the members are shown as follows:

Title	Name	No. of meetings attended in person	Frequency of attendance through proxy	Actual attendance rate (%)	Notes
Convener	Chang-Chiao Han	5	-	100	The director was re-elected in the re-election on June 17, 2022, with a total of 5 attendances required.
Member	Kuo-Lung Yen	5	-	100	The director was re-elected in the re-election on June 17, 2022, with a total of 5 attendances required.
Member	Ying-Li Lin	4	-	80	The director was re-elected in the re-election on June 17, 2022, with a total of 5 attendances required.
Member	Nien-Ni Ku	3	-	100	The new director was elected in the re-election on June 17, 2022, with a total of 3 attendances required.

Other details to be documented:

- I. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): none
- II. If the Compensation Committee members have objections or reservations and there are records or written statements from the meetings, the date, term, proposal content, opinions of all members and the handling of their opinions shall be clearly stated: None.

(V) Promotion of Sustainable Development Implementation Status and Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”

Assessed areas	Operational status			Departure from Corporate Social Responsibility Best Practice Principles for TWSE/GTSM listed companies and reasons
	Yes	No	Summary	
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (or one holding concurrent positions) unit to promote sustainable development, with the board authorizing the senior management to manage the organization which is supervised by the board?	✓		While pursuing sustainable operation and profitability, the Company also fulfills its corporate social responsibilities, attaches great importance to the rights and interests of stakeholders, and focuses on environmental, social and corporate governance issues, and incorporates them into the corporate management policy based on operational needs and materiality principles and business activities.	None
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company’s operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?		✓	Currently, the General Administration Office is the coordinator for promoting social care activities from time to time. In the future, the implementation of social responsibilities will be reported to the Board of Directors as needed.	Same as the summary.
III. Environmental Issues				
(I) Has the Company set an environmental management system designed to industry characteristics?	✓		(I) The Company has introduced the environmental management system ISO14001:2015 environmental management system certification.	None
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		(II) The Company has introduced the environmental management system ISO14001:2015 environmental management system certification.	None
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?		✓	(III) The Company has not yet evaluated the potential risks and opportunities from the climate changes to the current and future Company, and take countermeasures to the climate related issues; the improvement will be made gradually in the future.	Same as the summary.
(IV) Has the Company had statistics of the greenhouse gas emission, water usage and the total weight of wastes in the past two years, as well as established the policies for greenhouse gas reduction, water reduction and other waste management?	✓		(IV) The Company has introduced the environmental management system ISO14001:2015 environmental management system certification.	None
IV. Social issues				
(I) Does the Company establish policies and procedures in compliance with regulations and internationally recognized human rights principles?	✓		(I) The company has formulated the "Win Win Precision Co., Ltd. Human Rights Policy" applicable to the company, its subsidiaries and the company's supply chain. In addition to the commitment to respect internationally recognized basic human rights, this human rights policy includes the United Nations Universal Declaration of Human Rights, the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work "(Declaration of Fundamental Principles and Rights at Work), etc., and oppose any discrimination and rights violations (such as forced labor and child labor, etc.), and abide by relevant labor laws and regulations to protect employees' legal rights..	None None None
(II) Has the Company appropriately reflected the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources and achieve the objective of sustainable operations?	✓		(II) The Company has enacted the “Salary Management Regulations” and “Rules Governing the Management of Employee Rewards and Punishments” and implemented various regulations governing employee welfare.	None
(III) Does the Company provide employees with a safe and healthy work environment as well as periodic safety and health education?	✓		(III) The Company has introduced the ISO45001:2018 occupational health and safety management system, and has designated personnel to regularly inspect related public safety and health matters, and regularly disseminate environmental safety and health matters to employees.	None
(IV) Has the Company established an effective career development training program for employees?	✓		(IV) The Company has “Education and Training Management Regulations” in place. Internal and external continuing courses are organized according to	None

Assessed areas	Operational status			Departure from Corporate Social Responsibility Best Practice Principles for TWSE/GTSM listed companies and reasons
	Yes	No	Summary	
<p>(V) Has the Company followed relevant laws, regulations and international guidelines when marketing or labeling their products and services and established the relevant police to protect consumers' interest and the complaint procedure?</p> <p>(VI) Has the Company established the supplier management policies, to require the suppliers to comply with related regulations of the environment, occupational health and safety and labor's rights and what is the status of the implementation?</p>	<p>✓</p> <p>✓</p>		<p>department's work to upgrade employees' professional skills.</p> <p>(V) The Company follows customer requirements, industry regulations, and international standards for product marketing and labeling.</p> <p>(VI) The Company has established the "Supplier Management Procedure", "Procurement Management Procedure" and related management measures. Before transacting with major suppliers, the Company conducts supplier evaluations, which include ISO quality and environmental protection standards.</p>	
V. Does the Company prepare the reports disclosing the Company's non-financial information, such as CSR reports, by referring the internationally recognized reporting standards or guidelines? Are the aforementioned reports assured or attested to by any third-party certifier?		✓	The Company has not prepared the CSR report; in the future, the CSR report will be prepared with related information disclosed when needed.	Same as the summary.
VI. If the Company has its own CSR principles established according to the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, please describe the differences between its implementation and the principles: The Company has not yet established the "Corporate Social Responsibility Best Practice Principles."				
VII. Other Important Information to Help Understand Utilization of Corporate Social Responsibilities: The Company initiated charity donation among employees to provide proper support to disadvantaged group.				

(VI) Deviation between Implementing Ethical Management and Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons:

Assessed areas	Operational status			Departure from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
I. Establishment of ethical corporate management policy and proposal				
(I) Has the Company declared its ethical corporate management policies and procedures as well as the commitment of its Board of Directors and management to implementing the management policies in its rules and external documents?	✓		(I) The Company has the [Ethical Corporate Management Best-Practice Principles] and related regulations in place upon the approval of the Board, and disclose the related policies and approaches in the regulations and website, while implemented the philosophy of ethical management in daily operations.	None
(II) Has the Company established policies to prevent unethical conduct with relevant procedures, guidelines of conduct, punishment for violation, rules of appeal clearly stated in the policies, and implemented the policies?	✓		(II) The Company has the [Procedures for Ethical Management and Guidelines for Conduct] and the [Code of Ethical Conduct] in place upon the approval of the Board, and the provisions related to preventing unethical conducts are established, for the related personnel to implemented accordingly.	None
(III) Has the Company established appropriate precautionary measures for operating activities with higher risk of unethical conducts provided in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies or within its scope of business?	✓		(III) The Company has the [Ethical Corporate Management Best-Practice Principles,] the [Procedures for Ethical Management and Guidelines for Conduct] and the [Code of Ethical Conduct] in place upon the approval of the Board; for programs preventing unethical conducts, the operational procedures, conduct guidelines, disciplinary actions for violations, and appealing system are specified and implemented fully. The implementation is reported to the Board regularly, and the related procedures and internal/ external appealing mailboxes are disclosed on the official website. .	None
II. Implementation of Ethical Corporate Management				
(I) Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	✓		(I) The Company implements ethical management and clearly stipulates the rights and obligations of both parties in business contracts.	None
(II) Has the Company established a dedicated unit under the board responsible for the promotion of corporate ethics management, which regularly (at least once a year) reports policies on ethical operations, programs on prevention of unethical conduct and the status of supervision to the board?	✓		(II) The Company's Central Management Center promotes the establishment and supervision of the implementation of the ethical corporate management policy, and reports the implementation status to the Board of Directors on a regular basis every year.	None
(III) Has the Company established policies to prevent conflict of interests, provided appropriate channels for filing related complaints and implemented the policies accordingly?	✓		(III) The Company has formulated policies to prevent conflicts of interest in accordance with the "Regulations Governing Integrity"; the Company has also created a dedicated mailbox for employees to raise complaints.	None
(IV) Has the Company established effective accounting systems and internal control systems and the internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans to examine accordingly the compliance with the prevention programs or engage a certified public accountant to carry out the audit?	✓		(IV) The Company complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act and other relevant regulations on business activities. Based on this, an effective accounting system has been established and related control points have been incorporated into the internal control system. Auditors regularly review the compliance with the system. and prepared a report for submission to the Board of Directors.	None
(V) Does the Company hold internal and external educational trainings on operational integrity regularly?		✓	(V) The Company pays attention to the implementation of the ethical principles by all	None

Assessed areas	Operational status			Departure from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			employees in the daily business of the Company. All new employees report to the company with detailed explanations of the Company's regulations and ethical requirements. Related courses are also held from time to time. There were 3 courses held in 2022 for 344 participants.	
III. Reporting System of the Company				
(I) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels and designate responsible individuals to handle the complaint received?	✓		(I) The Company has defined specific reporting systems in its Ethical Corporate Management Regulations, and created convenient reporting channels and designated personnel who are responsible for responding to reports that are reported. In addition, a report mailbox has been set up on the intranet and the mailbox for internal and external complaints has been disclosed on the official website.	None
(II) Does the Company establish standard operating procedures for investigating the complaints received, follow-up measures to be adopted and the related confidentiality measures after investigation?	✓		(II) The Company's board of directors has approved the [Procedures for Ethical Management and Guidelines for Conduct] to specify the standard operating procedures for the investigation of reported matters, the follow-up measures to be taken after the completion of the investigation, and related confidentiality measures.	None
(III) Does the Company adopt proper measures to shield a complainant from retaliation for filing complaints?	✓		(III) The Company's operating procedure [Ethical Corporate Management Procedure and Code of Conduct] to protect whistleblowers from undue treatment as a result of their whistleblowing.	None
IV. Enhance Information Disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and the Market Observation Post System?	✓		The Company has disclosed on its website the content and effectiveness of the Ethical Corporate Management Best Practice Principles.	None
V. If the Company has established its own ethical corporate management code of conduct in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the current practices and any deviations from the code of conduct: None.				
VI. Other important information that helps to understand the operation of ethical corporate management of the Company: (e.g. the circumstance where the Company is reviewing and revising the Ethical Corporate Management Best Practice Principles established by the Company): None.				

(VII) If the Company has established Corporate Governance Best Practice Principles and related regulations, the methods of accessing them shall be disclosed:

The Company has established the Corporate Governance Best Practice Principles and related regulations, which can be found on the Market Observation Post System.

(VIII) Other information material to the understanding of corporate governance may be disclosed:

None.

(IX) Implementation of internal control systems:

1. Internal Control Statement: Please refer to page 54.
2. CPA's review report commissioned to review internal control system: None.

(X) Penalties imposed against the Company and its internal personnel in accordance with the law, or penalties for violations of the internal control system by the Company’s internal personnel in the most recent year and up to the publication date of this annual report, and major deficiencies and rectifications:

No such incident has occurred.

(XI) Important resolutions of the shareholder meeting and board meeting during the last year or the current year up to the date of publication of the annual report:

1. Important resolutions of the AGM on June 17, 2022:

Important resolutions	Implementation
Approval of the 2021 Business Report and Financial Statements	The resolution was approved.
Acknowledgment of 2021 earning distribution proposal	The process was completed in accordance with the resolution of the shareholders’ meeting.
Discussion about capitalization of retained earnings	The process was completed in accordance with the resolution of the shareholders’ meeting.
Discussion of amendments to the Company’s “Articles of Incorporation”	Passed the resolution
Discussion of amendments to the Company’s “Rules and Procedures of Shareholders’ Meeting”	Passed the resolution
Discussion of amendments to the Company’s “Procedures for the Election of Directors and Supervisors”	Passed the resolution
Discussion about amendments to the Company’s “Procedures for Endorsement and Guarantee”	Passed the resolution
Discussion of amendments to the Company’s “Procedures for Loaning of Funds to Others”	Passed the resolution
Discussion of amendments to the “Guidelines for Handling Acquisition and Disposal of Assets”	Passed the resolution
Discussion about abolishing the Company’s “Rules Governing the Scope of Powers of Supervisors”	Passed the resolution
Re-election of directors	Please refer to Note 1 for election results

Note 1: List of elected directors

Title	Account No. or ID Card No.	Name	Number of votes elected
Director	1	Szu-Ming Chen	31,712,412
Director	3	Yi-Chun Chen	27,042,412
Director	2	Hsiao-Chun Chen	27,042,412
Director	7	Yi-Ching Chen	27,042,412
Director	A2223XXXXX	Kuan-Wen Hung	27,042,412
Independent Director	A1039XXXXX	Chang-Chiao Han	27,976,412
Independent Director	K1207XXXXX	Kuo-Lung Yen	27,976,412
Independent Director	E1213XXXXX	Ying-Li Lin	27,976,412
Independent Director	N2236XXXXX	Nien-Ni Ku	27,976,412

2. Important resolutions reached by the Board of Directors in 2022 and by the date of report publication include:

Session and Date of the Board of directors	Date	Content of Motions	Implementation on review
The 13th session of the 7th term	March 31, 2022	(1.) The Company's 2021 "Assessment of the Effectiveness of the Internal Control System" and "Declaration of Internal Control System". (2.) The Company's 2021 Business Report and Financial Statements. (3.) The Company's 2021 earning distribution proposal. (4.) Capitalization of 2021 earnings. (5.) Amendment to the Company's "Articles of Incorporation." (6.) Amendment to the Company's "Rules and Procedures of Shareholders' Meeting." (7.) Amendment of the Company's "Procedures for Election of Directors and Supervisors." (8.) Amendment to the Company's "Procedures for Endorsement and Guarantee". (9.) Amendment to the Company's "Procedures for Loaning of Funds to Others". (10.) Amendments to the "Procedures for the Acquisition or Disposal of Assets" of the Company. (11.) Establishment of the Company's "Organization Rules for Audit Committee". (12.) Repeal of the "Rules Governing the Scope of Powers of Supervisors" of the Company. (13.) Election of directors of the Company. (14.) The list of candidates for independent director nomination. (15.) Removal of restrictions on competing business involvements for new directors and their representatives. (16.) Matters related to the Company's 2022 general shareholder meeting. (17.) The Company's business plan for 2022. (18.) The distribution of remunerations for the Company's directors and supervisors in 2021.	Have been implemented as resolved
The 14th session of the 7th term	May 19, 2022	The Company's board of directors resolved to issue new shares for the first cash capital increase in 2022. The Company's board of directors resolved to establish the regulations governing the issuance of employee stock warrants and stock subscription.	Have been implemented as resolved
The 1st session of the 8th term	June 17, 2022	Election of the 8th Chairman of the Company	Have been implemented as resolved
The 2nd session of the 8th term	July 26, 2022	Approved the 2021 capital increase by capital increase record date and related matters.	Have been implemented as resolved

Session and Date of the Board of directors	Date	Content of Motions	Implementation on review
The 3rd session of the 8th term	August 11, 2022	(1) Approved the consolidated financial statements for Q2, 2022. (2) Passed amendments to the 2022 first employee stock warrant issuance and stock subscription regulations.	Have been implemented as resolved
The 4th session of the 8th term	October 17, 2022	(1) Approved the “Application for Stock Registration for Emerging Stock Market” of the Company. (2) Approved the Company’s “acquisition of 100% equity of WINAICO Deutschland GmbH from subsidiary WINAICO BV.” (3) Approved the amendments to the “Guidelines for Handling Acquisition and Disposal of Assets” of the Company.	Have been implemented as resolved
The 5th session of the 8th term	December 28, 2022	(1) Approved the Company’s 2023 audit plan. (2) Approved the Company’s business plan for 2023.	Have been implemented as resolved
The 5th session of the 8th term	March 16, 2023	(1) Approved the “Evaluation of the Effectiveness of the Internal Control System” and the “Declaration of Internal Control System” of the Company in 2022. (2) Passed the payment of remunerations for the Company’s 8th directors in 2022. (3) Passed distribution of employees’ compensation and directors’ remuneration in 2022. (4) Approved the Company’s 2022 Business Report and Financial Statements. (5) Passed the Company’s 2022 earning distribution proposal. (6) Approved the distribution of cash dividend from earnings 2022. (7) Approved the motion for capitalization of the Company’s 2022 earnings. (8) Passed amendments to the Company’s “Articles of Incorporation.” (9) The original shareholders waived all subscriptions for the public underwriting of shares before the listing (OTC) was approved. (10) Passed amendments to the “Regulations Governing the Issuance of First Employee Stock Option Certificates and Stock Subscription 2022”. (11) Approved the proposal for the convening of the Company’s 2023 annual general shareholders’ meeting.	Have been implemented as resolved

Win Win Precision Technology Co., Ltd

Internal Control System Statement

Date: March 16, 2023

Based on the results of a self-assessment, the Company states the following with regard to its internal control system during the year 2022:

- I. The Company's board and managerial officers are responsible for establishing, implementing and maintaining a proper internal control system. It is meant to reasonably ensure fulfillment of the operational efficacy and efficiency (including profits, performance, and protection of asset security), reliability, timeliness, and transparency of financial reports, and compliance with applicable laws and regulations, among other goals.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. There is a self-surveillance mechanism, however, built inside the internal control system of the Company that helps the Company take corrective action against deficiencies as soon as they are confirmed.
- III. We evaluate the design and operating effectiveness of the internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The items adopted in the Governing Regulations for determining the internal control system are the five constitutional elements of the internal control system divided according to the management and control process: 1. control environment, 2. risk assessment, 3. control process, 4. information and communication, and 5. supervision. Each element further encompasses several items. Please refer to the "Governing Regulations" for details.
- IV. The Company has adopted the aforementioned criteria of the internal control system to evaluate the effectiveness of the design and implementation of its internal control systems.
- V. Based on the evaluation results of the preceding paragraph, the Company believed that the design and implementation of its internal control system were effective as of December 31, 2022 (including the supervision and management of subsidiaries), with an understanding of the extent to which the objectives of effectiveness and efficiency of operations were achieved, whether the reporting was reliable, timely, transparent, and if the compliance with relevant rulings, laws and regulations is met, and a reasonable assurance of the achievement of these objectives.
- VI. This Statement will be an integral part of the Company's annual report and prospectus, and will be made public. The Company shall be legally liable under Articles 20, 32, 171 and 174 of the Securities and Exchange Act with respect to any unlawful aspects such as falsehood or concealment of facts in relation to the aforesaid statement.
- VII. The Statement was approved by the board meeting on March 16, 2023; it is hereby stated that none of the nine attending directors expressed dissent, and all other approved the content of the Statement.

Win Win Precision Technology Co., Ltd

Chairman: Szu-Ming Chen

(Same as the CEO)

(XII) Documented opinions or declarations made by directors or supervisors against board resolutions in the most recent year, up till the publication date of this annual report, showing the main contents of such opinions:

No such incident has occurred.

(XIII) Resignation and dismissal of the Chairman, general manager, accounting officer, head of finance, head of internal audit, and head of R&D in the most recent year up till the publication date of this annual report:

Title	Name	Date of resignation/ dismissal	Reason of resignation/ dismissal
Accounting Officer	Mei-Ling Teng	March 20, 2023	Career planning

V. Information on CPA fees:

Name of accounting firm	Name of CPA	Inspection period	Audit public expenditure	Non-audit public expenditure	Total	Notes
PwC Taiwan	Se-Kai Lin	2022.01 to	4,700	2,700	7,400	Non-audit fees include tax certification, internal control review, and securities issuance reporting
	Ya-Fang Wen	2022.12				

(I) For remuneration of non-audit services to CPAs, accounting firms, and affiliated companies that exceed one quarter of audit fees, the company shall disclose the amounts of audit and non-audit services as well as the details of non-audit services:

None.

(II) Change of CPA firm that resulted in the reduction of audit fees from the previous year; disclose audit fees before and after the change and the reasons for the change:

None.

(III) If the audit remuneration is reduced by more than 10% from the

previous year, the amount, percentage, and reason of the reduction must be disclosed. The audit fees referred to in Item 1 refer to the fees paid by the Company to the CPAs relating to the audit, review, review, review of financial forecast, and tax certification of financial statements:

None.

VI. Information on change of CPAs: Disclosure of changes of CPAs in the most recent 2 years and thereafter:

In 2021, due to the internal rotation of the CPA firm of Cheng Cheng United CPAs in accordance with the relevant laws and regulations, the original financial statement auditing auditors of the Company were Hsien-Cheng Chen and Yu-Kuan Lin were replaced by Se-Kai Lin and Ya-Fang Wen.

VII. Any of the Company's Chairman, general manager, or any managerial officer in charge of finance or accounting affairs being employed by the accounting firm or any of its affiliated company in the most recent year:

No such incident has occurred.

VIII. Any equity transfer or change in equity pledge by a director, supervisor, managerial officer, or shareholder with 10% stake or more during the last year or the current year up to the date of publication of the annual report:

(I) Changes in shareholdings of directors, supervisors, managerial officers, and major shareholders (including changes in shareholding trust)

Unit: Shares

Title	Name	2022		As of April 9, 2023	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Chairman also serves as CEO	Szu-Ming Chen (Note 1)	144,379	—	—	—
Director also serves as Deputy General Manager	Yi-Chun Chen (Note 2)	214,318	—	—	—
Director also serves as Executive Vice President	Yitz-Ching Chen (Note 2)	734,381	—	—	—
Director also serves as Deputy General Manager	Hsiao-Chun Chen (Note 2)	188,748	—	—	—

Title	Name	2022		As of April 9, 2023	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Director	Kuan-Wen Hung (Note 3)	—	—	—	—
Director	UMC Capital (Note 4)	—	—	—	—
Director	Ssu-Hao Chen (Note 4)	—	—	—	—
Independent Director	Chang-Chiao Han (Note 5)	—	—	—	—
Independent Director	Kuo-Lung Yen (Note 5)	—	—	—	—
Independent Director	Ying-Li Lin (Note 5)	—	—	—	—
Independent Director	Nien-Ni Ku (Note 6)	—	—	—	—
Supervisors	Fang-Chou Chang (Note 7)	—	—	—	—
Supervisors	Pai-Chan Chang (Note 7)	—	—	—	—
Deputy General Manager	Chia-Ming Liu	—	—	—	—
Deputy General Manager and Chief Financial Officer	Lung-Yao Hsu	649	—	—	—
Assistant President	Wen-Jen Lin (Note 8)	22,906	—	(142,906)	—
Assistant President	Yi-Liang Chen	5,954	—	—	—
Assistant President	Yung-Lung Lin	30,000	—	—	—
Assistant President	Xian-Ming Tu	40,086	—	—	—
Assistant President	Kuo-Hung Cheng	70,088	—	—	—
Assistant President	Cheng-Lieh Wang (Note 9)	—	—	—	—
Accounting Officer	Ching-Yi Fang (Note 10)	—	—	—	—
Accounting Officer	Mei-Ling Teng (Note 11)	3,000	—	—	—

Note 1: Re-elected as the director in the full the re-election in the shareholders' meeting on June 17, 2022, and serves as the chairman.

Note 2: Re-elected as the director in the full the re-election in the shareholders' meeting on June 17, 2022.

Note 3: Dismissed from the post of supervisor and elected as the director for the first time in the full the re-election in the shareholders' meeting on June 17, 2022.

Note 4: Dismissed from the post of director in the full the re-election in the shareholders' meeting on June 17, 2022.

Note 5: Re-elected as the independent director in the full the re-election in the shareholders' meeting on June 17, 2022.

Note 6: Elected as the independent director for the first time in the full the re-election in the shareholders' meeting on June 17, 2022.

Note 7: The shareholders' meeting held on June 17, 2022 re-elected supervisors and discharged them.

Note 8: Retired in April 2022.

Note 9: Resigned in February 2022.

Note 10: Started in March 2023, pending appointment of latest board of directors.

Note 11: Resigned in March 2023.

(II) Information on directors, supervisors, managerial officers, and shareholders with more than 10% ownership transfer who are related parties:

Information on share transfer

Unit: NTD, share

Name	Reason for equity transfer	Transaction date	Counterparty	Relationship between counterparties and the Company, directors, supervisors, and shareholders with more than 10% ownership interest	Number of shares	Transaction price
Szu-Ming Chen	Acquired	2022.07.01	Tsung-Po Chen	The minor children of the holder	315	6.00
Kuo-Hung Cheng	Gift	2022.08.08	Yu-Hsi Cheng	The minor children of the holder	130,000	17.67
Yi-Chun Chen	Gift	2022.08.08	Yu-Hsi Cheng	The minor children of the holder	47,000	17.67
Lung-Yao Hsu	Gift	2022.12.26	Chen-Wei Hsu	The minor children of the holder	50,000	22.53
Lung-Yao Hsu	Gift	2022.12.26	Chen-Jui Hsu	The minor children of the holder	20,000	22.53

(III) Information on the related parties of directors, supervisors, managerial officers, and shareholders holding more than 10% of the shares being pledged:

No such incident has occurred.

IX. Relationship among the top 10 shareholders including spouses, second degree relatives or closer:

Date: April 9, 2023; unit: shares, %

Name	Oneself		Shares held by spouses and/or children of minor age		Total shares including those held in someone else's name		The title or name and relationship among shareholders in the Top 10 shareholding list who are related, spouse to each other or relatives within the second degree of kinship.		Notes
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or name)	Relationship	
Yi-Ching Chen	4,581,579	8.30	282,240	0.51	0	0	Tsai-Ju Chen-Lin Yi-Chun Chen Jian Li Investment Co., Ltd.	Relative within the first-degree kinship Relative within the second-degree kinship Related party	—
Jian Li Investment Co., Ltd.	2,845,649	5.16	0	0	0	0	Szu-Ming Chen Yi-Ching Chen	Related party Related party	—
Representative of Jian Li Investment Co., Ltd.: Szu-Ming Chen	2,077,481	3.76	638,313	1.16	0	0	—	—	—
Zhong Yi Investment Co., Ltd.	2,675,986	4.85	0	0	0	0	Tsai-Ju Chen-Lin Yi-Chun Chen	Related party Related party	—
Representative of Zhong Yi Investment Co., Ltd.: Tsai-Ju Chen-Lin	1,875,122	3.40	0	0	0	0	Yi-Chun Chen Yi-Ching Chen	Relative within the first-degree kinship Relative within the first-degree kinship	—
UMC Capital	2,089,295	3.79	0	0	0	0	—	—	—
Representative of UMC Capital: Chia-Tsung Hung	0	0	0	0	0	0	—	—	—
Szu-Ming Chen	2,077,481	3.76	638,313	1.16	0	0	Jian Li Investment Co., Ltd. Ssu-Hao Chen	Related party Relative within the second-degree kinship	—

Name	Oneself		Shares held by spouses and/or children of minor age		Total shares including those held in someone else's name		The title or name and relationship among shareholders in the Top 10 shareholding list who are related, spouse to each other or relatives within the second degree of kinship.		Notes
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or name)	Relationship	
Tsai-Ju Chen-Lin	1,875,122	3.40	0	0	0	0	Yi-Chun Chen Yi-Ching Chen Zhong Yi Investment Co., Ltd.	Relative within the first-degree kinship Relative within the first-degree kinship Related party	—
Yi-Chun Chen	1,630,286	2.95	1,630,286	2.95	0	0	Tsai-Ju Chen-Lin Yi-Ching Chen Zhong Yi Investment Co., Ltd.	Relative within the first-degree kinship Relative within the second-degree kinship Related party	—
TXC CORPORATION	1,625,477	2.95	0	0	0	0	—	—	—
Representative of TXC CORPORATION: Wan-Hsing Lin	0	0	0	0	0	0	—	—	—
You He Investment Co., Ltd.	1,597,986	2.90	0	0	0	0	—	—	—
Representative of You He Investment Co., Ltd.: Chin-Jung Tang	0	0	0	0	0	0	—	—	—
Ssu-Hao Chen	1,516,311	2.75	30,000	0.05	0	0	Szu-Ming Chen	Relative within the second-degree kinship	—

X. The number of shares held by the Company, the Company’s directors, supervisors, managerial officers, and enterprises directly or indirectly controlled by the Company in the same reinvestment business, and calculating the comprehensive shareholding ratio:

Date: April 30, 2023; unit: shares, %

Re-invested Business	The Company’s investments		Investments of directors, supervisors, managers and directly or indirectly controlled businesses		Comprehensive investments	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
WINAICO B.V.	180	100.00%	—	—	180	100.00%
WINAICO Japan KK	3,500	100.00%	—	—	3,500	100.00%
WINAICO AUSTRALIA PTY LTD	100,000	100.00%	—	—	100,000	100.00%
WINAICO Delaware Co., Ltd.	300,000	100.00%	—	—	300,000	100.00%
WINAICO Deutschland GmbH	—	—	1	100.00%	1	100.00%
WINAICO Solar Projekt 1 GmbH	1,235,000	50.00%	1,235,000	50.00%	2,470,000	100.00%
Nanjing Win Win Precision Technology Co., Ltd.	Notes	100.00%	—	—	Notes	100.00%
UCLEAR GREEN ENERGY CO., LTD.	100,000	100.00%	—	—	100,000	100.00%

Note: The company is in the form of a limited company; therefore, it does not have a share quantity.

Four. Financing Activities

I. Capital and shares:

(I) Formation of share capital

Unit: NTD/share

Year and Month	Issue price (NT\$)	Approved capital share		Paid-in capital share		Notes		
		Number of shares	Amount	Number of shares	Amount	Source of capital share	Capital Increase by Assets Other than Cash	Others
2003.11	10	1,000,000	10,000,000	250,000	2,500,000	Initiated and established	None	Note 1
2004.05	10	1,000,000	10,000,000	600,000	6,000,000	Cash capital increase	None	Note 2
2004.11	10	1,050,000	10,500,000	1,050,000	10,500,000	Cash capital increase	None	Note 3
2008.06	10	7,800,000	78,000,000	7,800,000	78,000,000	Cash capital increase Capitalization of profit	None	Note 4
2008.10	10	30,000,000	300,000,000	15,227,405	152,274,050	Cash capital increase	None	Note 5
2009.10	10	30,000,000	300,000,000	17,511,516	175,115,160	Capitalization of profit	None	Note 6
2010.01	10	30,000,000	300,000,000	17,813,790	178,137,900	Share-based payments	None	Note 7
2010.01	12.5	30,000,000	300,000,000	19,736,790	197,367,900	Share-based payments	None	Note 8
2010.01	60	30,000,000	300,000,000	25,736,790	257,367,900	Cash capital increase	None	Note 8
2010.05	38.5	30,000,000	300,000,000	26,096,790	260,967,900	Share-based payments	None	Note 9
2010.09	10	60,000,000	600,000,000	34,014,283	340,142,830	Capitalization of profit Employee bonus	None	Note 10
2011.09	10	60,000,000	600,000,000	37,415,711	374,157,110	Capitalization of profit	None	Note 11
2012.06	50	60,000,000	600,000,000	43,294,161	432,941,610	Shareholders forgoing share capital reduction Cash capital increase	None	Note 12
2012.09	10	60,000,000	600,000,000	45,458,870	454,588,700	Capitalization of profit	None	Note 13
2022.08	10	120,000,000	1,200,000,000	48,186,403	481,864,030	Capitalization of profit	None	Note 14
2022.10	30	120,000,000	1,200,000,000	55,186,403	551,864,030	Cash capital increase	None	Note 15

Note 1. In November 2003, the Company was founded with NT\$2,500 thousand and 250 thousand shares of which were approved and registered with the Jing-Shou-Zhong-Zi No. 09232914820 issued by the Ministry of Economic Affairs.

Note 2. In May 2004, capital increase by cash of NT\$3,500 thousand, 350 thousand shares were registered with the approval of the Ministry of Economic Affairs and the Jing-Shu-Zhong-Zi No. 09332165741.

Note 3. In November 2004, capital increase by cash of NT\$4,500 thousand, 450 thousand shares, were registered with the approval of the Ministry of Economic Affairs and the Jing-Shu-Zhong-Zi No. 09333061450.

Note 4. In June 2008, capital increase by cash of NT\$44,500 thousand and transferred earnings by NT\$23,000 thousand, for a total of 6,750 thousand shares, which were approved and registered with the Ministry of Economic Affairs Jing-Shu-Zhong-Zi No. 09732447430.

Note 5. In October 2008, capital increase by cash of NT\$74,274 thousand, total of 7,427 thousand shares were

registered with the approval of the Ministry of Economic Affairs and the Jing-Shou-Zhong-Zi No. 09733196360.

- Note 6. In October 2009, NT\$22,841 thousand retained earnings were transferred to capital increase, with 2,285 thousand shares approved and registered with the Jing-Shou-Zhong-Zi No. 09833259210 issued by the Ministry of Economic Affairs.
- Note 7. In January 2010, the employee stock options were converted into common stock worth NT\$3,023 thousand, totaling 302 thousand shares, which were approved and registered with the Jing-Shou-Zhong-Zi No. 09935254880 issued by the Ministry of Economic Affairs.
- Note 8. In January 2010, capital increase by cash of NT\$60,000 thousand and conversion of employee stock options into common stock for NT\$19,230 thousand, totaling 7,923 thousand shares, which were registered with the Jing-Shou-Zhong-Zi No. 09931599170 issued by the Ministry of Economic Affairs.
- Note 9. In May 2010, the employee stock option certificates were converted into common shares worth NT\$3,600 thousand, totaling 360 thousand shares, which were approved and registered with the Jing-Shou-Zhong-Zi No. 09932086050 issued by the Ministry of Economic Affairs.
- Note 10. In September 2010, retained earnings amounted to NT\$78,290 thousand for capital increase, with a total of 7,829 thousand shares, and employee bonus amounted to NT\$885 thousand, with a total of 88 thousand shares, which were approved and registered with the Jing-Shou-Chung Zi No. 09932563870 issued by the Ministry of Economic Affairs.
- Note 11. In September 2011, earnings were transferred to capital increase by NT\$34,014 thousand, with a total of 3,402 thousand shares approved and registered with the Jing-Shou-Zhong-Zi No. 10032513540 issued by the Ministry of Economic Affairs.
- Note 12. In June 2012, shareholders abandoned NT\$1,216 thousand of stock and capital increase by cash of NT\$60,000 thousand, for a total of 5,878 thousand net shares.
- Note 13. In September 2012, capital increase by NT\$21,647 thousand, with a total of 2,165 thousand shares, was approved and registered with the Jing-Shou-Zhong-Zi No. 10132498140 of the Ministry of Economic Affairs.
- Note 14. In August, 2022, NT\$27,275 thousand from the earnings was capitalized, for total 2,727 thousand shares, and the registration was approved with Jin-Shou-Zhong-Zi No. 11133540900 by the MOEA.
- Note 15. In October 2022, capital increase by cash of NT\$70,000 thousand, with a total of 7,000 thousand shares, was approved and registered with the Jing-Shou-Zhong-Zi No. 11101183000 of the Ministry of Economic Affairs.

Date: April 09, 2023; unit: shares

Type of shares	Approved capital share			Notes
	Circulating shares	Shares yet to be issued	Total	
Registered common stock	55,186,403	64,813,597	120,000,000	The shares of the Company are classified as Emerging Stock Market shares

(II) Shareholder structure

Date: April 9, 2023; unit: person, share, %

Shareholder structure	Government agency	Financial institution	Other institutional entities	Individual	Foreign institution and foreigner	Total
Number of holders	0	0	24	1,205	4	1,233
Number of shares held	0	0	20,861,040	33,516,344	809,019	55,186,403
Shareholding percentage	0%	0%	37.80%	60.73%	1.47%	100.00%

(III) Equity dispersion profile

Date: April 9, 2023; unit: person, share, %; face value: NT\$10 per share

Shareholding classification	Number of shareholders	Number of shares held	Shareholding ratio
1 to 999	201	40,388	0.07%
1,000 to 5,000	626	1,344,278	2.45%
5,001 to 10,000	139	1,053,405	1.92%
10,001 to 15,000	58	728,027	1.32%
15,001 to 20,000	39	701,980	1.27%
20,001 to 30,000	43	1,094,163	1.98%
30,001 to 40,000	21	732,339	1.33%
40,001 to 50,000	17	772,953	1.40%
50,001 to 100,000	30	2,253,709	4.08%
100,001 to 200,000	19	2,628,654	4.76%
200,001 to 400,000	13	3,494,844	6.33%
400,001 to 600,000	2	1,072,917	1.94%
600,001 to 800,000	3	2,121,303	3.84%
800,001 to 1,000,000	3	2,880,566	5.22%
More than 1,000,001 shares	19	34,266,877	62.09%
Total	1,233	55,186,403	100.00%

(IV) List of major shareholders

Names, shareholdings, and percentages of shareholders holding at least 5% of the shares or among the top ten shareholders:

Unit: Shares

Share Name of major shareholder	Number of shares held	Shareholding ratio
Yi-Ching Chen	4,581,579	8.30%
Jian Li Investment Co., Ltd.	2,845,649	5.16%
Zhong Yi Investment Co., Ltd.	2,675,986	4.85%
UMC Capital	2,089,295	3.79%
Szu-Ming Chen	2,077,481	3.76%
Tsai-Ju Chen-Lin	1,875,122	3.40%
Yi-Chun Chen	1,630,286	2.95%
TXC CORPORATION	1,625,477	2.95%
You He Investment Co., Ltd.	1,597,986	2.90%
Ssu-Hao Chen	1,516,311	2.75%

(V) Information about market price, net worth, earnings, dividends and related information per share for the past two years

Unit: NTD; thousand shares

Item		2021	2022	
Market share per share	Highest	Not listed on the market/ Taiwan (Note 1)	Not listed on the market/ Taiwan (Note 1)	
	Lowest	Not listed on the market/ Taiwan (Note 1)	Not listed on the market/ Taiwan (Note 1)	
	Average	Not listed on the market/ Taiwan (Note 1)	Not listed on the market/ Taiwan (Note 1)	
Net value per share	Before distribution	17.67	27.86	
	After distribution	17.47	Not yet allocated (Note 2)	
Earnings per share	Weighted average number of shares (in thousands)	48,186	50,545	
	Earnings per share	Before retrospective adjustment	1.15	10.14
		After retrospective adjustment	1.08	10.14
Dividends per share	Cash	0.20	Not yet allocated (Note 2)	
	Free placement	Surplus placement	0.60	Not yet allocated (Note 2)
		Capital reserve placement	—	—
	Accumulated unpaid dividends	—	—	
Analysis of investment returns	PE ratio (Note 1)	Not listed on the market/ Taiwan (Note 1)	Not listed on the market/ Taiwan (Note 1)	
	Cost-benefit ratio (Note 1)	Not listed on the market/ Taiwan (Note 1)	Not listed on the market/ Taiwan (Note 1)	
	Cash dividend yield (Note 1)	Not listed on the market/ Taiwan (Note 1)	Not listed on the market/ Taiwan (Note 1)	

Note 1: Since the Company's shares are not listed on the OTC market, the price-to-earnings ratio, cost-to-income ratio, and cash dividend yield rate are not calculated from the market price.

Note 2: Since the Company's 2022 earning distribution proposal has not been approved by the shareholders' meeting, it is not calculated.

(VI) Company's dividend policy and implementation thereof

1. Dividends policy:

If there is any surplus in the Company's earnings as concluded by the annual accounting book close, after paying tax and making up for accumulated losses, 10% shall be set aside as legal reserve, except when the legal reserve has reached the Company's paid-in capital, and the remainder shall be set aside or reversed as special reserve in accordance with the law; if there is any remaining earnings, the balance plus the accumulated undistributed earnings may be proposed by the board of directors for distribution upon the resolution of the shareholders' meeting. The Company authorizes the board meeting attended by two-third or more directors, and the resolution by the majority of the attended directors, to distribute all or part of the shareholders' dividends and bonus, capital reserve, or surplus reserve in cash, and report to the shareholders' meeting.

Due to the operational demands and for the maximization of the shareholder's equity, the Company adopts the dividend balance policy based on the budget for future capital expenditure and demand of funds, to distribute share or cash dividend as appropriate. Every year, no less than 30% of the distributable earnings of the year is distributed as the shareholders' dividend. Provided that if the distributable earnings is lower than 3% of the paid-in capital, a resolution may be taken to transfer all these to the retained earnings

without distribution. When distributing earnings, the ratio of cash dividend distribution is no less than 20% of the total dividends distributed for the year, as a principle, and the distribution is subject to adjustment depending the future profitability.

2. Dividends proposed in the current shareholders' meeting:

The earning distribution proposal approved by the Board and to be submitted to the shareholders' meeting for resolution:

(1). Earning distribution proposal:

Unit: In New Taiwan Dollars

Item	Amount	
	Subtotal	Total
Undistributed earnings at the beginning of the period		12,488,715
Add: Net profit after tax for the year	512,608,384	
Add: Reversed special reserve	15,426,595	
Less: Provision of legal reserve	(51,260,838)	
Add/less: Other adjustment	0	
Distributable earnings		489,262,856
Add: Deficit compensation from legal reserve	0	
Add: Deficit compensation from special reserve	0	
Add: Deficit compensation from capital reserve	0	
Less: share dividends from earning distribution (NT\$1*55,186,403 shares)	(55,186,403)	
Less: cash dividends from earning distribution (NT\$2.5*55,186,403 shares)	(137,966,007)	
Undistributed earnings at the end of the period (after distribution)		296,110,446

Remark: Reversal of special reserve: The amount of special reserve amounted to NT\$15,426,595 was reversed based on the exchange difference from the translation of the financial statements of foreign operating institutions in accordance with Jin-Guan-Zheng-Fa-Zi No. 1090150022.

(VII) Effect of stock dividends proposed in the current year on the Company's operating performance and earnings per share

The Company does not disclose financial forecasts, and according to the letter Tai-Zheng-Cai-(I)-Zi No. 00371 dated February 1, 2000, the Company is not required to disclose financial forecasts.

(VIII) Remuneration to employees, directors, and supervisors

1. Percentages or ranges of remunerations for employees, directors, and supervisors under the Articles of Incorporation:

If the Company makes a profit for the year, it shall allocate 3% to 10% as remuneration to the employees. The board of directors specifically resolves to distribute the dividends in shares or cash. The recipients of the distribution may include employees of affiliated

companies that meet certain conditions; the Company may The Board of Directors specifically resolved to set aside no more than 2% of the profit and loss as remuneration to directors and supervisors. The remuneration to directors and supervisors shall be distributed in cash. The proposal of employees' remunerations and directors' remunerations shall be reported in the shareholders' meeting.

However, when the Company still has accumulated deficits, the Company shall reserve the amount in advance to make up for it, and then appropriate the remuneration to employees and the remuneration to directors/supervisors on a pro rata basis as referred to in the preceding paragraph.

2. The basis for estimating the amount of remuneration to employees, directors, and supervisors, the basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment for any discrepancy between the actual distributed amount and the estimated amount:

- (1). The basis for estimating employees' remuneration and remuneration to directors/supervisors: Please refer to (VIII).1. Dividend policy above.
- (2). The basis for calculating the number of shares for distribution of stock dividends: The Company did not distribute stock dividends, so not applicable.
- (3). Accounting treatment if the actual distributed amount in the current period is different from the estimated amount:

When there is a material change in the payment amount resolved by the Board of Directors, the original appropriated annual expenses shall be adjusted according to the change. If there is still a change in the amount by the date of the resolution of the Shareholders' Meeting, it shall be treated as a change in accounting estimate and adjusted and accounted for in the year of the resolution of the Shareholders' Meeting.

3. Distribution of compensation as approved by the board:

- (1). Employees' remuneration and directors'/supervisors' remuneration distributed in cash or shares. If there is a difference from the estimated amount of the expense recognized for the year, the difference, the cause and the treatment of the difference should be disclosed:

The estimated amount of the Company's remuneration to employees in 2022 was NT\$19,394 thousand; that of directors was NT\$3,232 thousand. The aforementioned amount was stated as "salary expenses". The Board of Directors resolved to distribute the actual amount of NT\$19,394 thousand and NT\$3,232 thousand respectively, which will be paid in cash.

- (2). Percentage of employees' remuneration distributed in shares and after-tax profit and total employees' remuneration according to the entity or individual financial report for the current period:

Not applicable as no remuneration to employees was distributed in shares this year.

4. The difference between the actual amount of profits sharing with employees, directors and supervisors in the previous year (including the number of shares distributed, the amount and the price of the shares) and the recognized amount of profits sharing with employees, directors and supervisors, the reasons for the difference and the treatment of the difference should be described:

The Company's remuneration to employees in 2021 is estimated at NT\$2,000 thousand; remuneration to directors and supervisors is not estimated. The aforementioned amount was stated as "salary expense". The actual amount of the employees' remuneration to be distributed resolved by the board meeting on March 31, 2022 was NT\$1,905 thousand, to be distributed in cash. The difference of NT\$95 thousand from the recognized amount employees' remuneration of NT\$2,000

thousand in the 2021 financial reports is the estimate difference and will be adjusted in the profit and loss of 2022.

(IX) Shares repurchased by the Company

None.

II. Status of corporate bonds (including overseas corporate bonds):

None of this happened.

III. Processing of preferred shares:

None of this happened.

IV. Status of overseas depository receipts:

None of this happened.

V. Status of employee stock options:

(I) Processing of the Company's unexpired employee stock warrants as of the publication date of the annual report and their impacts on shareholders' equity

Types of employee stock options	2022 employee stock warrants
Effective date of reporting and total units	August 10, 2022; 2,250,000 units (1 share/unit)
The date of issuance	August 11, 2022
Number of outstanding units	2,250,000 units (1 share/unit)
Number of outstanding units	—
Percentage of subscribed shares issued to total issued shares	4.08%
Duration of subscription	The exercise of stock options by the shareholders shall be made in accordance with the specific contents agreed in the stock option contract and shall be exercised before the expiration of the employee stock option certificates.
Duration of existence	5 years
Method of performance	Delivery by issuing new shares
Restricted subscription period and percentage (%)	After the expiration of two years after the employee stock warrants granted to the stock options, except for the suspension period according to laws, the stock options may be exercised according to the grant period and proportion of the stock warrants: 50% upon expiration of the second year 80% upon expiration of the third year 100% upon expiration of four years
Executed acquisition of shares	0 shares
Executed subscription amount	NT\$0
Unexecuted subscription quantity	2,177,000 shares
Subscription price per share for unexecuted subscribers	\$22.22
Percentage of unexecuted subscription quantity to total number of issued shares	3.94%
Impact on shareholders' equity	This stock warrant may be executed continuously during the surviving period after two years after the issuance date. The original shareholders' equity will be diluted year by year, so the dilution effect is limited.

Note: As of the publication date of this annual report, a total of 73,000 expired employee stock warrants had resigned from service. and the credit limit is no longer issued.

(II) Names of managerial officers who have acquired employee stock warrants and employees' names in the number of shares that may be subscribed to them as of the publication date of this annual report, and their acquisition and subscription status

	Title	Name	Quantity of subscribed shares acquired	Percentage of subscription quantity acquired to total issued shares	Implemented				Not yet implemented			
					Number of subscriptions	Subscription price	Subscription amount	Percentage of subscription amount to total issued shares	Number of subscriptions	Subscription price	Subscription amount	Percentage of subscription amount to total issued shares
Manager	Chief Executive Officer	Szu-Ming Chen	1,012,000	1.83%	—	—	—	—	1,012,000	22.22	22,486,640	1.83%
	Deputy General Manager	Yi-Chun Chen										
	Executive Vice President	Yi-Ching Chen										
	Deputy General Manager	Chia-Ming Liu										
	Deputy General Manager	Hsiao-Chun Chen										
	Deputy General Manager and Chief Financial Officer	Lung-Yao Hsu										
	Assistant President	Kuo-Hung Cheng										

	Assistant President	Hsien-Ming Tu										
	Assistant President	Yung-Lung Lin										
	Assistant President	Yi-Liang Chen										
	Accounting Officer	Ching-Yi Fang(Note1)										
Employee	Special assistance	Rossmann Sascha Michael	573,000	1.04%	—	—	—	—	573,000	22.22	12,732,060	1.04%
	Manager	Ssu-Hao Chen										
	Manager	Teng-Kuei Wu										
	Section Manager	Shu-Hui Lin										
	Manager	Ke-Wei Lai										
	Manager	Yi-Ching Wu										
	Manager	Wei-Tung Sun										
	Assistant Manager	Li-Kai Chang										
	Manager	Jen-Te Su										
	Special assistance	Yu-Hung Wu										

Note 1: Started in March 2023, pending appointment of latest board of directors.

(III) The issuance of private employee stock warrants in the most recent three years and as of the publication date of the annual report:
None.

VI. New Restricted Employee Shares:

None of this happened.

VII. Issuance of new shares for mergers and acquisitions or for the transfer of shares of other companies:

None of this happened.

VIII. Implementation of capital utilization plan:

2022 of cash capital increase to issue ordinary shares

1. Plan Content

- (1) Date of approval and document number of the competent authority: No. 1110345957 of the financial management certificate issued on June 8, 2022
- (2) Total funds required for the plan: NT\$210,000 thousand.
- (3) Source of funds: 7,000,000 new shares with a par value of NT\$10 per share at an issue price of NT\$30 per share and a total amount of NT\$210,000 thousand.

2. Expected capital application plan, application progress and benefits

- (1) Estimated capital application plan and application progress

Unit: NT\$ thousand

Plan the project	Scheduled completion date	Total amount of funds required	Schedule the progress of the application of funds
			2022
			Season 4
Replenish working capital	Fourth quarter of 2022	210,000	210,000
total		210,000	210,000

(2) Expected benefits

The cash capital increase of NT\$210,000 thousand will be used to replenish working capital, which will not only meet the increased demand for working capital due to the growth of future operating scale, but also reduce dependence on banks and increase long-term stable funds and flexibility in the use of funds.

3. The content of the plan change, the source of funds, the reason for the change, the benefits before and after the change, and the date on which the change plan is submitted to the shareholders' meeting, and the date on which the information declaration website designated by the association should be published: N/A.

4. Execution Situation

Unit: NT\$ thousand

Plan the project	Status of implementation			Reasons for ahead or behind progress and improvement plans
Replenish working capital	Spending amount	Scheduled	210,000	The company's replenishment of working capital has been completed in the fourth quarter of 2022, and the utilization progress has reached 100%, and the actual implementation is good.
		actual	210,000	
	Execution progress	Scheduled	100.00%	
		actual	100.00%	
Total	Spending amount	Scheduled	210,000	
		actual	210,000	
	Execution progress	Scheduled	100.00%	
		actual	100.00%	

5. Evaluation of the benefits

(1) Revenue scale growth

Unit: NT\$ thousand

project	110 years	111 years
Operating income	2,974,979	5,502,813
Operating margin	591,886	1,343,052
Business Interests	73,064	539,659

Source: Individual statement of visa verified by accountant

The Company raised 210,000 thousand thousand dollars in working capital this time, and after raising sufficient funds in the third quarter of 2022, it was fully put into working capital in the fourth quarter of 2022. After reviewing the Company's operating conditions after replenishing working capital, the operating income and operating gross profit for FY 2022 increased to \$5,502,813 and \$1,343,052 respectively, compared with 2021. The annual growth increased by 84.97% and 126.91%, and the operating profit increased from \$73,064 thousand in 2021 to 539,659 thousand, the business situation and operating profit have increased significantly, and the benefits of the company's increase in business scale and business profit should be shown after evaluation.

(2) Save interest expenses

After raising sufficient funds in the third quarter of 2022, the Company fully invested working capital in the fourth quarter, and if the interest rate level of the average borrowing in 2021 is 1.4406%, it is expected that the interest expense in 2022 will be saved \$1,008,008, which will save \$3,025,025 million in interest expense per year in the future, and there are no abnormal circumstances after assessment.

On the whole, after the Company completed the cash capital increase and issued new shares in 2022 to supplement the working capital, the Company's operating income and operating profit in 2022 years increased compared with 2021, and interest expenses could be saved, effectively strengthening the Company's financial structure. The benefits of increasing medium- and long-term stable sources of funding to support the long-term competitiveness of current and future operations should already be realized.

Five. Overview of Operations

I. Description of the Business

(I) Business scope:

1. The Company's main business activities are as follows:

The Company's main businesses include solar module production and brand management, energy storage project construction, industrial off-board micro grid design, planning and construction, and semi-conductor equipment parts design, sales and maintenance integration services. In terms of solar module production and brand management, we have entered the European solar module market with our proprietary brand [WINAICO], and have deeply cultivated European localized services and won long-term trust from users; in terms of integrated energy management services, we provide customers with electricity and cutting-edge services. Off-peak off-peak, time and electricity management technology and after-hours auxiliary service management; semi-conductor equipment parts design, sales and maintenance integration services, the Company's semi-conductor customers are mainly domestic and foreign listed and TPEX companies. Development, production, improvement and design of various product spare parts for customers, and provide stable quality products and on-site real-time service.

2. Operating proportion

The operating percentages of the Company's consolidated revenues in 2022 are as follows:

Unit: NTD thousands; %

Main products	2022	
	Amount	Percentage
Solar energy	4,747,300	84.81
Semiconductor	850,515	15.19
Total	5,597,815	100.00

3. Main products (services) of the Company

- (1). Solar module manufacturer and brand operator

The Company's main service is the design and production of solar energy modules. At present, the Taiwan Headquarters develops product specifications and mass production plans. At the same time, it formulates pricing strategies, and combines the local professional sales teams in Europe, America, Japan and Australia to promote the business of solar energy modules, and establish an installation supplier. Installer and distributors, provide rapid replacement service, strengthen after-sales service system, and establish own production capacity to ensure the supply of self-brand modules with stable quality.

(2). Integrated energy management service

Construction of solar energy and energy storage projects, and design, planning, and implementation of industrial off-board micro grids.

(3). Design, sale, and maintenance of semi-conductor equipment parts

The Company specializes in the design and manufacture of equipment spare parts for the semi-conductor and optoelectronic related industries, and also provides related repair and maintenance services. The main products provided are as follows:

Design and manufacture of special material key components of different brands and multiple models used in the semi-conductor and optoelectronic industries, such as tungsten (W), molybdenum (Mo), tantalum (Ta), boron nitride, ceramics, graphite, and various grades of plating Graphite, covering equipment and machines, can be divided into the following two categories:

A. Product development, improvement and design improvement of special material components required for ion implanter, module parts maintenance and repair, machine maintenance and troubleshooting.

B. Special material components and components required for the organic metal vapor deposition epitaxy machine (MOCVD).

4. New products (services) planned to be developed by the Company

(1). Solar module manufacturer and brand operator

A. Development plan for next-generation large-size and high-efficiency solar modules (a project of the Bureau of Energy led by Win Win Precision):

(a) Design and development of large-size cells.

(b) Key module mass production technology and module material design and development.

(c) Development and verification of large-size solar modules.

B. Development of large-size TOPCon high-efficiency modules:

(a) Evaluation and design of large-size TOPCon high-efficiency modules.

(b) Evaluation of packaging materials and process conditions.

(c) Development and reliability verification of large-size TOPCon high-efficiency modules.

C. Development of double-glass modules:

- (a) Evaluation and design of double-glass modules.
 - (b) Evaluation of packaging materials, mesh glass, and process conditions.
 - (c) Development and reliability verification of double-glass modules.
- (2). Integrated energy management service
- Design, planning, and construction of PV storage wholesale application farms.
- (3). Design, sale, and maintenance of semi-conductor equipment parts
- Development of ion implanter equipment and MOCVD components.

(II) Industry overview:

(1) Current status and development of the industry

A. Overview of the solar energy market

The energy required by human beings can be divided into primary energy and secondary energy. The so-called primary energy refers to the naturally formed energy, including coal, oil, natural gas, solar energy and nuclear energy, while the secondary energy refers to the primary energy. These include electricity, gasoline, electromagnetic energy, and gas (coal gas, biogas, and methane). Primary energy can be further classified into renewable energy and non-renewable energy based on whether it can be reused or not. Renewable energy refers to the energy derived from the sun, wind, and water. These energy sources are endless and inexhaustible along with the operation of nature. Non-renewable energy sources, such as petroleum, natural gas, coal, and nuclear fuel, are irreversible once consumed and will cause pollution. Under the global goal of carbon reduction, solar energy has always been one of the key projects considered when countries around the world develop new energy alternatives. Therefore, solar energy is currently the most mature and widely used renewable energy. The advantage is that the generated electricity will not produce other by-products that affect the environment, that is, there is no problem of environmental pollution, and it has the potential to become the main energy source in the future.

The development of solar cells began in 1954. The Bell Laboratories of the United States used silicon as the raw material to manufacture solar cells. Later, this technology was applied to artificial satellites as the energy source. A solar cell is a photoelectric component that can convert energy. Its basic structure is formed by bonding P-type and N-type semiconductors. The most basic material of semi-conductor is “silicon”, followed by “germanium”. If a semi-conductor is doped with different impurity, it can be made into

P-type and N-type semi-conductor. The potential difference of one free electron is added to the semi-conductor to generate the current. Therefore, when irradiated by sunlight, the light energy will excite the electrons in the silicon atom to generate the convection between the electrons and the holes. These electrons and holes will be affected by the built-in potential. are attracted by the N-type and P-type semi-conductors and gather at both ends. At this time, if the external electrode is connected to form a circuit, this is the principle of solar cell power generation. To put it simply, the principle of solar photovoltaic power generation is to use solar cells to absorb sunlight with a wavelength of $0.4\mu\text{m} \sim 1.1\mu\text{m}$ (for silicon crystal) and directly convert the light energy into electrical energy for output; Therefore, if it is necessary to provide power to household appliances or various electrical appliances, it is necessary to install an inverter (Inverter) to convert it into AC power before it can supply power to households or industrial uses.

In the early days, due to the low price of petroleum, the high production cost of solar cells, and the low conversion rate, the R&D and promotion of solar cells did not receive much attention. It was not until the 1990s as the semi-conductor manufacturing technology matured and the Under the influence of the world's high industrialization, the continuous increase in energy consumption worldwide and the excessive emission of carbon dioxide and other greenhouse gases have resulted in climate warming and drastic changes in the climate, and the commercial value of solar cells has gradually emerged. The superior characteristics of solar power have contributed to the rapid growth of global demand, resulting in the recent booming market development and the rapid decline in the cost of solar power generation. A series of subsidy policies have been introduced to support solar power generation in various countries. Leasing of solar energy equipment and guaranteeing the purchase price of electricity have become the main driving force for the growth of the solar energy industry in recent years. In addition to subsidies and incentives, in some countries with relatively high electricity prices in recent years, such as Europe and Australia, the cost of solar power generation has kept pace with other generation costs to reach grid parity, which also shows that solar power has considerable cost advantages As the demand for electricity continues to increase, it will continue to move toward becoming one of the main energy sources for power generation.

The extreme climate, high temperature and heat wave attacking the world, and environmental impact have prompted the 2015 Paris Agreement to confirm the global goal: to control the global average temperature to 1.5 degrees Celsius compared to the pre-industrial level in the 19th century by the end of this century. There is still a lag in progress, but China has set a goal to achieve carbon neutrality by 2060, and the United States has clearly stated in the U.S.-China Joint Glasgow Declaration on Enhancing Climate Action to achieve 100% zero carbon pollution electricity by 2035; Due to the

soaring electricity price caused by the expansion, the European Commission proposed the RePower EU project in May 2022, which will replace fossil fuels or natural gas with four measures: energy conservation, energy supply diversification, accelerated promotion of renewable energy, and expansion of investment. Therefore, it is expected that countries will continue to invest in the solar energy market in the future to reduce energy costs and achieve carbon neutrality.



Fig. 1. Global consensus on carbon neutrality

Source: Industrial Securities Research Report - 2022 PV Industry Investment Strategy

Power generation is the main source of carbon emissions. Semiconductors, electric vehicles, 5G communications, and aerospace industries have caused the global electricity consumption to continue to grow, and the per capita electricity consumption has increased. Key measures to achieve carbon neutrality. In the past decade, the cost of electricity (LCOE) has declined rapidly. Not only does solar energy have advantages over other renewable energy sources such as geothermal energy, biomass energy, and offshore wind power, but the cost of power generation is also very competitive with coal, natural gas, or nuclear energy. Let solar energy gradually become one of the mainstream of future power generation.

FIGURE 3 SOLAR ELECTRICITY GENERATION COST IN COMPARISON WITH OTHER POWER SOURCES 2009-2021

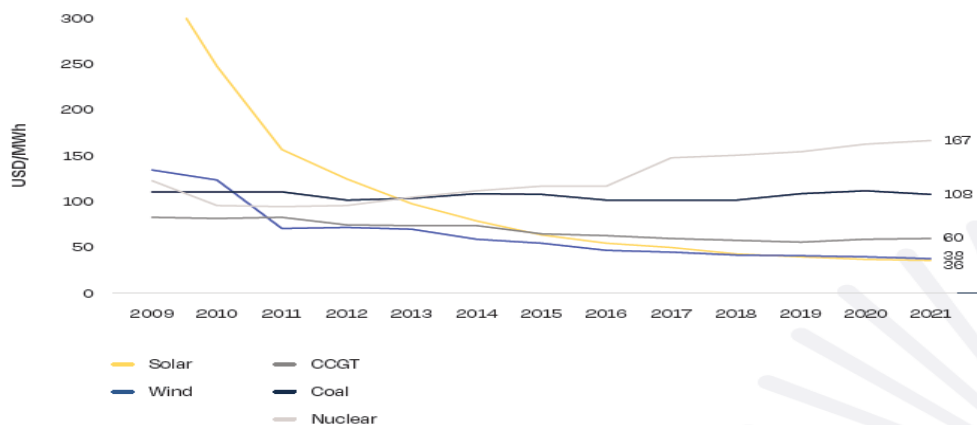


Fig. 2. Comparison of generation cost trends

Source: Global Market Outlook for Solar Power 2022-2026

In 2022, affected by the geopolitical turmoil of the Russia-Ukraine War, and the supply

chain crisis caused by the COVID-19 pandemic, the inflation has become more severe. In addition, with the continuous interest rate hikes adopted by numerous central banks, the global economy has slowed down significantly, the financial environment is tightened, the debt crisis is becoming increasingly serious, with strong impacts on emerging markets and developing countries. However, if we look only at the solar energy industry, the Russian-Ukrainian war has actively promoted the construction of renewable energy infrastructure, and the demand for related equipment has increased. The prospects for the development of the solar energy industry are optimistic. However, the supply of raw materials still needs to rely on China. Xinjiang and Mongolia were hit by the pandemic, the supply of polysilicon was interrupted, and the price soared. This situation is expected to continue until 2023 before slowing down. According to the latest data from Info Link Consulting, an agency specializing in solar energy, the global new installations may exceed 220GW in 2022; Bloomberg even stated that it may reach 250GW, an increase of up to 30% from 2021, showing a strong demand for solar energy. Nearly 70% of the demand is still shared by the markets of three major economies: China, Europe, and the United States; based on the estimation in the Global Market Outlook for Solar Power 2022-2026 of SolarPower Europe, the installation volume is able to maintain a stable growth rate of more than 10% during 2023-2026, showing that long-term demand for solar energy is bullish.

FIGURE 14 WORLD ANNUAL SOLAR PV MARKET SCENARIOS 2022 - 2026

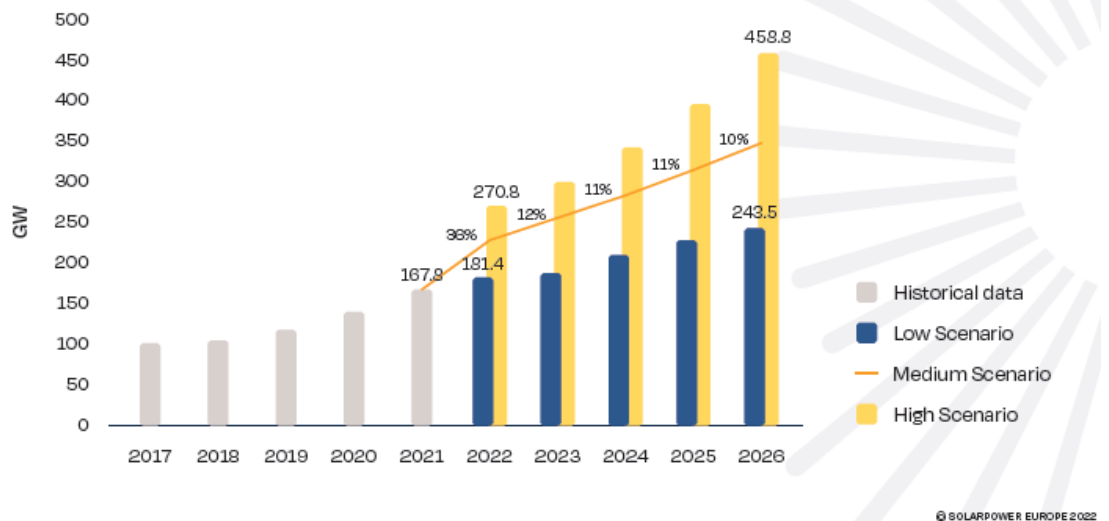


Fig. 3. Statistics of global solar energy installations from 2017 to 2026
Source: Global Market Outlook for solar power 2022 - 2026

China: China will still be the country with the largest solar energy installation in 2022. Due to the support of the dual carbon policy and sufficient supply chain, it is expected to reach 80GW, and the global market share will remain at 35-40%. In November 2021, China and the United States issued the “Joint Glasgow Joint Declaration” during the United Nations Climate Change Conference in Glasgow, expressing that China and the United States

would continue to work hard and are committed to strengthening the implementation of the Paris Agreement; Peak Carbon and Neutrality Plan], and proposed increasing the proportion of non-petrochemical energy consumption to 20% and 25% by 2025 and 2030. Meanwhile, the Central Bank has also introduced carbon reduction support tools, allowing financial institutions to provide corporate 1.75% to support the development of clean energy. The two carbon goals of peak carbon and carbon neutrality have become the key directions. From the perspective of China's 14th Five-Year Plan (2021-2025), it is expected that the growth rate will continue to be maintained at 10%-20% from 2023 to 2025. It is expected that the installation capacity of more than 100GW in 2025 will be achieved, which will usher in the rapid development of China's solar energy market.

Europe: According to the Global Market Outlook for Solar Power 2022-2026 report by SolarPower Europe, due to the unstable natural gas supply resulted from the Ukraine-Russia war, with the soaring energy prices, the installed capacity for the 27 EU member states was likely to reach 40GW in 2022, and InfoLink even predicts that it can reach nearly 50GW. It is expected that the European solar energy market will continue to flourish, and it is expected to grow by 15-25% every year until 2025. Germany is the largest and stable solar market in the European Union. The installed capacity in 2022 was expected to reach 7.4GW, likely to approach the annual peak of 7.6GW in 2012. Comparing to 6GW in 2021, the growth rate is 23%. It is expected that the solar energy will grow by 25-40% every year before 2026, and the dependence on other energy sources will be reduced. The next largest solar energy consuming countries are Spain, the Netherlands and Poland, with an installation capacity of about 3.2-3.3GW, and France may also increase to 3GW. Greece, Sweden, Denmark and other countries are also expected to have installations exceeding 1GW, showing that countries are fully prepared to achieve their solar energy goals. United States: The United States has continuously adjusted its domestic energy policy in recent years. Domestic demand is still strong but policy risks are still high, especially from the supply side. The anti-dumping and anti-circumvention investigations into China and Taiwan began in 2016, and whether the investigation into Southeast Asia (Thailand, Vietnam, Malaysia, and Cambodia) will be extended to the supply side. In addition, the Forced Labor Act was enacted last year. The control of polysilicon has made the solar energy market in the U.S. uncertain under the circumstance of high installation cost, labor shortage, insufficient supply chain, and complex import tariffs. It is estimated that the installation capacity of 23-26GW in 2021 will be able to be maintained in 2022, and it is not expected to gradually grow until 2023.

Taiwan: Taiwan's installation capacity was 1.9GW in 2021. In 2022, it is expected to maintain the installation capacity of 1.5-2GW from 2021, and the cumulative solar capacity will be about 10-11GW. However, there is still a gap of 9-10GW to the government's

20GW target in 2025. In other words, in the next three years, the annual installation capacity of 3GW will be required to achieve the goal. Taiwan is small in size and densely populated. Two-thirds of the land on the island is mountainous. Therefore, the overall land availability is the most important limiting factor for solar energy development. In addition, the supply chain is tight and costs are rising. The key factors are the support of the wholesale electricity tariff policy, and detailed implementation support, such as the process for acquiring/changing land and roof, the TPC Bureau of Energy’s application or grid connection capabilities, supply chain resources, and price stability.

FIGURE 15 EVOLUTION OF GLOBAL ANNUAL SOLAR PV MARKET SHARES UNTIL 2026

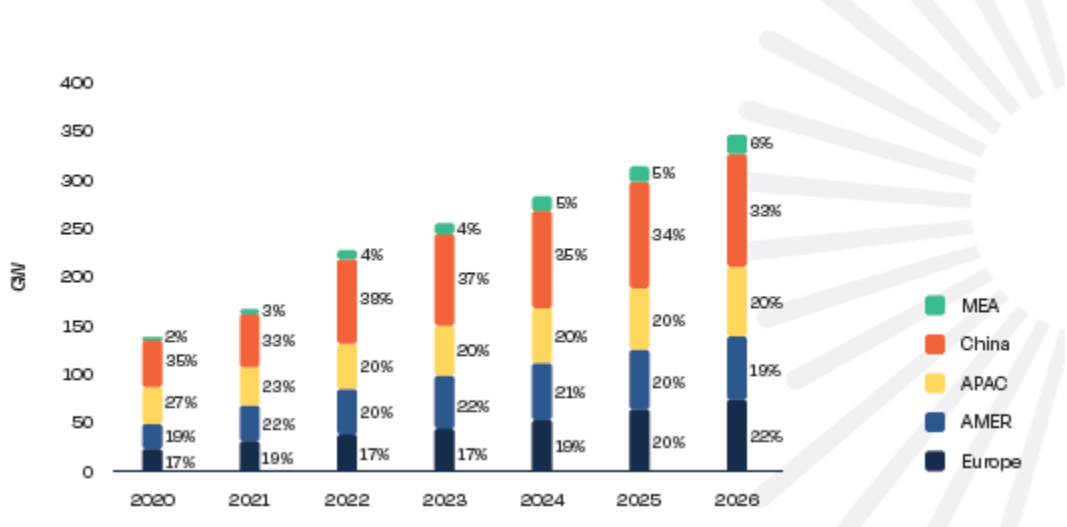


Fig. 4. Projected solar installation capacity by region in the world by 2026
Source: Global Market Outlook for Solar Power 2022-2026

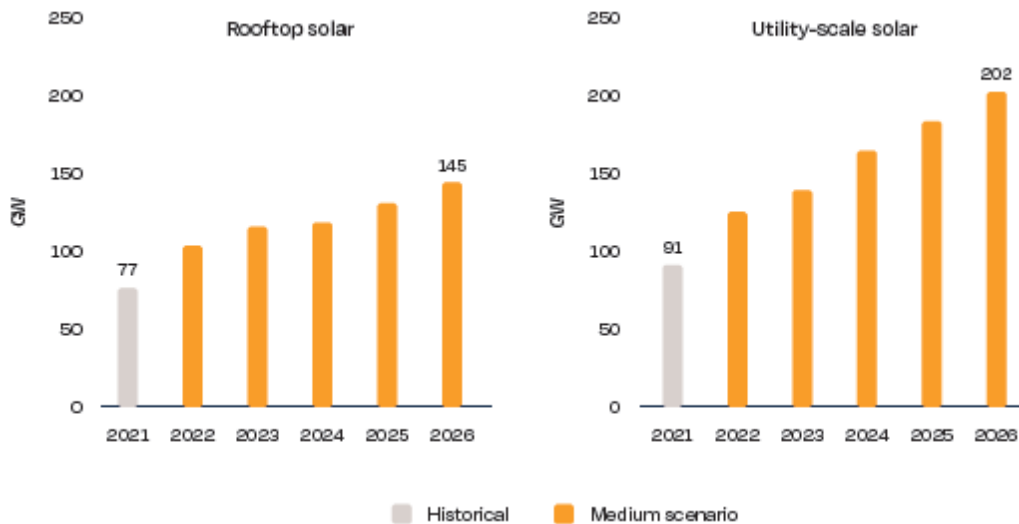


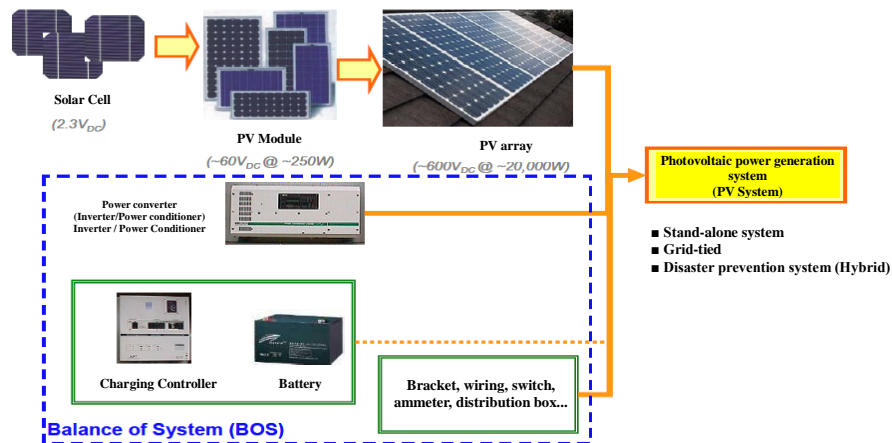
Fig. 5. Rooftop and power plant solar installations from 2022 to 2026
Source: Global Market Outlook for Solar Power 2022-2026

In terms of installation type, the proportion of large-scale power plants and rooftop demand in 2021 will be about 55% vs 45%. In terms of rooftop demand, Australia, Japan, Germany,

the United States, and South Korea are traditionally large countries. Rooftop demand in Poland, Spain, and even China is also increasing rapidly. It is estimated that the demand for rooftops in 2026 will grow by more than 100% compared to 2021, reaching 145GW per year. The application process for large-scale ground-type power plants has been simplified, so the development is relatively rapid. The United States, Spain, Italy, and China are all in demand. In recent years, other European countries such as the Netherlands, Germany, and Portugal have also entered the ground-type power plant market one after another. By 2026, it should reach 202GW/year, more than double the installation capacity in 2021.

The Company and its subsidiaries are engaged in the manufacturing and trading of solar energy modules, and are also responsible for the back-end system integration and installation. In the solar energy industry chain, solar photovoltaic module manufacturing and power generation system applications belong to the middle and lower reaches. A solar power generation system is mainly composed of solar modules, inverters, module brackets, cables, batteries, distribution boxes, electricity meters, and other support systems.

Fig. 5. Schematic diagram of solar power generation system



Source: IEK (2011/08)

Fig. 6. Schematic diagram of solar power generation system

The solar power generation system is composed of a number of solar modules (PV Module), which are assembled in series and installed with the module bracket, and the solar module is composed of a solar cell package. Inverter, also known as power conditioner, converter, or inverter, is mainly used to convert the DC power generated by the photoelectric conversion of solar cells into AC power for the AC power application and deployment of general household appliances, or feeding into the AC grid for power transmission. The internal structure mainly includes a booster, D.C./AC converter, and other blocking and rectifying control and protection circuits. Through the combination of various components, it becomes a complete solar power generation system.

According to the common types, solar power generation systems can be roughly divided into three categories as follows:

(A) Stand-alone solar power generation system

During the day, the solar photovoltaic system generates power to supply the loads and charge the battery. At night, the battery supplies power for the load, so it can be self-sufficient. It is mostly used in mountains, remote islands, and base stations. It is usually the place where the city power cannot reach the supply. .

(B) Grid-connected solar power generation system

During the day, the solar photovoltaic system is used to generate power and it is connected in parallel with the city power load. This solar power generation system is connected in parallel with the city power system to generate electricity and supply the load. When there is no solar energy at night, the power company uses other power generation systems to supply power. Therefore, the inverter has the function of reverse power transmission, which can return and sell the power to the power company. Investors or users can sell the solar power generated during the day at the preferential purchase price set by the government to earn profits. Collect electricity sales subsidies and recover the cost of solar power system installation.

(C) Emergency Disaster Prevention (Standalone/Parallel Hybrid) Solar Power System

It also works with the city power system and the battery. During the day, the solar photovoltaic system generates power and is connected in parallel with the city power load to charge the battery at the same time. However, at night, the power company uses other power generation systems to supply power. When the power cannot be supplied, the electricity stored in the storage battery can be used to supply the electricity required for the relief equipment. Therefore, the inverter of this type of solar power generation system also has the function of reverse power transmission. At the same time, it is equipped with a battery and can be operated in the parallel mode or the independent mode of the solar power generation system.

Due to the many advantages of solar power generation systems, due to the damage to the global environment and the rising energy prices, solar power generation systems have been gradually developed from traditional disaster prevention or IPS to city power paralleling. One of the main sources of clean electricity.

B. Overview of the Source Storage Market

Energy storage applications are the core of today's micro grids. At present, the main energy storage applications are mainly divided into the generation side, the grid side, and the user side. Due to the similar product types, the energy storage equipment manufacturers are mainly used for system integration. Commercial oriented business. In particular, TPC's

ancillary services have created a wave of energy storage applications in the past two years. The demand for grid-side AFC and dReg services has led to a significant increase in domestic energy storage installations.

Due to different environmental conditions, the design barriers of energy storage application and energy management are higher for users, and the development is relatively slower comparing to the grid. However, as the policy specific to the major power consumers will be enacted in 2024, and corporates' attentions to the power quality, the user application will be elevated. Emerging solar energy storage applications will also play an important role in the next energy storage application as policies and regulations become clear.

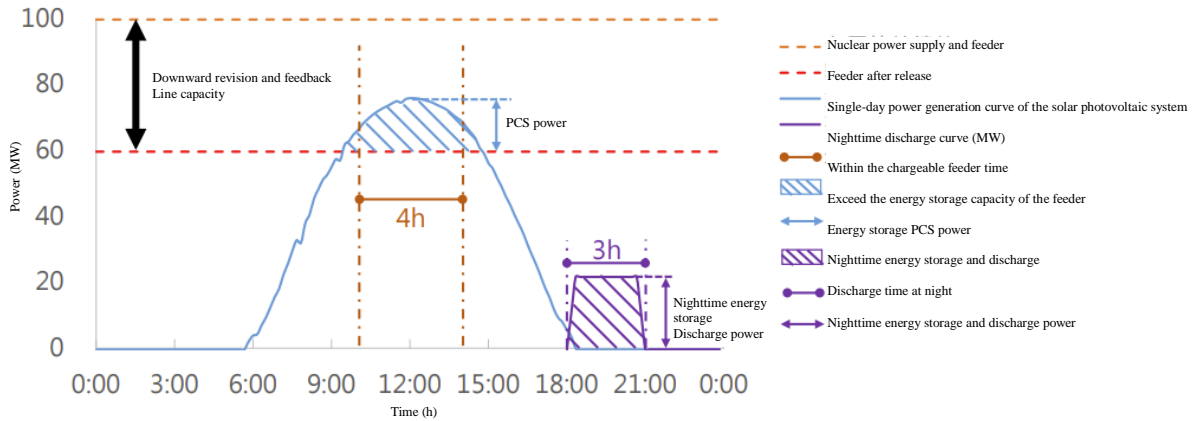
Fig. 7. Description of Taiwan's energy storage market

	Field	Main applications	Power (W)	Source of profit	
Generating side	Photovoltaic power plant	Resolve the curtailment of wind and solar energy Smooth curve Primary frequency regulation Time-shift (relief feeder)	10-50% of PV capacity 10-50% of wind capacity	FIT Peak and valley electricity price arbitrage Time electricity price shift Increase the utilization of green energy	
	Wind power plant				
Grid side	Independent construction Relying on the traditional generating set	Peak regulation and frequency regulation Auxiliary services Relief feeder Full black start Replacing the traditional generating set with the load	Hundreds of kW - hundreds of MW	Revenue from various ancillary services Contract income	
User side	Micro grid	Self-consumption Peak shaving and valley filling Management time electricity price Capacity reduction contract Backup power	kW-MW	Reduction of contracted capacity cost Revenue from peak and valley electricity pricing Self-consumption	
	Industrial and Commercial Enterprise				
	Residential				
External environment	/	Carbon emission Business model Platform and software	/	Carbon footprint, carbon emission Trading platform, social responsibility Health and Safety Insurance, security	
Conditions in Taiwan			Can energy storage be involved?	Present	Future
Ten thousand retail sales of renewable energy (electricity sales contract)			O	X	O
Electricity sales (certificates, contract's bidding)			O	X	O
Electricity auxiliary service (electricity trading platform)			O	O	O
Industry and commerce (voluntary and self-consumption, UPS, energy storage commercial model)			O	O	O
Residential (self-occupancy, peak-valley spread)			O	X	?

Source: InfoLink, Taiwan Energy Storage Market Report, 2022Q1 SAMPLE

Fig. 8. Description of solar energy storage application

1. The power generation shall be charged for the part of the power generation exceeding the installed feeder capacity; the charging shall be allowed for the power generation between 10:00 and 14:00 every day for the part that does not exceed the installed feeder capacity.
2. The discharge (including load lifting and lowering) shall be discharged at 5% per minute during the designated time period of 3 hours at night as announced by Taipower.
3. If the stored energy is not discharged within the time period specified above, the daytime rate will be paid.
4. If the charging equipment is not charged within the charging time period, the charging capacity shall not be charged.
5. The energy storage system shall be equipped with remote control and monitoring equipment independently in accordance with TCPC's "Principles for the Provision and Transmission of Real-time Operational Data of Renewable Energy Power Generation Systems" and shall be subject to the safety dispatch of TCPC.



Source: Department of Energy

C. Market overview of semi-conductor equipment parts

The Company and its subsidiaries are specialized in the design and manufacture of equipment spare parts for the semi-conductor and optoelectronic related industries. We belong to the middle reaches of the semi-conductor industry. Analyze the development status and future trends of the semi-conductor industry.

The structure of the semi-conductor industry is an industrial chain type in which the upstream, mid-stream and downstream need to be combined with each other. As far as the semi-conductor industry is concerned, the upstream industries include materials, equipment, and integrated circuit (IC) design; the mid-stream industry includes IC manufacturing; the downstream industry includes IC packaging and performance testing; Manufacture and production of hardware. The development and application of all digital technologies are related to the semiconductor integrated circuit (IC), the core component of microelectronic information technology. From this we can see the importance of the semi-conductor industry and related technologies. Semiconductors are used in the key components of various electronic products and the hardware core of their printed circuit boards. The progress of key components and their circuit board hardware technology will improve the performance of application system products and drive the improvement of software program related technologies. Development and promotion. The relationship between hardware vehicles (such as personal computers, notebook computers, tablets, smart phones)

and software applications (platforms, Apps) is complementary to each other, and is a key element to promote the digital industry and digital economy.

According to the Precedence Research report, the global semi-conductor market size was US\$456.79 billion in 2022 and is expected to reach US\$772.03 billion in 2030. It is expected to grow at a compound annual growth rate of 6.6% from 2022 to 2030. Semiconductors are widely used in electronics, industrial equipment, electric vehicles, network communications, and data processing. The latest technologies such as artificial intelligence, machine learning, and the Internet of Things are developing day by day. The development and growth of semi-conductor technology. In addition, due to the impact of the COVID-19 pandemic, the acceleration of the popularization of unmanned technology and the increasing trend of work-from-home has promoted the requirements for notebook computers and peripheral electronic equipment, thereby creating a large demand for semi-conductors, and is an important factor promoting the growth of the global semi-conductor market.

Global semi-conductor market scale

Unit: US\$ 1 billion



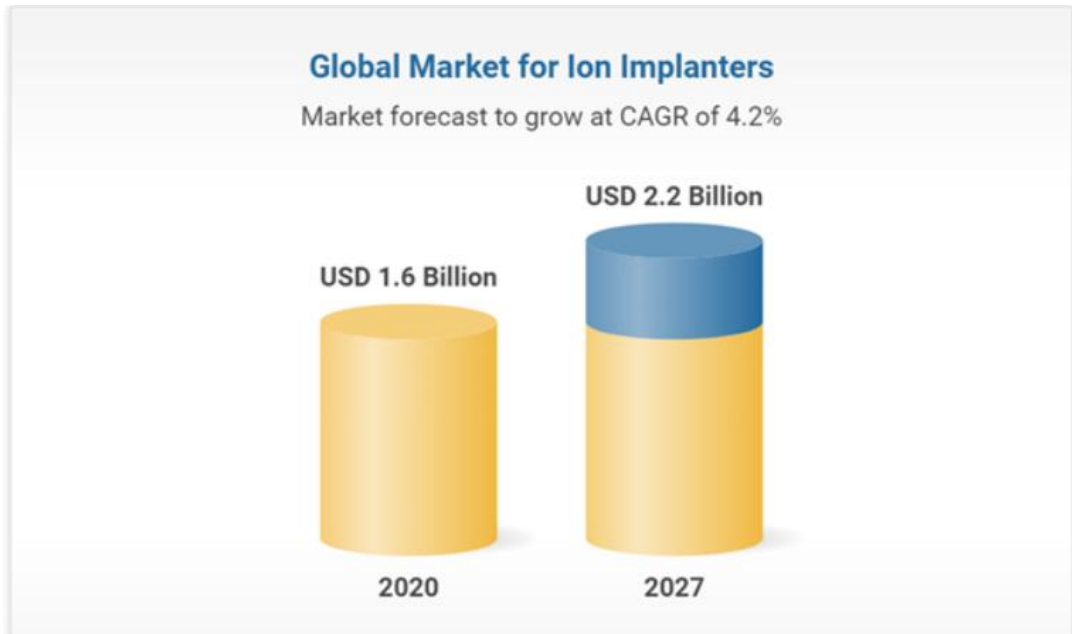
Source: Precedence Research (2022/6)

According to the Research AndMarkets research report, the global ion implanter equipment market size was US\$1.6 billion in 2020 and is expected to reach US\$2.2 billion in 2027, with a compound annual growth rate of 4.2% from 2020 to 2027. The demand for precision and miniaturized semi-conductor components mainly used in consumer electronics continues to grow, and the development and adoption of innovative technologies such as artificial intelligence and blockchain are based on the semi-conductor value chain to promote the global advanced semi-conductor process and mature processes, thereby

promoting the growth and development of the global semi-conductor manufacturing equipment market. In addition, another factor affecting the global semi-conductor manufacturing equipment market is the increasing adoption rate of hybrid and electric vehicles. and the driving force for the long-term growth of the semi-conductor industry in the future.

Global ion implanter equipment market scale

Unit: US\$ 1 billion



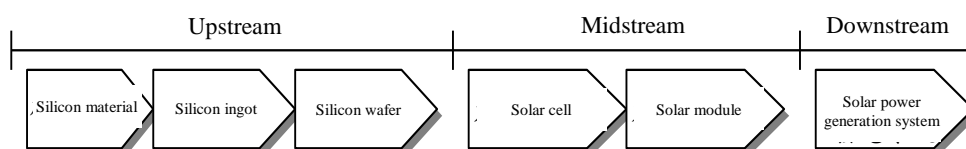
Source: Research And Markets (2022/10)

(2) Correlation among the up-stream, mid-stream, and down-stream industries

A. Solar module manufacturer and brand operator

The upstream of the solar energy industry can be divided into the manufacturers of silicon crystal materials, silicon ingots, and silicon wafers; the midstream is the manufacturers of solar cells and solar modules; the downstream is the solar power generation system manufacturers. The Company and its subsidiaries belong to the solar module manufacturers in the midstream. and the downstream solar power generation system manufacturers. The relationships among the up-stream, mid-stream and down-stream industries are as follows:

Fig. 9. Relationship among the up-stream, mid-stream and down-stream of the solar energy industry



B. Energy integration management service

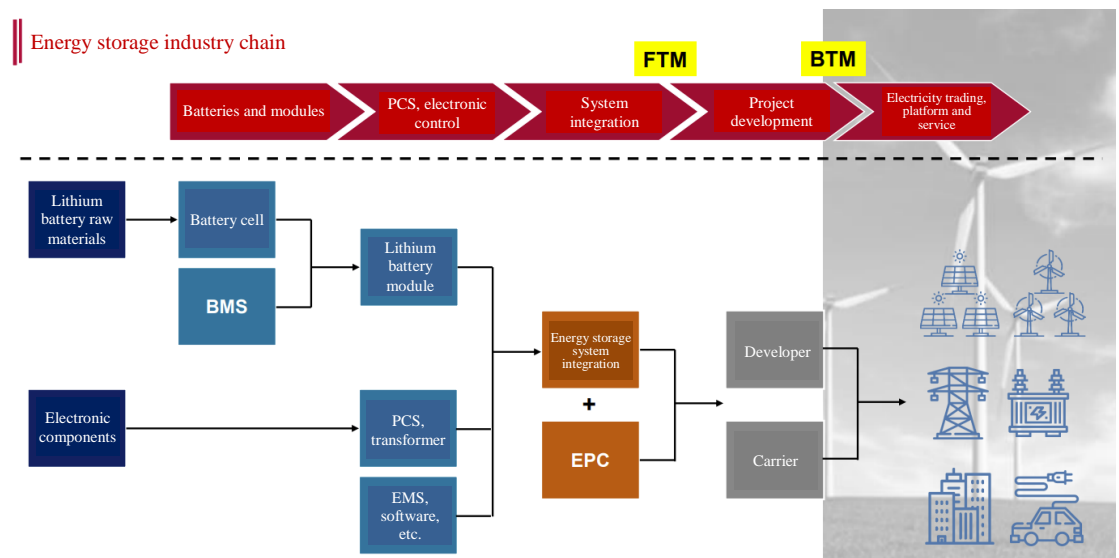
The energy storage application industry chain includes:

Upstream: cells, modules, battery management system (BMS), power converter (PCS)

Midstream: Battery system integrators, power system integrators

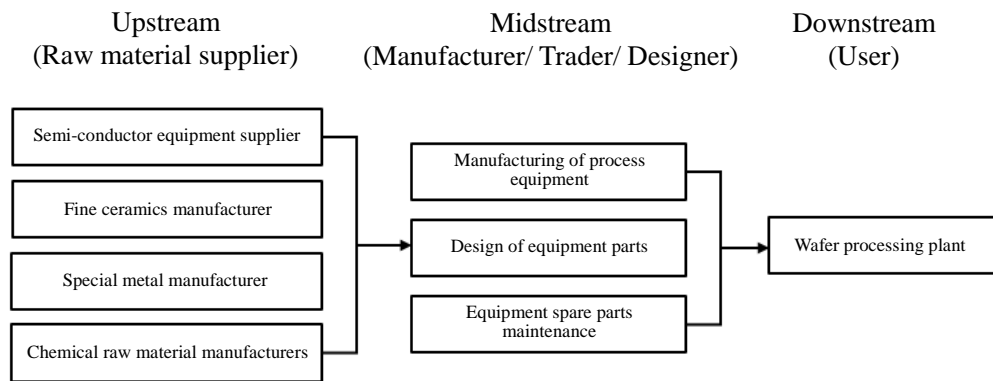
Downstream: System designers, maintenance providers, and OEM operators (the Company's role in the industry)

Fig. 10. Schematic diagram of the energy storage industry chain



Source: InfoLink, Taiwan Energy Storage Market Report, 2022Q1 SAMPLE

C. Design, sale, and maintenance of semi-conductor equipment parts



The main products of the Company and its subsidiaries are semi-conductor manufacturing front-end process equipment spare parts, which belong to the semi-conductor equipment spare parts industry in the semi-conductor industry. The spare parts and spare parts are mainly derived from ceramics, special metals, and chemical raw materials, which are not easily available in the general market. Raw materials. The products are applied to the ion implantation process equipment and the organic metal vapor phase epitaxy generation technology equipment in the front-end process of the wafer processing factory.

(3) Development trends of products

A. Solar module manufacturer and brand operator

(A) Pursuing higher power output from solar power systems; product and technology integration

The performance of a solar power generation system is mainly determined by the quality of the solar modules. Therefore, solar energy companies will focus more on improving the wattage and performance of the modules. adjustment and process update.

(B) Lower power generation system package, installation cost, and technology integration

Before 2008, the cost of solar modules accounted for more than 70% of the system cost. However, due to the downward adjustment of market prices recently, the cost of solar modules only accounted for about 45% of the system cost or even lower; The cost of components such as inverters, mounting brackets, and cables has increased relatively. Therefore, standardization of solar power system package to solve design interface problems has become one of the future development trends of the solar energy industry. Purchasing in bulk to reduce costs and integrating all products at once can save the manpower and cost of procurement, installation and construction,


and increase the return on investment of solar power system users.

(C) Technology integration for lower operation and maintenance costs

The operation and maintenance period of a solar power generation system is as long as 20~25 years. In the past, when the system cost was high, investors could use a lot of manpower to perform regular system maintenance. This enables investors to maintain proper maintenance. The solar power generation system is monitored in the cloud, where the communication processor sends all information of the system back to the cloud server. When a failure occurs, manpower is dispatched to repair the system immediately to maximize manpower utilization efficiency and reduce system maintenance costs to the most reasonable level.

B. Energy integration management service

The domestic micro grid and energy storage industries are mainly driven by the government’s large electricity user obligation policy, the auxiliary incentives of Taiwan Power Company, and the future solar energy storage market. The operation management design of energy storage is divided according to its function. Its development scale is forecast as follows

	Item	Contents	Estimated food content	Time
Before table	Taipower Auxiliary Services	Dynamic frequency regulation 500MW - Electricity transfer service 500MW / 2000MWh	1000MW/2500MWh	2025
	Taipower Auxiliary Service (Expansion)	Dynamic frequency regulation reserve 1000MW Electricity transfer service 1500MW / 4000MWh	2GW/4GWh - 4GW/6GWh	2030
	Wind and solar power plants	1. Combination of solar photovoltaic and energy storage 2. Wind farm + energy storage is a bonus item 3. From 2026, at least 1GW for solar and wind power per year, respectively.	1.5GW/6GWh - 3GW/12GWh	2030 or later
Industry and Commerce after the balance sheet	Conditions for large electricity consumers (>5000kW)	Approximately 15GW of capacity above 5000kW	150MW/300MWh (Energy storage penetration rate: 10%)	2025
	Large electricity consumers (>800kW)	800-4999kW capacity: about 10GW	100MW/200MWh (Energy storage penetration rate: 10%)	2030
	Increase of RE 100, ESG, and large electricity consumers		250MW / 500MWh	2030
	Industrial and commercial backup power supply, outlying island, charging pile		200MW / 800MWh	2030
	 Total			5.5-7GW/15-20GWh

Source: TPC, InfoLink

Source: InfoLink, Taiwan Energy Storage Market Report, 2022Q1 SAMPLE

C. Design, sale, and maintenance of semi-conductor equipment parts

(A) Capacity expansion of wafer foundries

In response to the demand for chips from the upgrade of technical specifications such as the Internet of Things, consumer electronics, electric vehicles, and data centers, and the digital transformation accelerated by the COVID-19 pandemic has resulted in

problems such as broken production chain, slowdown of consumption, shortage of raw materials, and geopolitical problems. Risks and impacts, the development trend of localization of the semi-conductor production chain is clear, causing wafer foundries to actively expand process technology and capacity planning in various regions, and allocate the key materials for the production of chips for different purposes, thereby making the global wafer foundry market prosperous. According to TrendForce According to the survey, from 2021 to 2024, the compound annual growth rate of the global wafer foundry capacity will reach 11%, and the expansion of wafer foundry capacity will also provide a certain growth space for the demand for semi-conductor equipment components used in the process.

(B) Advanced process customization and high precision

Taiwan's semi-conductor equipment parts supply chain is localized and technologically advantageous. Led by customers' continuous investment in advanced production processes and production capacity, there will be good opportunities for localization of advanced production process equipment and components for special customization and rapid technology upgrade. In response to the rapid development of customers' products toward high precision, miniaturization, and 3D stacking, customized parts and components must be developed quickly and then imported.

(4) Competition situation

A. Solar module manufacturer and brand operator

Solar energy is one part of the energy industry. At present, energy types can be roughly divided into two categories: traditional energy and alternative energy:

(A) The traditional energy sources are mainly petrochemical energy, such as coal, oil, and natural gas. They are the main energy sources that are widely used at present. Their advantages are easy to use, stable in supply, and high in energy density. They are cheaper if external costs are not considered. The disadvantage is that it is easy to produce nitrogen oxides, sulfur oxides and other pollutants, and the carbon dioxide generated after combustion will aggravate the greenhouse effect.

(B) Alternative energy can be mainly classified into renewable energy. According to the definition of the United Nations Environment Program (UNEP), "renewable energy" refers to the theoretically inexhaustible natural resources, and will not produce pollution in the process energy, such as solar energy, wind energy, geothermal energy, hydroelectric energy, tidal energy, and biomass energy, all of which are converted to natural energy Renewable energy is referred to as "renewable energy".

Although renewable energy still has many technologies to be overcome compared to traditional energy, it will gradually become the mainstream energy in the future under the global warming crisis. The Company sets the target to achieve a certain utilization ratio, so the traditional energy will be gradually replaced by the renewable energy. At present, renewable energy has been used for commercial operation, mainly including solar energy, wind energy, hydroelectric energy, geothermal energy, and biomass energy. Based on the statistics of various renewable energy sources in nature, solar energy alone can provide 2,850 times the world's energy. The second place is 200 times that of wind energy, 20 times that of biomass energy, 5 times that of geothermal energy, and 3 times that of hydroelectric energy. Therefore, solar energy is the largest renewable energy source. The advantages of simple system structure, low maintenance cost, and even global sunlight distribution, especially when the cost of solar power generation systems have dropped significantly in recent years, have made the cost of solar power very competitive. Considering the competition from various renewable energy sources, The solar energy industry has a low base period and there is still a large room for alternative fossil fuels, and will each exhibit high growth in the short term.

B. Energy integration management service

At present, domestic energy storage applications are mainly pre-metered and grid-connected (the grid side). Their functions are simple, and most of them are led by equipment vendors and can enter the market with the EMS (Energy Management System) developed by the system vendor. low level, high reproducibility, and the overall competitiveness depends on the system cost. However, as the grid energy storage market is characterized by large differences in functions, a high degree of customization, and competitiveness is not based on cost. The overall energy design and planning, project management and business model are the main focus of competition.

C. Design, sale, and maintenance of semi-conductor equipment parts

As Taiwan, South Korea, and China are the three major semiconductor manufacturing bases in the world and continue to grow, they are the main sales markets for various equipment component suppliers. The Company and its subsidiaries have high quality and stable products, competitive prices, rapid technical support services, and the ability to assist customers in the development of customized products. We have cooperated with customers in the semi-conductor equipment component market for more than 20 years. A long-term relationship of trust has been cultivated, and customized products such as efficiency improvement projects are often jointly developed to meet the needs for advanced manufacturing processes and production capacity.

3. Technology and R&D overview

(1) Level of technology, research and development

A. Solar module manufacturer and brand operator

The Company and its subsidiaries have introduced innovative products. The GEMINI series of modules were introduced in 2021. WST-375MGL has obtained the international IEC certification and began to sell in Europe and the United States. It is the first manufacturer in Taiwan to obtain the M6 module certification. The module efficiency of this product is 20.6%. In the 2021 Clean Energy Reviews (CER) module efficiency ranking, it ranked 9th in the world, and was the only manufacturer selected from Taiwan. In 2022, the Company and its subsidiaries completed the development of the M10 specification module, obtained the international IEC certification, and began to sell in Europe and the United States. The module efficiency can reach the highest 21.3%. The Company is the first manufacturer in Taiwan to deploy large-scale technology, and this product can be used for downstream power plants. and end customers, and create higher economic benefits. In addition, the Company and its subsidiaries are actively collaborating with domestic and foreign research institutions, and prudently forging strategic alliances with domestic and foreign companies in terms of technology. In the development of next-generation products, the Company and its subsidiaries have applied for and passed the industrial energy project of the Bureau of Energy, Ministry of Economic Affairs. The total budget for the “Next-generation Large-size High-Efficiency Solar Module Development Program” is NT\$51,000,000. Through this program, the Company and its subsidiaries will introduce large-size HJT cells and complete the completion of key modules. Mass production technology and module material design and development, through this plan, the Company and its subsidiaries will continue to maintain the advantage of producing high-quality solar modules in Taiwan.

B. Energy integration management service

(A) Energy storage peak shaving and valley filling technology

(B) Demand and peak and off-peak management technology

(C) Time electricity price management technology

(D) Off-premise support service management and optimization technology

(E) Solar energy storage optimized management technology

C. Design, sale, and maintenance of semi-conductor equipment parts

The Company and its subsidiaries are spare parts suppliers for semi-conductor front-end production equipment, specializing in the production and repair services of various key spare parts such as tungsten, molybdenum, and graphite. The main products are applied to the extremely complex ion implantation process in the wafer front-end process, and supply consumables and the entire set of components. Technological level With the customers’

advanced process technology, the process conditions are getting more and more stringent, the Company and its subsidiaries have fully cooperated with customers in the early stage of design discussions, and provide comprehensive solutions to problems arising in the production process, and has obtained product specification verification from the advanced production process customers of the world’s leading manufacturers. The Company and its subsidiaries have started to use the design solutions Opportunities in the field of advanced technology and key spare parts.

(III) Technology and R&D overview:

1. R&D expenses in the most recent year and up to the publication date of this annual report

Year	Amount (NT\$ thousands)
2022	61,067
April 30, 2023	21,430

2. Successfully developed technologies or products in the last three years

Year	Research and development achievements
2020	The high-efficiency module WSP-330M6G won the 2020 Golden Energy Award from the Bureau of Energy, Ministry of Economic Affairs.
	“Three Dimension intelligent solar energy system testing equipment” won the third place in the 2020 solar photovoltaic innovative application product design competition of the Industrial Development Bureau, Ministry of Economic Affairs.
	Received IEC certification for the high-efficiency module WSP-375MGL and started sales
2021	The high-efficiency module WST-375MGL has passed the rigorous testing required for the international IEC certification. (Salt Mist_IEC 61701:2020, Ammonia_IEC62716:2013, PID_PPP 58042B, Load_IEC61215, IEC61730, LeTID)
	Received MCS certification for the high-efficiency module WST-375MGL in the UK and began sales.
	Win Win Precision approved for 2021 the “Development of Next-Generation Large-Scale High-Efficiency Solar Modules” program of the Energy Institute under the Bureau of Energy, Ministry of Economic Affairs, with a total expenditure of NT\$51,000,000.
	Win Win Precision received the invention patent “solar module testing system” from the Intellectual Property Office of the Ministry of Economic Affairs, patent number: I727785.
	Win Win Precision patented the invention “Solar Module Detection System” by U.S. Patent and Trademark Office. Patent No.: US11,153,496B1.

Year	Research and development achievements
2022	The high-efficiency module WST-560MGX series obtained the international IEC certification and began sales.
	The high-efficiency module WST-415MGX series has passed the rigorous testing required for the international IEC certification. (Salt spray_IEC 61701:2020, Ammonia_IEC 62716:2013, PID_IEC TS 62804-1:2015, Heavy duty_IEC 61215, IEC 61730)
	Received MCS certification for the high-efficiency module WST-560MGX series and began sales.
	Obtained domestic VPC certification for WST-375MGL high-efficiency module and began sales.
	Win Win Precision won the ROC new model patent “Solar Shuttle System”. Patent No.: M623406.
	Win Win Precision was awarded the R.O.C. patent for “Management System for Managing Multiple Solar Modules.” Patent No.: M627259.
	Received CSA certification and completed California CEC registration for WST-550MGX-E2, WST-545MGXB-E2, WST-545MGXC-E2, and M10 series products.
	The WINAICO modules passed the ITRI test “SGS water quality pollution test by SGS testing,” Huan-Shu-Huan-Jian Zhi No. 35.

(IV) Long-term and short-term business development plans:

(1) Short-term development plans

A. Solar module manufacturer and brand operator

(A) Marketing strategy

- a. Continue to diversify overseas layouts. Unlike other Taiwanese manufacturers, most of their products are exported overseas. Europe (Germany, Benelux, Poland, Switzerland, Austria, Hungary, northern Europe) and Australia have relatively stable growth, and continue to develop the United States and other stable electricity price countries to expand market breadth and diversify risks in the single market.
- b. Pay attention to the main competitors’ product types and price trends in each market, maintain a product strategy with few product types but clear target markets, establish strategic partner alliances to jointly promote and develop the market, and strictly control inventory turnover with existing production capacity and strive for the best profit margins.
- c. The channel is the most important product. The Company remains focused on

local installations. In recent years, the Company has been working with some medium and large resellers to break through the restrictions on the variety of European languages and expand the distribution of its successful products to more countries.

- d. In addition to modules, integrate solar energy related equipment such as inverters and connectors to provide one-stop sales of comprehensive services and overall product solutions.
- e. With the development of digitalization, some marketing strategies in recent years have become more flexible. In addition to general exhibitions or other physical marketing promotions, website management, marketing videos, blogger advertising and other strategies are all helpful to promote the WINAICO brand to young people market.

(B) Production strategy

- a. Establish cooperative relationship with major solar cell suppliers at home and abroad, so as to update the battery trends and develop the next generation of products at any time.
- b. Expand the cooperative relationship with material suppliers, integrate advanced materials into the module production process to improve product efficiency, and at the same time reduce production costs to strengthen price competitiveness.
- c. Expansion or upgrade of existing production equipment, upgrade of module process capacity and mass production of a new generation of products, maintaining the R&D advantage of consistently high efficiency and advanced technology, while reducing production costs, providing more flexible capacity planning space, and fully grasping product quality level.
- d. Strengthen the cooperative relationship with outsourcers to strive for sufficient production capacity.

B. Energy integration management service

(A) Marketing strategy

Establish demonstration cases of innovative micro grids (solar photovoltaics, energy storage, and energy management), such as behind-the-meter energy storage and auxiliary service applications for large consumers, and integrated application of generator + energy storage system. Demonstrate the feasibility, market potential, and replicability of related services through innovative technology demonstrations and business models.

(B) Production strategy

It focuses on market development, project design, and system integration and application related services. Major equipment is provided by suppliers, and a supplier database is established for cost optimization.

C. Design, sale, and maintenance of semi-conductor equipment parts

(A) Marketing strategy

- a. Expand the marketing of existing semi-conductor equipment spare parts related products, increase market share, strengthen the provision of real-time service and technical support to customers, at the same time deepen the relationship with customers, accelerate the pursuit of strategic products with advanced production processes, and sufficient product lines.
- b. Accelerate the development of China's semi-conductor market. In view of the active development of independent semi-conductor process technology and equipment in China's policy, the Company has planned to strengthen cooperation with local suppliers to continue to supply semi-conductor spare parts for China's wafer fabs and provide semiconductor equipment manufactured locally. services to develop local business.
- c. Continue international operations, build up competitiveness in the overseas market, strengthen the capabilities of overseas sales teams, and continue to actively expand overseas markets such as Singapore, the United States, Europe, and Japan.

(B) Production strategy

Continue to expand production capacity in line with customers' production expansion progress and needs, and upgrade electronic information systems in factories to maintain real-time inventory information with customers and improve cooperation with customers.

(2) Long-term development plans

A. Solar module manufacturer and brand operator

(A) Marketing strategy

- a. Continue the WINAICO brand marketing strategy, and develop solar photovoltaic system packages at the same time, strengthen strategic cooperation with system installation suppliers and major distributors, and improve brand awareness and channel visibility.

- b. In order to reduce the impact of changes in policies in various countries on sales, we continue to adhere to the global multi-point sales operation strategy to diversify regional risks and expand and strengthen the Company's global solar photovoltaic system channels.
- c. As the price of solar photovoltaic products and systems is getting lower and lower, it is necessary to develop compound values to increase profitability. The Company will strengthen the integration of solar energy and the five major fields of construction, lighting, agriculture, transportation, and water resources. To increase sales channels and profit models by establishing new investment value models.

(B) Production strategy

- a. Continue to develop high-power and niche products, and launch new solar modules ahead of the market to obtain higher gross profit margins.
- b. Through the close and stable cooperative relationship with outsourced factories around the world, we provide customers with a rapid, accurate, and complete production environment, maintain production quality, and take into account a reasonable inventory level.
- c. Continue to use advanced production processes and materials to reduce costs and establish cost advantages.

B. Energy integration management service

(A) Marketing strategy

Look for large corporate customers who are green and low-carbon companies as the target. By demonstrating the benefits of the project and the appeal for low-carbon transformation, we help customers with the overall planning, implementation, and maintenance of green power, energy conservation, and energy storage, and cooperate with the green power supply to become the best counselor for the low-carbon transformation of enterprises.

(B) Production strategy

Based on our service management experience, we choose to invest in hardware and software integration, such as the development of highly adaptable industrial user Situation Room interface, energy storage cabinet integration testing, etc., to increase project revenue

C. Design, sale, and maintenance of semi-conductor equipment parts

(A) Marketing strategy

- a. Cultivate overseas marketing professionals, expand the global market and build up local service capabilities to expand overseas market share.
- b. Using the existing R&D and manufacturing technology, cooperate with customers to develop and sell materials that span other process equipment, such as sales of ESC / SiC coating.
- c. Intensify machine maintenance and maintenance, and develop comprehensive services of Implanter Total Solution.

(B) Production strategy

The development of automated processing and production technology and the design of integrated parts cleaning will be built in line with the progress of the existing plant and the new plant in the future.

II. Analysis of the Market and Production and Marketing Situation

(I) Market analysis

(1) Locations where products (services) are mainly sold (provided):

Unit: NTD thousands; %

Region	2022		2021	
	Sales amount	Sales ratio	Sales amount	Sales ratio
Taiwan	1,087,203	19.42	647,417	20.70
Europe	3,971,909	70.95	2,023,246	64.68
Others	538,703	9.63	457,499	14.62
Total	5,597,815	100.00	3,128,162	100.00

(2) Market share of main products (services)

A. Solar module manufacturer and brand operator

The main sales regions of the Company's solar energy module products in 2022 were Europe (353MW, 85%), Taiwan (40MW, 10%), and Australia (17MW, 5%); the total shipment volume is 410 MW, increased by 56% from 263 MW in 2020 in terms of sales volume. Among them, 260MW of sales in Europe are in Germany, and the total installation volume in Germany last year was 7.4GW, accounting for about 3.5% of the market. In Taiwan, the installed capacity was 1.5GW last year, and the market share of 40MW was close to 2.7%.

B. Energy integration management service

Based on the current market trend, most enterprises have installed solar power to the maximum, and the surplus energy is supplemented by energy storage and green power

procurement. It is expected that the market will drive a wave of construction boom in 2023. In terms of the current market, the energy storage system for large consumers completed by Yucheng (complying with the construction regulations of the Department of Energy) at the Foundry of Groundworks is leading the market in terms of scale, function and timing.

C. Design, sale, and maintenance of semi-conductor equipment parts

According to the statistics of Transparency Market Research, the total output value of the global ion implanter market in 2021 is US\$1.6 billion and the operating revenue of the Company's semi-conductor components is NT\$850,515 thousand. The market share of implantation machines was about 1.32%. As the Company continues to increase the depth and breadth of products and related services with the development of future operations, there is still room for growth in the market share in the future.

(3) Future supply, demand and growth of the market

A. Solar module manufacturer and brand operator

According to the statistics of SolarPower Europe (Global Market Outlook for Solar Power, 2022-2026), the annual installation capacity in 2022 should be over 250GW, which is about 40% higher than the 175GW in 2021. Germany is the main installation country. The overall demand in 2023, in addition to the need to continue to pay attention to the impact of the Ukraine-Russia War and the Sino-US trade war, the carbon neutrality goal, the promotion of energy structure transformation, and the increase in the price of petrochemical energy caused countries to pay attention to diversification of energy, is still an important issue. The key to the development of the solar module industry. According to the latest solar market research by TrendForce, due to the pessimistic atmosphere in the global market economy this year, the solar energy market is still expected to grow by double-digit or more, but it should not reach the growth rate of over 40% as in 2022. The installed capacity shall reach about 350GW. The Asia-Pacific area still has the largest installed capacity, which is likely to exceed 200GW, mainly coming from China, India, Japan, Malaysia, and the Philippines. Based on the 14th Five-Year Plan of China (2021-2025), it is expected that the installed capacity in 2023 will reach 140GW or more. In Europe, the installed capacity of solar energy is likely to reach 70GW in 2023. To address the issue that energy supply depends on only few countries, governments of many European countries offer subsidies or tax credit to enhance the installed capacity of solar energy. Germany is the largest and a stable solar energy market in EU, and the installed capacity in 2023 is expected to exceed 11GW, while seeking to realize the goal of at least 45% of share for the renewable energies by 2030. The next largest market is Spain, where the expected installed capacity is 11GW, too; it is followed by the Netherlands, with the capacity of 6.5GW. For the whole Americas, the new installed capacity to be added in 2023 shall be 65GW, mostly in the US and followed by Brazil. The installed capacity in the US in 2022 was almost flat from 2021 due to the

Forced Labor Act, the discussion regarding the investigation of anti-avoidance for the solar energy production capacity in four Southeast Asian countries, high installation costs, labor shortage, insufficient supply chain, and complicated import tariffs; however, this issue is expected to be mitigated in 2023, and the outlook of installed capacity in the US may be doubled in 2023 to about 40GW.

Table. Top 3 Global Installed Capacity Areas by 2023 (Unit: GW)

Area	Region	Installed capacity	YoY
Asia Pacific	China	148.9	73.5%
	India	172	31.7%
	Japan	S	13.6%
Europe	Germany	11.8	12.9%
	Netherlands	6.5	11.6%
	Spain	11.4	14.3%
Americas	The U.S.	40.5	101.1%
	Brazil	142	26.2%
	Mexico	1.7	12.6%
Middle East and Africa	United Arab Emirates	32	20.8%
	Saudi Arabia	22	41.9%
	Israel	1.5	25.0%

Source: TrendForce. Feb. 2023

Fig. 1. Forecast of global solar installation in 2023

Source: TrendForce, <https://www.trendforce.com.tw/presscenter/news/20230216-11566.html>

B. Energy integration management service

The overall development of Taiwan's micro grid energy storage application market. The large industrial users are expected to reach 150MW/300MWh in 2025. By 2030, including general industrial users and industrial and commercial backup power, the overall construction demand will reach more than 500MW/1000MWh.

C. Design, sale, and maintenance of semi-conductor equipment parts

According to the Research and Markets research report, the global ion implanter equipment market size was US\$1.6 billion in 2020 and is expected to reach US\$2.2 billion in 2027. The compound annual growth rate from 2020 to 2027 will reach 4.2%, with Asia as the main growth region. With the continuous development of advanced manufacturing processes, there is still much room for growth of niche products that meet the needs of customers for advanced manufacturing processes. Future growth of the Company.

(4) Competitive niche

A. Solar module manufacturer and brand operator

(A) Competitive products

N-type cells have developed rapidly in recent years. It is expected that Topcon, HJT and Back Contact shipments should reach about 30% in 2023. Therefore, it is highly likely that Topcon will be introduced to Premium products this year, and the development of HJT will be the first priority. The second step is to keep up with high-tech products. At the same time, the design of large-size cells and narrowing the cell distance must continue. Provide high-power products with the latest technology, maintain product production yield and quality, and pursue high customer satisfaction. This will be the foundation for us to secure market share in the next year and after.

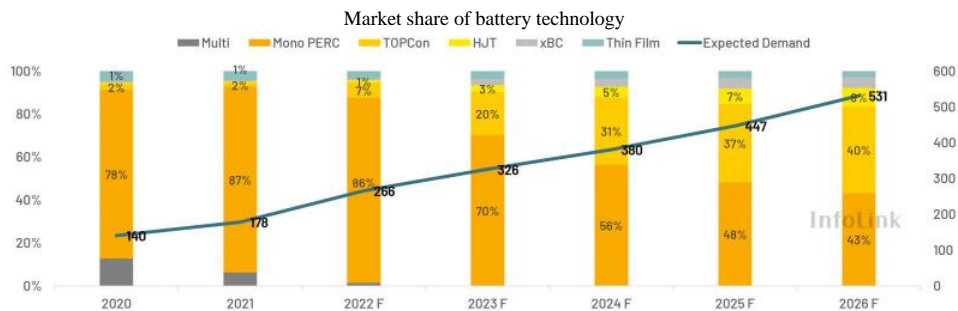


Fig. 2. Estimated market share of battery technology

Source: PV Info Link

(B) Product prices and reasonable costs with market advantages

Although China’s supply chain advantage has brought great cost pressure to the global solar energy manufacturers, Taiwan and China are close to each other, so we should turn the pressure into assistance by taking advantage of China’s materials and production cost advantages, strengthen management shortcomings, and work closely with cell manufacturers, other material manufacturers, Collaborate with advanced equipment manufacturers to provide medium-to-high-quality, medium-priced, diversified products, and continue to maintain competitive product costs.

(C) International management team

The main management team of the Company comes from different professional fields. They have profound technology, rich practical experience, senior industry management experience, and have a good international outlook and leadership ability.

B. Energy integration management service

The Company has successfully completed the first project in Taiwan that meets the requirements of the energy storage system for large consumers. It can provide the functions of back-of-the-meter and auxiliary services of TPC, which is the best promotion when the market is waiting and watching. At the same time, the management experience of this

demonstration farm will be used to apply for related micro grid management patents, improve the efficiency of energy storage equipment, and raise the threshold for latecomers to enter the market.

In addition to the advantages of actual performance, the company provides a holistic energy planning solution for corporate customers to assist customers in the overall planning of the own green energy, energy management, and energy storage micro grid applications. It is not a single service system provider in the market at present. Scope of integration.

C. Design, sale, and maintenance of semi-conductor equipment parts

(A) Strong R&D team

The Company and its subsidiaries have a R&D team with rich experience in semi-conductor and process technology. They can effectively grasp the development trend of product application in the downstream industry, quickly design products that meet the market demand with new developed processes or technologies, and provide customers with cost-effective products. and improved products.

(B) Long-term relationship of trust with customers

The Company and its subsidiaries have cultivated long-term relationships of trust with market-oriented customers by cultivating the semi-conductor equipment parts market for many years. In response to customers' advanced manufacturing technology, the Company and its subsidiaries must be very fast in their R&D and follow-up, while maintaining stable product quality and excellent after-sales service. Together with local production, we can provide customers with fast delivery and customized products. The Company has won long-term trust and support from customers, and through long-term cooperation with leading customers, the Company has developed products of good quality, which is helpful for building customers' trust during business expansion.

(C) Stringent production management procedures

The quality of key components in the semi-conductor industry has always been an important element in the industry. The Company and its subsidiaries adopt high-end quality control equipment, such as CMM and CCD measuring technology, ultrasonic cleaning, and deionized water system, etc., to implement strict quality control from product development and design to mass production. High-quality products.

(5) Favorable and unfavorable factors in the prospect of development and

countermeasures

A. Solar module manufacturer and brand operator

(A) Favorable factors

- a. The rise of emerging nations, the increase in population, and the popularization of electricity products lead to an increase in the overall demand for electricity and a rise in energy prices, all of which are beneficial to the development of the solar energy industry.

Due to the rise of emerging countries and population growth, the global traditional fuel prices have been increasing year by year, resulting in a significant increase in the cost of power generation in various countries. At the same time, the popularity of electronic products such as electric vehicles has also increased global electricity consumption. Under the circumstance that the solar energy is on the rise, countries around the world continue to actively search for alternative energy sources, hoping to reduce the cost of power generation. Since solar power does not require the use of traditional fuel or nuclear fuel, it will become the main alternative energy market with high potential for product development in the future. .

- b. The impact of the greenhouse effect has raised the awareness of environmental protection and increased the demand for solar power

Since the Industrial Revolution, the concentration of greenhouse gases emitted by factories and automobiles has increased significantly, resulting in an average land surface temperature increase of 0.6°C and a sea level rise of 0.1 to 0.2 meters in this century. the global average surface temperature in the next century is expected to increase by 5.8°C compared to this century, and the sea level will rise by about 1-2 meters, posing a serious threat to low-lying coastal areas and island countries; In accordance with the spirit of the “Kyoto Protocol” and “Paris Agreement”, all countries must reduce the emission of carbon dioxide and other five types of waste gas to slow down the speed of the global greenhouse effect, and hope that the temperature rise can be controlled within 1.5~2°C before the 22nd century. Therefore, by using solar energy for power generation, no gas is emitted during the power generation process, which can effectively reduce the amount of greenhouse gas emissions and the speed of the greenhouse effect.

- c. Governments around the world continue to purchase and subsidize electricity. In addition, some countries with high electricity prices have reached “market parity”, which can further accelerate the demand for solar energy.

Due to the rising awareness of environmental protection and the rising cost of energy, governments around the world still have a positive attitude towards replacing part of the old electricity supply system with solar power generation under the influence of the strategic thinking of national survival. Although the unit cost of solar power is still higher than the selling price of city power in some countries, the price of solar power is comparable to the general electricity price in Europe, Australia and some high electricity price countries. The cost of other power generation is almost the same, and it has long-term development competitiveness.

- d. The solar energy market is oversupplied. Brand management has the advantage of finding the best price in the market.

In recent years, driven by policies and the rising awareness of environmental protection, the solar energy industry has shown a growth trend. However, due to the generally optimistic view of the market, various manufacturers actively expand the production capacity of solar energy products, resulting in an oversupply and a rapid decline in market prices. Under the global brand strategy, the Company has the advantage of quickly responding to actual needs in the market and actively seeks the optimal product price combination, so that the brands and channel vendors can enjoy a stable profit model.

(B) Unfavorable factors and countermeasures

- a. There is no peer with European brands in Taiwan, resulting in low domestic reputation and brand recognition, and its ability to raise funds and recruit talents is relatively weak.

Countermeasures:

- (a) Accelerate the development and marketing of domestic solar power generation systems in line with the promotion of renewable energy policies in Taiwan, and transplant the experience of market promotion in Europe to enhance the Company's brand awareness in Taiwan.
- (b) To enhance the brand value and reputation of the Company, and thereby increase the Company's financial capability and fund-raising capability.
- (c) Careful evaluation of product strategies, capital investment timing, strict inventory control and increase turnover, flexible pricing, and localized customer management/service strategies, whether for sales, production, R&D, or other logistics units, The goal is to maintain gross profit and profitability in the stringent solar energy industry.

- (d) Long-term cultivation of talents for key positions, maintenance of stability of the Company's personnel, introduction of new talents, and enhancement of professionalism all contribute to the steady improvement of the Company's constitution.
- b. Governments around the world have reduced the guaranteed electricity price for solar power generation year by year, which makes the solar energy industry often adversely affected by short-term impacts.

Countermeasures:

- (a) By introducing solar energy modules under its own brand and looking for suitable partners to provide total solutions, in order to increase the breadth of products and meet the needs of one-stop shopping, and make up for the temporary adverse impact of the market through the added value of products.
- (b) Accelerate and continue the construction of global distribution channels and brands and increase the market share in each market. Appropriate dispersion of system installation and global market will buffer the impact of the reduction of subsidies.
- (c) Continued development of brand management and enhancement of high-quality and high-design products are still the direction of the WINAICO module brand. Internet marketing and other soft power brand management combined with local services will help us in the wave of Continue to expand market share under the consolidation crisis.

B. Energy integration management service

(A) Favorable factors

In terms of policy, the obligation of large electricity users will be the largest driving force for industrial users to install energy storage and grid system in the near future. In addition, due to the increasing proportion of renewable energy in the domestic grid, the operating loss caused by power instability will also be reduced. As the energy storage system becomes more and more important, the requirements for power stability and backup through the integration of energy storage and generator are getting higher and higher. In addition, the more important thing is the activation of auxiliary services by Taipower, which can increase the revenue of off-balance sheet energy storage and greatly increase the willingness of homeowners to build such products.

(B) Unfavorable factors and countermeasures

The frequency regulation service is the most profitable of TPC's ancillary services. However, grid energy storage and off-balance sheet energy storage share the same market. The influx of grid energy storage developers at this stage will reduce the revenue of the frequency regulation service market. If the rate of downward revision is too rapid, the benefit from participating in the frequency regulation service will be greatly reduced.

In order to deal with this situation, it is necessary to make energy storage more flexible. For example, it can be used with generators to develop the relatively stable real-time standby service in the market, or participate in the gradually developed solar energy storage market in the future. Utilization value.

C. Design, sale, and maintenance of semi-conductor equipment parts

(A) Favorable factors

Taiwan's semi-conductor equipment parts supply chain is localized and technology protection niches, and with the continued investment in advanced processes and production capacity of major wafer foundry customers, it has the core competition of localization of process equipment and components and special customization capabilities. The government's semi-conductor industry policy focuses on ensuring the supply of semi-conductor talents, strengthening semi-conductor forward-looking scientific research, promoting semi-conductor material clusters, and expanding to attract investment, in order to maintain Taiwan's key position in the research and development of high-end semi-conductor advanced process technology.

(B) Unfavorable factors and countermeasures

In recent years, due to the impact of the US-China technology war, China has required domestic companies to manufacture locally, and local suppliers are the first priority for materials used in Chinese wafer fabs. As a result, Taiwanese manufacturers are often excluded from the supply chain.

In order to support local manufacturing in the supply chain in China, the Company and its subsidiaries have planned to strengthen cooperative relations with local suppliers to continue to supply semi-conductor equipment components to Chinese wafer fabs, and maintain product competitiveness of the Company and its subsidiaries in China.

(II) Main use of major products and their manufacturing processes

(1) Important uses of the main products:

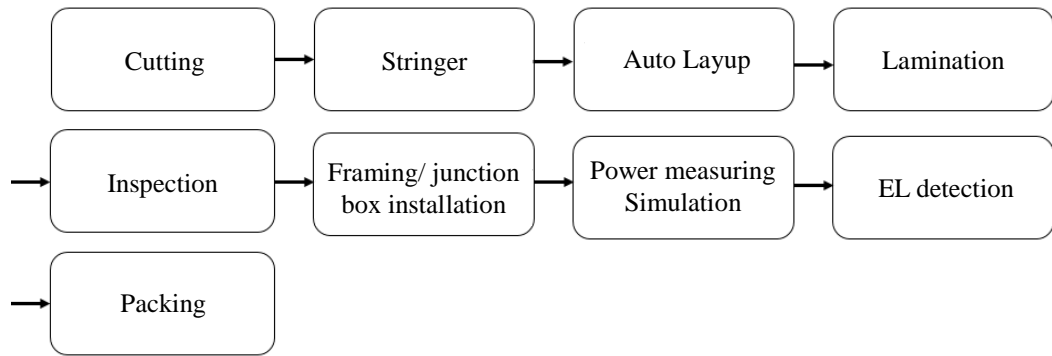
Product name	Key usages and functions
Solar module manufacturer and brand operator	The solar module is the main component of a solar power system. The quality and performance of the module will affect the power generation efficiency of the solar power system. Convert it into usable electrical energy.
Integrated energy management service	Off-site micro grid system: With energy storage components as the core management, it can improve the overall energy efficiency of users, reduce electricity costs, and can participate in the commercial model of Taipower. The above functions can be optimized and adjusted automatically according to the usage scenario of the project site. Enhancing the value of the micro grid system
Semi-conductor equipment and parts	Special material components required for ion implanters, metal organic vapor deposition epitaxy (MOCVD), atmospheric pressure vapor deposition machines, and the spare parts of said products, module parts maintenance and repair, machine end maintenance.

(2) Production process of main products

A. Solar module manufacturer and brand operator

The crystalline silicon solar energy industry chain is mainly divided into three parts: upstream (polysilicon, silicon wafer), midstream (solar cell, solar module), and downstream (solar system design and maintenance). The Company and its subsidiaries focus on high-efficiency and High-quality solar modules. The power of a solar module is mainly determined by the solar cell manufacturing process or structure, while the reliability is determined by the production quality control of the solar module and the materials used. In recent years, the solar cell manufacturing process has become mature. Encapsulation technology has already played a key role in improving the power of solar modules.

The output of a solar module is mainly determined by the superimposition of the power of dozens of cells and the module packaging technology. The key packaging materials include solar glass, EVA film, backsheet, copper foil cell ribbon, and junction box Junction The production process of Box and aluminum frame is shown in the figure below:



B. Energy integration management service

- (A) Collect site energy usage information for benefit analysis and system design and planning
- (B) Execute the detailed design and planning of the AC side according to the power structure of the project
- (C) Site civil, mechanical, electrical, and fire safety engineering
- (D) On-site positioning and testing of DC side (power converter and energy storage cabinet)
- (E) Launch of the energy management system equipped with the energy storage system

C. Design, sale, and maintenance of semi-conductor equipment parts

The Company and its subsidiaries manufacture and design semi-conductor equipment parts with special materials required for ion implanters and metal organic vapor deposition (MOCVD) epitaxy machines. The production process of equipment parts for platform maintenance and troubleshooting services is shown in the figure below:



(III) Supply of main raw materials

Main raw materials	Supply status
Solar cells and modules	Favorable
Energy integration management service	Favorable
Consumables for semi-conductor equipment	Favorable

(IV) Name of customers that accounted for more than 10% of total purchases (sales) in any of the past two years, and the amount and proportion of purchases (sales), and explain the reasons for such changes.

1. Information on suppliers that accounted for 10% or more of the Group's consolidated purchases in any of the past two years:

Unit: NTD thousands, %

Item	2022				2021			
	Name	Amount	As a percentage of net purchases (%)	Relationship with the issuer	Name	Amount	As a percentage of net purchases (%)	Relationship with the issuer
1	Vendor A	2,444,030	54.11	None	Vendor A	948,676	44.49	None
2	Vendor B	929,240	20.57	None	Vendor B	-	-	None
	Others	1,143,610	25.32	-	Others	1,183,806	55.51	-
	Net purchase amount	4,516,880	100.00	-	Net purchase amount	2,132,482	100.00	-

Reasons for changes:

The Company's main purchase targets in 2022 and 2021 are the suppliers of solar energy modules and solar cells. In order to achieve the purpose of controlling costs and diversifying procurement risks, the Company not only continues to maintain a stable supply relationship with the original suppliers, but also actively develops new cooperative relations with domestic and foreign module factories and battery factories. With the continuous increase in operating revenue, we will expand the cooperation with suppliers year by year in the future, hoping to provide more protection and choice for the source, quality and price of commodities and raw materials.

2. Data of customers that accounted for more than 10% of the Group's consolidated total sales in any of the most recent two years:

Unit: NTD thousands; %

Item	2022				2021			
	Name	Amount	Proportion to net sales (%)	Relationship with the issuer	Name	Amount	Proportion to net sales (%)	Relationship with the issuer
1	Customer A	950,601	17.00	None	Customer A	334,839	10.70	None
	Others	4,647,214	83.00	-	Others	2,793,323	89.30	-
	Net sales	5,597,815	100.00	-	Net sales	3,128,162	100.00	-

Reasons for changes:

The Company's main trading counterparts in 2022 and 2021 were solar energy modules. This is a result of the booming development of the overseas solar energy market in recent years and the increase in customer demand for local household systems.

(V) Production volume and value for the most recent two years

Unit: NTD thousands, Kw

Year Production volume and value	2022			2021		
	Capacity	Throughput	Output value	Capacity	Throughput	Output value
Main products						
Solar module (Kw)	51,356	41,446	511,535	46,000	42,863	408,498
Semi-conductor consumables	(Note)	(Note)	352,732	(Note)	(Note)	262,641
Total	51,356	41,446	567,719	46,000	42,863	671,139

Note: Due to the wide variety of materials and specifications of semi-conductor consumables, it is impossible to accurately calculate the capacity and output, so it is not listed.

(VI) Sales volume and value in the most recent two years

Unit: NTD thousands, Kw

Sales volume and value	2022		2021		2021		2021	
	Domestic sales		Export		Domestic sales		Export	
Major merchandise	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Solar module (Kw)	40,885	484,377	369,577	4,164,546	25,470	263,615	237,806	2,249,152
Semi-conductor consumables		505,037		345,478		361,621		230,752
Others		97,789		588		22,181		841
Total	40,885	1,087,203	369,577	4,510,612	25,470	647,417	237,806	2,480,745

III. Information on employees of the Group in the most recent two years and up to the publication date of this annual report

Year		2021	2022	April 30, 2023
Number of employees	Direct staff	143	191	209
	Indirect staff	105	93	94
	Sales personnel	45	70	79
	R&D personnel	18	13	13
	Total	311	367	395
Average age (years)		37.2	36.4	35.8
Average tenure		4.9	4.4	4.25
% of educational background	University of	0.3%	0.5%	0.5%
	Master	9.6%	7.9%	7.8%
	College	72.7%	75.5%	76.7%
	Senior high	15.1%	14.7%	13.7%
	Under senior	2.3%	1.4%	1.3%

IV. Disbursements for Environmental Protection

1. The Company is a professional design company for solar power generation systems and semi-conductor components. Its business scope is mainly focused on the R&D and design of solar power generation systems and semi-conductor components. This has not yet been achieved, and a permit for installation and operation of stationary pollution sources shall be applied for in accordance with the Air Pollution Control Act. It is not an enterprise subject to the Water Pollution Prevention and Control Plan announced by the Water Pollution Control Act, nor is an enterprise subject to a effluent discharge permit application.
2. The Company submits an enterprise disposal plan to the competent authority in accordance with the "Regulations Governing the Disposal of Business", and the plan is approved and implemented.

accordingly. The Company will continue to implement the promotion of environmental protection policies, and discuss its future countermeasures and evaluations in a timely manner. Possible expenses.

3. List the Company's investment in major environmental pollution prevention equipment, its intended use, and possible benefits: Not applicable.
4. Please describe the process of improving the environment in the most recent two fiscal years and up to the date of this Annual Report
5. Please specify the losses suffered by the Company due to environmental pollution in the most recent two years and up to the date of this Annual Report and dispositions), and disclose the estimated amount of money that may be incurred at present and in the future and the countermeasures. If it is impossible to estimate reasonably, please explain the facts: No such situation.
6. Explanation of the current pollution situation and the impact of improvement on the company's earnings, competitive position, and capital expenditure, as well as the major environmental protection capital expenditure expected in the next two years: No such situation.

Environmental and safety and health policy

In order to contribute to the construction of a healthy and comfortable living environment, and the pursuit of sustainable growth and development of mankind, the environmental policy of Win Win Precision Co., Ltd. is to actively fulfill the corporate environmental responsibility and mission, the company is willing to dedicate its efforts to:

- (1) Advocate the concept of environmental safety and health knowledge.
- (2) Meet the requirements of environmental safety and health regulations.
- (3) Prevent environmental safety and health risk management.
- (4) Implement continuous improvement of environmental safety and health.

Environmental safety and health management system construction:

In 2011, the company established ISO 14001 environmental management system and OHSAS 18001 occupational health and safety management system, and in accordance with the requirements and guidelines of the environmental safety and health management system, aiming to enable the organization to provide environmental management capabilities that meet the needs and expectations of stakeholders. Safe and healthy workplaces to prevent work-related injuries and illnesses while proactively improving their environmental safety and health performance.

In addition, the company obtained ISO 14001 : 2014 certification in 2018 and converted OHSAS 18001 to ISO45001 in 2021 The occupational health and safety management system was integrated with the existing ISO14001 system, and ISO 14001:2015 was obtained in 2021 and ISO 45001:2018 certification.

Environmental Management System Operation:

In order to meet the needs of environmental management, the company has a basis for environmental considerations in the activities, products and services of the company's business operations, and uses it as the basis for formulating environmental policies, major environmental impact matters, and environmental goals and targets.

1. Environmental consideration assessment: In addition to the annual identification of environmental consideration area assessment, to ensure the appropriateness of environmental consideration area inspection, when the process change such as the introduction of new materials, new equipment or change materials, start irregular consideration, after the assessment take appropriate preventive measures or implement and control.

2. Regulatory review: divided into regular and irregular assessment

Periodic Assessment: Periodic assessment of compliance checks for applicable regulations on an annual basis

Irregular assessment: review new and revised environmental protection regulations every quarter, collect regulations related to factory operations, and review whether the company's products, activities and services have changed, and confirm whether there are corresponding laws and regulations.

3. Establish objectives, targets and management plans: To implement the company's environmental and health management policies

3.1 Identify the results of risks and opportunities related to the operation of the ESM system in the course of the organization's operations.

3.2 After organizing environmental considerations, identify major environmental considerations

3.3 Compliance check after regulatory identification does not meet the requirements of the regulations

Based on this, we set environmental and safety and health targets for continuous improvement

Occupational Safety and Health Management System Operation:

In order to effectively prevent injuries or diseases, the company should conduct hazard identification, risk assessment and decide control measures for the company's various operational activities before the implementation of the safety and health management system, and review and evaluate the past and current safety and health management, so as to formulate safety and health policies and objectives as the basis for planning the safety and health management system.

1. Risk identification assessment: In addition to the annual identification assessment of operational hazards, when the process is changed or a new setting is introduced, irregular consideration is initiated, and appropriate preventive measures or implementation and control are taken after the assessment.

2. Regulatory review: divided into regular and irregular assessment

Periodic Assessment: Periodic assessment of compliance checks for applicable regulations on an annual basis

Irregular assessment: review new and revised occupational safety and health regulations every quarter, collect regulations related to factory operations, and review whether the company's products, activities and services have changed, and confirm whether there are corresponding laws and regulations.

3. Establish objectives, targets and management plans: To implement the company's environmental and health management policies

3.1 Identify the results of risks and opportunities related to the operation of the occupational safety management system in the course of the organization's operation.

3.2 After organizing environmental considerations, identify major environmental considerations

3.3 Compliance check after regulatory identification does not meet the requirements of the regulations
Based on this, we set environmental and safety and health targets for continuous improvement

Occupational safety and health operation management measures:

In the process of various operations, in order to meet the safe, clean and comfortable working environment, the company has established the following management measures:

n Plant safety:

1. The operation area of the plant meets the needs of the production line, and the safest is the partition, which is divided into the operation area, warehouse, office, and the personnel have a safe activity space
2. Set up an automatic fire alarm system in the whole factory, widely distribute detectors, fire extinguishers, fire hydrants, fire alarm trusting switchboard, and be monitored by guards 24 hours a day
3. Regular inspection of fire-related facilities, and annual maintenance declaration of fire-fighting facilities
4. Carry out fire drills every six months

n Chemical Management:

1. When each unit collects and distributes hazardous chemicals, it shall confirm that its containers are labeled
2. The use and storage of hazardous chemicals (including their wastes) should be in a well-ventilated place, away from fire and heat sources
3. Incompatible hazardous chemicals (including their wastes) should be stored separately and placed in a place with a leakage device
4. Safety data sheets for hazardous chemicals should be placed in places where they are easily accessible in the workplace
5. Wear appropriate protective equipment when using, dispensing or collecting hazardous chemicals

n Working environment and personnel safety:

1. Personnel shall identify, provide and maintain a suitable working environment, such as temperature, humidity, brightness, ventilation, cleanliness, etc. in the workplace
2. According to the characteristics of the work site, distribute personal protective equipment (such as: anti-cut gloves, earplugs, anti-organic solvent gloves, goggles, etc) to protect the safety of employees and reduce the occurrence of hazards
3. Work environment measurement is carried out semi-annually in accordance with laws and regulations, and the results of the measurement are announced on the company's internal website
4. In order to protect all employees and control the health status of employees, for employees who have been employed for one year, regular health examinations are carried out, and the aforementioned examinations are divided into general physical examination and special operation examination, which refers to the implementation of employee health examination in accordance with the labor health protection rules. The special operation inspection object is the special operation inspection of dust, noise, and lead workers in special work sites
5. Maternal health protection of female workers: In accordance with the provisions of Articles 30 and 31 of the Occupational Safety and Health Law, maternal health protection matters and necessary safety and health measures are planned for female workers to ensure the physical and mental health of women who are pregnant, childbirth, and breastfeeding, so as to achieve maternal health protection

Facility safety and safety awareness enhancement:

1. The water dispenser in the factory is cleaned regularly, the filter material is replaced, and the water quality is tested regularly
2. Automatic inspection: Through regular proactive inspection of safety and health matters, unsafe and unhygienic factors are detected in advance, and efforts are made to eliminate or control them to prevent disasters and ensure the safety and health of workers
3. Education and training: The company's safety and health education and training is scheduled and implemented according to the annual safety and health education and training plan, such as general safety and health education and training for new employees and employees, disaster prevention and other training, and the operators of dangerous machinery and equipment have outsourced education and training and obtain a certificate of qualification before performing the operation (e.g., stacker operation) and special license personnel (such as: labor safety and health management personnel, A occupational safety and health business supervisor, organic solvent operation supervisor, fire prevention management personnel, first aid personnel, lead operation supervisor...). etc) have professional outsourcing training to ensure that production and safety and health can be closely integrated

n Contractor Management:

In order to ensure that the contractors contracted by our company comply with the relevant environmental safety and health regulations and avoid causing harm, the company has established contractor management procedures, which stipulate as follows:

1. Contractor evaluation and selection: The contractor shall clearly determine the contractor's qualifications in the bidding specifications, assess whether it has good labor safety record documents, or reject the manufacturer with poor labor safety record before bidding; Before awarding the contract, it should be confirmed that the manufacturer has provided the group insurance guarantee certificate, and sign the contractor's application form for joining the agreement organization and the contractor's safety, health and environmental protection commitment.
2. Construction application of the contractor: The contractor shall assist and require the contractor to prepare the construction permit application form, ability training certificate, etc. for construction application
3. Review: The contractor will send the relevant materials to the relevant departments for countersignature, and finally submit them to the industrial safety unit to review the construction qualifications, and if the application materials are complete, notify the contractor to invite the contractor to enter the factory to receive the hazard notification seminar. The hazard notification workshop for the site project shall be carried out by the system engineering unit, and the hazard notification workshop can be carried out before the start of the construction day.
4. Before construction: the contractor should fill in the construction site safety and health notification matters and the pre-construction meeting minutes of the agreement before entering the construction site, and the contractor should confirm that there are obvious safety warnings in the construction area (such as: construction content notice, fence of the construction area, material storage notice), and construction machines brought into the construction site with safety protection devices (such as leakage circuit breakers)
5. During construction: the contractor and the industrial safety unit should inspect the construction site for any non-compliant matters, and if there is a violation, issue a notice of inspection violation

After construction: the contractor should require the contractor to return to the contractor at the end of the project on the same day to ensure that the isolation objects and systems of the construction site should be returned and safe, and the waste generated during the construction process shall not be placed in the factory at will, if it affects environmental hygiene, the contractor should be asked to remove it immediately or take it away by itself, and the construction waste generated by the contractor must be cleaned and treated in accordance with the government's environmental protection laws.

V. Labor Relations

(I) The Company's various employee welfare measures, continuing education, training, retirement systems and their implementation, as well as the agreements between labor and management, and various employee rights protection measures:

1. Welfare measures and implementation status

- (1). The Company has established the Employee Welfare Committee to handle the welfare matters for the Company's employees.
- (2). In addition to labor insurance and national health insurance, the Company also takes out group accident insurance, overseas travel insurance for business trips, and overseas emergency hospital medical insurance. The insurance expenses are entirely borne by the Company.
- (3). The Company has formal health checkup for new recruits, annual health checkup for current employees, and various benefits in accordance with the relevant regulations.
- (4). The Company enforces the Act of Gender Equality in Employment, the Act of Prevention of Sexual Harassment, the Act of Prevention of Bullying, and provides channels for employees to raise complaints to protect their rights and interests.
- (5). Overseas branch offices have been established to provide employees with compensation insurance in accordance with local laws and regulations.

2. Continuing education, training, and implementation status

In order to improve the quality of employees and enhance their work efficiency and quality, the Company implements job orientation and training for new employees, and provides professional training (including internal training and external training) according to the needs of employees' duties from time to time during their tenure. Or provide continuing education opportunities, and record the actual education and training received by employees in the management, in order to achieve the training of professional talents and the effective development and utilization of talents.

3. Retirement system and implementation status

- (1). The Company has adopted the new pension scheme since July 1, 2005. Employees who adopt the new pension scheme will be required to appropriate 6% of their total salaries into their personal pensions on a monthly basis. to ensure their lifestyle after retirement. Overseas branches contribute pension funds in accordance with the laws

and regulations of the local governments in each country.

(2). No employee has retired since the Company was founded.

4. Agreement between employers and employees

Harmonious labor-management relations have always been part of the Company's commitment to maintaining harmonious labor-management relations. We place great emphasis on employee benefits and provide a good working environment.

(II) Losses due to labor disputes in the most recent year and up to the publication date of this annual report, and disclose the current and future estimated amounts and responsive measures. If it is not possible to reasonably estimate the facts, please specify the facts

So far, there has been no loss due to labor disputes.

VI. Cyber security management

(I) Describe the IT security risk management framework, IT security policies, specific management plans, and resources invested in IT security management:

1. Cyber communication security risk management framework

The Company and its subsidiaries are responsible for the information security of the Company and have been established as the Information Security Management Implementation Team. The team is responsible for formulating the Company's information security policies, planning information security measures, and executing related information security operations, and reporting the implementation status to the Board of Directors on a regular basis.

The Audit Office of the Company and its subsidiaries is the audit unit for information security supervision. Audits (including information security inspections) are controlled according to the computer operating system. If deficiencies are discovered during the audit, the units under inspection may be required to propose improvement plans, and progress should be tracked regularly to reduce information security risks.

The CPAs audit the information environment every year. If deficiencies are discovered, they will require corrective measures and follow up the improvement results.

2. Cyber security policy and specific management plans

In order to strengthen the security management of information and communication, ensure the confidentiality, availability and integrity of information, and prevent the company from suffering from internal or external deliberate or accidental threats, resulting in the normal operation of the company's business or operation or information tampering, theft or destruction. The relevant management measures are hereby elaborated as follows:

(1). Data Communication Education:

Social engineering and information communication education and training.

(2). Device security and account management:

The equipment room may be equipped with temperature control, error warning, and uninterrupted power system safety monitoring measures, and should take into account the emergency response measures in the event of an earthquake, fire, or other force majeure event.

The employee account number is created according to the account number naming principle. The employee account number and the password set shall meet the system complexity principle, and the password shall be updated regularly. The personnel of the IT Department are responsible for installing the operating system, software, anti-virus software, security software, etc. on the employees' personal computers distributed by the Company, as well as controlling and recording the computer peripheral equipment.

(3). Virus prevention and security update:

All computer equipment of the Company shall be provided with anti-virus software and the latest virus pattern shall be maintained. Strengthen network control and deploy enterprise-class firewalls to prevent illegal intrusions by hackers. Conduct regular information security audits with customers to meet the high information security standards of both parties.

(4). Security control of system development, data security, and network access:

The source code for system development must be backed up. The source code should be accessed by the dedicated developer or system administrator only, and the testing environment may be provided for development and testing purposes. Non-employees of the Company and its subsidiaries are not allowed to use the computers or equipment, account numbers, and passwords of employees assigned to the Company. The computers or equipment provided by the Company may be connected to the Company's network after application and approval, and only provide necessary services (such as mail, file and Internet).

(5). Software usage:

The use of unauthorized software is prohibited. All internal computer software is installed by the IT department, and the default software is configured according to the work type.

(6). Cyber communication security contingency measures:

The Information Department classifies incidents into five categories based on the source and classification of incidents, followed by different reporting procedures.

3. Resources invested in IT security management

(1). Network hardware devices such as: firewalls, spam filters, mail audit backup devices, NAS, and tape backup systems.

(2). Software systems such as: anti-virus software, backup management software, etc.

(3). Information security services such as: SOC, EDR, etc.

(4). Invest in manpower such as: daily system status inspection, daily and weekly backup and execution of backup media off-site storage, annual system disaster recovery drill, regular information security education courses and information security drills, planning and implementation of information security measures. Internal audit of the information cycle and auditor's audit every year.

(II) Losses due to major IT security incidents in the most recent year up till the publication date of this annual report, the possible impacts and the countermeasures. If it is impossible to estimate the reasonableness, please explain the facts:

So far, there has been no loss due to major IT security incidents.

VII. Important Contracts

Nature of Contract	Counterparty	Contract Period		Important Information	Restrictive clauses
Plant lease contract	San Chien Electric Industrial Works Ltd.	2023/01/01	2024/12/31	Semiconductor Business Group (raw material warehouse)	Warehouse 4, 1st Floor, Building I - Down
Plant lease contract	San Chien Electric Industrial Works Ltd.	2023/01/01	2024/12/31	Semiconductor Business Group (Metal Group)	Building F
Plant lease contract	San Chien Electric	2022/10/16	2024/10/15	Semiconductor Business Group (Graphite Division)	1F, Building G

	Industrial Works Ltd.				
Plant lease contract	San Chien Electric Industrial Works Ltd.	2023/01/01	2024/12/31	Solar energy business group (3F packaging area)	3F, Building I
Plant lease contract	San Chien Electric Industrial Works Ltd.	2023/01/01	2024/12/31	Solar energy business group (3F production line)	3F, Buildings K and I
Plant lease contract	Silicon Integrated Systems	2020/09/15	2023/09/30	(Headquarters Office)	4F, Silicon Integrated Systems
Sales contract	Company A	2022/03/01	2024/02/28	Finished product of solar module	—
Procurement contract	Company B	2022/03/15	2025/03/14	Raw materials for semi-conductor parts (graphite)	—
Procurement contract	Company E	2022/11/08	2024/11/07	Raw materials for solar energy modules	—

Six. Overview of Financial Status

I. Condensed Balance Sheet and Income Statement for the Past Five Years

(I) Condensed balance sheet and income statement

1. Condensed balance sheet (consolidated financial statements) - IFRS

Unit: NT\$ thousand

Item		2018	2019	2020	2021	2022
Current assets		1,195,552	1,164,470	1,206,950	1,405,376	2,642,517
Real estate, plants and Equipment		66,829	62,228	138,172	78,715	88,668
Intangible assets		2,288	1,821	12,281	7,075	5,013
Other assets		52,460	76,965	99,411	72,913	132,618
Total assets		1,317,129	1,305,484	1,456,814	1,564,079	2,868,816
Current liabilities	Before distribution	644,424	563,832	631,673	747,424	1,305,992
	After distribution	644,424	586,561	645,311	756,516	(Note)
Non-current liabilities		14,328	26,842	50,107	13,317	25,398
Total liabilities	Before distribution	658,752	590,674	681,780	760,741	1,331,390
	After distribution	658,752	613,403	695,418	769,833	(Note)
Equity belonging to the parent company proprietor		660,748	714,810	775,034	803,338	1,537,426
Share capital		454,589	454,589	454,589	454,589	551,864
Retained earnings		326,816	286,957	286,957	286,957	432,102
Additional paid-in capital	Before distribution	(76,830)	(17,130)	77,284	115,728	591,969
	After distribution	(76,830)	0	63,646	106,636	(Note)
Other equity		(43,827)	(49,465)	(43,796)	(53,936)	(38,509)
Treasury stocks		0	0	0	0	0
Non-controlled equity		(2,371)	0	0	0	0
Total equity	Before distribution	658,377	714,810	775,034	803,338	1,537,426
	After distribution	658,377	692,081	761,396	794,246	(Note)

Note: The Company's earning distribution proposal for 2022 has not been approved by the shareholders' meeting, so it was not calculated.

2. Condensed balance sheet (parent-only financial statement) - IFRS

Unit: NT\$ thousand

Item		2018	2019	2020	2021	2022
Current assets		1,065,945	996,105	1,096,098	1,297,795	2,451,901
Real estate, plants and Equipment		52,057	49,452	54,886	76,692	86,814
Intangible assets		2,287	1,821	2,308	7,075	5,013
Other assets		152,568	199,870	226,658	101,697	212,863
Total assets		1,272,857	1,247,248	1,379,950	1,483,259	2,756,591
Current liabilities	Before distribution	599,772	508,186	568,246	666,604	1,193,767
	After distribution	599,772	530,915	581,884	675,696	(Note)
Non-current liabilities		12,337	24,252	36,670	13,317	25,398
Total liabilities	Before distribution	612,109	532,438	604,916	679,921	1,219,165
	After distribution	612,109	555,167	618,554	689,013	(Note)
Equity belonging to the parent company proprietor		660,748	714,810	775,034	803,338	1,537,426
Share capital		454,589	454,589	454,589	454,589	551,864
Retained earnings		326,816	286,957	286,957	286,957	432,102
Additional paid-in capital	Before distribution	(76,830)	(17,130)	77,284	115,728	591,969
	After distribution	(76,830)	0	63,646	106,636	(Note)
Other equity		(43,827)	(49,465)	(43,796)	(53,936)	(38,509)
Treasury stocks		0	0	0	0	0
Non-controlled equity		0	0	0	0	0
Total equity	Before distribution	660,748	714,810	775,034	803,338	1,537,426
	After distribution	660,748	692,081	761,396	794,246	(Note)

Note: The Company's earning distribution proposal for 2022 has not been approved by the shareholders' meeting, so it was not calculated.

3. Statement of Comprehensive Income (consolidated) - IFRS

Unit: NT\$ thousand

Item	2018	2019	2020	2021	2022
Operating revenue	2,209,667	2,280,002	2,497,666	3,128,162	5,597,815
Gross operating profit	512,637	517,966	598,893	830,116	1,576,998
Operating (loss) gain	93,637	69,792	90,329	78,197	589,812
Non-operating revenues and gains	(29,516)	8,290	2,419	(16,294)	24,354
Income (loss) before income tax	64,121	78,082	92,748	61,903	614,166
Net profits (losses) before tax from continuing operations	43,352	62,056	77,284	52,082	512,608
Profit and/or loss of discontinued operation	0	0	0	0	0
Net income (loss) for the period	43,352	62,056	77,284	52,082	512,608
Other comprehensive income for the current period (net after tax)	(1,327)	(5,620)	5,669	(10,140)	15,427
Total current profit and/or loss	42,025	56,436	82,953	41,942	528,035
Net income belonging to the parent company proprietor	43,487	62,498	77,284	52,082	512,608
Net income belonging to the non-controlled equity	(135)	(442)	0	0	0
Total consolidated profit and/or loss belongs to the parent company proprietor	42,136	56,860	82,953	41,942	528,035
Total consolidated profit and/or loss belongs to the non-controlled equity	(111)	(424)	0	0	0
Earnings per share	0.96	1.37	1.70	1.08	10.14

4. Income Statement (Parent Financial Statement) - International Financial Reporting Standards

Unit: NT\$ thousand

Item	2018	2019	2020	2021	2022
Operating revenue	2,084,720	2,139,950	2,316,312	2,974,979	5,502,813
Gross operating profit	384,021	355,073	406,617	591,886	1,343,052
Operating profit and/or loss	91,990	48,916	70,742	73,064	539,659
Non-operating revenues and gains	(30,574)	21,957	20,223	(11,550)	84,181
Income (loss) before income tax	61,416	70,873	90,965	61,514	623,840
Net profits (losses) before tax from continuing operations	43,487	62,498	77,284	52,082	512,608
Profit and/or loss of discontinued operation	0	0	0	0	0
Net income (loss) for the period	43,487	62,498	77,284	52,082	512,608
Other comprehensive income for the current period (net after tax)	(1,351)	(5,638)	5,669	(10,140)	15,427
Total current profit and/or loss	42,136	56,860	82,953	41,942	528,035
Net income belonging to the parent company proprietor	43,487	62,498	77,284	52,082	512,608
Net income belonging to the non-controlled equity	0	0	0	0	0
Total consolidated profit and/or loss belongs to the parent company proprietor	42,136	56,860	82,953	41,942	528,035
Total consolidated profit and/or loss belongs to the non-controlled equity	0	0	0	0	0
Earnings per share	0.96	1.37	1.70	1.08	10.14

(II) Name of CPAs and audit opinion

Year	Name of accounting firm	Name of CPAs	Opinions on the audit
2018	PwC Taiwan	Hsien-Cheng Chen, Yu-Kuan Lin	Audit Report with unqualified (unreserved) opinion
2019	PwC Taiwan	Hsien-Cheng Chen, Yu-Kuan Lin	Audit Report with unqualified (unreserved) opinion
2020	PwC Taiwan	Hsien-Cheng Chen, Yu-Kuan Lin	Audit Report with unqualified (unreserved) opinion
2021	PwC Taiwan	Se-Kai Lin, Ya-Fang Wen	Audit Report with unqualified (unreserved) opinion
2022	PwC Taiwan	Se-Kai Lin, Ya-Fang Wen	Audit Report with unqualified (unreserved) opinion

II. Analyses of finance over the past five years

Adoption of International Financial Reporting Standards

Year Items analyzed (Note 1)		Consolidated					Parent Only				
		2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Financial structure (%)	Liabilities to assets ratio	50.01	45.25	46.80	48.64	46.41	48.09	42.69	43.84	45.84	44.23
	Long-term working capital to real estate, plants and equipment ratio	1006.60	1191.84	597.18	1037.48	1762.56	1292.98	1494.50	1478.90	1064.85	1800.20
Solvency (%)	Current ratio (%)	185.52	206.53	191.07	188.03	202.34	177.72	196.01	192.89	194.69	205.39
	Quick ratio (%)	113.02	108.09	78.53	92.12	81.20	113.33	113.54	90.42	97.88	88.81
	Interest coverage ratio (times)	1381.70	1257.97	1752.67	1298.51	21733.18	1413.66	1472.98	1787.04	1335.97	22073.93
Manageability	Accounts receivable turnover rate (times)	9.08	8.85	9.73	11.78	18.71	5.99	5.97	6.42	8.79	14.36
	Average cash collection days	40.20	41.24	37.51	30.98	19.51	60.93	61.14	56.85	41.52	25.42
	Inventory turnover (times)	3.44	3.16	2.88	3.16	3.57	4.06	4.20	3.93	4.21	4.34
	Accounts payable turnover rate (times)	5.41	8.21	17.76	18.25	8.72	5.63	9.03	22.75	20.79	8.95
	Average days required for sales	106.10	115.51	126.74	115.51	102.24	89.90	86.90	92.88	86.70	84.10
	Real estate, plants and equipment turnover rate (times)	15.23	35.33	24.93	28.85	66.89	35.86	42.16	44.40	45.22	67.31
	Total asset turnover rate (times)	1.61	1.74	1.81	2.07	2.53	1.58	1.70	1.76	2.08	2.60
Profitability	Asset return ratio (%)	3.45	5.14	5.92	3.72	23.23	3.58	5.29	6.21	3.92	24.29
	Equity return ratio (%)	6.80	9.04	10.37	6.60	43.80	6.80	9.09	10.37	6.60	43.80
	Ratio of net income before tax to paid-in capital (%)	14.11	17.18	20.40	13.62	111.29	13.51	15.59	20.01	13.53	113.04
	Net profitability (%)	1.96	2.72	3.09	1.66	9.16	2.09	2.92	3.34	1.75	9.32
	Earnings per share (NT\$)	0.96	1.37	1.70	1.15	10.14	0.96	1.37	1.70	1.15	10.14
Cash flow	Cash flow ratio (%)	15.65	-	-	28.76	33.84	20.65	-	-	33.62	33.45
Cash flow	Cash flow adequacy ratio (%)	31.57	35.67	59.20	70.78	43.00	27.54	-	52.36	63.49	43.63

Year Items analyzed (Note 1)		Consolidated					Parent Only				
		2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
	Cash flow reinvestment ratio (%)	10.40	-	-	19.93	24.57	12.91	-	-	20.98	22.10
Leverage	Operating Leverage	4.62	6.09	5.18	5.34	1.73	4.31	7.14	5.77	5.11	1.73
	Financial Leverage	1.06	1.11	1.07	1.07	1.00	1.05	1.12	1.08	1.07	1.01

Reasons for the 20% change in the financial ratios reported in the last two years:

Change by 20% or more	Explanation of changes
Increase in the ratio of long-term funds to property, plant, and equipment and increase in the multiple of interest protection	This is mainly due to the increase in shareholders' equity and the increase in net income before income tax and interest expenses, resulting in an increase in the ratio of long-term funds to property, plant, and equipment and an increase in the ratio of interest protection.
Increase in property, plant and equipment turnover, increase in total assets turnover, increase in receivables turnover, decrease in average days in collections, and increase in profitability	The increase is mainly due to the increase in revenue over the previous year, resulting in an increase in property, plant and equipment turnover, an increase in total assets turnover, an increase in receivables turnover, a decrease in the average number of days in collection, and an increase in profitability.
Decrease in payables turnover and increase in cash reinvestment ratio	This is mainly due to the adjustment of the trading models and payment terms of major suppliers to optimize the Group's capital structure, resulting in an increase in payables and an increase in net cash flow from operating activities, resulting in a decrease in the payables turnover ratio and an increase in the cash reinvestment ratio.
Decrease in cash flow adequacy ratio	The increase in inventory increased and the cash flow adequacy ratio decreased mainly due to the inventory control.
Decrease of operating leverage	The decrease in operating leverage was a result of profit growth.

Reasons for the 20% change in the parent only financial ratios reported in the last two years:

Change by 20% or more	Explanation of changes
Increase in the ratio of long-term funds to property, plant, and equipment and increase in the multiple of interest protection	This is mainly due to the increase in shareholders' equity and the increase in net income before income tax and interest expenses, resulting in an increase in the ratio of long-term funds to property, plant, and equipment and an increase in the ratio of interest protection.
Increase in property, plant and equipment turnover, increase in total assets turnover, increase in receivables turnover, decrease in average days in collections, and increase in profitability	The increase is mainly due to the increase in revenue over the previous year, resulting in an increase in property, plant and equipment turnover, an increase in total assets turnover, an increase in receivables turnover, a decrease in the average number of days in collection, and an increase in profitability.

Change by 20% or more	Explanation of changes
Decrease in payables turnover	The increase in payables is mainly due to the adjustment of the trading mode and payment terms of major suppliers in order to optimize the capital structure of the Group, resulting in a decrease in the turnover rate of payables.
Cash flow adequacy ratio increased	The increase in cash flow adequacy ratio is mainly due to the increase in net cash flow from operating activities due to profit growth.
Decrease of operating leverage	The decrease in operating leverage was a result of profit growth.

Note 1: The following formulas should be listed at the end of the table for annual reports:

1. Financial structure:

- (1). Debt to assets ratio = total liabilities/total assets.
- (2). Long-term capital to property, plant, and equipment ratio = (total equity + non-current liabilities)/net property, plant, and equipment.

2. Solvency:

- (1). Current ratio = current assets/current liabilities.
- (2). Quick ratio = (current assets - inventory - prepaid expenses)/current liabilities.
- (3). Interest protection multiples = net income before income tax and interest expenses/current interest expenses.

3. Operating ability:

- (1). Accounts receivable (including accounts receivable and notes receivable due to operation) turnover = net sales/average accounts receivable (including accounts receivable and notes receivable due to operation)) balance.
- (2). Average collection days = 365/accounts receivable turnover.
- (3). Inventory turnover = sales cost/average inventory.
- (4). Payables (including accounts payable and notes payable resulting from operation) turnover = sales cost/balance of average accounts payable (including accounts payable and notes payable resulting from operation)
- (5). Average daily sales = 365/inventory turnover.
- (6). Real estate, plant and equipment turnover = net sales/net average real estate, plant and equipment.
- (7). Total asset turnover = net sales/average total assets.

4. Profitability:

- (1). Return on assets = (after tax profit + interest expenses * (1 - tax rate)) / average total assets.

- (2). Return on equity = after-tax profit/average total equity.
 - (3). Net profit margin = after-tax profit/net sales.
 - (4). Earnings per share = (income attributable to parent company shareholders - preferred stock dividends) /weighted average outstanding shares.
5. Cash flow:
- (1). Cash flow ratio = Net cash flow from operating activities/current liabilities.
 - (2). Net cash flow adequacy ratio = net cash flow from operating activities for the previous 5 years / (capital expenditure + increase in inventory + cash dividends) for the previous 5 years.
 - (3). Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividend) / (Gross property, plant and equipment + Long-term investment + Other non-current assets + Working capital).
6. Leverage:
- (1). Operating leverage = (net operating revenue - variable operating costs and expenses)/operating income.
 - (2). Financial leverage = operating profit/(operating profit-interest expense).

Note 4: The formula of the earnings per share should be measured with attentions paid to the following matters:

1. Based on the weighted-average number of common shares rather than the number of shares outstanding at the end of the year.
2. Where there is cash capital increase or treasury stock transactions, the weighted average number of shares should be used considering the period of circulation.
3. Where there is any capital increase by recapitalization of earnings or capital reserve, the annual and interim earnings per share shall be adjusted retroactively proportionally to the capital increase, regardless of the period during which the capital increase was issued.
4. If the preferred shares are unconvertible cumulative preferred shares, the dividends of the current year (whether distributed or not) should be deducted from the net profit after tax or added to the net loss after tax. The non-cumulative preferred shares should be deducted from the net income, if any, and no adjustment is needed if there is with net loss.

Note 5: Cash flow analysis should be measured with attention paid to the following matters:

1. Net cash flow from operating activities represents the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures represent the annual cash outflows from capital investments.
3. Increase in inventory is included only if the ending balance is greater than the beginning balance or zero if inventory decreases at the end of the year.
4. Cash dividends include cash dividends on common stock and preferred stock.

5. Gross property, plant and equipment represent the total amount of property, plant and equipment before accumulated depreciation.

Note 6: The issuers shall have operating costs and operating expenses classified as fixed and variable by the nature of operation; in addition, the rationality and consistency of the estimates or subjective judgments made, if any, must be observed and maintained.

Note 7: If the Company's stock shares are without a par value or without a NT\$10 par value, the calculation of the "ratio to paid-in capital" should be replaced with the equity ratio belongs to the parent company proprietor on the balance sheet.

III. Audit Committee's report on the financial statements of the most recent year

Win Win Precision Technology Co., Ltd

Audit Committee's Report

The 2022 Business Report, Financial Statements, and earning distribution proposal Appropriation have been prepared by the Board of Directors, all of which have been audited by Se-Kai Lin and Ya-Fang Wen, who have been commissioned to audit the financial statements and have issued an audit report. The Audit Committee, after completing the audit of said business report, financial statements and earning distribution proposal, believes that they are free of material misstatement, and thus produces this report according to Securities and Exchange Act and the Company Act. Please review accordingly.

Sincerely

2023 Shareholders' Meeting of Win Win Precision

Technology Co., Ltd

Win Win Precision Technology Co., Ltd

Convener of the Audit Committee,
Kuo-Lung Yen

March 16, 2023

IV. The most recent year's financial report

(See pp. 152 to 217)

V. Parent company only financial statements for the most recent fiscal year audited and certified by certified public accountants

None.

VI. If the company and its affiliated companies have encountered financial distress in the most recent year up to the prospectus' publication date, the impact on the company's financial position must be disclosed.

The Company and its affiliated companies did not experience financial distress in the most recent year and up to the publication date of this annual report.

Seven. Review and Analysis of the Financial Position and Performance and Risk Management

I. Financial Position

Major changes in assets, liabilities, and shareholders' equity in the most recent two years:

Unit: NT\$ thousand

Year Item	2022	2021	Difference	
			Amount	%
Current assets	2,642,517	1,405,376	1,237,141	88.03
Real estate, plants and Equipment	88,668	78,715	9,953	12.64
Intangible assets	5,013	7,075	(2,062)	(29.14)
Other assets	132,618	72,913	59,705	81.89
Total assets	2,868,816	1,564,079	1,304,737	83.42
Current liabilities	1,305,992	747,424	558,568	74.73
Other liabilities	25,398	13,317	12,081	90.72
Total liabilities	1,331,390	760,741	570,649	75.01
Share capital	551,864	454,589	97,275	21.40
Retained earnings	432,102	286,957	145,145	50.58
Additional paid-in capital	591,969	115,728	476,241	411.52
Other equity	(38,509)	(53,936)	15,427	(28.60)
Non-controlled equity	-	-	-	-
Total shareholders' equity	1,537,426	803,338	734,088	91.38
Description of material changes (the changes between two consecutive period are more than 20% and the amounts are more than NT\$10 million)				
<ol style="list-style-type: none"> Increase in current assets; increase in cash and equivalent cash generated by operations and the increase in inventory required for operations. The increase in other assets is due to the increase in the right-of-use assets required for the operation. The increase in current liabilities is due to the adjustment of the trading mode and payment terms of the main suppliers, resulting in the increase in accounts payable. The increase in other liabilities was a result of the increase in lease liabilities required for operation. The increase in share capital was a result of the capital increase in cash and distribution of earnings. increase in additional paid-in capital; The increase in capital reserve is mainly due to the share capital premium generated by cash capital increase. The increase in retained earnings was a result of the increase in profits. Other equities increased due to exchange gains arising from the translation of the financial statements of foreign operations. 				

II. Financial Performance

(I) Main reasons for changes in operating revenue, net operating profit and net profit before tax in the most recent two years

Unit: NT\$ thousand

Year \ Item	2022	2021	Amount increase/decrease	Ratio of change(%)
Operating revenue	5,597,815	3,128,162	2,469,653	78.95
Operating costs	4,020,817	2,298,046	1,722,771	74.97
Realized gains on sales	-	-	-	-
Gross operating profit, net	1,576,998	830,116	746,882	89.97
Accrued operating expenses	987,186	751,919	235,267	31.29
Operating income	589,812	78,197	511,615	654.26
Non-operating revenues and gains	24,354	(16,294)	40,648	(249.47)
Net income before tax	614,166	61,903	552,263	892.14
Income tax expenses	(101,558)	(9,821)	(91,737)	934.09
Net income	512,608	52,082	460,526	884.23
Other comprehensive income (loss)	15,427	(10,140)	25,567	(252.14)
Total current consolidated profit and/or loss this term	528,035	41,942	486,093	1,158.96
Description of material changes (the changes between two consecutive period are more than 20% and the amounts are more than NT\$10 million)				
<ol style="list-style-type: none"> 1. The increase in operating revenue and operating cost is mainly due to the increase in sales volume in 2022. 2. The increase in operating expenses is mainly due to the increase in export expenses due to the increase in sales volume. 3. The increase in non-operating income and expenses is mainly due to the increase in the net gain on foreign currency exchange. 4. The increase in net income before tax was mainly due to the increase in sales volume and the decrease in the cost of international transportation from the previous year, resulting in the increase in net income before tax. 5. The increase in income tax expenses was a result of the increase in revenue and profit, resulting in the increase in income tax expenses. 6. Other comprehensive income increased due to exchange differences arising from the translation of financial statements of foreign operations. In 2022, due to the appreciation of EUR against NT\$(from 31.32 to 32.72), exchange gains were generated. 				

(II) The expected sales volume in the next year and its basis, and the main influencing factors for the continuous growth or decline of the Company's expected sales volume:

The Company will continue the Gemini series and introduce new high-performance N-Type products. The high-quality and high-power solar modules will be used to differentiate them from other solar modules. The Company will execute the brand marketing strategy and strengthen the global brand [WINAICO]. visibility and expanding the basic customer base.

The target customer base is still solar energy installers and distributors in Europe,

Australia, Taiwan, and the United States. By expanding sales regions, customer bases, and sales models, we avoid excessive dependence on a single market and diversify risks. Europe is a mature market. The cost of solar power is close to the price of city electricity. In addition, the policies of reducing dependence on a single energy source and developing green energy in recent years have continued to increase demand. The main focus is Switzerland, Eastern Europe, and the Nordic Economic Association. It is working hard to expand and increase the market share of European residential and commercial buildings. At the same time, it designs large-size and double-sided glass modules for medium-sized industrial roofs or fire protection markets Type and market type in order to expand the market share. Under the forecast that the European market will continue to grow, WINAICO will profit from it.

The Ukraine-Russian war last year brought some uncertainties to various industries, but Win Win Precision has maintained the revenue and sales growth trend in recent years; this year, due to factors such as inflation and interest rate hikes, the global economic environment may not be as good as the forecast last year, but this does not affect our overall market operation direction. Solar installation projects for residential and commercial buildings have long been the focus of [WINAICO]. Therefore, under this wave of pandemic, the impact of large-scale power plants is limited. We will maintain the sales strategy of the existing channel, through Expand sales regions, customer bases and sales models to avoid over-reliance on a single market and diversify risks.

III. Cash flow

(I) Analysis of cash flow changes in the most recent year

Unit: NT\$ thousand

Year \ Item	2022	2021	Increase (decrease) amount	Percentage of change (%)
Business activities	441,966	214,959	227,007	105.60
Investment activities	(54,876)	32,196	(87,072)	(270.44)
Financing activities	(51,849)	(105,926)	54,077	(51.05)
Net cash inflow (outflow)	342,193	135,299	206,894	152.92
<p>1. Operating activities: The net cash inflow in 2022 was NT\$441,966 thousand, an increase of NT\$227,007 thousand compared to 2021. The increase in revenue in 2022 resulted in the substantial cash inflow from operating activities in 2012.</p> <p>2. Investing activities: The net cash outflow of NT\$54,876 thousand in 2022 is mainly due to the purchase of property, plant and equipment.</p> <p>3. Financing activities: The net cash outflow of NT\$51,849 thousand in 2022 is mainly due to the increase of capital and the repayment of bank loans.</p>				

(II) Liquidity analysis for the coming year

Unit: In Thousands of New Taiwan Dollars

Balance of cash at the beginning of the period	Cash flow from operating activities of entire year	Full-year net cash inflow (outflow)	Cash surplus (deficit)	Remedy against cash deficit	
				for the next year	Financing plan
730,617	785,095	154,963	885,580	-	-

1. Analysis of cash flow changes in the current year

(1). Operating activities: The net cash inflow from operating activities is mainly due to the steady growth of the Company's operating performance and proper control of accounts receivable, inventory, and accounts payable.

(2). Investment and financing activities: None.

2. Remedial measures for projected cash deficits and liquidity analysis:

Based on the cash flow analysis above, the Company's overall cash flow is expected to present a slight net inflow, and there is no cash shortage.

IV. Impacts of major capital expenditures in the most recent year on financial operations:

None.

V. Main reasons for profit or loss, improvement plans, and investment plans for the next year:

Unit: NT\$ thousand

Investee	December 31, 2022 Shareholding percentage (%)	2022 Profit amount	Main reason for profit	Improvement plan	Investment plans for the coming year
Nanjing Win Win Precision Technology Co., Ltd.	100	1,615	Note 1	-	None
WINAICO AUSTRALIA PTY LTD	100	(4,750)	Note 2	-	None
WINAICO Delaware Co., Ltd.	100	(2,723)	(Note 3)	-	None
WINAICO Japan KK	100	(87)	Note 4	-	None
WINAICO B.V.	100	49,634	Note 5	-	None
WINAICO Deutschland GmbH	100	51,818	Note 6	-	None
WINAICO Solar Projekt 1 GmbH	100	(117)	Note 7	-	None

Note 1. Mainly engaged in the sale of OEM products for solar energy modules, with stable profits.

Note 2. Distributor of solar energy modules located in Australia. Affected by market demand, the Company suffered a loss of business performance this year.

Note 3. Distributors of solar energy modules based in the US, have been facing the headwind of the protection policy with high import tariff in the U.S. to the promotion. While the import tariff rate has been reduced year by year, due to the impact of the COVID-19 pandemic, the profit is still unable to be significantly improved this year.

Note 4. Distributor of solar energy modules located in Japan. Due to the impact of local government policies and price competition in the same industry, the performance was poor this year, resulting in a loss.

Note 5. The company is an investment holding company in Europe, and the operating profit and loss of the reinvested solar module distributor and solar power plant company is recognized.

Note 6. Distributor of solar energy modules located in Germany. The sales volume continues to grow this year, and therefore the profit continues to be made.

Note 7. The company operates a solar power plant and incurred a slight loss due to the increase in maintenance and operation cost this year.

VI. Analysis and evaluation of risk matters in the most recent year and up to the publication date of this annual report:

(I) Impacts of changes in interest rates, exchange rates, and inflation to the Company's profit and loss, and future countermeasures:

1. Effect of interest rate changes in the most recent year on the Company's profit and loss and future countermeasures:

- (1). Impacts of interest rate changes on the Company's profit or loss:

Unit: NT\$ thousand

Item	2022	2021
Net income before tax	614,166	61,903
Net interest expense	2,839	5,165
Net interest expense as a percentage of pre-tax net income	0.46%	8.34%

- (2). Countermeasures in the future:

Collect information on changes in interest rates and maintain close and positive interaction with financial institutions to reduce the impact of changes in interest rates on the Company's profit and loss.

2. Impacts of exchange rate changes in the most recent year on the Company's profit and loss and countermeasures in the future:

- (1). Effect of exchange rate fluctuations on the Company's profit or loss:

Due to the industry characteristics, the Company's operating revenues are mainly denominated in EUR, and AUD. The procured raw materials are denominated in EUR mainly; therefore, the foreign currency are nature hedging . In 2022, with the defined hedging operation principles and policy of the Company, the net gain from the exchange was NT\$26,590 thousand, or 0.48% of the operating revenue.

- (2). Countermeasures in the future:

In response to exchange rate changes, the Bank will collect exchange rate data from time to time to keep track of exchange rate trends, follow the hedging principle, and maintain a high hedging ratio to reduce the risk of exchange rate fluctuations.

3. Effect of inflation in the most recent year on the Company's profit and loss and countermeasures in the future:

The money supply in Taiwan is currently in a normal state with no deterioration in

inflation. Therefore, inflation should have no significant impact on the Company's profit and loss. In the future, we will strive to reduce production costs and improve production efficiency impact.

(II) Policies on high-risk, highly-leveraged investments, lending funds others, endorsement and guarantee, and derivatives transactions, main reasons for gain or loss, and corresponding future measures:

The Company's group financial policy is based on the principle of prudence and conservatism, and does not engage in high-risk and highly leveraged investments. Currently, the Company and the group subsidiaries in need have established "Operating Procedures for Loaning of Funds" and "Operating Procedures for Endorsements and Guarantees". Related operations are carried out in accordance with regulations; derivative transactions are mainly for hedging. In addition, the Company has established "Procedures for Handling Acquisition and Disposal of Assets", and the Company conducts related operations in accordance with relevant regulations.

(III) Future R&D plans and expected R&D expenses:

1. Future R&D plans

- (1). Development plan for next-generation large-size and high-efficiency solar modules (a project of the Bureau of Energy led by Win Win Precision):
 - A. Design and development of large-size cells.
 - B. Key module mass production technology and module material design and development.
 - C. Development and verification of large-size solar modules.
- (2). Development of large-size TOPCon high-efficiency modules:
 - A. Evaluation and design of large-size TOPCon high-efficiency modules.
 - B. Evaluation of packaging materials and process conditions.
 - C. Development and reliability verification of large-size TOPCon high-efficiency modules.
- (3). Development of double-glass modules:
 - A. Evaluation and design of double-glass modules.
 - B. Evaluation of packaging materials, mesh glass, and process conditions.

C. Development and reliability verification of double-glass module

2. It is estimated that NT\$57,244 thousand will be required to invest in R&D projects in 2023.

(IV) The impact of important domestic and foreign policy and legal changes on the Company's finance and business and corresponding measures:

As the cost of solar energy power generation is declining year by year, the demand for solar energy in most countries has gradually recovered steadily and the cost of solar energy can compete with other energy sources. Although some countries are still affected by the solar energy subsidy policy, The nuclear disaster, the global energy shift from coal and petroleum to renewable energy, carbon reduction and mitigation of the greenhouse effect, and promotion of economic growth have strengthened the development policies of the solar energy industry or application of the world's major economies. The global annual solar energy installation volume has also reached record highs. 2023 should be able to continue the growth trend in 2022.

In recent years, the US anti-forced labor, the establishment of Section 201 and anti-dumping duties, China's 531 New Policy, India's defensive tariffs were established, and the EU's anti-counterfeiting and anti-dumping policies were lifted. Overall, the industrial chain is still affected by the policies of various countries and has regional impacts; In addition to constantly paying attention to domestic and foreign policy trends and changes in regulations, collecting relevant information for the management's decision-making reference, we also actively cultivate upstream and downstream industrial chain partners, maintain a stable supply chain, develop new products, and continue to expand downstream channels to respond to changes in the industry.

(V) Impacts of technological changes and industry changes on the Company's financial operations and countermeasures:

The Company's group pays attention to the changes in related technologies and technological development and evolution of the industries in which it operates at all times, and quickly grasps the trends in the industry to make relevant planning and responsive measures. Therefore, changes in technology and industry changes have no significant impact on the Company's financial operations.

(VI) The impact of change in the corporate image on corporate crisis management and corresponding measures:

Since its inception, the Company has been actively strengthening the Company's internal

management and control to improve service quality management in order to build the Company's image and further increase customers' trust in the Company. The Company upholds the concept of sustainable development of win-win cooperation with employees, suppliers, and customers to give back to shareholders and the society, and fulfill its social responsibilities.

(VII) Expected benefits and possible risks of mergers and acquisitions and countermeasures:

None.

(VIII) Expected benefits and possible risks associated with plant expansion and countermeasures:

None.

(IX) Risks associated with concentrated purchases or sales and countermeasures:

1. In terms of purchasing:

Most of the solar modules required by the Company are self-made in-house. In addition, to reduce risks, foreign solar modules are mainly supplied by foreign OEM manufacturers. In terms of self-production, the solar cells required for raw materials are mainly produced by domestic and foreign suppliers 6~7 manufacturers supply, so there is no concentrated phenomenon.

2. In terms of sales:

The Company's main businesses include solar module production and brand management, energy storage project construction, industrial off-board micro grid design, planning and construction, and semi-conductor equipment parts design, sales and maintenance integration services. The production and sale of solar energy modules accounted for about 80% of the Company's revenue. 84% of the solar energy business was supplied to solar energy system installers and distributors in Europe through the German subsidiary, WINAICO Deutschland GmbH. In 2022, the sales of the top five solar energy modules of the Group Customers only account for about 36% of the solar energy business revenue, which shows that the Company's sales to terminals are not subject to the risk of sales concentration.

(X) Impacts and risks associated with a mass transfer or change of shareholdings by directors, supervisors, or major shareholders with more than 10% ownership interest, and countermeasures:

The Company's directors and supervisors are mostly the original shareholders and the management team, and there is no significant transfer of equity, which does not have a significant impact on the Company's operations.

(XI) Impacts and risks associated with the change in management on the Company and countermeasures:

There is no change in the management of the Company in the most recent year and up to the date of publication of the prospectus; therefore, it is not applicable.

(XII) Major litigious, non-litigious or administrative disputes that involve any Company's director, supervisor, the general manager, any major shareholder holding a stake of greater than 10%, and/or any company or companies controlled by the company, and have been concluded by means of a final and unappealable judgment, or are still under litigation in the most recent two years up to the publication date of the annual report; where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute:

Not applicable since no such event has occurred.

(XIII) Other important risks, and mitigation measures being or to be taken:

None.

VII. Other major matters:

None.

Eight. Special Matters to be Included

I. Affiliated company profiles

(I) Consolidated Business Report of Affiliated Enterprises (Date: December 31, 2022)

Please refer to Page 146 to Page151.

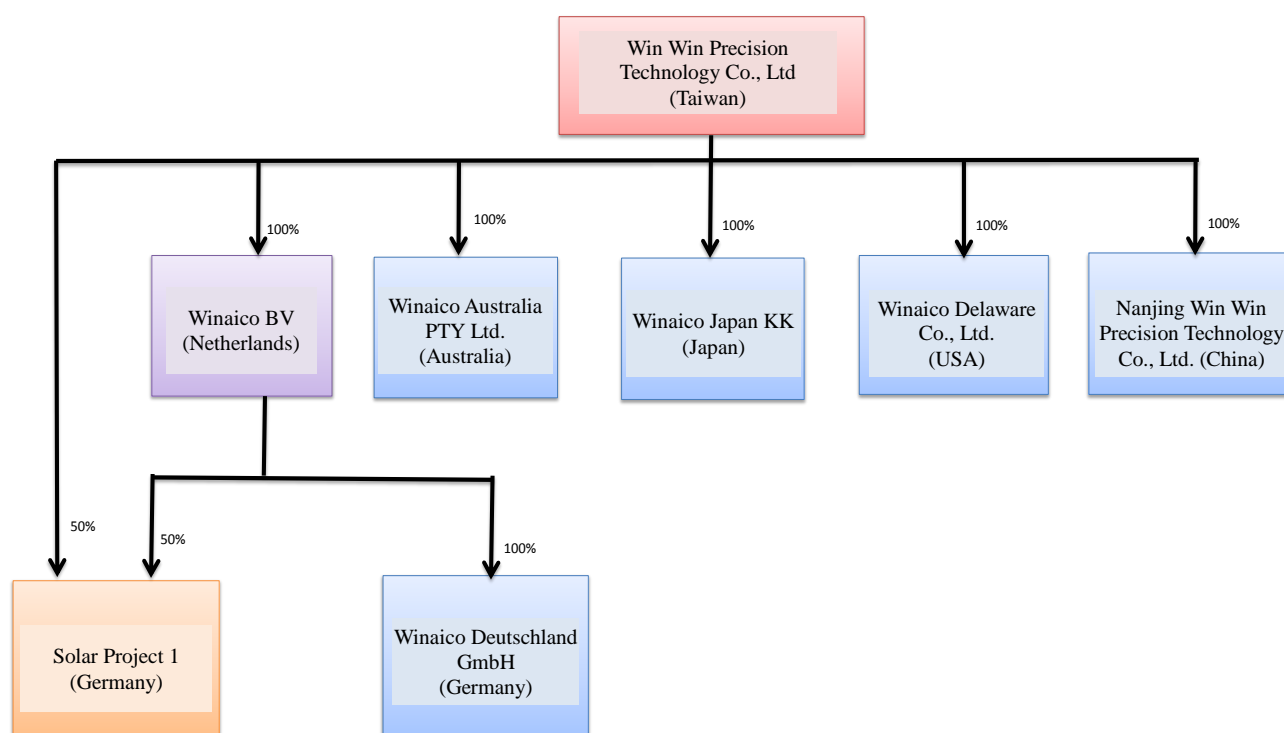
(II) Consolidated Financial Statements of Affiliates:

The companies of the Group to be included in the preparation of the affiliate consolidated financial statements pursuant to the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Reports and Consolidated Financial Statements of Affiliated Enterprises,” are the same as those included in the consolidated financial statements of the parent company and subsidiaries prepared in conformity under the International Financial Reporting Standards (IFRS) No. 10, which standards certified by the Financial Supervisory Commission. In addition, the information required to be disclosed in the consolidated financial statements is included in the aforesaid consolidated financial statements. Consequently, the Company and its subsidiaries do not prepare a separate set of consolidated financial statements.

(III) Affiliated report:

Please refer to page 152 (consolidated financial statements).

1. Diagram of affiliated enterprises (December 31, 2022):



2. Basic information of each affiliated enterprise (December 31, 2022)

Unit: NTD thousand, LTC thousand

Company	Establishment date	Address	Paid-in capital	Main business operation or production items
WINAICO Deutschland GmbH	2008.08.21	Industriestraße 68, 97993 Crelingen, Germany	EUR 5,000	Solar power generation system design, construction, and sale of modules
WINAICO B.V.	2010.06.18	Herikerbergweg 88, 1101 CM, Amsterdam, the Netherlands	EUR 18,463	Holding company
WINAICO Solar Projekt1 GmbH	2011.10.13	Industriestraße 68, 97993 Crelingen, Germany	EUR 2,470	Operation of solar power plants
WINAICO Delaware Co., Ltd.	2012.02.03	1209 Orange Street, Wilmington, New Castle, 19801.	USD 1,300	Solar power generation system design, construction, and sale of modules
WINAICO AUSTRALIA PTY LTD	2012.03.21	SUITE 13 2-14 BAYSWATER ROAD POTTS POINT NSW	AUD 100	Sales of solar modules

Company	Establishment date	Address	Paid-in capital	Main business operation or production items
		2011		
WINAICO Japan KK	2013.08.19	15/F Cerulean Tower, 26-1, Sakuragaoka-cho, Shibuya, Tokyo 150-8512.	JPY35,000	Solar power generation system design, construction, and sale of modules
Nanjing Win Win Precision Technology Co., Ltd.	2018.03.20	Room 263, Building 12, No. 29, Buyue Road, Qiaolin Street, Pukou District, Nanjing City, Jiangsu Province, China	CNY2,000	Sale of semi-conductor and solar module

Note 1: Date of acquisition by the Group.

3. Information of the same shareholders for the presumed controlling and subordinate relationship:

None.

4. Industries covered by the overall business of affiliated companies and the interaction and division of labor

- (1). Industries covered by the overall affiliated enterprise:

Trading, system design, sales and service of solar energy modules, investment and holding business, and manufacturing and processing of semi-conductor equipment and parts.

- (2). The division of labor in the business transactions of each affiliated enterprise:

A. In order to develop the solar energy system business, the Company established subsidiaries in Germany, the Netherlands, Italy, the United States, Australia, and Japan to engage in the sales of solar modules and the design of power generation system related businesses, power plant construction, sales, services, and power plant operations.

B. In order to strengthen the sales service of semi-conductor equipment and spare parts, the Company is engaged in the manufacturing and processing of related equipment and spare parts in Taiwan, and established a subsidiary in Nanjing, China to engage in the sales and maintenance of semi-conductor machine spare parts.

5. Information of directors, supervisors, and general managers of affiliated companies

Company	Title	Name or Representative	Shares held	
			Number of shares (Unit: shares)	Shareholding percentage (%)
WINAICO Deutschland GmbH	Director	Szu-Ming Chen	-	-
WINAICO B.V.	Director	Szu-Ming Chen	-	-
WINAICO Solar Projekt1 GmbH	Director	Szu-Ming Chen	-	-
WINAICO Delaware Co., Ltd.	Director	Szu-Ming Chen	-	-
	Director	Yi-Ching Chen	-	-
WINAICO AUSTRALIA PTY LTD	Director	Szu-Ming Chen	-	-
	Director	Yi-Ching Chen	-	-
	Director	Blair Daniel Pester	-	-
WINAICO Japan KK	Director	Szu-Ming Chen	-	-
	Director	Yi-Ching Chen	-	-
Nanjing Win Win Precision Technology Co., Ltd.	Director	Szu-Ming Chen	-	-
	Director	Yi-Chun Chen	-	-
	Director	Yi-Ching Chen	-	-
	Supervisor	Hsiao-Chun Chen	-	-

6. Financial status and results of operations of each affiliated enterprise (December 31, 2022)

Unit: NTD thousand/LIST thousand

Company	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Profit and/or loss this term (After tax)	Earnings per share (NT\$; after tax)
WINAICO Japan KK	JPY 35,000	JPY 770	JPY 682	JPY 88	JPY 0	JPY (2,719)	JPY (499)	-
WINAICO AUSTRALIA PTY LTD	AUD 100	AUD 4,652	AUD 4,776	AUD (124)	AUD191,957	AUD (4,784)	AUD (4,750)	-
WINAICO Delaware Co., Ltd.	USD 1,300	USD 927	USD 332	USD 595	USD 0	USD (3,730)	USD (2,723)	-
Nanjing Win Win Precision Technology Co., Ltd.	CNY 2,000	CNY 8,138	CNY 427	CNY 7,711	CNY 26,080	CNY 368	CNY 379	-
WINAICO B.V.	EUR 15,263	EUR 2,575	EUR 0	EUR 2,575	EUR 0	EUR (29)	EUR 1,622	-
WINAICO Deutschland GmbH	EUR 5,000	EUR 11,108	EUR 8,643	EUR 2,465	EUR 126,881	EUR 1,278	EUR 1,652	-
WINAICO Solar Projekt1 GmbH	EUR 2,470	EUR 24	EUR 3	EUR 21	EUR 0	EUR (4)	EUR (4)	-

II. Private placement of securities in the most recent year up till the publication date of this annual report:

None.

III. Holding or disposal of the Company's shares by subsidiaries in the most recent year up till the publication date of this annual report:

None.

IV. Other necessary supplementary information:

None.

Nine. Matters that have a significant impact on shareholders' equity or securities prices

I. Any occurrences of events defined under Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act in the last year up till the publication date of this annual report that significantly impacted shareholders' equity or security prices:

None.

**WIN WIN PRECISION TECHNOLOGY CO.,
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2022 AND 2021**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

WIN WIN PRECISION TECHNOLOGY CO., LTD.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2022, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Additionally, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

Win Win Precision Technology Co., Ltd.

Representative:

March 16, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000503

To Win Win Precision Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Win Win Precision Technology Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of 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 at 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Recognition of revenue from major customers of solar photovoltaic modules

Description

Refer to Note 4(25) for accounting policies on revenue recognition, and Note 6(18) for the details of revenue.

The Group is primarily engaged in the research, development, manufacturing and sale of solar photovoltaic modules and parts for semiconductor. For the year ended December 31, 2022, the Group's revenue from sales of solar photovoltaic modules accounted for about 83% of its operating revenue, which was material to the consolidated financial statements. Additionally, the global demand for clean energy is increasing, the ranking of important customers of solar photovoltaic modules of the Group may change, and the sales amount will also have a large increase or decrease due to the capital expenditure plan of the customers. Thus, we consider the recognition of revenue from major customers of solar photovoltaic modules as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the recognition of revenue from major customers of solar photovoltaic modules:

1. Obtained an understanding and tested the design and implementation of internal controls over recognition of revenue from customers of solar photovoltaic modules, including credit evaluation of new sales customers.
2. Obtained detailed listing of solar photovoltaic module sales revenue, and selected samples of and tested customer orders, delivery orders and receipt documents.

3. Selected samples to perform confirmation of accounts receivable on the balance sheet date or to review the recovery of accounts receivable and test the collection after the balance sheet date.
4. Inspected whether there were significant sales returns and discounts after the balance sheet date.

Valuation of inventories

Description

Refer to Note 4(10) for accounting policies of inventory, Note 5 for the accounting estimates of valuation of inventory and assumption uncertainty, Note 6(4) for details of inventory valuation losses.

The Group is primarily engaged in the research, development, manufacturing and sale of solar photovoltaic modules and parts for semiconductor. Due to the rapid changes and highly competitive in the solar photovoltaic and semiconductor markets, the continuous introduction of new products may lead to fluctuations in product prices or product sales may not be as expected, which will affect the estimated net realisable value of inventory evaluation.

The Group recognises inventories at the lower of cost and net realisable value and individually identifies whether inventories over a certain age are obsolete, poor-quality, damaged or determined as beyond remodeled, which often involves the management's judgments. Given that the Group's inventories and the allowance for inventory valuation losses were material to the consolidated financial statements, we considered the valuation of inventories as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the inventory valuation losses :

1. Assessed the reasonableness of accounting policies and procedures on allowance for inventory valuation losses, including the classification of inventories in determining the net realisable value and the reasonableness of determining obsolete inventories.
2. Reviewed the Group's annual physical inventory count plan and participated in the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.

3. Verified the classification used by the Group to determine obsolete inventories and the amount of net realisable value, recalculated the loss of inventory and further assessed the reasonableness.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Win Win Precision Technology Co., Ltd. as at and for the years ended December 31, 2022 and 2021.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and maintain professional scepticism 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 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.

Lin, Se-Kai

Wen, Ya-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 16, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

WIN WIN PRECISION TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 730,617	26	\$ 388,424	25
1140	Current contract-assets	6(18)	28,075	1	-	-
1150	Notes receivable, net	6(3)	7,404	-	13,709	1
1170	Accounts receivable, net	6(3)	290,324	10	271,335	17
1200	Other receivables		1,017	-	448	-
1220	Current income tax assets		25	-	33	-
130X	Inventories	6(4)	1,462,878	51	660,814	42
1410	Prepayments	6(5)	119,140	4	69,204	5
1479	Other current assets		1,724	-	1,409	-
1482	Current assets recognised from costs to fulfil contracts with customers		1,313	-	-	-
11XX	Total Current Assets		<u>2,642,517</u>	<u>92</u>	<u>1,405,376</u>	<u>90</u>
Non-current assets						
1600	Property, plant and equipment	6(6)	88,668	3	78,715	5
1755	Right-of-use assets	6(7)	51,121	2	23,137	1
1780	Intangible assets	6(8)	5,013	-	7,075	-
1840	Deferred income tax assets	6(25)	44,747	2	24,379	2
1900	Other non-current assets	8	36,750	1	25,397	2
15XX	Total non-current assets		<u>226,299</u>	<u>8</u>	<u>158,703</u>	<u>10</u>
1XXX	Total assets		<u>\$ 2,868,816</u>	<u>100</u>	<u>\$ 1,564,079</u>	<u>100</u>

(Continued)

WIN WIN PRECISION TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(10)	\$ 35,483	1	\$ 258,195	16
2120	Financial liabilities at fair value through profit or loss - current	6(2)	4,374	-	513	-
2130	Contract liabilities- current	6(18)	33,871	1	62,737	4
2170	Accounts payable		751,976	26	169,883	11
2200	Other payables	6(11)	303,754	11	207,584	13
2230	Current income tax liabilities		123,165	4	15,366	1
2250	Provisions for liabilities-current	6(14)	13,678	1	10,557	1
2280	Current lease liabilities		28,829	1	12,646	1
2300	Other current liabilities		10,862	-	9,943	1
21XX	Total Current Liabilities		<u>1,305,992</u>	<u>45</u>	<u>747,424</u>	<u>48</u>
Non-current liabilities						
2550	Provisions for liabilities - non-current	6(14)	2,094	-	2,094	-
2580	Non-current lease liabilities		23,304	1	11,223	1
25XX	Total non-current liabilities		<u>25,398</u>	<u>1</u>	<u>13,317</u>	<u>1</u>
2XXX	Total Liabilities		<u>1,331,390</u>	<u>46</u>	<u>760,741</u>	<u>49</u>
Equity						
Share Capital						
3110	Ordinary shares	6(15)	551,864	19	454,589	29
Capital surplus						
3200	Capital surplus	6(16)	432,102	15	286,957	18
Retained earnings						
3310	Legal reserve	6(17)	12,936	1	7,728	-
3320	Special reserve		53,936	2	43,796	3
3350	Undistributed retained earnings		525,097	18	64,204	4
Other equity interest						
3400	Other equity interest		(38,509)	(1)	(53,936)	(3)
3XXX	Total equity		<u>1,537,426</u>	<u>54</u>	<u>803,338</u>	<u>51</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant subsequent events						
3X2X	Total liabilities and equity		<u>\$ 2,868,816</u>	<u>100</u>	<u>\$ 1,564,079</u>	<u>100</u>

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

WIN WIN PRECISION TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Year ended December 31,				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(18)	\$ 5,597,815	100	\$ 3,128,162	100
5000	Operating costs	6(4)	(4,020,817)	(72)	(2,298,046)	(73)
5900	Gross profit		<u>1,576,998</u>	<u>28</u>	<u>830,116</u>	<u>27</u>
	Operating expenses					
6100	Selling expenses		(701,054)	(12)	(533,614)	(17)
6200	General and administrative expenses		(217,075)	(4)	(166,031)	(5)
6300	Research and development expenses		(61,067)	(1)	(53,044)	(2)
6450	Expected credit impairment (loss) gain	12(2)	(7,990)	-	770	-
6000	Total operating expenses		(987,186)	(17)	(751,919)	(24)
6900	Operating profit		<u>589,812</u>	<u>11</u>	<u>78,197</u>	<u>3</u>
	Non-operating Income and Expenses					
7100	Interest income	6(19)	859	-	164	-
7010	Other income	6(20)	13,879	-	18,625	-
7020	Other gains and losses	6(21)	12,455	-	(29,918)	(1)
7050	Finance costs	6(22)	(2,839)	-	(5,165)	-
7000	Total non-operating income and expenses		<u>24,354</u>	<u>-</u>	<u>(16,294)</u>	<u>(1)</u>
7900	Profit before income tax		<u>614,166</u>	<u>11</u>	<u>61,903</u>	<u>2</u>
7950	Income tax expense		(101,558)	(2)	(9,821)	(1)
8200	Profit for the year		<u>\$ 512,608</u>	<u>9</u>	<u>\$ 52,082</u>	<u>1</u>
	Other comprehensive income					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		\$ 15,427	-	(\$ 10,140)	-
8500	Total components of other comprehensive income that will be reclassified to profit or loss		<u>\$ 528,035</u>	<u>9</u>	<u>\$ 41,942</u>	<u>1</u>
9750	Basic earnings per share		<u>\$ 10.14</u>		<u>\$ 1.08</u>	
9850	Diluted earnings per share		<u>\$ 10.01</u>		<u>\$ 1.08</u>	

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

WIN WIN PRECISION TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Equity attributable to owners of the parent							Total equity
		Ordinary shares	Capital Reserves	Retained Earnings	Financial statements translation differences of foreign operations				
		Additional paid-in capital	employee stock options	Legal Reserve	Special Reserve	Undistributed retained earnings			
<u>Year 2021</u>									
Balance at January 1, 2021		\$ 454,589	\$ 286,957	\$ -	\$ -	\$ 77,284	(\$ 43,796)	\$ 775,034	
Profit for the year		-	-	-	-	52,082	-	52,082	
Other comprehensive loss for the year		-	-	-	-	-	(10,140)	(10,140)	
Total comprehensive income(loss)		-	-	-	-	52,082	(10,140)	41,942	
Appropriation and distribution of retained earnings:	6(17)								
Legal reserve		-	-	-	7,728	(7,728)	-	-	
Special reserve		-	-	-	-	43,796	(43,796)	-	
Cash dividends		-	-	-	-	(13,638)	-	(13,638)	
Balance at December 31, 2021		\$ 454,589	\$ 286,957	\$ -	\$ 7,728	\$ 43,796	(\$ 53,936)	\$ 803,338	
<u>Year 2022</u>									
Balance at January 1, 2022		\$ 454,589	\$ 286,957	\$ -	\$ 7,728	\$ 43,796	(\$ 53,936)	\$ 803,338	
Profit for the year		-	-	-	-	512,608	-	512,608	
Other comprehensive income for the year		-	-	-	-	-	15,427	15,427	
Total comprehensive income		-	-	-	-	512,608	15,427	528,035	
Appropriation and distribution of retained earnings:	6(17)								
Legal reserve		-	-	-	5,208	(5,208)	-	-	
Special reserve		-	-	-	-	10,140	(10,140)	-	
Cash dividends		-	-	-	-	(9,092)	-	(9,092)	
Transferred to common stock		27,275	-	-	-	(27,275)	-	-	
Issuance of shares	6(15)	70,000	140,176	-	-	-	-	210,176	
Compensation cost of employee stock options	6(13)	-	-	4,969	-	-	-	4,969	
Balance at December 31, 2022		\$ 551,864	\$ 427,133	\$ 4,969	\$ 12,936	\$ 53,936	(\$ 38,509)	\$ 1,537,426	

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

WIN WIN PRECISION TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31,	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 614,166	\$ 61,903
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets and liabilities at fair value through profit	6(2)	(28,502)	(12,432)
Depreciation expense (including right-of-use assets)	6(6)(7)(23)	54,741	38,303
Amortisation expense	6(23)	2,951	2,416
Expected credit impairment loss (gain)	12(2)	7,990	(770)
Impairment loss	6(9)(21)	5,992	3,665
Gains on disposal of subsidiaries	6(21)	-	(2,304)
Gains on disposal of non-current assets classified as held for sale	6(21)	-	(1)
Gains (losses) on disposal of property, plant and equipment	6(21)	(45)	228
Compensation cost of employee stock options	6(13)	5,145	-
Interest income	6(19)	(859)	(164)
Interest expense	6(22)	2,839	5,165
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets – current		(28,075)	22,080
Notes receivable		6,305	4,457
Accounts receivable		(21,005)	(92,719)
Other receivables		(526)	15,241
Inventories		(792,125)	4,674
Prepayments		(49,608)	(26,093)
Other current assets		(309)	541
Assets recognised from costs to fulfil contracts with customers		(1,313)	-
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss – current		32,363	5,825
Contract liabilities - current		(29,792)	47,941
Accounts payable		581,476	89,372
Other payables		93,236	74,594
Provisions for liabilities		3,121	(5,262)
Other current liabilities		(63)	(1,712)
Cash inflow generated from operations		458,103	234,948
Interest received		859	164
Interest paid		(2,967)	(5,774)
Income tax paid		(14,029)	(14,379)
Net cash flows from operating activities		<u>441,966</u>	<u>214,959</u>

(Continued)

WIN WIN PRECISION TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31,	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of subsidiaries	6(27)	\$ -	\$ 70,972
Proceeds from disposal of non-current assets classified as held for sale		-	1
Acquisition of property, plant and equipment	6(27)	(50,572)	(42,378)
Proceeds from disposal of property, plant and equipment		45	8,664
Acquisition of intangible assets	6(8)	(420)	(4,569)
Increase in other non-current assets		-	(360)
Increase in guarantee deposit paid		(4,787)	(134)
Decrease in guarantee deposit paid		1,858	-
Increase in prepayments for investments		(1,000)	-
Net cash flows (used in) from investing activities		(54,876)	32,196
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term loans	6(28)	1,286,888	1,298,367
Payments of short-term loans	6(28)	(1,509,600)	(1,376,748)
Payments of principal portion of lease liabilities	6(28)	(30,045)	(13,907)
Cash dividends paid	6(17)	(9,092)	(13,638)
Proceeds from issuance of shares	6(15)	210,000	-
Net cash flows used in financing activities		(51,849)	(105,926)
Effect of change in foreign exchange rates		6,952	(5,930)
Net increase in cash and cash equivalents		342,193	135,299
Cash and cash equivalents at beginning of year		388,424	253,125
Cash and cash equivalents at end of year		\$ 730,617	\$ 388,424

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

WIN WIN PRECISION TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Win Win Precision Technology Co., Ltd. (the “Company”) was incorporated under the provisions of the Company Law of the Republic of China (R.O.C.) in November 2003 and started its operations in the same year. In December 2007, the Company expanded its business line in providing vertically integrated solar photovoltaic total solutions. The Company and its subsidiaries (collectively referred herein as “the Group”) are primarily engaged in manufacturing solar photovoltaic modules, system design, plan and integration services, as well as consumable parts of equipments for semiconductors industry, and maintenance services.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 16, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC and became effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts-cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018-2020 cycle	January 1, 2022

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

<u>New and revised Standards, Interpretations and Amendments</u>	<u>Effective date issued by International Accounting Standards Board</u>
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or noncurrent’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effective as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, these consolidated financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed 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.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	% of shares held as of December 31,		Remark
			2022	2021	
The Company	WINAICO B.V.	Overseas investment	100	100	Note 1
"	WINAICO AUSTRALIA PTY LTD.	Sales of solar photovoltaic modules	100	100	
"	WINAICO Japan K.K.	Design and development of solar energy system; sales of solar photovoltaic modules	100	100	
"	WINAICO Delaware Co., Ltd.	Design and development of solar energy system; sales of solar photovoltaic modules	100	100	

Name of investor	Name of subsidiary	Main business activities	% of shares held as of December 31,		Remark
			2022	2021	
The Company	WIN WIN Precision Technology Nanjing Co, Ltd.	Sales of semiconductor parts and solar photovoltaic modules	100	100	
"	WINAICO Solar Projekt 1 GmbH	Operation of solar power plant	50	50	Note 2
WINAICO B.V.	WINAICO Solar Projekt 1 GmbH	Operation of solar power plant	50	50	Note 2
"	WINAICO Deutschland GmbH	Design and development of solar energy system; sales of solar photovoltaic modules	100	100	

Note 1: To manage the Group's cash pooling, WINAICO B.V. reduced its capital by returning cash in the amount of EUR 3,200,000 on July 5, 2021.

Note 2: On July 30, 2021, the Company and WINAICO B.V. increased its investment in WINAICO Solar Projekt 1 GmbH in the amount of EUR 115,000, or a total amount of EUR 230,000.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balance

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group still retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realized or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to 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 that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

For financial assets at amortized cost including accounts receivable or contract assets that have a significant financing component and loan commitments, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sales.

(11) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

B. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

C. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Machinery and equipment	2 ~ 10 years
Transportation equipment	5 ~ 8 years
Office equipment	3 ~ 5 years
Other equipment	2 ~ 19 years
Leasehold assets	2 ~ 3 years

(12) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability; and

(b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(13) Intangible assets

A. Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 2 to 3 years.

B. Trademarks and licenses

Separately acquired trademarks and licenses are stated at historical cost. Trademarks and licenses have a finite useful life and are amortized on a straight-line basis over their estimated useful lives of 9 to 20 years.

C. Other intangible asset was acquired during the acquisition of its consolidated subsidiaries representing the license of solar power station. The amount was derived from the difference between the investment cost and net equity based on the acquisition and analytical report. These intangible assets are stated at fair value and amortized over the estimated life of 20 years using the straight-line method.

(14) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(15) Borrowings

Borrowings comprise short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(16) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(17) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(18) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(19) Provisions

Provisions (including warranties and decommissioning liabilities) are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(20) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(21) Employee share-based payments

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(22) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(23) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(24) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders.

(25) Revenue recognition

A. Sales of goods

- (a). The Group manufactures and sells solar photovoltaic modules and semiconductor products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b). Revenue is measured at the fair value of the consideration received or receivable taking into account of business tax, returns and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year for the agreements signed with customers, the Group does not adjust the transaction price to reflect the time value of money.
- (c). A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Service revenue

- (a). The Group provides periodically maintenance service of semiconductor equipments and solar power plant, and the revenue was recognised in the service period of financial reporting period.
- (b). The Group bills a fixed amount for each hour of service provided according to the service contract, and has the right to collect from customers.

C. Construction revenue

- (a). The Group engages in the design of solar energy system and undertakes the construction. Because the assets are controlled by customers when building. Thus, the revenue are recognised according to the proportion of incurred construction cost presenting in the estimated total cost or the proportion completion degree as of the ended of reporting period with reference to the contract.
- (b). The Group's revenue amount will included in the contract revenue when it is very possible that it could not be significant reversed. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(26) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(27) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Valuation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technological innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation. For the details of valuation of inventories, please refer to Note 6.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand	\$ 1,110	\$ 1,184
Checking accounts and demand deposits	728,077	385,871
Time deposits	1,430	1,369
	<u>\$ 730,617</u>	<u>\$ 388,424</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial liabilities at fair value through profit or loss

<u>Items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial liabilities held for trading		
Forward foreign exchange contracts	<u>\$ 4,374</u>	<u>\$ 513</u>

A. The Group recognised net gains of \$28,502 and \$12,432 on financial liabilities mandatorily measured at fair value through profit or loss for the years ended December 31, 2022 and 2021, respectively.

B. The Group entered into forward foreign exchange contracts to sell EUR (buy USD) and sell AUD (buy USD), to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting. The summary of contracts not yet matured and entered into by the Group are as follows:

December 31, 2022		
Derivative financial liabilities	Contract amount (Notional principal)	Contract period
Forward foreign exchange contracts	AUD 3,250 thousand	2022/09~2023/04
	EUR 3,000 thousand	2022/11~2023/02

December 31, 2021		
Derivative financial liabilities	Contract amount (Notional principal)	Contract period
Forward foreign exchange contracts	AUD 2,060 thousand	2021/12~2022/05

C. Information relating to liquidity risk of financial liabilities at fair value through profit or loss is provided in Notes 12(2) and (3).

(3) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	\$ 7,404	\$ 13,709
Accounts receivable	\$ 302,144	\$ 275,271
Less: Allowance for loss	(11,820)	(3,936)
	<u>\$ 290,324</u>	<u>\$ 271,335</u>

A. Notes receivables were not past due, and the ageing of accounts receivable is provided in Note 12(2).

The Group grants credit term to customers from 30 days to 180 days after the delivery date. Ageing analysis is conducted on the basis of the number of days overdue. Please refer to Note 12 for disclosures of credit risk and information on movement of impairment and analysis of accounts receivable.

B. As of December 31, 2022 and 2021, accounts receivable (including notes receivable) were all from contracts with customers. And as of January 1, 2021, the total balance of receivables from contracts with customers amounted to \$242,052 and loss allowance amounted to \$46,522.

C. The Group has no notes and accounts receivable pledged to others.

D. As at December 31, 2022 and 2021, without taking into other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable were \$297,728 and \$285,044, respectively.

(4) Inventories

	December 31, 2022		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Net book value</u>
Raw materials	\$ 151,249	(\$ 13,590)	\$ 137,659
Work in process	22,665	(325)	22,340
Finished goods	321,151	(34,186)	286,965
Products	324,711	(11,636)	313,075
Inventory in transit	702,839	-	702,839
	<u>\$ 1,522,615</u>	<u>(\$ 59,737)</u>	<u>\$ 1,462,878</u>

	December 31, 2021		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Net book value</u>
Raw materials	\$ 161,944	(\$ 18,370)	\$ 143,574
Work in process	10,112	(4)	10,108
Finished goods	265,123	(41,972)	223,151
Products	187,189	(7,087)	180,102
Inventory in transit	103,879	-	103,879
	<u>\$ 728,247</u>	<u>(\$ 67,433)</u>	<u>\$ 660,814</u>

The cost of inventories recognized as expense for the year:

	Year ended December 31,	
	<u>2022</u>	<u>2021</u>
Cost of goods sold	\$ 3,880,845	\$ 2,232,304
(Gain on reversal of) loss on decline in market value	(8,324)	6,158
Construction costs	7,712	2,477
(Gain) loss from physical counts	(326)	775
Income from sale of scraps	(693)	(3,848)
	<u>\$ 3,879,214</u>	<u>\$ 2,237,866</u>

In 2022, due to the sale of some inventories whose net value was lower than the cost, the loss of products fell and the profit was recovered.

(5) Prepayments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Prepayments to suppliers	\$ 100,407	\$ 42,451
Prepayments to business tax	6,353	13,137
Other prepaid expenses	12,380	13,616
	<u>\$ 119,140</u>	<u>\$ 69,204</u>

(6) Property, plant and equipment

	2022					
	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Total
January 1						
Cost	\$ 206,307	\$ 764	\$ 12,588	\$ 63,785	\$ 12,956	\$ 296,400
Accumulated depreciation and impairment	(140,474)	(764)	(10,727)	(55,610)	(10,110)	(217,685)
	<u>\$ 65,833</u>	<u>\$ -</u>	<u>\$ 1,861</u>	<u>\$ 8,175</u>	<u>\$ 2,846</u>	<u>\$ 78,715</u>
At January 1	\$ 65,833	\$ -	\$ 1,861	\$ 8,175	\$ 2,846	\$ 78,715
Additions	27,415	-	4,316	1,838	4,884	38,453
Reclassifications	1,842	-	-	-	-	1,842
Disposals (Cost)	(4,325)	-	(239)	-	(368)	(4,932)
Disposals (Accumulated depreciation)	4,325	-	239	-	368	4,932
Depreciation charge	(17,991)	-	(1,173)	(3,932)	(1,320)	(24,416)
Impairment loss	(5,992)	-	-	-	-	(5,992)
Net exchange differences	-	-	-	-	66	66
At December 31	<u>\$ 71,107</u>	<u>\$ -</u>	<u>\$ 5,004</u>	<u>\$ 6,081</u>	<u>\$ 6,476</u>	<u>\$ 88,668</u>
December 31						
Cost	\$ 231,239	\$ 788	\$ 16,668	\$ 65,623	\$ 17,826	\$ 332,144
Accumulated depreciation and impairment	(160,132)	(788)	(11,664)	(59,542)	(11,350)	(243,476)
	<u>\$ 71,107</u>	<u>\$ -</u>	<u>\$ 5,004</u>	<u>\$ 6,081</u>	<u>\$ 6,476</u>	<u>\$ 88,668</u>

	2021					
	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Total
January 1						
Cost	\$ 301,337	\$ 3,245	\$ 11,285	\$ 56,435	\$ 208,821	\$ 581,123
Accumulated depreciation and impairment	(251,117)	(1,184)	(10,271)	(52,462)	(127,917)	(442,951)
	<u>\$ 50,220</u>	<u>\$ 2,061</u>	<u>\$ 1,014</u>	<u>\$ 3,973</u>	<u>\$ 80,904</u>	<u>\$ 138,172</u>
At January 1	\$ 50,220	\$ 2,061	\$ 1,014	\$ 3,973	\$ 80,904	\$ 138,172
Additions	30,819	-	1,354	4,915	601	37,689
Reclassifications	4,299	-	-	2,903	438	7,640
Disposals (Cost)	(128,830)	-	(20)	-	(16,052)	(144,902)
Disposals (Accumulated depreciation)	128,814	-	20	-	7,154	135,988
Disposal of subsidiaries (cost) (Note)	(1,269)	(2,312)	(29)	-	(171,626)	(175,236)
Disposal of subsidiaries (Accumulated depreciation and impairment) (Note)	389	437	15	-	109,752	110,593
Impairment loss	(3,665)	-	-	-	-	(3,665)
Depreciation charge	(14,910)	(95)	(492)	(3,616)	(4,550)	(23,663)
Net exchange differences	(34)	(91)	(1)	-	(3,775)	(3,901)
At December 31	<u>\$ 65,833</u>	<u>\$ -</u>	<u>\$ 1,861</u>	<u>\$ 8,175</u>	<u>\$ 2,846</u>	<u>\$ 78,715</u>
December 31						
Cost	\$ 206,307	\$ 764	\$ 12,588	\$ 63,785	\$ 12,956	\$ 296,400
Accumulated depreciation and impairment	(140,474)	(764)	(10,727)	(55,610)	(10,110)	(217,685)
	<u>\$ 65,833</u>	<u>\$ -</u>	<u>\$ 1,861</u>	<u>\$ 8,175</u>	<u>\$ 2,846</u>	<u>\$ 78,715</u>

Note: In June 2021, the Group sold all of the equity interest in SET ENERGIA S.R.L., please refer to Note 6(27)B.

A. There was no borrowing costs capitalized to property, plant and equipment.

B. For the impairment of property, plant and equipment, please refer to Note 6(9).

C. The Group has no property, plant and equipment pledged to others.

(7) Lease arrangements – lessee

The Group leases various assets including land, buildings, business vehicles and computer equipments. Rental contracts are typically made for periods of 2 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

A. Short-term leases with a lease term of 12 months or less comprise certain buildings.

B. The movements of right-of-use assets of the Group are as follows:

	2022			
	Buildings and structures	Transportation equipment	Computer equipment	Total
At January 1	\$ 13,708	\$ 9,429	\$ -	\$ 23,137
Additions	54,531	775	3,003	58,309
Net exchange differences	(26,116)	(3,959)	(250)	(30,325)
At December 31	<u>\$ 42,123</u>	<u>\$ 6,245</u>	<u>\$ 2,753</u>	<u>\$ 51,121</u>

	2021			
	Land	Buildings and structures	Transportation equipment	Total
At January 1	\$ 12,652	\$ 24,125	\$ 11,216	\$ 47,993
Additions	-	-	2,268	2,268
Disposals (Note)	(12,164)	(257)	-	(12,421)
Depreciation charge	(440)	(10,145)	(4,055)	(14,640)
Net exchange differences	(48)	(15)	-	(63)
At December 31	<u>\$ -</u>	<u>\$ 13,708</u>	<u>\$ 9,429</u>	<u>\$ 23,137</u>

Note : In June 2021, the Group sold all of the equity interest in SET ENERGIA S.R.L., please refer to Note 6(27)B.

C. Information on profit or loss in relation to lease contracts is as follows:

	Year ended December 31,	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 967	\$ 736
Expense on short-term lease contracts	26,342	46,214

D. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were \$57,354 and \$60,857, respectively.

(8) Intangible assets

	2022				
	Software	Trademarks	Patent	Total	
January 1					
Cost	\$ 8,204	\$ 2,924	\$ 1,284	\$ 12,412	
Accumulated amortization	(3,069)	(1,494)	(774)	(5,337)	
	<u>\$ 5,135</u>	<u>\$ 1,430</u>	<u>\$ 510</u>	<u>\$ 7,075</u>	
At January 1	\$ 5,135	\$ 1,430	\$ 510	\$ 7,075	
Additional-acquired separately	420	-	-	420	
Disposals (Cost)	(820)	-	(36)	(856)	
Disposals (Accumulated depreciation)	820	-	36	856	
Amortization charge	(2,196)	(196)	(90)	(2,482)	
At December 31	<u>\$ 3,359</u>	<u>\$ 1,234</u>	<u>\$ 420</u>	<u>\$ 5,013</u>	
December 31					
Cost	\$ 7,853	\$ 2,924	\$ 1,248	\$ 12,025	
Accumulated amortization	(4,494)	(1,690)	(828)	(7,012)	
	<u>\$ 3,359</u>	<u>\$ 1,234</u>	<u>\$ 420</u>	<u>\$ 5,013</u>	
	2021				
	License of solar power plant	Software	Trademarks	Patent	Total
January 1					
Cost	\$ 12,227	\$ 3,148	\$ 2,597	\$ 1,284	\$ 19,256
Accumulated amortization	(2,254)	(2,294)	(1,749)	(678)	(6,975)
	<u>\$ 9,973</u>	<u>\$ 854</u>	<u>\$ 848</u>	<u>\$ 606</u>	<u>\$ 12,281</u>
At January 1	\$ 9,973	\$ 854	\$ 848	\$ 606	\$ 12,281
Additional-acquired separately	-	3,772	797	-	4,569
Reclassification	-	1,763	-	-	1,763
Disposals (Cost)	-	(350)	(470)	-	(820)
Disposals (Accumulated depreciation)	-	350	470	-	820
Disposal of subsidiaries (Cost) (Note)	(11,690)	-	-	-	(11,690)
Disposal of subsidiaries (Accumulated amortization) (Note)	2,515	-	-	-	2,515
Amortization charge	(355)	(1,254)	(215)	(96)	(1,920)
Net exchange differences	(443)	-	-	-	(443)
At December 31	<u>\$ -</u>	<u>\$ 5,135</u>	<u>\$ 1,430</u>	<u>\$ 510</u>	<u>\$ 7,075</u>
December 31					
Cost	\$ -	\$ 8,204	\$ 2,924	\$ 1,284	\$ 12,412
Accumulated amortization	-	(3,069)	(1,494)	(774)	(5,337)
	<u>\$ -</u>	<u>\$ 5,135</u>	<u>\$ 1,430</u>	<u>\$ 510</u>	<u>\$ 7,075</u>

Note : In June 2021, the Group sold all of the equity interest in SET ENERGIA S.R.L., please refer to Note 6(27)B.

A. Details of amortization on intangible assets are as follows:

	Year ended December 31,	
	2022	2021
Operating costs	\$ 1,658	\$ 758
Selling expenses	193	388
Administrative expenses	232	594
Research and development expenses	399	180
	<u>\$ 2,482</u>	<u>\$ 1,920</u>

B. The Group has no intangible assets were pledged to others.

(9) Impairment of non-financial assets

A. The Group recognised impairment loss in 2022 and 2021. Details are as follows:

	Year ended December 31,	
	2022	2021
	Recognized in profit or loss	Recognized in profit or loss
Impairment loss - machinery and equipment	<u>\$ 5,992</u>	<u>\$ 3,665</u>

B. In 2022 and 2021, although some cross-generation machinery and equipment of the Group's solar energy business have been improved, they still cannot continue to produce stably for a long time to meet the production targets. Since the Group assessed that the recoverable amount of aforementioned machinery and equipment was \$0, the Group wrote down its value to the recoverable amount and recognised as impairment loss in the amounts of \$5,992 and \$3,665, respectively.

(10) Short-term borrowings

Type of borrowings	December 31, 2022	December 31, 2021
Bank borrowings		
Unsecured borrowings	<u>\$ 35,483</u>	<u>\$ 258,195</u>
Interest rate range	1.65%~4.11%	1.29%~1.59%

(11) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Salary and year-end bonus payable	\$ 141,095	\$ 94,601
Business tax payable	76,695	39,356
Customs and miscellaneous payable	41,728	22,240
Service payable	9,208	8,567
Labor and National Health insurance payable	5,117	4,353
Pension expense payable	3,065	2,677
Rents payable	2,649	9,367
Utilities payable	2,244	2,108
Freight payable	1,653	2,074
Equipment payable	120	3,710
Others	20,180	18,531
	<u>\$ 303,754</u>	<u>\$ 207,584</u>

(12) Pensions

- A. The Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- B. Accounting for pension plans of foreign subsidiaries, WINAICO Deutschland GmbH, WINAICO Delaware Co., Ltd., WINAICO AUSTRALIA PTY. LTD., WINAICO Japan K.K. and WIN WIN Precision Technology Nanjing Co., Ltd. comply with the local pension contribution laws and regulations. Other consolidated entities do not have any employees. Therefore, they do not have employee pension plans.
- C. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2022 and 2021 were \$10,870 and \$10,517, respectively.

(13) Share-based payment

- A. The Company’s employees can receive share-based payment as part of the reward plan; Employees receive equity instruments as considerations for services rendered, and these transactions are equity-settled share-based payment transactions.
- B. For the year ended December 31, 2022, the Company’s share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Grant quantity (in thousand)</u>	<u>Contract period</u>	<u>Vesting condition</u>
Employee option plan	2022.08.11	2,250	5 years	(Note)
Cash capital increase reserved for employee preemption	2022.08.25	1,050	-	Vested immediately

(Note) The Company issues new shares when employees exercise options. The vesting period of option and exercisable ratio are as follows:

<u>Vesting period of option</u>	<u>Accumulated ratio of exercisable stock option</u>
After 2 years	50%
After 3 years	80%
After 4 years	100%

C. Details of the share-based payment arrangements for the year ended December 31, 2022 are as follows:

	<u>2022</u>	
	<u>No. of options (in thousand)</u>	<u>Weighted-average exercise price (in dollars)</u>
Options outstanding at January 1	\$ -	
Options exercised	2,250	\$ 22.60
Options forfeited	(20)	
Options outstanding at December 31	<u>\$ 2,230</u>	22.60
Options exercisable at December 31	<u>-</u>	

As of December 31, 2022, the exercise prices of stock options outstanding were \$36.86 (in dollars); the remaining contractual period was 4.6 years.

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

<u>Type of arrangement</u>	<u>Stock price (in dollars)</u>	<u>Exercise price (in dollars) (Note 1)</u>	<u>Expected price Volatility (Notes 2)</u>	<u>Expected option life (Note 3)</u>	<u>Expected dividends (Note 4)</u>	<u>Risk-free interest rate (Note 5)</u>	<u>Fair value per unit (in dollars)</u>
Employee stock options (Grant date:2022.8.11)							
Manager							
After 2 years	\$ 30	\$ 22.6	50.40%	4.36years	0.63%	1.01%	\$ 14.82
After 3 years	30	22.6	49.16%	4.63years	0.63%	1.02%	14.74
After 4 years	30	22.6	49.06%	4.84years	0.63%	1.03%	14.74
General employee							
After 2 years	\$ 30	\$ 22.6	51.45%	4.02years	0.63%	1.00%	\$ 14.59
After 3 years	30	22.6	50.04%	4.43years	0.63%	1.02%	14.71
After 4 years	30	22.6	49.10%	4.76years	0.63%	1.03%	14.71
Proceeds from issuing shares retained employee share options (Grant date:2022.8.25)							
	\$ 30	\$ 30.0	26.70%	1 day	-	0.68%	\$ 0.17

Note 1: If there is any change to the Company's ordinary shares such as cash capital increase, stock dividend issuance, consolidation or issuance of new shares in exchange for shares of other companies, the exercise price will be adjusted in accordance with the terms of issuance of employee stock options.

Note 2: It is based on the stock price volatility during the historical expected duration of comparable companies.

Note 3: It is calculated by using the literature published by Hull White (2002).

Note 4: It is based on the average historical yield rate of comparable companies.

Note 5: It is based on the risk-free interest rate of central government bonds during the expected duration.

E. For the year ended December 31, 2022, expenses incurred on equity-settled share-based payment transactions amounted to \$5,145.

(14) Provisions for liabilities

	2022		
	Warranty	Decommissioning liabilities	Total
At January 1	\$ 10,557	\$ 2,094	\$ 12,651
Additional provisions	15,456	-	15,456
Used during the year	(12,335)	-	(12,335)
At December 31	\$ 13,678	\$ 2,094	\$ 15,772
	2021		
	Warranty	Decommissioning liabilities	Total
At January 1	\$ 15,819	\$ 2,094	\$ 17,913
Additional provisions	14,269	-	14,269
Used during the year	(19,531)	-	(19,531)
At December 31	\$ 10,557	\$ 2,094	\$ 12,651

Analysis of total provisions:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current	\$ 13,678	\$ 10,557
Non-current	\$ 2,094	\$ 2,094

A. Warranty

The Group's provision for warranty which was related to the sale of solar photovoltaic modules was based on historical warranty data and management's judgements. The Group estimated the provision for warranty will be used within the next year.

B. Decommissioning liabilities

According to the Group's lease contract for the plant, the Group bears dismantling, removing the asset and restoring the site obligations. A provision is recognised for the present value of costs to be incurred for dismantling, removing the asset and restoring the site. The Group estimated the liabilities provision will be paid when moving the plant.

(15) Share capital

A. As of December 31, 2022 and 2021, the Company's authorized capital was \$1,200,000, consisting of 120,000 thousand shares of ordinary stock (including 2,250 thousand shares reserved for employee stock options), and the paid-in capital were \$551,864 and \$454,589, respectively, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

	2022	2021
At January 1	\$ 454,589	\$ 454,589
Capitalization from earnings	27,275	-
Cash capital increase	70,000	-
At December 31	<u>\$ 551,864</u>	<u>\$ 454,589</u>

B. On May 19, 2022, the Board of Directors of the Company resolved to increase its cash capital by issuing 7,000 thousand ordinary shares with \$30 (in dollars) per share to replenish the Company's working capital. The registration for the capital increase had been completed.

C. On June 17, 2022, the Company increased its capital by issuing 2,728 thousand shares in total through capitalisation of unappropriated retained earnings of \$27,275 as resolved by the shareholders at their meeting. The registration for the capital increase had been completed.

(16) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(17) Retained earnings

A. The earnings distribution of Company's Articles of Incorporation are as follows:

- (a) After the general meeting of shareholders approves the revision of the Company's Articles of Incorporation on June 17, 2022:

Under the Company's Articles of Incorporation adopted by the shareholders during their meeting, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the amount of legal reserve is equal to the amount of total capital. After the provision or reversal of special reserve in accordance with the law, the remaining balance plus the accumulated unappropriated earnings of prior years may be proposed by the Board of Directors for distribution upon the resolution of the shareholders' meeting. The Company authorizes the board meeting attended by two-third or more directors, and the resolution by the majority of the attended directors, to distribute all or part of the shareholders' dividends and bonus, capital reserve, or surplus reserve in cash, and report to the shareholders' meeting. Due to the operational demands and for the maximization of the shareholder's equity, the Company adopts the dividend balance policy based on the budget for future capital expenditure and demand of funds, to distribute share or cash dividend as appropriate. Every year, no less than 30% of the distributable earnings of the year is distributed as the shareholders' dividend. Provided that if the distributable earnings is lower than 3% of the paid-in capital, a resolution may be taken to transfer all these to the retained earnings without distribution. When distributing earnings, the ratio of cash dividend distribution is no less than 20% of the total dividends distributed for the year, as a principle, and the distribution is subject to adjustment depending the future profitability.

- (b) Before the general meeting of shareholders approves the revision of the Company's Articles of Incorporation on June 17, 2022:

Under the Company's Articles of Incorporation adopted by the shareholders during their meeting, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the amount of legal reserve is equal to the amount of total capital. After the provision or reversal of special reserve, the appropriation of the remaining earnings along with the unappropriated earnings of prior years shall be proposed by the Board of Directors and approved by the shareholders. Every year, the distributable retained earnings should be distributed not lower than 30% as shareholders' dividend. However, when the distributable earnings is lower than 3% of paid-in capital, it may be resolved to transfer it to retained earnings and not to be distributed. When distributing retained earnings, cash dividends should not lower than 20% of total dividend, but shareholders may adjust it according to the actual profit and future capital plan.

- B. The Company's dividend policy adopts a prudent and balanced principle, based on capital requirements, industry growth characteristics, interests of the shareholders, the balance of dividends and long-term financial planning. The dividend policy proposed by the Board of Directors is submitted to the shareholders for approval.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. (a) The appropriations of earnings of 2021 and 2020 resolved by shareholders on June 17, 2022 and August 12, 2021, respectively, are as follows:

	Year 2021		Year 2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 5,208		\$ 7,728	
Special reserve appropriated	10,140		43,796	
Cash dividends	9,092	\$ 0.20	13,638	\$ 0.30
Stock dividends	27,275	0.60	-	-

- (b) Details of 2022 earnings appropriation proposed by the Board of Directors on March 16, 2023 are as follows:

	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 51,261	
Special reserve appropriated	15,427	
Cash dividends	137,966	\$ 2.50
Stock dividends	55,186	1.00

- (c) Information about the appropriation of retained earnings of the Company as proposed by the Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(18) Operating revenue

	<u>Year ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Sales of goods contract	\$ 5,425,578	\$ 3,057,088
Service contract	74,448	49,638
Construction contract	97,789	21,436
	<u>\$ 5,597,815</u>	<u>\$ 3,128,162</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of construction control or by services provided over time and transfer of products at a point in time in the following major product lines and geographical regions:

	<u>Taiwan</u>		<u>Europe</u>		<u>Others</u>		<u>Total</u>
	<u>Solar energy</u>	<u>Semiconductor</u>	<u>Solar energy</u>	<u>Solar energy</u>	<u>Semiconductor</u>		
<u>Year 2022</u>							
Sales of goods contract	\$ 484,377	\$ 431,177	\$ 3,971,321	\$ 193,225	\$ 345,478		\$ 5,425,578
Service contract	-	73,860	588	-	-		74,448
Construction contract	97,789	-	-	-	-		97,789
	<u>\$ 582,166</u>	<u>\$ 505,037</u>	<u>\$ 3,971,909</u>	<u>\$ 193,225</u>	<u>\$ 345,478</u>		<u>\$ 5,597,815</u>
Revenue recognition:							
At a point in time	\$ 484,377	\$ 505,037	\$ 3,971,909	\$ 193,225	\$ 345,478		\$ 5,500,026
Over time	97,789	-	-	-	-		97,789
	<u>\$ 582,166</u>	<u>\$ 505,037</u>	<u>\$ 3,971,909</u>	<u>\$ 193,225</u>	<u>\$ 345,478</u>		<u>\$ 5,597,815</u>
<u>Year 2021</u>							
Sales of goods contract	\$ 263,615	\$ 313,569	\$ 2,022,405	\$ 226,747	\$ 230,752		\$ 3,057,088
Service contract	745	48,052	841	-	-		49,638
Construction contract	21,436	-	-	-	-		21,436
	<u>\$ 285,796</u>	<u>\$ 361,621</u>	<u>\$ 2,023,246</u>	<u>\$ 226,747</u>	<u>\$ 230,752</u>		<u>\$ 3,128,162</u>
Revenue recognition:							
At a point in time	\$ 264,360	\$ 361,621	\$ 2,023,246	\$ 226,747	\$ 230,752		\$ 3,106,726
Over time	21,436	-	-	-	-		21,436
	<u>\$ 285,796</u>	<u>\$ 361,621</u>	<u>\$ 2,023,246</u>	<u>\$ 226,747</u>	<u>\$ 230,752</u>		<u>\$ 3,128,162</u>

B. Contract assets and liabilities

The Group has recognized the following revenue-related contract assets and liabilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Contract assets:			
Construction contract	<u>\$ 28,075</u>	<u>\$ -</u>	<u>\$ 22,080</u>
Contract liabilities:			
Sales of goods contract	\$ 25,356	\$ 58,404	\$ 14,768
Construction contract	8,515	4,333	-
	<u>\$ 33,871</u>	<u>\$ 62,737</u>	<u>\$ 14,768</u>

(a) Significant changes in contract assets and liabilities

The Group's liabilities from solar module sales contract significantly increased in 2021, due to the adjustment of the shipment schedule in line with the installation progress of sales customers. The changes of contract assets and contract liabilities of solar system design and construction mainly were the difference between the completion of construction performance obligation and the timing of customers' payment.

(b) Revenue recognised for the years ended December 31, 2022 and 2021 were \$62,652 and \$14,689, respectively.

(c) The transaction price of unperformed performance obligation.

As of December 31, 2022, the total price of the Group's unperformed performance obligation was \$50,896, will continuously be recognised as revenue following the completion of design and construction of solar energy, the construction was expected to be completed in 2023.

(19) Interest income

	Year ended December 31,	
	2022	2021
Interest income from bank	\$ 803	\$ 108
Other interest income	56	56
	<u>\$ 859</u>	<u>\$ 164</u>

(20) Other income

	Year ended December 31,	
	2022	2021
Government grant	\$ 8,061	\$ 15,491
Others	5,818	3,134
	<u>\$ 13,879</u>	<u>\$ 18,625</u>

(21) Other gains and losses

	Year ended December 31,	
	2022	2021
Net gains on financial liabilities at fair value through profit or loss	\$ 28,502	\$ 12,432
Impairment loss	(5,992)	(3,665)
Net exchange losses	(1,912)	(40,393)
Gains (losses) on disposals of property, plant and equipment	45	(228)
Gains on disposals of investments	-	2,304
Gains on disposals of non-current assets held for sale	-	1
Others	(8,188)	(369)
	<u>\$ 12,455</u>	<u>(\$ 29,918)</u>

(22) Finance costs

	Year ended December 31,	
	2022	2021
Interest expense		
Bank loan	\$ 1,872	\$ 4,429
Lease liabilities	967	736
	<u>\$ 2,839</u>	<u>\$ 5,165</u>

(23) Additional information of expenses by nature

	Year ended December 31,	
	2022	2021
Transportation and charges for exports	\$ 479,455	\$ 357,634
Employee benefit expense	375,108	298,496
Charges for services	33,924	33,868
Depreciation charges on right-of-use assets	30,325	14,640
Operating lease payments	26,342	46,214
Depreciation charges on property, plant and equipment	24,416	23,663
Amortization charges on intangible assets and non-current assets	2,951	2,416
	<u>\$ 972,521</u>	<u>\$ 776,931</u>

(24) Employee benefit expense

	Year ended December 31,	
	2022	2021
Wages and salaries	\$ 321,876	\$ 255,481
Labor and health insurance fees	21,824	20,889
Pension costs	10,870	10,517
Directors' remuneration	4,232	1,400
Compensation cost of employee stock options	5,145	-
Other personnel expenses	11,161	10,209
	<u>\$ 375,108</u>	<u>\$ 298,496</u>

A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 3% to 10% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at \$19,394 and \$2,000, respectively; while directors' remuneration was accrued at \$3,232 and \$0, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on 3% and 0.5% of distributable profit of current year for the year ended December 31, 2022. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$19,394 and \$3,232, and those will be distributed in the form of cash.

The amount of employees' compensation and directors' remuneration for 2021 were \$1,905 and \$0, respectively, as resolved by the Board of Directors. The differences of \$95 between employees' compensation in the amount of \$2,000 as resolved by the Board of Directors, the difference had been adjusted in the profit or loss for 2022. Abovementioned employees' compensation will be distributed in the form of cash.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System".

(25) Income tax

A. Income tax expense

Components of income tax expense:

	<u>Year ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Current tax:		
Current tax on profits for the year	\$ 121,852	\$ 13,671
Prior year income tax overestimation	(17)	(569)
Deferred tax:		
Origination and reversal of temporary differences	(20,277)	(3,281)
Income tax expense	<u>\$ 101,558</u>	<u>\$ 9,821</u>

B. Reconciliation between income tax expense and accounting profit

	<u>Year ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Tax calculated based on profit before tax and statutory tax rate	\$ 139,383	\$ 12,699
Expenses disallowed by tax regulation	(12,777)	(2,309)
Prior year income tax overestimation	(17)	(569)
Change in assessment of realisation of deferred tax assets	(25,031)	-
Income tax expense	<u>\$ 101,558</u>	<u>\$ 9,821</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2022			
	January 1	Recognized in profit or loss	Translation differences	December 31
<u>Deferred tax assets</u>				
Temporary differences				
Tax difference from sales profit	\$ 8,025	\$ 5,157	\$ -	\$ 13,182
Unrealized warranty expenses	2,111	625	-	2,736
Tax difference in doubtful accounts	288	1,577	-	1,865
Unrealized foreign exchange losses	35	1,898	-	1,933
Impairment loss recognised in equipment	-	1,465	-	1,465
Unrealised inventory loss	12,209	(2,495)	-	9,714
Others	1,711	662	-	2,373
Tax losses	-	11,388	91	11,479
Total	\$ 24,379	\$ 20,277	\$ 91	\$ 44,747
2021				
	January 1	Recognized in profit or loss	Disposal of subsidiaries	December 31
<u>Deferred tax assets</u>				
Temporary differences				
Unrealised inventory loss	\$ 9,867	\$ 2,342	\$ -	\$ 12,209
Tax difference from sales profit	6,200	1,825	-	8,025
Unrealized warranty expenses	3,164	(1,053)	-	2,111
Tax difference in doubtful accounts	235	53	-	288
Others	3,694	(1,948)	-	1,746
Subtotal	23,160	1,219	-	24,379
<u>Deferred tax liabilities</u>				
Unrealized exchange gain	(4,201)	2,062	2,139	-
Total	\$ 18,959	\$ 3,281	\$ 2,139	\$ 24,379

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of consolidated subsidiaries are as follows:

December 31, 2022					
Year incurred	Amount		Unrecognised		Expiry year
	filed/assessed	Unused amount	deferred tax assets		
2013	\$ 63,499	\$ 13,597	\$ -		Unlimited
2014	12,526	12,526	-		"
2016	9,167	9,167	-		"

December 31, 2021

Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	\$ 60,782	\$ 55,783	\$ 55,783	Unlimited
2014	11,990	11,990	11,990	"
2016	8,775	8,775	8,775	"

E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax assets and liabilities. The relevant amounts are listed as follows:

	Year ended December 31,	
	2022	2021
Unrecognised deferred tax assets	\$ 117,014	\$ 126,865
Unrecognised deferred tax liabilities	\$ 5,001	\$ 627

F. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(26) Earnings per share

	Year ended December 31, 2022		
	Amount after tax	Retrospectively adjusted weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to owners of the parent	\$ 512,608	50,545	\$ <u>10.14</u>
<u>Diluted earnings per share (Note)</u>			
Dilutive effect of potential ordinary shares			
Employees' compensation	-	661	
Profit attributable to owners of the parent plus dilutive effect of potential ordinary shares	\$ <u>512,608</u>	<u>51,206</u>	\$ <u>10.01</u>

	Year ended December 31, 2021		
	Amount after tax	Retrospectively adjusted weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to owners of the parent	\$ 52,082	48,186	\$ 1.08
<u>Diluted earnings per share</u>			
Dilutive effect of potential ordinary shares			
Employees' compensation	-	155	
Profit attributable to owners of the parent plus dilutive effect of potential ordinary shares	\$ 52,082	48,341	\$ 1.08

Note: For the year ended December 31, 2022, since the potential ordinary shares of the share-based payment had anti-dilution effects, those were not included in the calculation of diluted earnings per share.

(27) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Year ended December 31,	
	2022	2021
Purchase of property, plant and equipment(Note)	\$ 40,295	\$ 45,329
Add: Opening balance of payable on equipment	3,710	3,143
Ending balance of prepayment for equipment	12,016	5,329
Less: Ending balance of payable on equipment	(120)	(3,710)
Opening balance of prepayment for equipment	(5,329)	(7,713)
Cash paid during the year	\$ 50,572	\$ 42,378

Note: Including reclassifications of property, plant and equipment.

B. On June 19, 2018, the Board of Directors of the Group resolved to sell 100% shares of its subsidiary, SET ENERGIA S.R.L. On March 9, 2021, the Group entered into an equity trading contract with BHNDUE S.R.L., and the transaction price was ERU 3,552 thousand (approximately \$118,941). The registration for the aforementioned transaction had been completed. The Group lost control over the subsidiary due to the sale of the subsidiary. The details of the consideration received from the transaction and assets and liabilities relating to the subsidiary are as follows:

	<u>June 25, 2021</u>
Carrying amount of the assets and liabilities of the subsidiary - SET ENERGIA S.R.L.	
Cash	\$ 39,166
Accounts receivable	1,218
Other accounts receivable	4,158
Other current assets	64
Property, plant and equipment	64,643
Intangible assets	9,175
Right-of-use assets	12,421
Other non-current assets	37
Accounts payable	(4,615)
Other accounts payable	(572)
Lease liabilities - current	(1,727)
Lease liabilities - non-current	(10,054)
Carrying amount of disposals of the subsidiary	113,914
Gains on disposals of the subsidiary	3
Total consolidation received from disposals of the subsidiary	113,917
Cash and cash equivalents from the of the subsidiary	(39,166)
Net cash received due to disposals of the subsidiary	<u>\$ 74,751</u>

- C. On March 28, 2019, the Board of Directors of the Group resolved to sell all of equity interest of subsidiary, WINAICO ITALIA S.R.L, and transferred control and received the consideration on September 14, 2021. The details of the consideration received from the transaction and assets and liabilities related to the subsidiary are as follows:

	<u>September 14, 2021</u>
Carrying amount of the assets and liabilities of the subsidiary - WINAICO ITALIA S.R.L	
Cash	\$ 4,778
Other accounts receivable	1,727
Other current assets	101
Non-current deferred tax assets	410
Other accounts payable	(3,665)
Current income tax liabilities	(2,248)
Deferred income tax liabilities	(2,404)
Other non-current liabilities	(1)
Carrying amount of disposals of the subsidiary	(1,302)
Gain on disposals of the subsidiary	2,301
Total consolidation received from disposals of the subsidiary	999
Cash and cash equivalents from the subsidiary	(4,778)
Net cash charged due to disposals of the subsidiary	<u>(\$ 3,779)</u>

(28) Changes in liabilities from financing activities

	2022		
	Short-term borrowings	Lease liabilities	Liabilities from financing activities - gross
At January 1,	\$ 258,195	\$ 23,869	\$ 282,064
Changes in cash flow from financing activities	(222,712)	(30,045)	(252,757)
Interest expense paid (Note)	-	(967)	(967)
Changes in other non-cash items	-	59,276	59,276
At December 31,	<u>\$ 35,483</u>	<u>\$ 52,133</u>	<u>\$ 87,616</u>

	2021		
	Short-term borrowings	Lease liabilities	Liabilities from financing activities - gross
At January 1,	\$ 334,445	\$ 47,830	\$ 382,275
Changes in cash flow from financing activities	(76,250)	(13,907)	(90,157)
Interest expense paid (Note)	-	(736)	(736)
Changes in other non-cash items	-	(8,659)	(8,659)
Impact of changes in foreign exchange rate	-	(659)	(659)
At December 31,	<u>\$ 258,195</u>	<u>\$ 23,869</u>	<u>\$ 282,064</u>

Note: Shown as cash flows from operating activities.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Directors, general managers, vice general managers and senior manager, etc.	The Group's key management

(2) Key management compensation

	Year ended December 31,	
	2022	2021
Salaries and other short-term employee benefits	\$ 78,641	\$ 70,629
Compensation cost of employee stock options	2,435	-
Post-employment benefits	1,574	1,478
	<u>\$ 82,650</u>	<u>\$ 72,107</u>

8. PLEGDED ASSETS

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>	
Guarantee deposits paid (shown as other non-current assets)	\$ 23,666	\$ 19,530	Custom deposits and guarantees for storage

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. The amounts of the performance letters of guarantee for purchase of goods are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
NTD in thousand	\$ 600,794	\$ 269,045

B. As of December 31, 2022, the amount of contracted but not yet paid commitments for the purchase of equipment was \$6,710.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

Information about the appropriations of 2022 earnings of the Company is provided in Note 6(17).

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets at amortized cost/loans and receivables		
Cash and cash equivalents	\$ 730,617	\$ 388,424
Notes receivable	7,404	13,709
Accounts receivable	290,324	271,335
Other receivables	1,017	448
Guarantee deposits paid	23,666	19,530
	<u>\$ 1,053,028</u>	<u>\$ 693,446</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 4,374	\$ 513
Financial liabilities at amortized cost		
Short-term borrowings	35,483	258,195
Accounts payable	751,976	169,883
Other accounts payables	303,754	207,586
	<u>\$ 1,095,587</u>	<u>\$ 636,177</u>
Lease liabilities	<u>\$ 52,133</u>	<u>\$ 23,870</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.
- (c) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of various functional currency, which are different with the Company and its subsidiaries' primarily with respect to the USD, EUR, AUD JPY and RMB. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable foreign currency expenditures. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting expected export proceeds.
- iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).
- iv. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; other certain subsidiaries' functional currency: EUR, USD, AUD, JPY and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency :functional currency)	December 31, 2022		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial Assets</u>			
<u>Monetary items</u>			
EUR:NTD	\$ 12,966	32.72	\$ 424,248
USD:NTD	5,901	30.71	181,220
AUD:NTD	7,098	20.83	147,851
JPY:NTD	20,943	0.23	4,817
RMB:NTD	653	4.41	2,880
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
EUR:NTD	\$ 15,719	32.72	\$ 514,326
USD:NTD	1,250	30.71	38,388
RMB:NTD	2,243	4.41	9,892

(Foreign currency :functional currency)	December 31, 2021		
	Foreign currency amount	Exchange rate	Book value
	(in thousands)		(NTD)
<u>Financial Assets</u>			
<u>Monetary items</u>			
EUR:NTD	\$ 9,939	31.32	\$ 311,289
USD:NTD	3,164	27.68	87,580
AUD:NTD	4,103	20.08	82,388
JPY:NTD	9,139	0.24	2,193
RMB:NTD	490	4.34	2,127
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
EUR:NTD	\$ 1,324	31.32	\$ 41,468
USD:NTD	1,905	27.68	52,730

- v. Total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021 amounted to (\$1,912) and (\$40,393), respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

(Foreign currency: functional currency)	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial Assets</u>			
<u>Monetary items</u>			
EUR:NTD	1%	\$ 4,242	\$ -
USD:NTD	1%	1,812	-
AUD:NTD	1%	1,479	-
JPY:NTD	1%	48	-
RMB:NTD	1%	29	-
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
EUR:NTD	1%	\$ 5,143	\$ -
USD:NTD	1%	384	-
RMB:NTD	1%	99	-

	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial Assets</u>			
<u>Monetary items</u>			
EUR:NTD	1%	\$ 3,113	\$ -
USD:NTD	1%	876	-
AUD:NTD	1%	824	-
JPY:NTD	1%	22	-
RMB:NTD	1%	21	-
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
EUR:NTD	1%	\$ 415	\$ -
USD:NTD	1%	527	-

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of financial assets at amortised cost.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. Banks and financial institutions only with optimal credit ratings are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition; the default occurs when the contract payments are past due over 180 days.
- iv. The following indicators are used to determine whether the credit impairment of financial assets has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) A breach of contract.

- v. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the simplified approach to estimate expected credit loss under the provision matrix basis.
- vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. As of December 31, 2022 and 2021, the Group wrote-off the financial assets amounting to \$0 and \$644, respectively.
- vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2022 and 2021, the provision matrix is as follows:

(i) General customer

Group1

<u>At December 31, 2022</u>	<u>Not past due</u>	<u>Up to 60 days past due</u>	<u>61 to 120 days past due</u>
Expected loss rate	0.24%	1.96%	27.34%
Total book value	\$ 76,626	\$ 68,008	\$ 629
Loss allowance	185	1,330	172
<u>At December 31, 2022</u>	<u>121 to 180 days past due</u>	<u>Over 181 days past due</u>	<u>Total</u>
Expected loss rate	-	100%	
Total book value	\$ -	\$ 20	\$ 145,283
Loss allowance	-	20	1,707

Group2

<u>At December 31, 2022</u>	<u>Not past due</u>	<u>Up to 60 days past due</u>	<u>61 to 120 days past due</u>
Expected loss rate	0.89%	36.86%	72.67%
Total book value	\$ 139,686	\$ 8,540	\$ 5,049
Loss allowance	1,246	3,148	3,669
<u>At December 31, 2022</u>	<u>121 to 180 days past due</u>	<u>Over 181 days past due</u>	<u>Total</u>
Expected loss rate	100%	100%	
Total book value	\$ 1,079	\$ 153	\$ 154,507
Loss allowance	1,079	153	9,295

Note: Customer types that are classified based on the Group's credit risk management policy are as follows:

Group 1: The credit risk of customers has been insured by professional insurance companies.

Group 2: The credit risk of customers has not been insured by professional insurance companies.

Considering that the accounts receivable are insured, the Group did not recognise the impairment loss amounting to \$1,536 on December 31, 2022.

<u>At December 31, 2021</u>	<u>Not past due</u>	<u>Up to 60 days past due</u>	<u>61 to 120 days past due</u>
Expected loss rate	0.30%	1.80%	37.82%
Total book value	\$ 233,467	\$ 38,869	\$ 312
Loss allowance	709	698	118

<u>At December 31, 2021</u>	<u>121 to 180 days past due</u>	<u>Over 181 days past due</u>	<u>Total</u>
Expected loss rate	51.48%~100%	55.07%~100%	
Total book value	\$ 117	\$ 365	\$ 273,130
Loss allowance	69	201	1,795

(ii) Individually assessed customer (There has been an objective evidence of impairment)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Expected loss rate	100%	100%
Total book value	\$ 2,354	\$ 2,141
Loss allowance	2,354	2,141

vii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable and receivable from related parties are as follows:

	<u>2022</u>		
	<u>Receivables from non-related parties</u>		
	<u>Group assessment</u>	<u>Individual provision</u>	<u>Total</u>
At January 1	\$ 1,795	\$ 2,141	\$ 3,936
Provision for impairment	7,877	113	7,990
Write-offs	(197)	-	(197)
Effect of exchange rate changes	(9)	100	91
At December 31	<u>\$ 9,466</u>	<u>\$ 2,354</u>	<u>\$ 11,820</u>

	2021				
	Receivables from non-related parties			Receivables from related parties	
	Group assessment	Individual provision	Subtotal	Individual provision	Total
At January 1	\$ 932	\$ 45,590	\$ 46,522	\$ 236,234	\$ 282,756
(Reversal of)Provision for impairment	1,555	(3,288)	(1,733)	963	(770)
Amount derecognised due to disposal of subsidiaries	-	(36,735)	(36,735)	(218,935)	(255,670)
Write-offs	(644)	(6)	(650)	-	(650)
Effect of exchange rate changes	(48)	(3,420)	(3,468)	(18,262)	(21,730)
At December 31	<u>\$ 1,795</u>	<u>\$ 2,141</u>	<u>\$ 3,936</u>	<u>\$ -</u>	<u>\$ 3,936</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- iii. The Group has the following undrawn borrowing facilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Floating rate:		
Expiring within one year	\$ 379,008	\$ 255,596
Expiring beyond one year	16,531	-
	<u>\$ 395,539</u>	<u>\$ 255,596</u>

- iv. The Group analyses non-derivative financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date, and derivative financial liabilities based on the fair value on the balance sheet.

Except for accounts payable, other payables and forward foreign exchange contracts whose contractual undiscounted cash flows are approximate to the carrying amount and which mature within a year, the contractual undiscounted cash flows of financial liabilities are as follows:

<u>December 31, 2022</u>			
<u>Non-derivative financial liabilities</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>
Short-term loans	\$ 35,762	\$ -	\$ -
Lease liabilities	29,424	22,431	1,077
<u>Derivative financial liabilities</u>			
Forward exchange contracts	\$ 4,374	\$ -	\$ -
<u>December 31, 2021</u>			
<u>Non-derivative financial liabilities</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>
Short-term loans	\$ 258,332	\$ -	\$ -
Lease liabilities	12,963	8,768	2,685
<u>Derivative financial liabilities</u>			
Forward exchange contracts	\$ 513	\$ -	\$ -

- v. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in forward exchange contract is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

- B. The carrying amounts of financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, accounts payable, other payables are approximate to their fair values.

- C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Liabilities</u>				
<u>Recurring fair value measurements</u>				
<u>Financial liabilities at fair value through profit or loss</u>				
Forward exchange contracts (Note)	\$ -	\$ 4,374	\$ -	\$ 4,374

December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts (Note)	\$ -	\$ 513	\$ -	\$ 513

Note: The observable valuation data of forward foreign exchange contracts was provided by financial institutions as of the balance sheet date.

D. There was no transfer between Level 1 and Level 2 for the years ended December 31, 2022 and 2021.

(4) Other matter

For the year ended December 31, 2022, due to the Covid-19 pandemic, the Group complied with the government's pandemic prevention measures. Under related restrictions, the delivery and production of products were normal, the completed system constructions were under acceptance gradually. Additionally, incomplete constructions were on schedule. However, due to the pandemic, the cost of shipment and overseas storage had increased. The Group rapidly adjusted sales price and strategy and the Group's working capital was sufficient and the sales collection were normal. The operating segment also operated normally. Thus, the Covid-19 pandemic did not significantly affect the Company's financial position and financial performance.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Acquisition or sale of the same security with the accumulated cost exceeding NT\$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 1.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 2.
- I. Derivative instrument transaction undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4.

(3) Information on investments in Mainland China

Basic information: Please refer to table 5.

14. SEGMENT INFORMATION

(1) General information

The Group's management has determined the reportable segments based on the reports that the Board of Directors used to make strategic decisions. The Board of Directors considers the business from product type perspective, and the operating segments are classified into two segments: solar energy and semiconductor. The primary source of income of the disclosed operating segments arise from the manufacturing and trading of solar energy system and semiconductor supplies.

(2) Measurement of segment information

The Group's segment profit (loss) is measured with the operating profit (loss) before tax, which is used as a basis for the Group in assessing the performance of the operating segments. The accounting policies of the operating segments are in agreement with the significant accounting policies summarised in Note 4.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31, 2022		
	Solar energy	Semiconductor	Total
External segment revenues	\$ 4,747,300	\$ 850,515	\$ 5,597,815
Internal segment revenues	-	-	-
Segment revenues	<u>\$ 4,747,300</u>	<u>\$ 850,515</u>	<u>\$ 5,597,815</u>
Segment freight and charges for exports	<u>\$ 471,109</u>	<u>\$ 8,346</u>	<u>\$ 479,455</u>
Segment impairment losses	<u>\$ 5,992</u>	<u>\$ -</u>	<u>\$ 5,992</u>
Segment net income	<u>\$ 374,393</u>	<u>\$ 239,773</u>	<u>\$ 614,166</u>

	Year ended December 31, 2021		
	Solar energy	Semiconductor	Total
External segment revenues	\$ 2,535,789	\$ 592,373	\$ 3,128,162
Internal segment revenues	-	-	-
Segment revenues	<u>\$ 2,535,789</u>	<u>\$ 592,373</u>	<u>\$ 3,128,162</u>
Segment freight and charges for exports	<u>\$ 351,756</u>	<u>\$ 5,878</u>	<u>\$ 357,634</u>
Segment impairment losses	<u>\$ 3,665</u>	<u>\$ -</u>	<u>\$ 3,665</u>
Segment net (loss) income	<u>(\$ 37,179)</u>	<u>\$ 99,082</u>	<u>\$ 61,903</u>

(4) Reconciliation for segment income (loss)

A. Sales between segments are carried out at arm's length. The revenue from external parties reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income.

B. Measurement of profit (loss) performance is based on operating profit (loss) before tax. Therefore, reconciliation for segment income (loss) is not required.

(5) Information on products and services

Please refer to Note 6 (18) for the related information.

(6) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31,			
	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 1,087,203	\$ 155,032	\$ 647,417	\$ 112,771
Europe	3,971,909	1,854	2,023,246	2,023
Others	538,703	-	457,499	-
	<u>\$ 5,597,815</u>	<u>\$ 156,886</u>	<u>\$ 3,128,162</u>	<u>\$ 114,794</u>

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31,			
	2022		2021	
	Revenue	Segment	Revenue	Segment
A	\$ 950,601	Solar energy	\$ 334,839	Solar energy

WIN WIN PRECISION TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	WINAICO Deuschaland GmbH	An indirect subsidiary	Sales	(\$ 3,877,321)	(70%)	Note 1	Note 1	Note 1	\$ 188,726	45%	
"	WINAICO Australia PTY Ltd.	A direct subsidiary	Sales	(192,811)	(4%)	Note 1	Note 1	Note 1	91,501	22%	
"	WIN WIN Precision Technology Nanjing Co, Ltd.	A direct subsidiary	Purchases	107,626	2%	Note 2	Note 1	Note 1	-	-	

Note 1 : Transaction terms to related party transaction are approximately the same as the transaction terms to third party transactions.

Note 2 : The purchasing price are calculated based on of its total cost and gross profit.

WIN WIN PRECISION TECHNOLOGY CO., LTD. AND SUBSIDIARIES
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
 Year ended December 31, 2022

Table 2

Expressed in thousands of NTD
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	WINAICO Deutschland GmbH	An indirect subsidiary	\$ 188,726	22.46	\$ -	-	\$ 184,515	\$ -

Note: Collection data as of February 28, 2023.

WIN WIN PRECISION TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

Year ended December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	The Company	WINAICO Deutschland GmbH	1	Sales revenues	\$ 3,877,321	Note 5	69.26%
0	"	"	1	Accounts receivable	188,726	Note 5	6.58%
0	"	WINAICO AUSTRALIA PTY LTD	1	Sales revenues	192,811	Note 5	3.44%
0	"	"	1	Accounts receivable	91,501	Note 5	3.19%
0	"	WIN WIN Precision Technology Nanjing Co, Ltd.	1	Purchases	107,626	Note 6	1.92%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Disclosing only the amount of NT \$ 5 million of related party transactions.

Note 5: No similar transaction can be compared, selling price should be based on the agreement term. Collection is due in 60 days.

Note 6: No similar transaction can be compared, purchasing price should be the total of cost and gross profit. Payment is made through transaction terms.

WIN WIN PRECISION TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Information on investees
Year ended December 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
The Company	Winaico B.V.	Netherlands	Overseas investment	\$ 632,053	\$ 632,053	180	100%	\$ 50,704	\$ 49,634	\$ 49,634	
"	WINAICO Australia PTY Ltd.	Australia	Sales of solar photovoltaic modules	2,904	2,904	100,000	100%	(10,291)	(4,750)	(4,750)	
"	WINAICO Japan K.K.	Japan	Design and development of solar energy system; sales of solar photovoltaic modules	9,834	9,834	3,500	100%	(20)	(87)	(87)	
"	WINAICO Delaware Co., Ltd.	USA	Design and development of solar energy system; sales of solar photovoltaic modules	39,457	39,457	300,000	100%	(18,376)	(2,723)	(2,723)	
"	WINAICO Solar Projekt 1 GmbH	Germany	Operation of solar power plant	3,841	3,841	1,120,000	50%	(342)	(117)	(59)	
"	Win Win Green Energy Co.,Ltd	Taiwan	Design and construction of green energy system	1,000	-	-	-	-	-	-	Note
WINAICO B.V.	WINAICO Solar Projekt 1 GmbH	Germany	Operation of solar power plant	43,086	43,086	1,120,000	50%	(342)	(117)	-	
"	WINAICO Deutschland GmbH	Germany	Design and development of solar energy system; sales of solar photovoltaic modules	1	1	1	100%	80,638	51,818	-	

Note :In consideration of the Group's operation, the Company invested and established a subsidiary in the fourth quarter of 2022.

The registration had not been completed as of the end of balance sheet date, and which was shown as 'other non-current assets' in the amount of \$1,000.

WIN WIN PRECISION TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Information on investments in Mainland China
Year ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee as of December 31, 2022	Ownership held by the Company (direct or indirect)(%)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Win Win Precision Technology Nanjing Co, Ltd.	Sale of semiconductor parts and solar photovoltaic modules	\$ 9,060	1	\$ 9,060	\$ -	\$ -	\$ 9,060	\$ 1,615	100%	\$ 21,870	\$ 33,989	\$ -	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Ceiling on investments in Mainland China imposed by the Investment Commission
The Company	\$ 9,060	\$ 9,060	\$ 923,820

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: The investment income (loss) recognised for the current year was based on the financial statements that are audited by parent company's independent auditor.

Win Win Precision
Technology Co., Ltd

Chairman: Szu-Ming Chen