

Sigurd Microelectronics Corporation 2023 Annual General Shareholders' Meeting Minutes

Time: 9 a.m., June 7, 2023 (Wednesday)

**Venue: No. 377, Xinsheng Road, Zhudong Township, Hsinchu County, Taiwan
(Tree Culture Center)**

Physical shareholders meeting

Attendees: Total shares represented by shareholders presented in person or by proxy were 326,456,474 shares, accounting for 71.47% of the Company's total outstanding shares of 456,741,020 shares.

Directors present: Chairman, Shin-Yang Huang; Director Tsan-Lien Yeh, Hsu-Tung Kuo, Min-Hung Wu, and Ming-Chun Chiu

Independent directors present: Wen-Bin Wu (convener of the Audit Committee and the Compensation Committee)

Min-Kai Lin (member of the Audit Committee and the Compensation Committee)

Director candidates present: Jui-Jen Feng

Independent Director candidates present: Kwok-Wsh Tseng and Li-Hsing Lai

PwC Taiwan: CPA Chih-Cheng Hsieh, assistant vice president Hui-Chuan Lin, and manager Bo-Shiun Huang

Far East Law Offices: Lawyer Yu-Hsin Huang

Chairman: Shin-Yang Huang

Recorder: Min-Hung Wu

- I. Call the Meeting to Order**
- II. Chairman Remarks : Omitted**

Report Items

Item 1: 2022 Business Report.

Explanation: For further details, please refer to Attachment 1 (Pages 8 to 12).

Item 2: Audit Committee's Report for 2022.

Explanation: For further details of the Audit Committee's Report, please refer to Attachment 2 (Page 13).

Item 3: 2022 Distribution Report for Employee Compensation and Directors' Remuneration.

Explanation: On March 7, 2023, the Board of Directors of the Company approved to issue Directors' remuneration of NT\$42,500,000 and employee compensation of NT\$375,000,000 for 2022. The total amount will be paid in cash. The amount resolved is identical to the amount recognized in 2022.

Item 4: Report on Surplus Distribution of Cash Dividend for 2022.

Explanation:

- (1) Pursuant to the Articles of Incorporation, Article 24, the Company allocates NT\$1,918,312,284 for cash dividend payment. As of March 6, 2023, the Company has 456,741,020 shares to participate in the distribution, with a cash distribution of NT\$4.2 per share. The cash allocated to each shareholder shall be calculated to the nearest dollar and rounded down. The cumulative fractional cash dividends less than NT\$1 shall be classified as the Company's other earnings.
- (2) This matter has been approved by the Board of Directors, and approval is also given to the Chairman in determining the record date of ex-dividend, distribution date and other related matters. Subsequently, if the Company buys back its shares, transfers treasury stocks to employees, converts employee stock option certificate subscription into ordinary shares, converts employee restricted stock awards or corporate bonds into ordinary shares, all of which to the extent that affects the number of shares participating in distribution, and in which the ratio of cash dividends of the allocating shareholders will need to be adjusted, approval is also given to the Chairman to do so.

Item 5: 2022 Distribution Report for Directors' Remuneration.

Explanation: Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks and time spent:

- (1) According to the Company's Articles of Incorporation, shall the Company be profitable for a fiscal year, based on the earnings, no more than 3% as the remunerations to directors. According to the Company's Remuneration Committee Charter, with respect to the performance assessment and remuneration of directors, supervisors and managerial personnel of the company, it shall refer to the typical pay levels adopted by peer companies, and take into consideration the reasonableness of the correlation between remuneration and individual performance, the company's business performance, and future risk exposure.
- (2) For further details of the Directors' Remuneration, please refer to Attachment 3 (Page 14).

Proposed Resolutions

Item 1: Adoption of the 2022 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Explanation:

- (1) The Company's 2022 Financial Statements have been audited and certified by CPAs Chih-Cheng Hsieh and Tsai-Yen Chiang of PwC Taiwan.
- (2) The aforementioned Financial Statements and Business Report have been audited and certified by the Audit Committee and are to be submitted to the shareholders' meeting for approval. For the details, please refer to Attachment 1 (Pages 8 to 12), Attachment 2 (Page 13), and Attachment 5 (Pages 16 to 37).

Resolution: The above proposal was hereby approved as proposed. Shares represented at the time of voting were 326,456,474 votes. Votes in favor: 314,232,278 votes (including votes casted electronically). Votes against: 13,663 votes (including votes casted electronically). Votes abstained: 12,210,533 votes (including votes casted electronically). Votes invalid: 0 votes.

Item 2: Adoption of the 2022 Proposal for Surplus Distribution. (Proposed by the Board of Directors)

Explanation:

- (1) The surplus distribution table for 2022 has been approved by the Board of Directors and audited by the Audit Committee, as detailed in Attachment 4 (page 15).
- (2) In accordance with the Company Act and the Articles of Incorporation, the proposal for distribution of cash bonus which was resolved by the Board of Directors has been submitted for report. Other matters of the surplus distribution that shall be adopted by the Shareholders' Meeting are proposed to Annual general shareholders' meeting for adoption.

Resolution: The above proposal was hereby approved as proposed. Shares represented at the time of voting were 326,456,474 votes. Votes in favor: 314,802,015 votes (including votes casted electronically). Votes against: 18,666 votes (including votes casted electronically). Votes abstained: 11,635,793 votes (including votes casted electronically). Votes invalid: 0 votes.

Discussion Items

Proposal 1: Amendment of the Articles of Incorporation for deliberation and approval. (Proposed by the Board of Directors)

Explanation: The revisions are made as needed for the regulations of laws. Refer to Attachment 6 for the detailed Comparison Table of Pre-amended and Post-amended Versions (Pages 38).

Resolution: The above proposal was hereby approved as proposed. Shares represented at the time of voting were 326,456,474 votes. Votes in favor: 314,766,509 votes (including votes casted electronically). Votes against: 26,986 votes (including votes casted electronically). Votes abstained: 11,662,979 votes (including votes casted electronically). Votes invalid: 0 votes.

Election Matters

Item 1: Election of 10 Directors (Including 4 Independent Directors).

Explanation:

- (1) The term of the current 9 directors ends on June 9, 2023. All directors plan to discharge early after the adjournment of shareholders' meeting of electing new directors on June 7, 2023.
- (2) It is proposed to elect 10 directors (including 4 independent directors) with candidate nomination system, and the audit committee is composed of all independent directors by laws. The three-year term of new directors is from June 7, 2023 to June 6, 2026. All of new directors assume the office after the adjournment of the shareholders' meeting, and the former directors will discharge at the same time.
- (3) For the list of candidates of the director and their relevant information, please refer to Attachment 7 (Page 39 to 40).

Results of Election:

Identity	Account Title or Name	Numbers of Votes Received
Director	Shin-Yang Huang	535,341,679 votes
Director	Tsan-Lien Yeh	410,899,952 votes
Director	Hsu-Tung Kuo	408,108,561 votes
Director	Min-Hung Wu	406,701,222 votes
Director	Ming-Chun Chiu	404,231,957 votes
Director	Jui-Jen Feng	402,769,382 votes
Independent Director	Wen-Bin Wu	145,638,782 votes
Independent Director	Min-Kai Lin	140,337,634 votes
Independent Director	Kuo-Hua Tseng	138,502,284 votes
Independent Director	Li-Hsing Lai	137,323,423 votes

Other Matters

Item 1: Rescission of Prohibition of Participation in Competing Businesses for New Directors. (Proposed by the Board of Directors).

Explanation:

- (1) In pursuant to the Company Act, article 209, director acting on behalf of oneself or another party falls under the scope of the Company's business operation and thus should seek approval from the shareholders' meeting.
- (2) It is proposed to submit a request to the shareholders' meeting to rescind the prohibition of participating in competing businesses for the newly appointed directors. For the List of Participation of Director Candidates in Competing Businesses, please refer to Attachment 8 (Page 41 to 43). Please approve to rescind the prohibition of participating in competing businesses for them after being elected.

Resolution: The above proposal was hereby approved as proposed. Shares represented at the time of voting were 326,456,474 votes. Votes in favor: 314,436,662 votes (including votes casted electronically). Votes against: 187,631 votes (including votes casted electronically). Votes abstained: 11,832,181 votes (including votes casted electronically). Votes invalid: 0 votes.

Summary of the comment made by shareholders Shareholder

Account No. 10003, ○ Yang Shareholder

Account No. 240000, Da○Za○, ○○ Jiang

Summary of the questions made by shareholders:

Questions regarding the Company's operation and profitability for the coming year, the influence of the Russo-Ukrainian War on the Company, problems concerning land of the Group, and change of chief audit executive.

The replies to the above shareholders' comments made by the chairman and the person designated by the chairman were as follows:

Due to the influence of the business cycle, although there is no appearance of a sign of strong recovery for the semiconductor industry, the Company has already deployed plants in Taiwan and Mainland China to diversify the risk of production capacity. The Company adopts a conservative attitude in operation of land, financing, and investment, and takes all aspects into account to reduce the risk. The Company conducted personnel scheduling timely in response to the Group's development. Semiconductor industry has its ups and downs. Economic spring is sure to come. We will be well prepared to thrive when the economic spring comes.

Special Motions : None.

Adjournment: 10:57 a.m.

Attachment 1

Business Report

I. 2022 Business Results

(I) Operating Results for 2022 Business Plan

In 2022, the revenue increased by 12.07% from 2021 to NT\$ 18,694,345,000, and net income after tax was NT\$ 3,513,949,000, representing an increase of 15.73% as compared to 2021.

(II) Target Achievement: The Company did not disclose financial forecasts in 2022.

(III) Analysis of Financial Revenue/Expenditures and Profitability

The business strategy of the Company has always been prudent and robust, dedicated in the development of professional packaging and testing for niche IC. As such, the financial structure is fairly healthy. The analysis and comparison of financial structure, solvency, and profitability are as follows:

Item		Parent Company Only Financial Statements		Consolidated Financial Statements	
		2021	2022	2021	2022
Financial structure	Debts ratio %	46.89	43.93	51.30	48.41
	Long term funds to fixed assets %	208.34	245.14	156.44	174.51
Solvency	Current ratio %	147.39	228.47	192.97	277.21
	Quick ratio %	136.24	209.32	179.33	261.11
Profitability	Return on asset %	10.80	10.75	9.56	9.93
	Return on equity %	19.81	19.00	18.53	18.89
	Net profit margin %	26.89	28.64	18.20	18.80
	Earnings per share (EPS) (after adjustment of ordinary shares) (NT\$)	6.25	6.68	6.25	6.68

(IV) Research and development status

1. Review of 2022

- (1) Based on the existing 12-inch Wafer Level Chip Scale Package (WLCSP), solder bumping, and Cu-pillar, the Company built an 8-inch WLCSP production line.
- (2) Strengthening the packaging capability of wafer level backend die-processing service (DPS).
- (3) Improved WLCSP's integrated service technology and capability.
- (4) Improved and upgraded the new generation RF IC automated test equipment which have gone into mass production.
- (5) Developed the following related testing technologies which have gone into mass production: High-level 5G SoC, IC related to 5G mobile phone, Wi-Fi6/6E, IC related to True Wireless Stereo (TWS).
- (6) Self-manufacturing of accessories of related testing equipment.
- (7) Upgraded and expanded equipment to adapt to the need of high-speed computing IC, such as bitcoin, graphics chip, and server chip.
- (8) Improved the 4 nanometer testing technology.
- (9) Completed the mass production of Sigurd self-made logic and mixed signal testing machines.
- (10) Research on CoWoS (Chip on Wafer on Substrate) testing technology.
- (11) Research related testing technologies for next-generation high-speed computing interfaces, such as USB4.0.

2. Prospects for the future (2023 and future trends)

- (1) Improvement of the high-level SoC IC testing techniques for 5G mobile phones.
- (2) Improvement of the IC testing technology for 5G related equipment.
- (3) R&D of the 5G millimeter wave (mmWave) and antenna package AiP testing technology.
- (4) With the increasing popularity and demand for artificial intelligence (AI) applications, the Company collaborates with numerous research institutions and industrial companies to upgrade packaging and testing technologies.

- (5) Research on Metaverse-related IC packaging and testing.
- (6) Development of the integrated IC test technologies relevant to the AIoT (Artificial Intelligence & Internet of Things).
- (7) Development of RF related packaging and testing technology such as Wi-Fi 6/6E, WLAN SoC ICs, NFC (Near Field Communication) and Wireless Power (wireless charging).
- (8) Development of related image IC integrated packaging and testing technology: moving towards 8K4K (with a resolution of 7680x4320) video/audio Codec IC related testing technologies, based on the existing 4K2K package test.
- (9) Exploration of 3 nm test technologies.
- (10) Deepening the 4nm testing capability and scaling up mass production.
- (11) Expand the integrated backend production capacity of WLCSP and enhance relevant technological capabilities.
- (12) Enhancement of GaN-related testing technology.
- (13) R&D of the SiC-related testing technology.
- (14) Enhancing low-earth-orbit satellite testing capability and scaling up mass production.
- (15) Increase of automotive electronics and vehicle-to-everything-related IC test volume and maximization of the scope of certification.
- (16) Promotion of a smart factory and the width and depth of equipment automation and maximization of intelligent production.
- (17) Improve the specifications of self-made logic and mixed signal testing machines, and expand the customer base.
- (18) Mass production of CoWoS (Chip on Wafer on Substrate) related products.
- (19) Research on Wi-Fi7 related testing techniques.
- (20) Launch mass production plan for next-generation high-speed computing interfaces, such as USB 4.0.

II. 2022 Operation Plan

(I) 2023 Major Business Direction

In 2022, despite the rapid transmission of Omicron variants, the epidemic has been further controlled with the expansion of the COVID-19 vaccine. Most countries began to adopt a strategy of coexistence with the virus and gradually opened up border controls and lockdowns. It was originally expected that global prosperity would gradually recover. However, the global inflation caused by the Ukraine-Russia War led to a decline in consumption power, and the central banks of various countries were forced to raise interest rates to strengthen the fight against inflation. In addition, the United States began to implement chip control measures against China. In the second half of 2022, the semiconductor shortage originally encountered in 2021 has been solved, which will affect the revenue and growth rate of the global semiconductor market in 2022.

Semiconductor-related organizations will predict and lower the growth rate of semiconductors in 2023, which will be slightly lower than that in 2022. Statistics of respective market intelligence and research institutes (IDC, WSTS, Gartner, IC Insights) show a growth rate of 0.5%-5% in 2023 compared to 2022. As such, Sigurd is prudent and careful, adopting a steady development policy to maximize the Company profit.

In 2023, due to the endeavor of the Management, sufficient cash flow was secured to ensure the liquidity of the Company. Further, the Company is striving to expand its competitive capabilities, strengthening product lines with an advantage in economies of scale, expanding differentiated product lines, and expanding prudently, and maintaining higher overall equipment efficiency.

(II) Expected sales and its basis

According to the Company's historical data of business revenue, as well as referring to the professional forecasting agencies' prediction for the semiconductor industry and IC packaging industry, and the feedback from customers through the sales unit, although the global economic prospect is affected by many unfavorable factors, It is estimated that in 2023, the Company will be driven by a series of new projects, new products and new customers to mitigate the impact.

(III) Important production and sales policies

For 2023, our response measures are as follows:

1. Strengthening the prevention of outbreak, and closely monitoring the status of the

- pandemic, customer needs and raw material supply.
2. Improving employee productivity and factory efficiency.
 3. Continuously saving expenses, reducing operating costs, and lowering the break-even point.
 4. Development of test business for products with a high gross profit rate, such as Metaverse, high-level 5G mobile phone IC, Wi-Fi 6/6E, high-speed computing, artificial intelligence (AI), AIoT, RF IC, and automotive electronics in order to make better profits.
 5. Increasing the number and proportion of foreign customers.
 6. Promotion of test business for telecommunication IC and niche IC.
 7. Strengthening the relationships with strategic alliances with customers.
 8. Reviewing and adjusting uncompetitive product lines.
 9. Paying attention to market trends and striving for IC business orders related to high-level 5G products, vehicle electronics, Internet of Things and wearable devices.
 10. Promotion of a smart factory and the width and depth of equipment automation.
 11. Refining the specifications of self-made machines and expanding the customer base.

III. Strategies for the Future

The future development of Sigurd is Reshaping Value, Technological Innovation, Avoiding Price Competition, and Forming the Blue Sea Strategy of Sigurd. Therefore, Sigurd is constantly repositioning and moving toward developing packaging and testing technologies for niche products.

- (I) Timely adjustment of the organization: based on market and product conditions, timely adjusting the organization to adapt to changes.
- (II) Overseas markets continued to develop, and the number of customers in North America and Japan increased in 2022 compared with 2021. Moreover, the development of the Mainland China market has also produced good results. Therefore, in 2023, in addition to the original North American market, the Company also actively expands the Asian, Mainland Chinese, European, and Japanese markets.
- (III) Promotion of the throughput and customer base of Xixing (Suzhou).
- (IV) Integration and niche testing

Over the years, Sigurd has acquired the testing technology and experience of Mixed Signal, Logic, Memory, RF, and Power. With a stronghold of technologies, as well as aligning with market trends, Sigurd is moving toward integration and niche products.

1. Integrated Testing Technology

IC products are becoming increasingly complex, and can no longer be simply categorized as Mixed Signal, Logic, CIS, Memory, RF, and Power. The current trend has been moving toward the integrated IC. Sigurd has accumulated years of testing experience with confidence in products such as SoC mobile phone AP (3G/4G) and Wi-Fi SoC, and has built a solid foundation for 5G-related IC packaging and testing technology.

2. Niche Testing

- (1) High-speed computing-related ICs: such as chips for bitcoin, graphics, and servers.
- (2) Communication-related ICs: 5G communication equipment IC, GPS, Wi-Fi SoC (integrated with Bluetooth and MCU).
- (3) Video/Audio related ICs: 3D, 4K2K and 8K4K video codec IC, HDMI, and HDTV control IC.
- (4) Mobile phone-related IC: such as 5G-related IC, AI, AP, Baseband SoC, GPS, Light sensor, Bluetooth, Touch Pad.
- (5) Computer-related ICs: such as graphics chip, USB, Type C, WLAN, touch panel IC, and et cetera.
- (6) Vehicle electronics ICs: such as sensor, microprocessor and V2X ICs.

In addition, Sigurd also strengthens the acquiring of foreign customers, in the hope of achieving results in the future.

3. Niche packaging

As electronic products move towards being lighter, thinner, shorter, and smaller, the encapsulation technique is growing miniature, too. To go with this trend, as far as encapsulation is concerned, Sigurd is shifting towards the WLCSP (Wafer Level Chip Scale Package)-related encapsulation technology. WLCSP encapsulation is smaller in size, costs less, and is known for its high production yield. In addition, it offers strengths such as better coplanarity and heat dissipation capacity to high-speed and power management circuits.

- (V) Research and development (R&D)
In addition to continuing recruiting industry talents, the Company also develops technologies and communicates intensely with companies, research institutions, and universities.
- (VI) Exert the Group's comprehensive efficiency
Integrate the resources and equipment of subsidiaries in the Group, provide customers with more complete packaging and testing services, and make the most efficient use.

IV. The Impact of external competitive environment, regulatory environment, and overall business environment

Most semiconductor research units had originally predicted that the gradual control of the COVID-19 epidemic in 2022 would drive economic recovery. However, they also projected that the global semiconductor shortage would persist. However, after the outbreak of the Ukraine-Russia war, the world entered an inflationary period, and the real purchasing power declined. In addition, the United States imposed chip sanctions on China. Under various unfavorable factors, although the global semiconductor market grew from 2021 to 2022, major semiconductor manufacturers have gradually become conservative in terms of capital cost since the second half of the year. Taiwan's packaging/testing factories have successively revealed their preliminary plans for capital expenditure in 2023. Amid the sound of a slump of prosperity, Sigurd will carefully adjust its capital expenditure according to customer demand and market conditions, and will focus more on saving expenses to pass this period of economic adjustment.

(I) Favorable Factors:

1. The undergoing mergers of global semiconductor manufacturers have been prevalent, which is beneficial to Sigurd in securing more orders from its now merged customer entities.
2. The COVID-19 epidemic is gradually easing, and most countries have lifted border controls and blockades, further driving economic recovery.
3. The implementation of chip sanctions by the United States on China is expected to drive the production of semiconductor related ICs in Taiwan.
4. The cost of packaging and testing houses of Mainland China is increasing and getting closer to their counterparts' in Taiwan.
5. After the financial tsunami, many IDM companies abroad have reduced their packaging and testing capacity or terminated production lines, which is beneficial for Sigurd to secure more orders from IDM companies.
6. New applications such as the metaverse, high-speed computing, deep learning, edge computing, AI, AR/VR, and so on, require high-level processes. Many large international companies choose to place orders in Taiwan, which is beneficial for Sigurd to secure more orders.
7. Wearable devices, which will bring forth new ideas and the extensive use of the IoT will give rise to a wave of demand for electronic components.
8. The exhaust emission standards are stricter and automobiles are gradually developed towards energy-saving (hybrid or electric vehicles) and self-driving, which is conducive to the growth of vehicle electronic related ICs.
9. With the release of the 5G spectrum, the demand for related equipment is gradually expanding.
10. Some products of semiconductor shortage remains a concern. However, among the global market, Taiwan has been proactive in expanding production, which is favorable to secure orders.

(II) Unfavorable factors:

1. Affected by the factors of the Ukraine-Russia War and the shortage in manpower are affecting the supply of raw materials and the supply chains and, accordingly, the production.
2. The cross-strait relations between Taiwan and Mainland China are still filled with variables. It is worthy of concern whether many semiconductor manufacturers will evaluate the establishment of factories in countries other than mainland China and Taiwan.
3. In the past few years, due to the shortage of semiconductors, various companies have actively expanded their factories. However, due to the impact of the economic downturn, it is still necessary to pay close attention to whether there has been price-cutting competition due to overcapacity.

4. After implementing chip sanctions against China, the United States intends to further collaborate with other countries to implement them, and it is worth observing the impact in the future.
5. Potential recession caused by inflation.

Due to the above-mentioned reasons, the economy in 2023 will be subject to significant fluctuations, and Sigurd will cautiously adjust its company strategy in order to weather this period of economic adjustment.

Chairman: Shin-Yang Huang

Manager: Tsan-Lien Yeh

Accountant Supervisor: Chi-Chang Chen

Sigurd Microelectronics Corporation

Audit Committee's Report

The Board of Directors has prepared and submitted the Company's 2022 Business Report, Financial Statements, and earning distribution proposal, of which, the Company's Financial Statements have been audited and certified by CPAs Hsieh-Chih Cheng and Tsai-Yen Chiang of PwC Taiwan, and an audit report is issued. The Business Report, Financial Statements, and earning distribution proposal have been reviewed by the Audit Committee. We, the Audit Committee, have duly examined the aforementioned reports as correct and accurate. We hereby report to the Annual General Shareholders' Meeting pursuant to Article 14-4 of the Securities and Exchange Act, as well as Article 219 of the Company Act.

To

The Company's 2023 annual general shareholders' meeting

Sigurd Microelectronics Corporation

Convener of the Audit Committee: Wen-Bin Wu

March 7, 2023

Attachment 3 Individual Director's Remuneration

Title	Last Name First Name	Remuneration of Directors								Total amount of A, B, C, and D and its percentage in net income after tax		Relevant remunerations received by Directors who are also employees										Total amount of A, B, C, D, E, F, and G and its percentage in net income after tax		Claim of remunerations from re-invested businesses other than subsidiaries of the parent company			
		Remuneration (A)		Retiring allowance/severance (B)		Remuneration to Directors (C)		Businesses execution expenses (D)				Salary, bonus, and special disbursement (E)		Retiring allowance/severance (F)		Employees' compensation (G)				Shares may be subscribed with employees' warrants (H)					Obtained new shares from the restricted employee rights (I)		
		The Company	Financial reports	The Company	Financial reports	The Company	Financial reports	The Company	Financial reports	The Company	Financial reports	The Company	Financial reports	The Company		Financial reports		The Company	Financial reports	The Company	Financial reports	The Company	Financial reports				
Chairman	Shin-Yang Huang	-	-	-	-	8,500	8,500	-	-	0.28	0.28	25,503	29,503	-	-	28,789	-	28,789	-	-	-	-	-	-	2.07	2.20	None
Director	Tsan-Lien Yeh	-	-	-	-	4,250	4,250	-	-	0.14	0.14	19,093	19,980	-	-	20,290	-	20,290	-	-	-	-	-	-	1.44	1.47	None
Director	Hsu-Tung Kuo	-	-	-	-	4,250	4,250	-	-	0.14	0.14	13,793	14,680	-	-	13,916	-	13,916	-	-	-	-	-	-	1.05	1.08	None
Director	Min-Hung Wu	-	-	-	-	4,250	4,250	-	-	0.14	0.14	10,653	11,940	-	-	10,995	-	10,995	-	-	-	-	-	-	0.85	0.90	None
Director	Wen-Yuan Lin	-	-	-	-	4,250	4,250	20	20	0.14	0.14	-	-	-	-	-	-	-	-	-	-	-	-	0.14	0.14	None	
Director	Ming-Chun Chiu	-	-	-	-	4,250	4,250	30	30	0.14	0.14	-	-	-	-	-	-	-	-	-	-	-	-	0.14	0.14	None	
Independent Director	Wen-Bin Wu	-	-	-	-	4,250	4,250	70	70	0.14	0.14	-	-	-	-	-	-	-	-	-	-	-	-	0.14	0.14	None	
Independent Director	Chuen-Rong Leu	-	-	-	-	4,250	4,250	70	70	0.14	0.14	-	-	-	-	-	-	-	-	-	-	-	-	0.14	0.14	None	
Independent Director	Min-Kai Lin	-	-	-	-	4,250	4,250	70	70	0.14	0.14	-	-	-	-	-	-	-	-	-	-	-	-	0.14	0.14	None	

1. Please specify the payment policy, system, standards, and structure of the remuneration of independent directors, as well as the relevance between the factors, such as their responsibilities, risks, input time, and the amount of paid remuneration: the remunerations to the independent directors, pursuant to the Article of Association, are reviewed by the Remunerations Committee. The participation, contributions, reasonableness of the independent directors to the Company's operations link to their remunerations, and by referring to the payments made by peers, the proposal is made and presented to the Board of Directors for discussion.

2. In addition to the disclosures in the previous table, please specify the remuneration paid to the directors who provided services (e.g. acting as non-employee advisor for the parent company/any company stated in the financial statements/any invested company) in the recent year: none.

Attachment 4

Sigurd Microelectronics Corporation
Surplus Distribution Proposal
Year 2022

Unit: NTS

Item	Amount	Note
Undistributed earnings at start of term	6,162,616,913	
Plus: After-tax net profit of the term	3,033,285,001	
Remeasurement of defined benefit plans	34,204,961	
Disposal of equity instrument measured at fair value through other comprehensive profit or loss	336,324	
Less: Recognition of changes in ownership of subsidiaries	(4,746,445)	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(372,974)	
Basis for appropriation of the legal reserve	3,062,706,867	
Less: Legal reserve	(306,270,687)	
Quantity available for distribution of the year	8,919,053,093	
Distributed item		
Less: Cash bonus for shareholders (approximately NT\$ 4.2 per share)	(1,918,312,284)	
Less: Stock dividend and bonus	0	
Balance of unappropriated retained earnings at the end of period	7,000,740,809	

Note: The ratio of cash dividends distributed to shareholders is based on the total number of 456,741,020 shares available for distribution. If the said number of shares is affected as a result of the repurchase of the Company's shares, the transfer of treasury stock to employees, the conversion of employee stock options, the conversion of new shares with restricted employee rights, or the conversion of corporate bonds into common shares and it is required to adjust the ratio of cash dividends to be distributed to shareholders, the Chairman is authorized to do so.

Chairman: Shin-Yang Huang

Manager: Tsan-Lien Yeh

Accountant Supervisor: Chi-Chang Chen

Sigurd Microelectronics Corporation

Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of Sigurd Microelectronics Corporation (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2022 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of Sigurd Microelectronics Corporation and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. In addition, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, Sigurd Microelectronics Corporation does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

Sigurd Microelectronics Corporation

Shin-Yang Huang, Chairman

March 7, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000514

To the Board of Directors and Shareholders of Sigurd Microelectronics Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Sigurd Microelectronics Corporation and subsidiaries (the "Sigurd 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 consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matters* section), the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Sigurd Group as at December 31, 2022 and 2021, and its consolidated financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers 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 *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Sigurd Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are the matters that, in our professional judgement, were of most significance in our audit of consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on the matters.

Key audit matter for Sigurd Group's consolidated financial statements of the current period is stated as follows:

Capitalisation of property, plant and equipment

Description

Sigurd Group increased its capital expenditure to meet its operational needs. Please refer to Note 4(15) for accounting policies on property, plant and equipment, and Note 6(7) for details of property, plant and equipment. Considering that capitalisation of property, plant and equipment is significant to Sigurd Group's consolidated financial statements, thus, we identified the audit of capitalisation of property, plant and equipment as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter: Assessed and validated the effectiveness of the internal control system over additions to property, plant and equipment, as well as sample tested and examined respective purchase orders and invoices to ensure that transactions were approved accordingly and recognised amounts were accurate. Sample tested and examined the acceptance documents to validate the appropriateness of the timing that assets are ready for use and capitalisation (timing of starting depreciation).

Other matter – Audited by other independent auditors

We did not audit the financial statements of certain consolidated subsidiaries. Those financial statements were audited by other auditors, whose reports thereon have been consolidated furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements was based solely on the reports of other independent auditors. Total assets of those consolidated subsidiaries amounted to NT\$307,194 thousand and NT\$392,778 thousand, constituting 0.82% and 1.07% of the consolidated total assets as at December 31, 2022 and 2021, respectively, and total operating revenues amounted to NT\$254,340 thousand and NT\$332,105 thousand, constituting 1.36% and 1.99% of the total operating revenues for the years ended December 31, 2022 and 2021, respectively.

Other matter–Parent company only financial statements

We have also expressed an unqualified opinion on the parent company only financial statements of Sigurd Microelectronics Corporation as of and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for consolidated financial statements

Management is responsible for the preparation and fair presentation of 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 controls as the management determines are 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 Sigurd 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 the management either intends to liquidate the Sigurd Group or to cease operations, or have no realistic alternative but to do so.

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

Auditor's 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 a 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 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 professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal controls 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 Sigurd Group's internal controls.
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 Sigurd 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 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 report. However, future events or conditions may cause the Sigurd 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 Sigurd Group to express an opinion on 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 controls 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 those matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe the matter in our 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.

Hsieh, Chih-Cheng

Chiang, Tsai-Yen

For and on behalf of PricewaterhouseCoopers, Taiwan
March 7, 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 report of independent accountants 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.

SIGURD MICROELECTRONICS CORPORATION 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)	\$ 8,873,912	24	\$ 7,943,271	22
1110	Current financial assets at fair value through profit or loss	6(2)	396,204	1	481,282	1
1136	Current financial assets at amortised cost	6(4) and 8	2,002,321	5	1,011,455	3
1140	Current contract assets	6(18)	152,984	-	193,381	1
1150	Notes receivable, net	6(5)	5,283	-	720	-
1170	Accounts receivable, net	6(5)	3,828,076	10	3,866,733	11
1180	Accounts receivable - related parties, net	6(5) and 7	3,349	-	5,491	-
1200	Other receivables		67,126	-	97,947	-
1220	Current tax assets		-	-	32,791	-
130X	Inventories	6(6)	351,924	1	304,078	1
1410	Prepayments		595,670	2	746,019	2
1470	Other current assets		37,343	-	164,916	-
11XX	Total current assets		<u>16,314,192</u>	<u>43</u>	<u>14,848,084</u>	<u>41</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	1,590,784	4	1,576,506	4
1535	Non-current financial assets at amortised cost	6(4) and 8	69,886	-	69,887	-
1600	Property, plant and equipment	6(7) and 8	18,155,700	48	18,479,301	50
1755	Right-of-use assets	6(8)	737,727	2	826,733	2
1780	Intangible assets		241,920	1	192,547	1
1840	Deferred tax assets	6(25)	320,597	1	389,770	1
1900	Other non-current assets		138,548	1	220,145	1
15XX	Total non-current assets		<u>21,255,162</u>	<u>57</u>	<u>21,754,889</u>	<u>59</u>
1XXX	Total assets		<u>\$ 37,569,354</u>	<u>100</u>	<u>\$ 36,602,973</u>	<u>100</u>

(Continued)

SIGURD MICROELECTRONICS CORPORATION 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(9) and 8	\$ 135,000	-	\$ 245,444	1
2130	Current contract liabilities	6(18)	30,455	-	106,290	-
2150	Notes payable		3,842	-	4,175	-
2170	Accounts payable		289,033	1	378,437	1
2219	Other payables	6(10)	2,801,752	7	3,383,018	9
2230	Current income tax liabilities		537,016	1	489,295	1
2250	Current provisions		11,241	-	9,817	-
2280	Current lease liabilities		240,946	1	263,461	1
2320	Long-term liabilities, current portion	6(11)(12)	1,600,579	4	2,567,936	7
2399	Other current liabilities, others	6(18)	235,255	1	246,441	1
21XX	Total current liabilities		<u>5,885,119</u>	<u>15</u>	<u>7,694,314</u>	<u>21</u>
	Non-current liabilities					
2530	Bonds payable	6(11)	4,419,632	12	4,383,961	12
2540	Long-term borrowings	6(12) and 8	6,993,078	19	5,748,648	16
2570	Deferred tax liabilities	6(25)	67,445	-	52,366	-
2580	Non-current lease liabilities		473,893	1	560,131	1
2600	Other non-current liabilities	6(13)	349,708	1	336,730	1
25XX	Total non-current liabilities		<u>12,303,756</u>	<u>33</u>	<u>11,081,836</u>	<u>30</u>
2XXX	Total liabilities		<u>18,188,875</u>	<u>48</u>	<u>18,776,150</u>	<u>51</u>
	Equity					
	Equity attributable to owners of parent					
	Share capital	6(14)				
3110	Ordinary share		4,567,410	12	4,520,782	12
	Capital surplus	6(15)				
3200	Capital surplus		539,296	1	942,353	3
	Retained earnings	6(16)				
3310	Legal reserve		1,810,884	5	1,526,636	4
3350	Unappropriated retained earnings		9,225,323	25	7,816,291	21
	Other equity interest	6(17)				
3400	Other equity interest		336,307	1	636,474	2
31XX	Equity attributable to owners of parent		<u>16,479,220</u>	<u>44</u>	<u>15,442,536</u>	<u>42</u>
36XX	Non-controlling interests		<u>2,901,259</u>	<u>8</u>	<u>2,384,287</u>	<u>7</u>
3XXX	Total equity		<u>19,380,479</u>	<u>52</u>	<u>17,826,823</u>	<u>49</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the reporting period	11				
3X2X	Total liabilities and equity		<u>\$ 37,569,354</u>	<u>100</u>	<u>\$ 36,602,973</u>	<u>100</u>

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

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18) and 7	\$ 18,694,345	100	\$ 16,681,264	100
5000	Operating costs	6(6)(23)(24)	(13,165,811)	(70)	(11,732,806)	(70)
5950	Gross profit from operations		<u>5,528,534</u>	<u>30</u>	<u>4,948,458</u>	<u>30</u>
	Operating expenses	6(23)(24)				
6100	Selling and marketing expenses		(234,386)	(1)	(218,888)	(1)
6200	General and administrative expenses		(1,043,021)	(6)	(872,459)	(5)
6300	Research and development expenses		(423,867)	(2)	(416,714)	(3)
6450	Net impairment loss on financial assets	12(2)	(578)	-	-	-
6000	Total operating expenses		<u>(1,701,852)</u>	<u>(9)</u>	<u>(1,508,061)</u>	<u>(9)</u>
6900	Operating profit		<u>3,826,682</u>	<u>21</u>	<u>3,440,397</u>	<u>21</u>
	Non-operating income and expenses					
7100	Interest income	6(19)	108,198	-	30,930	-
7010	Other income	6(20)(27)	170,648	1	157,193	1
7020	Other gains and losses	6(21)	532,773	3	199,497	1
7050	Finance costs	6(22)	(211,842)	(1)	(165,205)	(1)
7000	Total non-operating income and expenses		<u>599,777</u>	<u>3</u>	<u>222,415</u>	<u>1</u>
7900	Profit before income tax		<u>4,426,459</u>	<u>24</u>	<u>3,662,812</u>	<u>22</u>
7950	Income tax expense	6(25)	(912,510)	(5)	(626,564)	(4)
8000	Profit (loss) from continuing operations		<u>3,513,949</u>	<u>19</u>	<u>3,036,248</u>	<u>18</u>
8200	Profit for the year		<u>\$ 3,513,949</u>	<u>19</u>	<u>\$ 3,036,248</u>	<u>18</u>

(Continued)

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311 Gains on remeasurements of defined benefit plans	6(13)	\$ 37,857	-	\$ 54,894	-
8316 Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(531,384)	(3)	415,297	3
8349 Income tax related to components of other comprehensive loss that will not be reclassified to profit or loss		(373)	-	(11,543)	-
8310 Components of other comprehensive (loss) income that will not be reclassified to profit or loss		(493,900)	(3)	458,648	3
Components of other comprehensive income (loss) that might be reclassified to profit or loss					
8361 Exchange differences on translation of foreign operations	6(17)	418,270	2	(85,086)	(1)
8360 Components of other comprehensive income (loss) that might be reclassified to profit or loss		418,270	2	(85,086)	(1)
8300 Other comprehensive (loss) income		(\$ 75,630)	(1)	\$ 373,562	2
8500 Total comprehensive income		\$ 3,438,319	18	\$ 3,409,810	20
Profit, attributable to:					
8610 Owners of parent		\$ 3,033,285	16	\$ 2,787,446	17
8620 Non-controlling interests		480,664	3	248,802	1
Total profit		\$ 3,513,949	19	\$ 3,036,248	18
Comprehensive income attributable to:					
8710 Owners of parent		\$ 2,767,286	14	\$ 3,194,808	19
8720 Non-controlling interests		671,033	4	215,002	1
Total comprehensive income		\$ 3,438,319	18	\$ 3,409,810	20
Basic earnings per share (in dollars)	6(26)				
9750 Basic earnings per share		\$	6.68	\$	6.25
Diluted earnings per share (in dollars)	6(26)				
9850 Diluted earnings per share		\$	6.21	\$	5.95

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

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Equity attributable to owners of the parent									
		Retained Earnings					Other equity interest				
		Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealised Gains (Losses) from Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-Controlling Interests	Total Equity
2021											
Balance at January 1, 2021		\$ 4,316,114	\$ 715,446	\$ 1,351,118	\$ -	\$ 6,029,494	(\$ 78,954)	\$ 363,100	\$ 12,696,318	\$ 2,249,853	\$ 14,946,171
Profit for the year		-	-	-	-	2,787,446	-	-	2,787,446	248,802	3,036,248
Other comprehensive income (loss) for the year	6(3)(17)	-	-	-	-	43,976	(51,911)	415,297	407,362	(33,800)	373,562
Total comprehensive income(loss)		-	-	-	-	2,831,422	(51,911)	415,297	3,194,808	215,002	3,409,810
Distribution of 2020 earnings	6(16)	-	-	175,518	-	(175,518)	-	-	-	-	-
Legal reserve		-	-	175,518	-	(175,518)	-	-	-	-	-
Cash dividends		-	-	-	-	(880,165)	-	-	(880,165)	-	(880,165)
Cash distribution from capital surplus	6(15)(16)	-	(396,074)	-	-	-	-	-	(396,074)	-	(396,074)
Proceeds from issuing bonds		-	136,893	-	-	-	-	-	136,893	-	136,893
Conversion of corporate bonds	6(11)(14)(15)	204,668	486,088	-	-	-	-	-	690,756	-	690,756
Disposal of equity instruments at fair value through other comprehensive income		-	-	-	-	11,058	-	(11,058)	-	-	-
Cash dividends paid to non-controlling interest from a subsidiary		-	-	-	-	-	-	-	-	(80,568)	(80,568)
Balance at December 31, 2021		<u>\$ 4,520,782</u>	<u>\$ 942,353</u>	<u>\$ 1,526,636</u>	<u>\$ -</u>	<u>\$ 7,816,291</u>	<u>(\$ 130,865)</u>	<u>\$ 767,339</u>	<u>\$ 15,442,536</u>	<u>\$ 2,384,287</u>	<u>\$ 17,826,823</u>
2022											
Balance at January 1, 2022		\$ 4,520,782	\$ 942,353	\$ 1,526,636	\$ -	\$ 7,816,291	(\$ 130,865)	\$ 767,339	\$ 15,442,536	\$ 2,384,287	\$ 17,826,823
Profit for the year		-	-	-	-	3,033,285	-	-	3,033,285	480,664	3,513,949
Other comprehensive income (loss) for the year	6(3)(17)	-	-	-	-	33,831	231,554	(531,384)	(265,999)	190,369	(75,630)
Total comprehensive income (loss)		-	-	-	-	3,067,116	231,554	(531,384)	2,767,286	671,033	3,438,319
Distribution of 2021 earnings	6(16)	-	-	284,248	-	(284,248)	-	-	-	-	-
Legal reserve		-	-	284,248	-	(284,248)	-	-	-	-	-
Cash dividends		-	-	-	-	(1,369,427)	-	-	(1,369,427)	-	(1,369,427)
Proceeds from issuing bonds	6(15)(16)	-	(502,123)	-	-	-	-	-	(502,123)	-	(502,123)
Conversion of corporate bonds	6(11)(14)(15)	46,628	99,066	-	-	-	-	-	145,694	-	145,694
Disposal of equity instruments at fair value through other comprehensive income	4(3)	-	-	-	-	337	-	(337)	-	-	-
Cash dividends paid to non-controlling interest from subsidiary		-	-	-	-	-	-	-	-	(150,731)	(150,731)
Capital surplus, changes in ownership interests in a subsidiary		-	-	-	-	(4,746)	-	-	(4,746)	(3,330)	(8,076)
Balance at December 31, 2022		<u>\$ 4,567,410</u>	<u>\$ 539,296</u>	<u>\$ 1,810,884</u>	<u>\$ -</u>	<u>\$ 9,225,323</u>	<u>\$ 100,689</u>	<u>\$ 235,618</u>	<u>\$ 16,479,220</u>	<u>\$ 2,901,259</u>	<u>\$ 19,380,479</u>

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

SIGURD MICROELECTRONICS CORPORATION 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
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 4,426,459	\$ 3,662,812
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(23)	4,479,750	3,973,194
Amortisation	6(23)	75,248	56,813
Net impairment loss on financial assets	12(2)	578	-
Net profit on financial assets at fair value through profit or loss (income)	6(2)(21)	15,293	(18,734)
Finance costs		211,842	165,205
Interest income	6(19)	(108,198)	(30,930)
Dividends income	6(20)	(20,578)	(16,121)
Gain on disposal of property, plant and equipment	6(21)	(31,055)	(166,080)
Gain recognised in bargain purchase transaction	6(20)	-	16,441
Government grants	6(12)	(21,705)	(1,628)
Impairment loss of property, plant and equipment		34,643	350
Impairment loss on non-financial assets	6(7)(21)	213	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		69,785	70,611
Contract assets		41,501	(83,846)
Notes receivable	(	4,563	(323)
Accounts receivable	(	94,743	(224,899)
Accounts receivable-related parties	(	2,213	(1,680)
Other receivables	(	54,983	(22,270)
Inventories	(	36,990	(61,007)
Prepayments	(	153,373	(50,116)
Other current assets	(	130,232	(127,568)
Other non-current assets	(	4,893	(5,985)
Changes in operating liabilities			
Contract liabilities	(	75,978	87,191
Notes payable	(	333	1,516
Accounts payable	(	98,863	(116,342)
Other payables	(	415,991	588,020
Provisions	(	396	(2,244)
Other current liabilities	(	11,497	32,373
Defind benefit liabilities	(	15,048	(20,825)
Other non-current liabilities	(	59,955	(3,283)
Cash inflow generated from operations		9,015,301	7,700,645
Interest received		100,333	35,313
Interest paid	(	169,005	(142,423)
Dividends received		20,578	16,121
Income tax paid	(	760,133	(470,343)
Net cash flows from operating activities		8,207,074	7,139,313

(Continued)

SIGURD MICROELECTRONICS CORPORATION 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>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 546,000)	(\$ 158,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	337	11,058
Acquisition of financial assets at amortised cost		(3,651,045)	(1,695,455)
Proceed from disposal of financial assets at amortised cost		2,604,461	3,273,128
Decrease in other receivable		-	3,040,026
Acquisition of property, plant and equipment	6(28)	(4,012,422)	(7,366,952)
Proceeds from disposal of property, plant and equipment		117,261	782,493
Acquisition of intangible assets		(118,345)	(125,417)
Increase in refundable deposits		(3,968)	(21,258)
Decrease in refundable deposits		4,752	15,099
Net cash outflows from acquisition of a subsidiary	6(27)	-	(4,458,677)
Net cash flows used in investing activities		(5,604,969)	(6,703,955)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(29)	590,888	2,520,595
Repayments of short-term borrowings	6(29)	(703,264)	(3,341,024)
Proceeds from issuance of corporate bonds		-	4,487,903
Repayments of corporate bonds	6(29)	(100)	-
Proceeds from long-term borrowings	6(29)	11,262,420	13,369,450
Repayments of long-term borrowings	6(29)	(10,859,070)	(13,496,286)
Increase in guarantee deposits received	6(29)	8,267	445
Decrease in guarantee deposits received	6(29)	(2,788)	(89)
Repayments of lease liabilities	6(29)	(210,071)	(230,276)
Cash dividends paid	6(16)	(1,369,427)	(880,165)
Cash distribution from capital surplus	6(15)(16)	(502,123)	(396,074)
Cash dividends paid to non-controlling interests	4(3)	(150,731)	(80,568)
Net cash flows (used in) from financing activities		(1,935,999)	1,953,911
Effect of changes in exchange rate		264,535	(74,673)
Net increase in cash and cash equivalents		930,641	2,314,596
Cash and cash equivalents at beginning of year	6(1)	7,943,271	5,628,675
Cash and cash equivalents at end of year	6(1)	\$ 8,873,912	\$ 7,943,271

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000513

To the Board of Directors and Shareholders of Sigurd Microelectronics Corporation

Opinion

We have audited the parent company only balance sheets of Sigurd Microelectronics Corporation (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent auditors (please refer to the *Other matter* section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of Sigurd Microelectronics Corporation as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter of the Company's parent company only financial statements of the current period is stated as follows:

Capitalisation of property, plant and equipment

Description

The Company increased the capital expenditure to meet its operational needs. Please refer to Note 4 (14) for accounting policies on property, plant and equipment, and Note 6(8) for details of property, plant and equipment. Considering capitalisation of property, plant and equipment is significant to the Company's parent company only financial statements, thus, we identified the audit of capitalisation of property, plant and equipment as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter: Assessed and validated the effectiveness of the internal control system over additions to property, plant and equipment, as well as sample tested and examined respective purchase orders and invoices to ensure that transactions were approved accordingly and recognised amounts were accurate. Sample tested and examined the acceptance documents to validate the appropriateness of the timing that assets are ready for use and capitalisation (timing of starting depreciation).

Other matter — Audited by other independent auditors

We did not audit the 2022 and 2021 financial statements of certain investee companies accounted for using the equity method. Those financial statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the reports of other independent auditors. Investments accounted for using equity method amounted to NT\$ 67,043 thousand and NT\$ 96,756 thousand, constituting 0.23% and 0.33% of total assets, as at December 31, 2022 and 2021, respectively, and their comprehensive (loss) income amounted to NT\$ (24,967) thousand and NT\$ 12,291 thousand, constituting (0.90%) and 0.38% of the total comprehensive (loss) income for the years ended December 31, 2022 and 2021, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal controls as the management determines are necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only 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 controls.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the parent company only 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 report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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 those matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the parent company only financial statements of the current period and is therefore the key audit matter. We describe the matter in our 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.

Hsieh, Chih-Cheng

Chiang, Tsai-Yen

For and on behalf of PricewaterhouseCoopers, Taiwan
March 7, 2023

The accompanying parent company only 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 parent company only financial statements and report of independent accountants 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.

SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY 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)	\$ 4,210,462	14	\$ 3,802,894	13
1110	Current financial assets at fair value through profit or loss	6(2)	396,204	1	481,282	2
1136	Current financial assets at amortised cost	6(4)	278,480	1	78,480	-
1140	Current contract assets	6(18)	106,898	-	143,371	-
1170	Accounts receivable, net	6(5)	2,076,269	7	2,231,260	8
1180	Accounts receivable - related parties, net	6(5) and 7	183,389	1	112,427	-
1200	Other receivables		38,898	-	39,544	-
1210	Other receivables - related parties	7	167,863	1	144,155	1
130X	Inventories	6(6)	155,899	1	101,708	-
1410	Prepayments		526,703	2	473,908	2
1470	Other current assets		1,578	-	1,488	-
11XX	Total current assets		<u>8,142,643</u>	<u>28</u>	<u>7,610,517</u>	<u>26</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	1,496,469	5	1,453,872	5
1535	Non-current financial assets at amortised cost	6(4) and 8	30,000	-	30,000	-
1550	Investments accounted for using equity method	6(7)	8,898,109	30	8,136,911	28
1600	Property, plant and equipment	6(8) and 8	10,535,230	36	11,477,485	40
1755	Right-of-use assets	6(9)	172,044	1	263,052	1
1780	Intangible assets		45,314	-	28,667	-
1840	Deferred tax assets	6(25)	48,179	-	52,096	-
1900	Other non-current assets		21,656	-	22,695	-
15XX	Total non-current assets		<u>21,247,001</u>	<u>72</u>	<u>21,464,778</u>	<u>74</u>
1XXX	Total assets		<u>\$ 29,389,644</u>	<u>100</u>	<u>\$ 29,075,295</u>	<u>100</u>

(Continued)

SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY 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						
2130	Current contract liabilities	6(18)	\$ 444	-	\$ 4,054	-
2150	Notes payable		252	-	259	-
2170	Accounts payable		91,373	-	131,069	1
2200	Other payables	6(10)	1,607,757	6	1,879,215	7
2220	Other payables - related parties	7	4,416	-	11,000	-
2230	Current income tax liabilities		357,020	1	385,229	1
2280	Current lease liabilities		79,392	-	103,274	-
2320	Long-term liabilities, current portion	6(12) and 8	1,209,097	4	2,423,835	8
2399	Other current liabilities, others	6(18)	214,204	1	225,551	1
21XX	Total current liabilities		<u>3,563,955</u>	<u>12</u>	<u>5,163,486</u>	<u>18</u>
Non-current liabilities						
2530	Bonds payable	6(11)	4,419,632	15	4,383,961	15
2540	Long-term borrowings	6(12) and 8	4,661,660	16	3,728,502	13
2570	Deferred tax liabilities	6(25)	40,434	-	40,434	-
2580	Non-current lease liabilities		62,022	-	136,247	-
2600	Other non-current liabilities	6(13)	162,721	1	180,129	1
25XX	Total non-current liabilities		<u>9,346,469</u>	<u>32</u>	<u>8,469,273</u>	<u>29</u>
2XXX	Total liabilities		<u>12,910,424</u>	<u>44</u>	<u>13,632,759</u>	<u>47</u>
Equity						
Share capital		6(14)				
3110	Ordinary share		4,567,410	16	4,520,782	15
Capital surplus		6(15)				
3200	Capital surplus		539,296	2	942,353	3
Retained earnings		6(16)				
3310	Legal reserve		1,810,884	6	1,526,636	5
3350	Unappropriated retained earnings		9,225,323	31	7,816,291	27
Other equity interest		6(17)				
3400	Other equity interest		336,307	1	636,474	3
3XXX	Total equity		<u>16,479,220</u>	<u>56</u>	<u>15,442,536</u>	<u>53</u>
Significant contingent liabilities and unrecognised contract commitments		9				
Significant events after the reporting period		11				
3X2X	Total liabilities and equity		<u>\$ 29,389,644</u>	<u>100</u>	<u>\$ 29,075,295</u>	<u>100</u>

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

SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(18) and 7	\$ 10,590,172	100	\$ 10,364,704	100
5000	Operating costs	6(6)(23)(24)	(7,090,077)	(67)	(6,668,505)	(64)
5900	Gross profit from operations		<u>3,500,095</u>	<u>33</u>	<u>3,696,199</u>	<u>36</u>
	Operating expenses	6(23)(24) and 7				
6100	Selling and marketing expenses		(129,261)	(1)	(102,876)	(1)
6200	General and administrative expenses		(517,114)	(5)	(419,673)	(4)
6300	Research and development expenses		(393,385)	(3)	(379,513)	(4)
6000	Total operating expenses		(1,039,760)	(9)	(902,062)	(9)
6900	Operating profit		<u>2,460,335</u>	<u>24</u>	<u>2,794,137</u>	<u>27</u>
	Non-operating income (expenses)					
7100	Interest income	6(19)	47,194	-	13,092	-
7010	Other income	6(20) and 7	111,027	1	96,347	1
7020	Other gains and losses	6(21) and 7	520,574	5	132,551	1
7050	Finance costs	6(22)	(132,552)	(1)	(108,449)	(1)
7070	Share of profit of subsidiaries and associates, joint ventures accounted for using equity method	6(7)				
			<u>639,628</u>	<u>6</u>	<u>377,723</u>	<u>4</u>
7000	Total non-operating income (expenses)		<u>1,185,871</u>	<u>11</u>	<u>511,264</u>	<u>5</u>
7900	Profit before income tax		<u>3,646,206</u>	<u>35</u>	<u>3,305,401</u>	<u>32</u>
7950	Income tax expense	6(25)	(612,921)	(6)	(517,955)	(5)
8200	Profit for the year		<u>\$ 3,033,285</u>	<u>29</u>	<u>\$ 2,787,446</u>	<u>27</u>
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plan	6(13)	\$ 14,800	-	\$ 2,466	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(17)	(503,403)	(5)	427,732	4
8330	Share of other comprehensive (losses) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(8,577)	-	40,618	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or (loss) income		(373)	-	(11,543)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(497,553)	(5)	459,273	4
	Components of other comprehensive loss that might be reclassified to profit or loss					
8380	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income (loss) that will be reclassified to profit or loss	6(17)	<u>231,554</u>	<u>2</u>	(51,911)	-
8360	Components of other comprehensive loss that might be reclassified to profit or loss		<u>231,554</u>	<u>2</u>	(51,911)	-
8300	Other comprehensive (loss) income for the year, net of tax		<u>(\$ 265,999)</u>	<u>(3)</u>	<u>\$ 407,362</u>	<u>4</u>
8500	Total comprehensive income for the year		<u>\$ 2,767,286</u>	<u>26</u>	<u>\$ 3,194,808</u>	<u>31</u>
	Basic earnings per share (in dollars)	6(26)				
9750	Basic earnings per share		<u>\$ 6.68</u>		<u>\$ 6.25</u>	
	Diluted earnings per share (in dollars)	6(26)				
9850	Diluted earnings per share		<u>\$ 6.21</u>		<u>\$ 5.95</u>	

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

SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Retained Earnings			Other Equity Interest			Total Equity
		Ordinary Share	Capital Surplus, Additional Paid-In Capital	Legal Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealised Gains (Losses) from Financial Assets at Fair Value Through Other Comprehensive Income	
2021								
Balance at January 1, 2021		\$ 4,316,114	\$ 715,446	\$ 1,351,118	\$ 6,029,494	(\$ 78,954)	\$ 363,100	\$ 12,696,318
Profit for the year		-	-	-	2,787,446	-	-	2,787,446
Other comprehensive income (loss) for the year	6(3)(17)	-	-	-	43,976	(51,911)	415,297	407,362
Total comprehensive income (loss)		-	-	-	2,831,422	(51,911)	415,297	3,194,808
Distribution of 2020 earnings:								
Legal reserve	6(16)	-	-	175,518	(175,518)	-	-	-
Cash dividends	6(16)	-	-	-	(880,165)	-	-	(880,165)
Cash distribution from capital surplus	6(15)(16)	-	(396,074)	-	-	-	-	(396,074)
Issuance of corporate bonds	6(11)(15)	-	136,893	-	-	-	-	136,893
Conversion of corporate bonds	6(11)(14)(15)	204,668	486,088	-	-	-	-	690,756
Disposal of equity instruments at fair value through other comprehensive income	6(17)	-	-	-	11,058	-	(11,058)	-
Balance at December 31, 2021		<u>\$ 4,520,782</u>	<u>\$ 942,353</u>	<u>\$ 1,526,636</u>	<u>\$ 7,816,291</u>	<u>(\$ 130,865)</u>	<u>\$ 767,339</u>	<u>\$ 15,442,536</u>
2022								
Balance at January 1, 2022		\$ 4,520,782	\$ 942,353	\$ 1,526,636	\$ 7,816,291	(\$ 130,865)	\$ 767,339	\$ 15,442,536
Profit for the year		-	-	-	3,033,285	-	-	3,033,285
Other comprehensive income (loss) for the year	6(3)(17)	-	-	-	33,831	231,554	(531,384)	(265,999)
Total comprehensive income		-	-	-	3,067,116	231,554	(531,384)	2,767,286
Distribution of 2021 earnings:								
Legal reserve	6(16)	-	-	284,248	(284,248)	-	-	-
Cash dividends	6(16)	-	-	-	(1,369,427)	-	-	(1,369,427)
Cash distribution from capital surplus	6(15)(16)	-	(502,123)	-	-	-	-	(502,123)
Conversion of corporate bonds	6(11)(14)(15)	46,628	99,066	-	-	-	-	145,694
Disposal of equity instruments at fair value through other comprehensive income	6(17)	-	-	-	337	-	(337)	-
Adjustments arising from changes in percentage of ownership in a subsidiary		-	-	-	(4,746)	-	-	(4,746)
Balance at December 31, 2022		<u>\$ 4,567,410</u>	<u>\$ 539,296</u>	<u>\$ 1,810,884</u>	<u>\$ 9,225,323</u>	<u>\$ 100,689</u>	<u>\$ 235,618</u>	<u>\$ 16,479,220</u>

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

SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY 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
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 3,646,206	\$ 3,305,401
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(23)	2,957,998	2,678,760
Amortisation	6(23)	22,115	22,047
Net profit on financial assets at fair value through profit or loss	6(2)(22)	15,293	(18,734)
Finance costs	6(22)	132,552	108,449
Interest income	6(19)	(47,194)	(13,092)
Gain recognised in bargain purchase transaction		-	(16,441)
Dividends income	6(20)	(17,881)	(13,804)
Share of profit of subsidiaries, associates and joint ventures accounted using equity method	6(7)	(639,628)	(377,723)
Gain on disposal of property, plant and equipment	6(21)	(27,705)	(127,639)
Income from government subvention		(1,188)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		69,785	70,611
Contract assets		36,473	(54,028)
Accounts receivable		154,991	55,237
Accounts receivable - related parties		(70,962)	(48,167)
Other receivables		(1,957)	(20,277)
Other receivables - related parties		(7,988)	3,786
Inventories		(54,191)	(8,742)
Prepayments		(52,254)	(110,881)
Other current assets		(89)	(191)
Changes in operating liabilities			
Contract liabilities		(3,610)	(3,521)
Notes payable		(8)	257
Accounts payable		(39,695)	(10,540)
Other payables		(152,518)	416,705
Other payables - related parties		(6,584)	(19,307)
Other current liabilities		(11,347)	40,058
Defined benefit liabilities		(2,374)	(1,764)
Cash inflow generated from operations		5,898,240	5,856,460
Interest received		50,985	13,123
Interest paid		(131,705)	(111,115)
Dividends received		178,281	124,079
Income tax paid		(637,211)	(417,180)
Net cash flows from operating activities		<u>5,358,590</u>	<u>5,465,367</u>

(Continued)

SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY 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>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 546,000)	(\$ 158,000)
Acquisition of financial assets at amortised cost		(284,460)	-
Proceeds from disposal of financial assets at amortised cost		84,460	354,750
Acquisition of investments accounted for using equity method	6(7) and 7	(1,500,000)	(5,445,110)
Proceeds from capital reduction of investments accounted for using equity method	6(7) and 7	1,435,890	2,900,000
Acquisition of property, plant and equipment	6(27)	(2,072,444)	(4,240,555)
Proceeds from disposal of property, plant and equipment		60,357	203,597
Acquisition of intangible assets		(38,023)	(26,075)
Increase in refundable deposits		(2,074)	(7,363)
Decrease in refundable deposits		2,374	2,670
Net cash flows used in investing activities		(2,859,920)	(6,416,086)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(28)	361,888	2,016,061
Repayments of short-term borrowings	6(28)	(361,888)	(2,853,487)
Proceeds from issuance of corporate bonds	6(28)	-	4,487,903
Repayments of corporate bonds	6(28)	(100)	-
Proceeds from long-term borrowings	6(28)	10,536,222	12,085,000
Repayments of long-term borrowings	6(28)	(10,673,035)	(12,940,808)
Increase in guarantee deposits received	6(28)	2,075	-
Decrease in guarantee deposits received	6(28)	(2,310)	-
Repayments of lease liabilities	6(28)	(82,404)	(197,034)
Cash dividends paid	6(15)	(1,369,427)	(880,165)
Cash distribution from capital surplus	6(15)(16)	(502,123)	(396,074)
Net cash flows (used in) from financing activities		(2,091,102)	1,321,396
Net increase in cash and cash equivalents		407,568	370,677
Cash and cash equivalents at beginning of year	6(1)	3,802,894	3,432,217
Cash and cash equivalents at end of year	6(1)	\$ 4,210,462	\$ 3,802,894

Attachment 6

Sigurd Microelectronics Corporation
Articles of Incorporation
Comparison Table of Articles Before and After Amendments

Article	Article Before Amendments	Article After Amendments	Explanation
<p>Article 24</p>	<p>The Company will continue to expand the scale and profitability based on the operating and investment environment and demands of funds, while taking into account the shareholders' interests and capital adequacy ratio, and applies the residual dividend policy.</p> <p>Conditions and timing of distribution: in case of profit at the end of fiscal year, the Company shall first compensate the accumulated losses with profits after tax, before contributing 10% of the remaining net profits as legal reserve; however, if the legal reserve has reached the <u>total amount</u> of the capital, it is not subject to the previous requirement, and the special reserve may be contributed or reversed. The remaining balance shall be added to the previously undistributed earnings as distributable earnings.</p> <p>Distribution of earnings may be done in cash dividends or stock dividends. Cash dividends are prioritized but stock dividends are an option, too. The shareholder dividends to be distributed for the current year shall be 10% ~ 80% of the annual distributable earnings. The ratio of cash dividends to be distributed, in particular, may not be less than 10%.</p> <p>The Company may, pursuant to a resolution to be adopted by the Board of Directors as required in Article 240, paragraph 5 of the Company Act, distribute its dividends and bonuses, in whole or in part, by cash; and in addition thereto a report of such distribution shall be submitted to the Shareholders Meeting.</p> <p>The Company may, pursuant to a resolution to be adopted by the Board of Directors as required in Article 241 of the Company Act, distribute its legal reserve and the following capital reserve, in whole or in part, by cash; and in addition thereto a report of such distribution shall be submitted to the Shareholders Meeting.</p>	<p>The Company will continue to expand the scale and profitability based on the operating and investment environment and demands of funds, while taking into account the shareholders' interests and capital adequacy ratio, and applies the residual dividend policy.</p> <p>Distribution criteria and timing: For annual surpluses concluded by the Company, besides taxation as required by law, they shall be prioritized for offsetting prior deficits. Secondly, 10% of the remainder will be the legal reserve unless the legal reserve has reached the <u>overall</u> capital size and provision or reversal of special reserve as needed may be done. The remaining balance shall be added to the previously undistributed earnings as distributable earnings.</p> <p>Distribution of earnings may be done in cash dividends or stock dividends. Cash dividends are prioritized but stock dividends are an option, too. The shareholder dividends to be distributed for the current year shall be 10% ~ 80% of the annual distributable earnings. The ratio of cash dividends to be distributed, in particular, may not be less than 10%.</p> <p>The Company may, pursuant to a resolution to be adopted by the Board of Directors as required in Article 240, paragraph 5 of the Company Act, distribute its dividends and bonuses, in whole or in part, by cash; and in addition thereto a report of such distribution shall be submitted to the Shareholders Meeting.</p> <p>The Company may, pursuant to a resolution to be adopted by the Board of Directors as required in Article 241 of the Company Act, distribute its legal reserve and the following capital reserve, in whole or in part, by cash; and in addition thereto a report of such distribution shall be submitted to the Shareholders Meeting.</p>	<p>Amended according to the September 13, 2022 Order of Ministry of Economic Affairs and Article 237, paragraph 1 of the Company Act.</p>
<p>Article 29</p>	<p>The Articles of Incorporation were established on November 28, 1988. The first amendment occurred on October 16, 1989. ....The 26th amendment occurred on June 10, 2021. The 27th amendment occurred on June 9, 2022.</p>	<p>The Articles of Incorporation were established on November 28, 1988. The first amendment occurred on October 16, 1989. ....The 26th amendment occurred on June 10, 2021. The 27th amendment occurred on June 9, 2022. <u>The 28th amendment occurred on June 7, 2023.</u></p>	<p>The No. and date of revision are added.</p>

Sigurd Microelectronics Corporation
List of Director Candidates

Number	Candidate Type	Shareholder Account No. or ID No.	Shareholder Name	Number of shares held	Main Education Qualification and Experience	Note
1	Director	412	Shin-Yang Huang	7,215,771	MBA, National Taiwan University Chairman and CEO of Sigurd Microelectronics Corporation Chairman or director of Sigurd Microelectronics Corporation	
2	Director	416	Tsan-Lien Yeh	3,409,633	EMBA, National Chiao Tung University General Manager and Chief Operating Officer of Sigurd Microelectronics Corporation Director or chairman of Sigurd Microelectronics Corporation	
3	Director	30442	Hsu-Tung Kuo	1,931,879	Bachelor of Electrical Engineering, National Cheng Kung University Vice Chief Operating Officer and General Manager of Business Group of Sigurd Microelectronics Corporation Director or chairman of Sigurd Microelectronics Corporation	
4	Director	414	Min-Hung Wu	3,063,938	Bachelor of Electronic and Computer Engineering, National Taiwan University of Science and Technology Chief Financial Officer and Executive Vice General Manager of Sigurd Microelectronics Corporation Director or chairman of Sigurd Microelectronics Corporation Director of Chen Chun Co., Ltd. Representative of the Corporate Director of Yann Yuan Investment Co., Ltd.	
5	Director	427	Jui-Jen Feng	1,244,841	EMBA, National Tsing Hua University Assistant General Manager, Sigurd Microelectronics Corporation	

Number	Candidate Type	Shareholder Account No. or ID No.	Shareholder Name	Number of shares held	Main Education Qualification and Experience	Note
6	Director	18	Ming-Chun Chiu	5,791,769	Middle School Diploma, Er Chong Junior High School Chairman of Chun Tang Construction Co., Ltd.	
7	Independent Director	J1020XXXXX	Wen-Bin Wu	0	MBA, National Taiwan University Convener of the Remuneration Committee and Audit Committee of Sigurd Microelectronics Corporation Chairman and General Manager of FineStar Technologies Inc. Independent Director and Convener of the Remuneration Committee of Good Will Instrument Co., Ltd.	Rationale for nomination of director who has served for three or more consecutive terms: Mr. Wen-Bin Wu has provided important advice and supervisory opinions on Board of Directors for many years. Considering that the Company still needs his experiences in professional area, we still nominate him as a candidate.
8	Independent Director	1093	Min-Kai Lin	35,000	MBA, National Taiwan University Member of Remuneration Committee and Audit Committee of Sigurd Microelectronics Corporation Independent Director of Winstek Semiconductor Co., Ltd.	
9	Independent Director	A1276XXXXX	Kwok-Wah Tsang	0	MBA, National Chiao Tung University Bachelor of Accounting, National Chengchi University Partner CPA of Sunwise CPA Firm 2nd Consultant of Taiwan Police College Alumni Association	
10	Independent Director	B2206XXXXX	Li-Hsing Lai	0	MBA, National Taiwan University Member of Department of Overall Planning for International Medical (Commerce, Finance, and Legal), Ministry of Health and Welfare	

Sigurd Microelectronics Corporation
List of Participation of Director Candidates in Competing Businesses

Candidate Type	Candidate Name	Name of Competing Business and Position Assumed	Main Businesses
Director	Shin-Yang Huang	1. Director of Sigurd International Co., Ltd.	Investing Company
		2. Representative of Sigurd International Co., Ltd., Corporate Director of Sigurd Microelectronics (Cayman) Co., Ltd.	Investing Company
		3. Director of Sigurd Micro Electronics (Wuxi) Co., Ltd.	Manufacturing and sales of microelectronic products.
		4. Director of Burgurd Co., Ltd.	International Trade Company
		5. Representative and Chairman of SIGWIN Corporation, Corporate Director of Winstek Semiconductor Co., Ltd.	R & D and testing of integrated circuits IC
		6. Representative and Chairman of Winstek Semiconductor Co., Ltd., Corporate Director of Winstek Semiconductor Technology Co., Ltd.	Wafer bumping and packaging service of wafer.
		7. Representative and Chairman of Winstek Semiconductor Co., Ltd., Corporate Director of TST Co., Ltd.	Development, leasing and sales of industrial factory buildings
		8. Representative and Chairman of Sigurd Microelectronics Corporation, Corporate Director of UTC Holdings Corporation	Investing Company
		9. Representative and Chairman of UTC Holdings Corporation, Corporate Director of Sigurd UTC Corporation	Packaging and testing.
		10. Representative of Sigurd Microelectronics Corporation, Corporate Director of Ambersan Medical Technology Co., Ltd.	Manufacturing and sales of medical equipment.
		11. Representative and Chairman of Sigurd Microelectronics Corporation, Corporate Director of SIGWIN Corporation	Investing Company
Director	Tsan-Lien Yeh	1. Representative of Sigurd International Co., Ltd., Corporate Director of Sigurd Microelectronics (Cayman) Co., Ltd.	Investing Company
		2. Director of Bloomeria Limited	Packaging and testing.
		3. Representative of SIGWIN Corporation Director of Winstek Semiconductor Co., Ltd.	R & D and testing of integrated circuits IC
		4. Representative of Sigurd Microelectronics Corporation, Corporate Director of UTC Holdings Corporation	Investing Company
		5. Representative of UTC Holdings Corporation, Corporate Director of Sigurd UTC Corporation	Packaging and testing.

Candidate Type	Candidate Name	Name of Competing Business and Position Assumed	Main Businesses
		6.Representative and Chairman of Sigurd Microelectronics Corporation, Corporate Director of Flatek, Inc.	Service provider electronic information.
		7.Representative of Sigurd Microelectronics Corporation, Corporate Director of SIGWIN Corporation	Investing Company
		8.Representative of Sigurd Microelectronics Corporation, Corporate Director of Ambersan Medical Technology Co., Ltd.	Manufacturing and sales of medical equipment.
		9. OPS Electronic Limited	Investing Company
		10. Director of Valuenet International Limited	Electronic Information Supply Service
Director	Hsu-Tung Kuo	1.Representative of Sigurd International Co., Ltd., Corporate Director of Sigurd Microelectronics (Cayman) Co., Ltd.	Investing Company
		2.Director of Sigurd Micro Electronics (Wuxi) Co., Ltd.	Manufacturing and sales of microelectronic products.
		3.Representative of SIGWIN Corporation Director of Winstek Semiconductor Co., Ltd.	R&D and testing of IC
		4.Chairman of SIRIZE Technology (Suzhou)Corp.	R&D of semiconductor testing software, and advanced packaging and testing services
		5.Representative of Sigurd Microelectronics Corporation, Corporate Director of Flatek, Inc.	Service provider electronic information.
		6.Representative of UTC Holdings Corporation, Corporate Director of Sigurd UTC Corporation	Packaging and testing.
Director	Min-Hung Wu	1.Representative of Sigurd International Co., Ltd., Corporate Director of Sigurd Microelectronics (Cayman) Co., Ltd.	Investing Company
		2.Director of Sigurd Micro Electronics (Wuxi) Co., Ltd.	Manufacturing and sales of microelectronic products.
		3.Director of Flusol Co., Ltd.	Investing Company
		4.Director of Chen Chun Co., Ltd.	Investing Company
		5.Representative of Sigurd Microelectronics Corporation, Corporate Director of Yann Yuan Investment Co., Ltd.	Investing Company
		6.Representative and Chairman of Sigurd Microelectronics Corporation, Corporate Director of TEST-SERV Inc.	Packaging and testing.
		7.Director of Bloomeria Limited	Investing Company
		8.Representative of SIGWIN Corporation Director of Winstek Semiconductor Co., Ltd.	R & D and testing of integrated circuits IC

Candidate Type	Candidate Name	Name of Competing Business and Position Assumed	Main Businesses
		9.Representative of Winstek Semiconductor Co., Ltd., Corporate Director of Winstek Semiconductor Technology Co., Ltd.	Wafer bumping and packaging service of wafer.
		10.Representative of Winstek Semiconductor Co., Ltd., Corporate Director of TST Co., Ltd.	Development, leasing and sales of industrial factory buildings
		11.Director of SIRIZE Technology (Suzhou) Corp.	R&D of semiconductor testing software, and advanced packaging and testing services
		12.Representative of UTC Holdings Corporation, Corporate Director of Sigurd UTC Corporation	Packaging and testing.
		13.Representative of Flatek, Inc., Corporate Director of TPFUSION, INC.	Service provider electronic information.
		14.Representative of Sigurd Microelectronics Corporation, Corporate Director of SIGWIN Corporation	Investing Company
Director	Ming-Chun Chiu	Chairman of Chun Tang Construction Co., Ltd.	Construction company
Director	Jui-Jen Feng	Director of ESH Technology Co., Ltd.	Wholesale and retail of electronic materials.
Independent Director	Wen-Bin Wu	1.Chairman of FineStar Technologies Inc.	Manufacturer, importer and exporter and sales of electronic products
		2.Independent Director of Good Will Instrument Co., Ltd.	Manufacturer, importer and exporter and sales of electronic testing equipment
Independent Director	Min-Kai Lin	Independent Director of Winstek Semiconductor Co., Ltd.	R&D and testing of IC
Independent Director	Kwok-Wah Tsang	Independent director of Gallant Precision Machining Co., Ltd.	Design, manufacture, and sales of automated optical inspection equipment.

*A candidate of the company's independent director, waiting for the result of election at the Shareholders' Meeting on June 19, 2023.