

2023 Sensitivity Analyses for Major Risks

International Conflict and Impact on Supply Chain

Note: Owing to Head Quarter and main production sites are located in Taiwan and China, the cross-strait geopolitical instability may cause impact on aspects of production, supply chain, logistic, and financing activities.

US\$M	Est. annual revenue A	Impact on production, supply chain, financing activities B	Revenue impact C = A*B
Scenario A: Optimistic	2430	2.5%	61
Scenario B: Base case	2430	5.0%	122
Scenario C: Worst case	2430	7.5%	182

Raw Material Supply and Price Adjustment

Note: Although raw material shortage has been eased, but unit price may still increase due to inflation. Around 60% of cost increase may likely pass through to selling price, so net impact on profit estimate to be 40%

US\$M	HQ buying AMT	Cost Increase%	Net Profit Impact
Scenario A: Optimistic	1020	1%	4
Scenario B: Base case	1020	2%	8
Scenario C: Worst case	1020	3%	12

Suspension of Single Production Hub

Note: Owing to force majeure events such as disaster, electricity shortage, and issues like non-compliance of local regulation, it may lead to suspension of either Taiwan or Kunshan's production hubs. This may largely delay or reduce revenues, and may lead to extra cost/expenses.

US\$M	Suspension Period	Inventory Shipment Feasible	Revenue Delayed %	Revenue Delayed	Profit Impact
Scenario A: Optimistic	1 week	Y	3%	5	0
Scenario A: Optimistic	1 week	N	13%	25	2
Scenario B: Base case	1 month	Y	28%	56	10
Scenario B: Base case	1 month	N	50%	100	17
Scenario C: Worst case	2 months	Y	32%	126	26
Scenario C: Worst case	2 months	N	50%	200	34

Global Inflation and Market Demand Decline

Note: Due to global economic downturn and China domestic demand sluggish, it may impact on revenue of main regions for year 2023

US\$M	Order decline %	Revenue Impact
Scenario A: Optimistic	3%	73
Scenario B: Base case	5%	122
Scenario C: Worst case	8%	194

Cyber Security/Hacker Invasion

Note: Large-scale hacking incidents, resulting in network interruption, email and major application system failure may cause employee productivity losses. Other losses such as data encryption or leakage losses, goodwill losses, etc. are not included in the calculation due to diverse impact case by case.

US\$M	# of Days Shut down	Productivity Loss
Scenario A: Optimistic	1	1.3
Scenario B: Base case	5	6.5
Scenario C: Worst case	10	13