

Stock Code:3033



威健實業股份有限公司
Weikeng Industrial Co., Ltd.

**2020 Annual General Meeting
Meeting Handbook**

Notice to readers

This English-version meeting handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Date and Time of the Meeting : June 17, 2020 at 9:00 a.m. (Wednesday)

Location of the Meeting : Chin-Chin Garden Restaurant (No.32, Ln. 266, Sec. 2, Zhishan Rd., Shilin Dist., Taipei City 111, Taiwan)

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Weikeng Industrial Co., Ltd.
2020 Annual General Meeting
Meeting Procedures

- I. Announcement of the Commencement of the Meeting(Report of the number of shares represented by shareholders present at the meeting)**
- II. Chairman's Remarks**
- III. Reporting Matters**
- IV. Recognition Matters**
- V. Discussion Matters**
- VI. Ad Hoc Motions**
- VII. Meeting Adjourned**

Weikeng Industrial Co., Ltd.

2020 Annual General Meeting

Meeting Agenda

Date and Time of the Meeting : June 17, 2020 at 9:00 a.m. (Wednesday)

**Location of the Meeting : Chin-Chin Garden Restaurant (No.32, Ln. 266, Sec.2,
Zhishan Rd., Shilin Dist., Taipei City 111, Taiwan)**

I. Announcement of the Commencement of the Meeting(Report of the number of shares represented by shareholders present at the meeting)

II. Chairman’s Remarks

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Reporting Matters

1. 2019 Business Report & Report to Shareholders

Explanation: Please refer to the Attachment I for the Company's 2019 Business Report (Report to Shareholders).

2. 2019 Financial Results as reviewed by Audit Committee

Explanation:

- (1) Please refer to the Attachment II for the Review Report of the Audit Committee on the Business Report, the Financial Statements audited by independent auditors, Lo, Jui-Lan and Au, Yiu-Kwan of KPMG Taiwan, and Earnings Distribution Plan for 2019.
- (2) Report on the communication between members of the Audit Committee and the head of internal audit: After checking the 2019 audit report, there were no major internal control deficiencies and abnormal matters.

3. Report on the Company's endorsement and guarantee amount

Explanation:

- (1) As of the end of the year 2019, the Company's endorsements and guarantees amount for its subsidiary, Weikeng International Co., Ltd., was US\$212.8 million and NT\$613 million, both of which were subject to the Procedures for Endorsements and Guarantees.
- (2) As of the end of the year 2019, the Company's endorsements and guarantees amount for its subsidiary, Weikeng Technology Pte. Ltd., was US\$23 million, which was subject to the Procedures for Endorsements and Guarantees.
- (3) As of the end of the year 2019, the Company's endorsements and guarantees amount for its subsidiary, Weikeng International (Shanghai) Co., Ltd., were US\$46.8 million and RMB 30 million, both of which were subject to the Procedures for Endorsements and Guarantees.
- (4) The operational strategy of Weikeng Group is to continuously expand, integrate, and strengthen the combined sales capabilities of its subsidiaries' product lines. As the sales performance of each subsidiary grows, the demand for working capital is not only considered to raise funds from the capital market, but also requires injection from bank loans. Therefore, the total amount of endorsements and guarantees for each subsidiary company are necessary and reasonable.

4. Report on the Company's the implementation of the fourth domestic unsecured convertible corporate bond

Explanation: The fourth domestic unsecured convertible corporate bonds issued by the Company because its outstanding balance is less than 10% of the original total issued amount. The Company is in accordance with Article 18, paragraph 2 of the convertible bond issuance and conversion method, exercise the right of early redemption, set July 29, 2019 as the base date for calling, and terminate the over-the-counter trading transaction of this convertible bond on July 30, 2019.

5. Report on the Distribution of Employees' Compensation and Remuneration to Directors for 2019

Explanation: In accordance with Article 22 of the Articles of Association of the Company, the Company appropriated the employees' compensation and remuneration of directors. The employee's compensation was NT\$29,689,600 and the directors' remuneration was NT\$7,422,400. The above compensation and remuneration had been resolved by the Board of Directors on March 27, 2020 with no less than two-thirds of directors present, and approved by more than half of directors attending the meeting. Both will be paid in cash after this Annual General Meeting and there will be no difference from the expense appropriated in the financial statements of 2019.

6. Report on the Cash Dividends of the 2019 Earnings Distribution Plan

Explanation:

- (1) The Company's 2019 earning distribution (please refer to the Attachment IV), will be fully distributed by cash dividends totaling by NT\$212,452,389, has been resolved by the Audit Committee and Board of Directors with no less than two-thirds of directors present, and approved by more than half of directors attending the meeting on March 27, 2020. Board of Directors authorized the Chairman to set the ex-dividend date, the date of distribution, and other related matters, which information will be announced to shareholders thereafter.
- (2) As of the shares book closure date for the 2020 Annual General Meeting, the total issued and outstanding ordinary shares are 367,751,242 shares and the proposed declared cash dividend is NT\$0.5777067 per share. The cash dividends on the issued and outstanding ordinary shares are distributed pro

rata and are rounded down to the nearest whole number. The fractional balance of dividends less than NT\$ 1 will be summed up and recognized as other income of the Company's employee welfare committee.

- (3) Where the total number of issued and outstanding shares of the Company subsequently changes due to purchase of treasury shares, or the conversion, transfer and cancellation of treasury shares, or exercise of employee stock options, or other plans approved by the competent authority for changes in ordinary shares, the aforesaid cash dividends distributed to each ordinary share may be adjusted pursuant to actual number of the issued and outstanding ordinary shares on the ex-dividend date, the Chairman of the Board of Directors of the Company is authorized to handle it in full authority according to the actual situation, and which information will be announced to shareholders thereafter.

7. Report on the Some Amendments to the Company's "Corporate Social Responsibility Best Practice Principles" and "Rules and Procedures of Board of Directors' Meeting"

Explanation: According to the amendments of relevant laws and regulations promulgated by the competent authority, the Company has revised some articles of the Company's "Corporate Social Responsibility Best Practice Principles" and "Rules and Procedures of Board of Directors' Meeting", which have been approved by the Board of Directors on March 27, 2020 and submitted to the 2020 Annual General Meeting for reporting. Please refer to the Attachment V~VI.

8. Report on the results of individual performance evaluations of directors and executive officers, as well as the relevance and rationality of the contents and amounts of individual remuneration and performance evaluation results.

Explanation:

- (1) The Company pays the remuneration of directors and supervisors, including the remuneration appropriated by the Article 22 of the Company's articles of association and business execution fees (only the attendance fee for attending the meeting). The remuneration is paid and followed by the Company's "Rules for Remuneration Management of Directors and Executive Managers" and "Rules for Board of Directors Performance Assessment".
- (2) The salary and remuneration of the Company's executive officers, in addition to the monthly salary approved in accordance with the Company's personnel management regulations and "Rules for Remuneration Management of

Directors and Executive Managers ", also has a total amount of employee remuneration provided in accordance with the Company's Articles of Association. The employee's remuneration amount must be reported to the shareholders' meeting, and then the management submits the employee's remuneration proposal to Remuneration Committee and Board of Directors for approval after evaluating the executive office's performance and referring to the following factors such as education, experience, skills, degree of decision-making responsibility & risk, and contribution to the company; the remuneration for 2018 had been paid in cash in 2019.

- (3) In accordance with the Articles of Association of the Company, the earning in the Company's annual final accounts if any shall first be offset against any deficit, then, 6% to 10% of net profit before tax (before deducting remuneration to employees and directors) will be distributed as employees' remuneration and a maximum of 2.5% will be allocated as the remuneration of directors and supervisors. Employees who are entitled to receive the above mentioned employees' remuneration, in share or cash. Actual distribution should be determined in the board of directors' meeting, with no less than two-thirds of directors present, and approved by more than half of directors attending the meeting and then report to the shareholders' meeting.
- (4) Please refer to the Company's 2019 annual report for the relevant information in the "Remuneration paid to Directors, President, and Vice President in the last Year".

III. Recognition Matters

Agenda 1. Recognition on the 2019 Business Report and the Financial Statements, including individual financial statements and consolidated financial statements. (Proposed by the Board of Directors)

Explanation:

1. The independent auditors, Lo, Jui-Lan and Au, Yiu-Kwan of KPMG Taiwan, have completed the auditing procedures of the Company's 2019 financial reports, including individual and consolidated statements, and submitted an audit report.
2. The Board of Directors of the Company had resolved to approve the 2019 financial reports and business report on March 27, 2020 and submitted those reports to the Audit Committee for verification and a written review report was prepared.
3. Please refer to Attachment III for the Independent Auditors' Report、Balance Sheets, Statements of Comprehensive Income, Statements of changes in Equity, and Statements

of Cash Flows.

4. Recognition is respectfully requested.

RESOLVED :

Agenda 2. Recognition on the 2019 Earnings Distribution Plan. (Proposed by the Board of Directors)

Explanation:

1. The Company proposed the Earnings Distribution Plan (please refer to the Attachment IV) pursuant to Articles of Association of the Company, that plan has been resolved by the Audit Committee and Board of Directors of the Company through discussion on March 27, 2020.
2. Recognition is respectfully requested.

RESOLVED :

IV. Discussion Matters

Agenda 1. Discussion on the Some Amendments to the Company's Articles of Association. (Proposed by the Board of Directors)

Explanation:

1. In order to comply with the amendments to the laws and the actual operational needs, some of the articles of the Company's Articles of Association will be amended.
2. The amended articles were resolved by the Audit Committee and Board of Directors on March 27, 2020, which amended articles will be implemented after the resolution of the 2020 Annual General Meeting. Please refer to the Attachment VII for the comparison table of some amendments to Articles of Association.
3. Approval is respectfully requested.

RESOLVED :

V. Ad Hoc Motions

VI. Meeting Adjourned

Attachments

Attachment I

Weikeng Industrial Co., Ltd

2019 Business Report & Letter to Shareholders

The operating areas of Weikeng Group are mainly in Greater China (Taiwan, Hong Kong, China) and Southeast Asia (Singapore, Philippines, Malaysia, Thailand, and Vietnam). In 2019, due to the disruption of the US-China trade disputes, the global economic growth momentum slowed down, and the Company adopted a destocking strategy. As a result, the Group's sales revenue and net profit before tax only reached about NT \$ 48.2 billion and 0.358 billion, respectively, and each decline by 8.99% and 59.7%. After the Lunar New Year in 2020, it is facing a major epidemic of COVID-19, and the market areas where the Group operates are deeply affected. The resumption production capacity of customers is also gradually adjusting according to the development of the epidemic situation. This uncontrollable epidemic factor disrupted the supply and demand market for semiconductor components, resulting in unsatisfactory operating performance in the first quarter of 2020.

The overall external economic environment in 2020 is intertwining with the shadow of the US-China trade disputes and the eruption of the COVID-19 epidemic. Therefore, 2020 is another challenging year. However, the companies affiliated to the Group will continue to play the role of connecting technology and creating value in the semiconductor industry chain by the spirit of meeting challenges and overcoming difficulties, and continue to strengthen the combination of franchises of product lines to meet changes in market demand. Weikeng Group has successfully won the franchises of product lines more than 60 semiconductor component brands, covering many semiconductor Integrated Device Manufacturers (IDMs) or IC design companies such as AMD, Amazing, Cypress, Dialog, Infineon, Lattice, Microchip, Microsemi, Molex, NXP, Sinopower, Vishay, Western Digital (HGST/ SanDisk). However, the Company continues to find and develop new products and applications in the semiconductor market, look for new cooperation opportunities of franchises, and create new customer demand. At present, in the application fields of industrial electronics, automotive electronics, mobile communications, consumer electronics, computer peripherals, and AI/5G, Weikeng Group's regional companies are capable of providing customers with competitive parts, technical support services, and efficient management services of supply chain to achieve a win-win-win value through the Group's intermediary technology connection between upstream vendors and downstream customers.

1、The annual business report for 2019

(1) Business plan implementation results

items	Amount(in Thousands of NT\$)	YoY %
Net Sales Revenue	48,224,086	(8.99)
Gross Profit	2,775,288	(18.38)
Net Operating Income	752,757	(40.65)
Profit before Tax	358,056	(59.70)
Net Profit	260,394	(58.27)

(2) Budget Execution in 2019

In the implementation of the operating budget of the Group in 2019, the exchange rate fluctuated hugely due to the disruption of the US-China trade disputes, and the Company adopted a destocking strategy; although the business revenue was still in line with the expected goals, however, the achievement of profitability has fallen short of expectations.

(3) Financial Income, Costs and Profitability Analysis

	items	%
Financial Structure	Debt Ratio	75.8
	long-term capital to fixed assets ratio	4,205.8
Solvency	Current Ratio	131.9
	Quick Ratio	70.5
Profitability	Return on Assets	2.5
	Return on Equity	4.5
	Net Profit Margin	0.5
	Basic EPS(in NT\$)	0.7

(4) Research Development Status

The Company has successfully won the franchises of product lines of well-known domestic and foreign semiconductor manufacturers, and has succeeded in maintaining or amplifying the continuation of the franchises after the integration of the upstream vendors under the plan and active effort of the "Business Development Division". The "FAE / AE Division" continues to establish a solid foothold in 3C electronic product applications. It also actively provides technical support of the relevant IC products to vendors and customers in emerging applications in order to expand the new business scopes of the Company, assist customers in saving product research development expenses and shortening time to market, enhance service levels, and strengthen the cooperation with the vendors and customers. In addition, the Solution Division" which is officially moving into the research development and design field and is responsible for the total reference solution of the products.

At this stage, the product solutions developed by the companies in the Group are mainly used in consumer electronics, industrial control, automotive (including electric vehicles, electric scooters) electronics and power control products. At the same time, Weikeng Group has invested various resources in the application development of related product solutions, such as servers/ data centers, artificial intelligence / internet of things (AIoT), 5G, smart meter, and Bluetooth headsets, to facilitate the reference solutions for customers' products in time, which solutions are now available to customers.

2、Annual Business Plan in 2020

(1) Operating Principles

- i. To provide customers with competitive parts and technical support services, and create a triple win by the Weikeng Group's intermediaries to bridge the technology of upstream vendors and downstream customers.
- ii. Focus on operational performance and efficiency, emphasize operational risk and financial risk management, and improve the ratio of equity capital in a timely manner.
- iii. In addition, to stabilize the existing the franchises and timely grasp the pulse of technology trends to strengthen the product combination based on portfolio and diversify product risks.
- iv. US-China trade and tariff disputes still exist; the Company and its affiliates will carefully assess the impact of the regional economies of the Group and formulate its feasible response strategies.
- v. With the spread of the COVID-19 epidemic, timely evaluate the impact and take

corresponding measures to reduce operational risks.

(2) Production and Sales Policy

i. Master new technology trends and develop business cooperation opportunities

The rapid development of electronic technology often drives the explosion of semiconductor demand, such as artificial intelligence (AI) and 5th generation mobile communications (5G) technical support needs. The Company and its affiliates will fully cooperate with the upstream vendors and downstream customers, actively grasping the product solutions in the relevant application demand areas, so that the business opportunities of Weikeng Group can stand out in time.

ii. Balance the risk and profitability of the operating scale

The operating scale of each company in the Group is increasing gradually. The sales mix of franchises must emphasize the cost-effectiveness and risk of working capital. Therefore, the operating management strategy must balance the management of operational risk and financial risk to facilitate the standardization of business and financing activities. In addition, the Group has to control the inventory purchase timing, inventory level management, and customer credit management, especially in the face of the risk of exchange rate fluctuations, and to avoid the exchange rate changes eroding the gross profit and management profit as much as possible to ensure that the Group achieves its profits.

iii. Timely increase the injection of equity capital

Based on operational needs, financial institutions are currently the main source of working capital, but the Group's financial leverage still requires a balance of its equity capital to build a better financial structure. Therefore, the Company and its affiliates within the Group will evaluate the balance between the financing activities and capital structure at any time, and raise its equity capital in a timely manner to take the balance between direct and indirect financing into consideration.

(3) Expected sales volume and its basis in 2020

The Company classifies the franchising products into chipsets/special application standard ICs, mixed signals and discrete components according to product characteristics. Although the external operating environment in 2020 will still be double-struck by the US-China trade disputes and the COVID-19 epidemic, the Company refers to the sales forecasts of semiconductor industry estimated by the relevant organizations, the expected target of the vendors, and the internal business plan of the Company. The Company's management team will continue to fight, work hard and look forward to have growth opportunities in operating performance for 2020 in spite of the unfavorable macroeconomic environment.

The Company's management team and all colleagues hereby give thanks to all shareholders for your support and encouragement. We also look forward to all of your continuing greatest support and advice to Weikeng. Wishing all shareholders a good health and all the best!

Weikeng Industrial Co., Ltd.
Chairman & President : HU,CHIU-CHIAN

Attachment II

Weikeng Industrial Co., Ltd. 2019 Review Report of Audit Committee

The Board of Directors has prepared this Company's 2019 financial statements (including individual financial statements and consolidated financial statements), business report, and the earnings distribution plan; with respect to the financial statements have been audited by independent auditors, Lo, Jui-Lan and Au, Yiu-Kwan of KPMG Taiwan, who have submitted an audit report. The above statements and reports have been reviewed by the Audit Committee and no irregularities were found. We hereby report as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Kindly approve.

To: Weikeng Industrial Co., Ltd., 2020 Annual General Meeting

Convener of Audit Committee : Tsai, Yu-Ping

Date: March 27, 2020

Attachment III



Independent Auditors' Report

To the Board of Directors of Weikeng Industrial Co., Ltd.:

Opinion

We have audited the financial statements of Weikeng Industrial Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2019 and 2018, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, 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 audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2018 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the auditors' report as follows:

1. Recognition of Operating Revenue

Please refer to note (4)(m) "Revenue recognition" for accounting policies with respect to recognizing revenue, and to note (6)(s) "Revenue from contracts with customers" for explanatory notes about revenue.

Description of key audit matters:

Weikeng Industrial Co., Ltd. is a listed company. The Company is a distributor for the sale of electronic components and computer peripheral equipment. Operating revenue is one of the significant items in the financial statements, and the amounts and changes of operating revenue may affect the users' understanding of the entire financial statements. Therefore, the testing over revenue recognition is considered a key matter in our audit.



How the matter was addressed in our audit:

Our main audit procedures for the aforementioned key audit matters include testing the Company's controls surrounding revenue recognition in the order-to-cash transaction cycle, including reconciliations between the general ledger and sales system; performing the detailed test of relevant vouchers, as well as assessing whether the Company's timing on revenue recognition and the amounts recognized are in accordance with related standards.

2. Valuation of Inventories

Please refer to note (4)(g) "Inventories" for accounting policies with respect to valuating inventories, to note (5) "Valuation of inventories" for accounting estimates and uncertainties of affairs for inventory valuation; and to note (6)(f) "Inventories" for explanatory notes about inventories and related expenses.

Description of key audit matters:

The Company is a distributor for the sale of electronic components and computer peripheral equipment. Due to the horizontal competition in the industry and constant advancement of related technologies, the price of end electronic products are volatile, and thus, affects the price of electronic components and computer peripheral equipment. Therefore, the testing over the valuation of inventories is considered a key matter in our audit.

How the matter was addressed in our audit:

Our main audit procedures for the aforementioned key audit matters include testing the related control over the cost operating cycle; evaluating whether the policies for setting aside allowance for inventory valuation and obsolescence losses are in accordance with the Company's policies and related standards; and executing the implementation of sampling procedures to check the correctness of stock age. In addition, we also examined the inventory aging reports, understood the subsequent sales status of slow-moving inventories; and evaluated the adopted basis of net realizable value to verify the rationality of the management's estimates on the allowance for inventory valuation.

3. The share of profit (loss) of subsidiaries and investments accounted for using equity method

Please refer to note (4)(h) "Investments of subsidiaries" for the accounting policies; note (6)(g) "Investments accounted for using equity method" for explanatory notes about the investments under equity method.

Description of key audit matters:

The subsidiaries, which are recognized under equity method, are distributors for the sale of electronic components and computer peripheral equipment with holding material assets, such as accounts receivable and inventories. Therefore, the share of profit of subsidiaries and investments accounted for using equity method which is one of the material items in the financial statements is considered a key matter in our audit.

How the matter was addressed in our audit:

Our main audit procedures for the aforementioned key audit matters include understanding the related control over investments accounted for using equity method; testing the changes of the investment under equity method within the year, including the recognition of investments gains (losses) and the share of comprehensive income; as well as assessing whether the Company's recognition of investments are in accordance with the related standards.



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

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

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

Those charged with governance (including Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investments in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Jui-Lan Lo and Yiu-Kwan Au.

KPMG

Taipei, Taiwan (Republic of China)
March 27, 2020

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese)
WEIKENG INDUSTRIAL CO., LTD.

Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2019		December 31, 2018				December 31, 2019		December 31, 2018	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note (6)(a))	\$ 1,355,639	9	877,050	5	2100	Short-term borrowings (note (6)(j))	\$ 4,745,669	33	5,884,556	35
1110	Financial assets at fair value through profit or loss -current (note (6)(b))	522	-	1,120	-	2120	Financial liabilities at fair value through profit or loss - current (notes (6)(b))	4,040	-	-	-
1170	Notes and accounts receivable, net (note (6)(d) and note (7))	3,754,444	27	4,497,124	27	2170	Notes and accounts payable (note (7))	1,924,968	14	3,160,941	19
1200	Other receivables (note (6)(e) and note (7))	1,295,970	9	1,254,178	7	2200	Other payables (note (6)(k) and note (7))	1,171,482	8	1,233,568	7
1300	Inventories, net (note (6)(f))	3,587,993	25	6,216,107	37	2230	Current tax liabilities	58,018	1	134,658	1
1470	Prepaid expenses and other current assets	170,177	1	187,472	1	2130	Contract liabilities -current(note (6)(s))	20,173	-	67,943	-
		<u>10,164,745</u>	<u>71</u>	<u>13,033,051</u>	<u>77</u>	2280	Current lease liabilities(note (6)(m))	50,818	-	-	-
						2300	Other current liabilities	187,575	1	120,698	1
Non-current assets:						2320	Bonds payable, current portion(note (6)(l))	-	-	32,392	-
1550	Investments accounted for using equity method (note (6)(g))	3,686,602	26	3,541,047	21			<u>8,162,743</u>	<u>57</u>	<u>10,634,756</u>	<u>63</u>
1517	Financial assets at fair value through other comprehensive income -noncurrent (note (6)(c))	45,162	-	63,258	-	Non-current liabilities:					
1600	Property, plant and equipment(note (6)(h))	100,785	1	104,327	1	2570	Deferred tax liabilities (note (6)(p))	331,807	2	334,526	2
1780	Intangible assets	574	-	1,062	-	2580	Non-current lease liabilities (note (6)(m))	79,927	1	-	-
1755	Right-of-use assets(note (6)(i))	130,186	1	-	-	2640	Non-current net defined benefit liabilities (note (6)(o))	129,007	1	131,550	1
1840	Deferred tax assets(note (6)(p))	214,782	1	151,139	1	2670	Other non-current liabilities	217	-	250	-
1900	Other non-current assets	25,790	-	25,790	-			<u>540,958</u>	<u>4</u>	<u>466,326</u>	<u>3</u>
		<u>4,203,881</u>	<u>29</u>	<u>3,886,623</u>	<u>23</u>			<u>8,703,701</u>	<u>61</u>	<u>11,101,082</u>	<u>66</u>
						Total liabilities					
						Equity (Note (6)(q)):					
						3100	Ordinary share	3,677,513	26	3,448,980	20
						3200	Capital surplus	884,335	6	872,702	5
						3310	Legal reserve	864,760	6	802,354	5
						3320	Special reserve	138,615	1	143,162	1
						3350	Unappropriated retained earnings	329,162	2	690,010	4
							Other equity interest:				
						3410	Exchange differences on translation of foreign financial statements	(144,308)	(1)	(71,385)	(1)
						3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	(85,152)	(1)	(67,231)	(1)
								<u>(229,460)</u>	<u>(2)</u>	<u>(138,616)</u>	<u>(1)</u>
								<u>5,664,925</u>	<u>39</u>	<u>5,818,592</u>	<u>34</u>
						Total equity					
						Total liabilities and equity					
								<u>\$ 14,368,626</u>	<u>100</u>	<u>16,919,674</u>	<u>100</u>

(English Translation of Financial Statements Originally Issued in Chinese)
WEIKENG INDUSTRIAL CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

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

		<u>2019</u>		<u>2018</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100	Net sales revenue (notes (6)(s) and note (7))	\$ 22,377,731	100	27,667,169	100
5000	Cost of sales (note (6)(f) and note (7))	21,320,941	95	26,304,773	95
	Gross profit	<u>1,056,790</u>	<u>5</u>	<u>1,362,396</u>	<u>5</u>
	Operating expenses (notes (6)(n), (6)(o), note (7) and (12)):				
6100	Selling expenses	597,662	3	621,496	2
6200	Administrative expenses	246,930	1	295,867	1
6450	Expected credit losses (gains) (note (6)(d))	(13,876)	-	9,826	-
		<u>830,716</u>	<u>4</u>	<u>927,189</u>	<u>3</u>
	Net operating income	<u>226,074</u>	<u>1</u>	<u>435,207</u>	<u>2</u>
	Non-operating income and expenses:				
7010	Other income (notes (6)(n) and note (7))	263,447	1	251,757	1
7230	Foreign currency exchange gains (losses), net (note (6)(u))	41,627	-	17,124	-
7235	Gains (losses) on financial assets (liabilities) at fair value through profit or loss	(8,187)	-	22,645	-
7375	Share of profit of associates accounted for using equity method (note (6)(g))	4,876	-	281,645	1
7050	Financial costs (note (6)(m) and note (7))	(193,831)	(1)	(183,205)	(1)
		<u>107,932</u>	<u>-</u>	<u>389,966</u>	<u>1</u>
7900	Profit before tax	334,006	1	825,173	3
7950	Less: Income tax expenses (note (6)(p))	73,612	-	201,119	1
	Profit (loss)	<u>260,394</u>	<u>1</u>	<u>624,054</u>	<u>2</u>
	Other comprehensive income:				
	Items that will not be reclassified to profit or loss				
8310					
8311	Gains (losses) on remeasurements of defined benefit plans (note (6)(o))	(2,168)	-	(1,939)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(17,921)	-	3,031	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(p))	(434)	-	(754)	-
		<u>(19,655)</u>	<u>-</u>	<u>1,846</u>	<u>-</u>
8360	Items that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(91,154)	-	77,263	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(p))	(18,231)	-	10,458	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(72,923)</u>	<u>-</u>	<u>66,805</u>	<u>-</u>
8300	Other comprehensive income	<u>(92,578)</u>	<u>-</u>	<u>68,651</u>	<u>-</u>
8500	Comprehensive income	<u>\$ 167,816</u>	<u>1</u>	<u>692,705</u>	<u>2</u>
	Earnings per share: (note (6)(r))				
9750	Basic earnings per share	<u>\$ 0.71</u>		<u>1.83</u>	
9850	Diluted earnings per share	<u>\$ 0.70</u>		<u>1.78</u>	

(English Translation of Financial Statements Originally Issued in Chinese)
WEIKENG INDUSTRIAL CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity interest		Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	
Balance at January 1, 2018	\$ 3,230,094	929,151	739,228	-	706,026	(138,190)	(70,262)	5,396,047
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	63,126	-	(63,126)	-	-	-
Special reserve appropriated	-	-	-	143,162	(143,162)	-	-	-
Cash dividends	-	-	-	-	(432,597)	-	-	(432,597)
	-	-	63,126	143,162	(638,885)	-	-	(432,597)
Net income for the year ended December 31, 2018	-	-	-	-	624,054	-	-	624,054
Other comprehensive income for the year ended December 31, 2018	-	-	-	-	(1,185)	66,805	3,031	68,651
Total comprehensive income for the year ended December 31, 2018	-	-	-	-	622,869	66,805	3,031	692,705
Stock dividends from capital surplus	120,000	(120,000)	-	-	-	-	-	-
Conversion of convertible bonds	98,886	63,551	-	-	-	-	-	162,437
Balance at December 31, 2018	3,448,980	872,702	802,354	143,162	690,010	(71,385)	(67,231)	5,818,592
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	62,406	-	(62,406)	-	-	-
Special reserve reversed	-	-	-	(4,547)	4,547	-	-	-
Cash dividends	-	-	-	-	(354,165)	-	-	(354,165)
Stock dividends	207,484	-	-	-	(207,484)	-	-	-
	207,484	-	62,406	(4,547)	(619,508)	-	-	(354,165)
Net income for the year ended December 31, 2019	-	-	-	-	260,394	-	-	260,394
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	(1,734)	(72,923)	(17,921)	(92,578)
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	258,660	(72,923)	(17,921)	167,816
Conversion of convertible bonds	21,049	11,633	-	-	-	-	-	32,682
Balance at December 31, 2019	\$ 3,677,513	884,335	864,760	138,615	329,162	(144,308)	(85,152)	5,664,925

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
WEIKENG INDUSTRIAL CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from (used in) operating activities:		
Profit before tax	\$ 334,006	825,173
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	59,528	6,170
Amortization expense	2,988	3,059
Expected credit losses (gains)	(13,876)	9,826
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	8,187	(22,645)
Interest expense	193,831	183,205
Interest income	(3,763)	(2,979)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	(4,876)	(281,645)
Others	-	(95)
	242,019	(105,104)
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss	(3,549)	17,155
Decrease (increase) in notes and accounts receivable	756,556	(301,810)
Decrease (increase) in other receivable	(41,792)	(917,671)
Decrease (increase) in inventories	2,628,114	(1,648,761)
Decrease (increase) in prepaid expenses and other current assets	17,295	(21,455)
	3,356,624	(2,872,542)
Increase (decrease) in accounts payable	(1,235,973)	582,196
Increase (decrease) in other payable	(46,556)	793,466
Increase (decrease) in contract liabilities and other current liabilities	19,107	(30,629)
Increase (decrease) in net defined benefit liability – noncurrent	(4,711)	(14,722)
	(1,268,133)	1,330,311
Total changes in operating assets and liabilities	2,088,491	(1,542,231)
Total adjustments	2,330,510	(1,647,335)
Cash flow from (used in) operations	2,664,516	(822,162)
Interest received	3,763	2,979
Interest paid	(208,895)	(170,871)
Income taxes paid	(197,949)	(81,606)
Net cash flows from (used in) operating activities	2,261,435	(1,071,660)
Cash flows from (used in) investing activities:		
Acquisition of investment accounted for using equity method	(231,833)	-
Acquisition of property, plant and equipment	(2,730)	(3,585)
Increase in refundable deposits	-	1,960
Acquisition of intangible assets	(2,500)	(3,536)
Others	175	422
Net cash flows from (used in) investing activities	(236,888)	(4,739)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(1,138,887)	1,213,989
Increase (decrease) in guarantee deposits received	(33)	-
Payment of lease liabilities	(52,873)	-
Cash dividends paid	(354,165)	(432,597)
Net cash flows from (used in) financing activities	(1,545,958)	781,392
Net increase (decrease) in cash and cash equivalents	478,589	(295,007)
Cash and cash equivalents at beginning of period	877,050	1,172,057
Cash and cash equivalents at end of period	\$ 1,355,639	877,050



Independent Auditors' Report

To the Board of Directors of Weikeng Industrial Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Weikeng Industrial Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the Consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2018 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the auditors' report as follows:

1. Recognition of Operating Revenue

Please refer to note (4)(m) "Revenue recognition" for accounting policies with respect to recognizing revenue, and to note (6)(r) "Revenue from contracts with customers" for explanatory notes about revenue.



Description of key audit matters:

Weikeng Industrial Co., Ltd. is a listed company. The Group is a distributor for the sale of electronic components and computer peripheral equipment. Operating revenue is one of the significant items in the consolidated financial statements, and the amounts and changes of operating revenue may affect the users' understanding of the entire financial statements. Therefore, the testing over revenue recognition is considered a key matter in our audit.

How the matter was addressed in our audit:

Our main audit procedures for the aforementioned key audit matters include testing the Group's controls surrounding revenue recognition in the order-to-cash transaction cycle, including reconciliations between the general ledger and sales system; performing the detailed test of relevant vouchers, as well as assessing whether the Group's timing on revenue recognition and the amounts recognized are in accordance with the related standards.

2. Valuation of Inventories

Please refer to note (4)(h) "Inventories" for accounting policies with respect to valuating inventories; note (5) "Valuation of inventories" for accounting estimates and uncertainties of affairs for inventory valuation, and to note (6)(f) "Inventories" for explanatory notes about inventories and related expenses.

Description of key audit matters:

The Group is a distributor for the sale of electronic components and computer peripheral equipment. Due to the horizontal competition in the industry and constant advancement of related technologies, the price of end electronic products are volatile, and thus, affects the price of electronic components and computer peripheral equipment. Therefore, the testing over the valuation of inventories is considered a key matter in our audit.

How the matter was addressed in our audit:

Our main audit procedures for the aforementioned key audit matters include testing the related control over the cost operating cycle; evaluating whether the policies for setting aside allowance for inventory valuation and obsolescence losses are in accordance with the Group's policies and related standards; and executing the implementation of sampling procedures to check the correctness of stock age. In addition, we also examined the inventory aging reports; understood the subsequent sales status of slow-moving inventories; and evaluated the adopted basis of net realizable value to verify the rationality of the management's estimates on the allowance for inventory valuation.

Other Matter

Weikeng Industrial Co., Ltd. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2019 and 2018, on which we have issued an unmodified opinion.

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

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



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

Those charged with governance (including Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on this consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



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

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

The engagement partners on the audit resulting in this independent auditors' report are Jui-Lan Lo and Yiu-Kwan Au.

KPMG

Taipei, Taiwan (Republic of China)
March 27, 2020

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2019		December 31, 2018			Liabilities and Equity	December 31, 2019		December 31, 2018	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (note (6)(a))	\$ 2,336,361	10	1,802,901	7	2100	Short-term borrowings (note (6)(i))	\$ 9,844,853	42	11,737,475	46
1110 Financial assets at fair value through profit or loss -current (note (6)(b))	522	-	1,120	-	2120	Financial liabilities at fair value through profit or loss - current (note (6)(b))	4,040	-	-	-
1170 Notes and accounts receivable, net (note (6)(d))	8,223,453	35	8,423,865	33	2170	Notes and accounts payable	5,316,218	23	5,632,824	22
1200 Other receivables (notes (6)(d), (6)(e) and (7))	1,243,839	6	1,216,802	5	2200	Other payables (notes (6)(j) and (7))	1,411,607	6	1,480,881	5
1300 Inventories, net (note (6)(f))	10,479,000	45	13,404,822	52	2230	Current tax liabilities	87,361	-	146,592	1
1470 Prepaid expenses and other current assets	276,752	1	296,978	1	2130	Contract liabilities -current (note (6)(r))	91,026	-	151,723	1
	<u>22,559,927</u>	<u>97</u>	<u>25,146,488</u>	<u>98</u>	2280	Current lease liabilities (note (6)(l))	127,571	1	-	-
					2300	Other current liabilities	221,797	1	137,579	-
Non-current assets:					2320	Bonds payable, current portion (note (6)(k))	-	-	32,392	-
1517 Financial assets at fair value through other comprehensive income -noncurrent (note (6)(c))	45,162	-	63,258	-			<u>17,104,473</u>	<u>73</u>	<u>19,319,466</u>	<u>75</u>
1600 Property, plant and equipment (note (6)(g))	149,291	1	156,815	1		Non-current liabilities:				
1780 Intangible assets	57,519	-	9,369	-	2570	Deferred tax liabilities (note (6)(o))	332,613	1	335,351	2
1755 Right-of-use assets (note (6)(h))	279,613	1	-	-	2580	Non-current lease liabilities(note (6)(l))	152,221	1	-	-
1840 Deferred tax assets (note (6)(o))	216,156	1	152,308	1	2640	Non-current net defined benefit liabilities (note (6)(n))	129,007	1	131,550	-
1900 Other non-current assets	75,782	-	76,963	-	2670	Other non-current liabilities	211	-	242	-
	<u>823,523</u>	<u>3</u>	<u>458,713</u>	<u>2</u>			<u>614,052</u>	<u>3</u>	<u>467,143</u>	<u>2</u>
							<u>17,718,525</u>	<u>76</u>	<u>19,786,609</u>	<u>77</u>
						Total liabilities				
						Equity (note (6)(p)):				
					3100	Ordinary share	3,677,513	16	3,448,980	13
					3200	Capital surplus	884,335	4	872,702	3
					3310	Legal reserve	864,760	3	802,354	3
					3320	Special reserve	138,615	1	143,162	1
					3350	Unappropriated retained earnings	329,162	1	690,010	3
						Other equity interest:				
					3410	Exchange differences on translation of foreign financial statements	(144,308)	(1)	(71,385)	-
					3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	(85,152)	-	(67,231)	-
							<u>(229,460)</u>	<u>(1)</u>	<u>(138,616)</u>	<u>-</u>
						Total equity	<u>5,664,925</u>	<u>24</u>	<u>5,818,592</u>	<u>23</u>
Total assets	<u>\$ 23,383,450</u>	<u>100</u>	<u>25,605,201</u>	<u>100</u>		Total liabilities and equity	<u>\$ 23,383,450</u>	<u>100</u>	<u>25,605,201</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

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

		2019		2018	
		Amount	%	Amount	%
4100	Net sales revenue (note (6)(r) and note (7))	\$ 48,224,086	100	52,987,131	100
5000	Cost of sales (note (6)(f))	45,448,798	94	49,587,046	94
	Gross profit	<u>2,775,288</u>	<u>6</u>	<u>3,400,085</u>	<u>6</u>
	Operating expenses (notes (6)(m), (6)(n), note (7) and (12)):				
6100	Selling expenses	1,599,194	3	1,584,113	3
6200	Administrative expenses	432,631	1	512,795	1
6450	Expected credit losses (gains) (note (6)(d))	(9,294)	-	34,892	-
		<u>2,022,531</u>	<u>4</u>	<u>2,131,800</u>	<u>4</u>
	Net operating income	<u>752,757</u>	<u>2</u>	<u>1,268,285</u>	<u>2</u>
	Non-operating income and expenses:				
7010	Other income (note (6)(m) and note (7))	26,222	-	19,742	-
7235	Gains (losses) on financial assets (liabilities) at fair value through profit or loss (note (6)(t))	(8,187)	-	22,645	-
7230	Foreign currency exchange gains (losses), net	12,114	-	(43,335)	-
7050	Financial costs	(424,827)	(1)	(378,565)	(1)
7590	Miscellaneous disbursements	(23)	-	(365)	-
		<u>(394,701)</u>	<u>(1)</u>	<u>(379,878)</u>	<u>(1)</u>
7900	Profit before tax	358,056	1	888,407	1
7950	Income tax expenses (note (6)(o))	97,662	-	264,353	-
8200	Profit	<u>260,394</u>	<u>1</u>	<u>624,054</u>	<u>1</u>
	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(2,168)	-	(1,939)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(17,921)	-	3,031	-
8349	Less: income tax relating to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(o))	(434)	-	(754)	-
		<u>(19,655)</u>	<u>-</u>	<u>1,846</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(91,154)	-	77,263	-
8399	Less: income tax relating to components of other comprehensive income that may be reclassified to profit or loss (note (6)(o))	(18,231)	-	10,458	-
		<u>(72,923)</u>	<u>-</u>	<u>66,805</u>	<u>-</u>
	Other comprehensive income, net	<u>(92,578)</u>	<u>-</u>	<u>68,651</u>	<u>-</u>
8500	Comprehensive income	<u>\$ 167,816</u>	<u>1</u>	<u>692,705</u>	<u>1</u>
	Earnings per share: (note (6)(q))				
9750	Basic earnings per share	<u>\$ 0.71</u>		<u>1.83</u>	
9850	Diluted earnings per share	<u>\$ 0.70</u>		<u>1.78</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Other equity interest		Total equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements		Unrealized gains (losses) on financial assets at fair value through other comprehensive income
Balance at January 1, 2018	\$ 3,230,094	929,151	739,228	-	706,026	(138,190)	(70,262)	5,396,047
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	63,126	-	(63,126)	-	-	-
Special reserve appropriated	-	-	-	143,162	(143,162)	-	-	-
Cash dividends	-	-	-	-	(432,597)	-	-	(432,597)
			63,126	143,162	(638,885)			(432,597)
Consolidated net income for the year ended December 31, 2018	-	-	-	-	624,054	-	-	624,054
Other comprehensive income for the year ended December 31, 2018	-	-	-	-	(1,185)	66,805	3,031	68,651
Total comprehensive income for the year ended December 31, 2018	-	-	-	-	622,869	66,805	3,031	692,705
Stock dividends from capital surplus	120,000	(120,000)	-	-	-	-	-	-
Conversion of convertible bonds	98,886	63,551	-	-	-	-	-	162,437
Balance at December 31, 2018	3,448,980	872,702	802,354	143,162	690,010	(71,385)	(67,231)	5,818,592
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	62,406	-	(62,406)	-	-	-
Special reserve reversed	-	-	-	(4,547)	4,547	-	-	-
Cash dividends	-	-	-	-	(354,165)	-	-	(354,165)
Stock dividends	207,484	-	-	-	(207,484)	-	-	-
	207,484		62,406	(4,547)	(619,508)			(354,165)
Consolidated net income for the year ended December 31, 2019	-	-	-	-	260,394	-	-	260,394
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	(1,734)	(72,923)	(17,921)	(92,578)
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	258,660	(72,923)	(17,921)	167,816
Conversion of convertible bonds	21,049	11,633	-	-	-	-	-	32,682
Balance at December 31, 2019	\$ 3,677,513	884,335	864,760	138,615	329,162	(144,308)	(85,152)	5,664,925

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from (used in) operating activities:		
Profit before tax	\$ 358,056	888,407
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	154,034	16,326
Amortization expense	9,615	6,473
Expected credit losses (gains)	(9,294)	34,892
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	8,187	(22,645)
Interest expense	424,827	378,565
Interest income	(6,621)	(6,028)
Others	6	355
	580,754	407,938
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss	(3,549)	17,155
Decrease (increase) in notes and accounts receivable	209,706	(340,232)
Decrease (increase) in inventories	2,925,822	(3,180,961)
Decrease (increase) in other receivables	(27,037)	(851,783)
Decrease (increase) in prepaid expenses and other current assets	20,226	82,808
	3,125,168	(4,273,013)
Increase (decrease) in notes and accounts payable	(316,606)	559,837
Increase (decrease) in other payable	(69,659)	798,867
Increase (decrease) in contract liabilities and other current liabilities	23,521	(14,436)
Others	(4,711)	(14,722)
	(367,455)	1,329,546
Total changes in operating assets and liabilities	2,757,713	(2,943,467)
Total adjustments	3,338,467	(2,535,529)
Cash flow from (used in) operations	3,696,523	(1,647,122)
Interest received	6,621	6,028
Interest paid	(449,144)	(350,118)
Income taxes paid	(203,990)	(173,002)
Net cash flows from (used in) operating activities	3,050,010	(2,164,214)
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(11,480)	(21,507)
Decrease (increase) in refundable deposits	1,182	(1,900)
Acquisition of intangible assets	(33,443)	(7,219)
Others	175	422
Net cash flows from (used in) investing activities	(43,566)	(30,204)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(1,892,622)	2,614,820
Increase (decrease) in guarantee deposits received	(33)	-
Payment of lease liabilities	(136,613)	-
Cash dividends paid	(354,165)	(432,597)
Net cash flows from (used in) financing activities	(2,383,433)	2,182,223
Effect of exchange rate changes on cash and cash equivalents	(89,551)	74,805
Net increase (decrease) in cash and cash equivalents	533,460	62,610
Cash and cash equivalents at beginning of period	1,802,901	1,740,291
Cash and cash equivalents at end of period	\$ 2,336,361	1,802,901

Attachment IV

Weikeng Industrial Co., Ltd. Earnings Distribution Plan for 2019

Expressed in NT\$

Beginning Undistributed Retained Earnings		70,502,330
Plus: Net Income after Tax in 2019	260,394,222	
Less: Remeasurements of Defined benefit plans	(1,734,400)	
Less: 10% Legal Reserve	(25,865,982)	
Less: Special Reserve Adjustments	(90,843,781)	
The distributable retained earnings of 2019		141,950,059
Total Distributable Earnings for 2019		212,452,389
Distribution Items:		
Cash Dividends on Ordinary Shares		212,452,389
Ending Undistributed Retained Earnings		0
Chairman : Hu,Chiu-Chiang President : Hu,Chiu-Chiang Accounting Manager: Huang,Li-Hsiang		
Note 1 : The cash dividends in line with the Company's dividend policy are subject to no less than 20% of the total dividends of shareholders.		

Attachment V

The Comparison Table of Amendments to Corporate Social Responsibility Best Practice Principles

Amended Article	Current Article	Reason for Amendment
<p>Article 3 To perform corporate social responsibility, based on the due care to the interest of other interested parties, the Company shall focus on environmental, social and corporate governance elements and include such elements into the Company's management policy and operation, at the same time as pursuing sustainable operation and profit.</p> <p><u>The Company shall conduct risk assessments of environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies.</u></p>	<p>Article 3 To perform corporate social responsibility, based on the due care to the interest of other interested parties, the Company shall focus on environmental, social and corporate governance elements and include such elements into the Company's management policy and operation, at the same time as pursuing sustainable operation and profit.</p>	<p>In accordance with the amendment of the regulations of the competent authority, cooperate with the addition or amendment of relevant articles.</p>
<p>Article 17 <u>The Company is advised to assess the potential risks and opportunities of climate change for the company now and in the future, and adopt the corresponding measures to address climate-related issues.</u></p> <p>The Company shall adopt the general standard domestically or internationally to inspect and disclosure the greenhouse gas emission. The range shall include the following:</p> <ol style="list-style-type: none"> 1. The direct greenhouse gas emission: it is owned or controlled by the Company 2. The indirect greenhouse gas emission: it is purchased by the Company <p>The Company <u>is advised to calculate the greenhouse gas emissions, water consumption and total weight of waste, establish policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption or other waste management, incorporate the</u></p>	<p>Article 17 The Company shall adopt the general standard domestically or internationally to inspect and disclosure the greenhouse gas emission. The range shall include the following:</p> <ol style="list-style-type: none"> 1. The direct greenhouse gas emission: it is owned or controlled by the Company 2. The indirect greenhouse gas emission: it is purchased by the Company <p>The Company shall pay attention to the impact of climate change on its operational activities and shall establish the Company's strategies on carbon reduction and the reduction of greenhouse gas emissions in accordance with its operational situations and result of greenhouse gas inventory, in order to lower the impact of the Company's operation on climate change.</p>	

Amended Article	Current Article	Reason for Amendment
<p><u>acquisition of carbon rights into the Company's carbon reduction strategy plan, and execute it accordingly</u> to lower the impact of the Company's operations on climate change.</p>		
<p>Article 21 The Company shall create a good environment for employees' career development and shall establish an effective career capability development-training plan. The Company shall <u>formulate and implement reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect operating performance or results into employees' remuneration to ensure the recruitment, retention and encouragement of human resources to achieve the Company's goal of everlasting management development.</u></p>	<p>Article 21 The Company shall create a good environment for employees' career development and shall establish an effective career capability development-training plan. The Company shall reflect its business profit into employee's wage's policy to affirm the recruiting, keeping and encourage the employment to achieve the goal of everlasting management.</p>	
<p>Article 24 The Company shall ensure the quality of products and services in accordance with government legislations and applicable regulations to the industry. In any <u>health and safety of customers, customers' privacy,</u> marketing and advertisement, and labeling for its products and services, the Company shall comply with government legislations and applicable international standards, without any deception, misleading, fraud or any other conduct that jeopardizes consumer trust or damages consumer interest.</p>	<p>Article 24 The Company shall ensure the quality of products and services in accordance with government legislations and applicable regulations to the industry. In any marketing and advertisement and labeling for its products and services, the Company shall comply with government legislations and applicable international standards, without any deception, misleading, fraud or any other conduct that jeopardizes consumer trust or damages consumer interest.</p>	
<p>Article 26 The Company shall evaluate the impact of its procurement on the environment and society of the supplying community and shall work with its suppliers to improve corporate social responsibility together. The Company shall <u>establish a supplier management policy,</u></p>	<p>Article 26 The Company shall evaluate the impact of its procurement on the environment and society of the supplying community and shall work with its suppliers to improve corporate social responsibility together. The Company shall evaluate if the</p>	

Amended Article	Current Article	Reason for Amendment
<p><u>requiring suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and</u> evaluate if the supplier has any record that influences the environment and society before it engages any business to avoid it conflicts with the corporate social responsibility policy.</p> <p>The Company shall sign the related agreements with its suppliers that including the compliance of the mutual corporate social responsibility policy. If the supplier violates the policy and endanger the environment and the society, the Company shall be able to terminate the agreements.</p>	<p>supplier has any record that influences the environment and society before it engages any business to avoid it conflicts with the corporate social responsibility policy.</p> <p>The Company shall sign the related agreements with its suppliers that including the compliance of the mutual corporate social responsibility policy. If the supplier violates the policy and endanger the environment and the society, the Company shall be able to terminate the agreements.</p>	

Attachment VI

The Comparison Table of Amendments to Rules and Procedures of Board of Directors' Meeting

Amended Article	Current Article	Reason for Amendment
<p>7 Board meetings <u>of the Company is</u> convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.</p> <p><u>According to the provisions of Article 203, paragraph 4 and Article 203-1, paragraph 3 of the Company Act, more than half of the directors convene a meeting of board of directors on their own; they shall select from among themselves one director to serve as chair.</u></p> <p>When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.</p>	<p>7 Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.</p> <p>When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.</p>	<p>In accordance with the amendment of the regulations of the competent authority, cooperate with the addition or amendment of relevant articles.</p>
<p>15 If a director or a juristic person that the director represents is an interested party in relation to an agenda item,</p>	<p>15 If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the</p>	

Amended Article	Current Article	Reason for Amendment
<p>the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.</p> <p><u>Where the spouse, a blood relative within the second degree of consanguinity of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</u></p> <p>Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.</p>	<p>director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.</p> <p>Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.</p>	

Attachment VII

The Comparison Table of Some Amendments to Articles of Association

Article Item	Amended Article	Current Article	Reason for Amendment
Article 6	All shares of the Company are registered shares and shall be numbered and then issued following the signatures or <u>personal seals of the directors representing the Company</u> and certification by the competent authority or the issuance registration organization approved by the competent authority. No share certificate need be printed for any share issued by the Company. Registration shall be made by a centralized securities custodian institution.	All shares of the Company are registered shares and shall be numbered and then issued following the signatures or seals of three or more directors and certification by the competent authority or the issuance registration organization approved by the competent authority. No share certificate need be printed for any share issued by the Company. Registration shall be made by a centralized securities custodian institution.	Amended by statute
Article 22-1	The earning in the company's annual final accounts if any shall first be used to pay income tax and offset prior years' deficits, if any, <u>and then set aside legal reserve, and special reserve is set aside or reversed in accordance with laws or regulations.</u> The remaining balance of the current year is the distributable retained earnings of the current year. The above distributable retained earnings, if any and the accumulated retained earnings in prior years together is the distributable dividends for shareholders. The aforementioned distribution is proposed by the board of directors. In accordance with the Company Act, where the aforementioned distributable retained earnings or capital reserve and legal reserve are distributed by issuing new shares which shall be proposed by the board of	The earning in the Company's annual final accounts if any (after deducting the related operating expenses, including but not limited to the remuneration to employees and directors and other expenses) shall first be used to pay income tax and offset prior years' deficits, if any, then 10% of the above balance is to be set aside as legal reserve, and special reserve is set aside or reversed in accordance with laws or regulations. The remaining balance plus the amount of effect recorded directly in the retained earnings of the current year is the distributable retained earnings of the current year. The above distributable retained earnings, if any and the accumulated retained earnings in prior years together is the distributable dividends for shareholders. The aforementioned distribution is	According to the interpretation of the Company Act, the text description will be adjusted accordingly.

Article Item	Amended Article	Current Article	Reason for Amendment
	<p>directors and submitted to the shareholders' meeting for resolution; however, where the Company authorizes the distributable dividends, legal reserve, or capital reserve may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.</p> <p>The board of directors of the Company shall determine the proportionality between stock dividends and cash dividends among shareholders' dividends in consideration of the Company's enterprise profitability status, future capital expenditure plans, operational enlargement plans, capital planning, cash flow requirements, legal systems, and the level of dilution on earnings per share. The distribution proposal for shareholders' dividends shall be adopted by board of directors and submitted to the shareholders' meeting for resolution and distribution.</p> <p>The contemplated distribution amount shall not be less than 50% of the Company's distributable retained earnings of the current year, and moreover, cash dividend distributed shall represent no less than 20% of the total amount of shareholders' dividends.</p>	<p>proposed by the board of directors. In accordance with the Articles 240 and 241 of the Company Act, where the aforementioned distributable retained earnings or capital reserve and legal reserve are distributed by issuing new shares which shall be proposed by the board of directors and submitted to the shareholders' meeting for resolution; however, where the Company authorizes the distributable dividends, legal reserve, or capital reserve may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.</p> <p>The board of directors of the Company shall determine the proportionality between stock dividends and cash dividends among shareholders' dividends in consideration of the Company's enterprise profitability status, future capital expenditure plans, operational enlargement plans, capital planning, cash flow requirements, legal systems, and the level of dilution on earnings per share. The distribution proposal for shareholders' dividends shall be adopted by board of directors and submitted to the shareholders' meeting for resolution and distribution. The contemplated distribution amount shall not be less than 50% of the Company's</p>	

Article Item	Amended Article	Current Article	Reason for Amendment
		distributable retained earnings of the current year, and moreover, cash dividend distributed shall represent no less than 20% of the total amount of shareholders' dividends.	
Article 24	<p>These Articles of Association were established on 31 December 1976. (hereinafter omitted)</p> <p>The thirty-seventh amendment The forty-first amendment was made on 13 June 2018.</p> <p>The forty-second amendment was made on 20 June 2019.</p> <p><u>The forty-third amended was made on 17 June, 2020.</u></p>	<p>These Articles of Association were established on 31 December 1976. (hereinafter omitted)</p> <p>The thirty-seventh amendment The forty-first amendment was made on 13 June 2018.</p> <p>The forty-second amendment was made on 20 June 2019.</p>	Updated amendment date

Appendixes

Appendix I

Weikeng Industrial Co., Ltd. Rules and Procedures for Shareholders' Meetings

- Article 1. The Company's shareholders' meetings, except as otherwise provided by law, shall be as carried out in accordance with these Rules.
- Article 2. A "shareholder" referred to in these Rules means the shareholder itself or a proxy designated by such shareholder.
- Article 3. The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
Shareholders (or their proxies) shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Voting rights represented in the meeting shall be calculated on such basis. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- Article 4. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued share, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.
When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- Article 5. Attendance at shareholders' meetings shall be calculated based on numbers of shares.
- Article 6. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 7. If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.
When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
If a shareholders' meeting is convened by a party with the power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- Article 8. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.
The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda (including extraordinary motions), except by a resolution of the shareholders' meeting.
The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting

convened by a party with the power to convene that is not the board of directors.

After the meeting is adjourned, shareholders shall not select another chair and continue the meeting in the same address or in any other location.

- Article 9. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.
Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- Article 10. The Company shall make an audio or video recording of the proceedings of the shareholders' meeting and such recording shall be maintained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- Article 11. When speaking, an attending shareholder shall specify on a speaker's slip the subject of the speech, shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken.
When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- Article 12. Except with the consent of the chair, a shareholder speech may not exceed 5 minutes. An extension of 3 minutes may be granted by the chair.
- Article 13. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- Article 14. During discussion of an agenda, the chair may announce completion of discussion at a proper time. If required, the chair may announce the discussion closed and call for a vote.
- Article 15. Unless otherwise provided by law and Articles of Association, proposal shall be approved by the majority of votes represented by attending shareholders. During voting, if no objection is voiced following an inquiry by the chair, the proposal will be deemed approved with the same effect as a vote. If there is any objection, the chair may ask the persons voicing objections and waivers by showing their hands or by standing up in order to count the votes. If the legal number or the number required in the articles of association is not met, the proposal shall still be passed and no voting is required.
- Article 16. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- Article 17. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 18. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
- Article 19. When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 20. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 21. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- Article 22. Any matter not stipulated in this procedure shall be in accordance with the Company Act, the articles of association of the Company and applicable laws.
- Article 23. These Rules, and any amendments hereto, shall be implemented after adoption by a shareholders' meetings.

Appendix II

Weikeng Industrial Co., Ltd. Articles of Association

Chapter I General

- Article 1. The Company is organized in accordance with the Company Act and is named Weikeng Industrial Co., Ltd.
- Article 2. The Company operates the following business:
- (1) CB01020 Business machine manufacturing business.
 - (2) CC01060 Wired telecommunications machine and equipment manufacturing business.
 - (3) CC01070 Wireless telecommunications machine and equipment manufacturing business.
 - (4) CC01080 Electronic parts and components manufacturing business.
 - (5) CC01110 Computer and peripheral equipment manufacturing business.
 - (6) CC01120 Information storage media manufacturing and reproduction business.
 - (7) E605010 Computer equipment installation business.
 - (8) E701030 Telecommunications control emission equipment installation business.
 - (9) F113050 Computer and business machine equipment wholesale business.
 - (10) F113070 Telecommunications equipment wholesale business.
 - (11) F118010 Information software wholesale business.
 - (12) F119010 Electronic materials wholesale business.
 - (13) F213030 Computer and business machine equipment retail business.
 - (14) F213060 Telecommunications equipment retails business.
 - (15) F218010 Information software retail business.
 - (16) F399990 Other general retail business.
 - (17) F401010 International trade business.
 - (18) F401021 Telecommunications control emission equipment import business.
 - (19) G801010 Warehouse business.
 - (20) I301010 Information software service business.
 - (21) I301030 Electronic information supply service business.
 - (22) I501010 Product design business.
 - (23) IE01010 Telecommunications account agency business.
 - (24) I301020 Data processing service business.
 - (25) ZZ99999 Other businesses not restricted or prohibited by law except any business that requires approval.
- Article 3. The Company may provide guarantees to meet business requirements. When the Company is a limited liability shareholder of another company, the total amount of investment in other companies is not subject to the limit of 40% of paid-in capital under Article 13 of the Company Act.
- Article 4. The Company has its head office in Taipei City. As required, the board of directors may pass a resolution to set up representatives, branches or subsidiaries in appropriate domestic and overseas locations.

Chapter II Shares

- Article 5. The Company's registered capital is NT\$4,500,000,000, divided into 450,000,000 shares, all as ordinary shares at NT\$10 per share. The board of directors is authorized to issue the shares in several times through resolutions. Among the aforementioned registered capital amount, NT\$200,000,000, divided into 20,000,000 shares, is reserved for issuance of employee stock options, preferred shares with warrants attached or corporate bonds with warrants attached. These shares may be issued pursuant to board resolutions in several times.
- Article 5-1. With the approval of the shareholders representing two-thirds of voting rights attending a shareholders' meeting attended by shareholders representing the majority of all outstanding shares, the Company could transfer treasury shares to its employees at a price lower than the average buy-back price of treasury shares, or issue employee stock options at a subscription price lower than the closing price of the ordinary shares on the date of issuance of the employee stock options.

Article 6. All shares of the Company are registered shares and shall be numbered and then issued following the signatures or seals of three or more directors and certification by the competent authority or the issuance registration organization approved by the competent authority. No share certificate need be printed for any share issued by the Company. Registration shall be made by a centralized securities custodian institution.

Article 7. No change shall be made to the shareholders registered within 60 days from any general shareholders' meeting, within 30 days from any special shareholders' meeting and within 5 days from the record date for the Company's decision for the distribution of dividend, bonus or other benefit. The share affairs of the Company may be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority.

Chapter III Shareholders' Meeting

Article 8. The shareholders' meetings of the Company are divided into general meetings and special meetings. General meetings are held once a year within 6 months from the end of each accounting year. Special meetings are convened in accordance with law as required.

Article 8-1. In convening a general shareholders' meeting, shareholders with entitlement under Article 172-1 of the Company Act may make agenda proposals in writing for the general shareholders' meeting, provided that no more than one agenda shall be proposed. Excessive proposals will not be included in the agenda. The relevant procedures shall be in accordance with the Company Act and applicable regulations.

Article 9. Any shareholder who cannot attend a shareholders' meeting in person due to any reason may issue a proxy printed by the Company, specifying the scope of authorization, to appoint one representative to attend the meeting. In addition to Article 177 of the Company Act, the proxies shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies promulgated by the competent authority.

Article 10. The shareholders of the Company are entitled to one voting right per share, except restricted shares or shares without voting right in accordance with applicable legislations.

Article 11. Unless otherwise provided by applicable law, shareholders' resolutions shall be approved by shareholders representing the majority of voting rights among all shareholders attending a meeting that is attended by the shareholders representing the majority of all outstanding shares.

Chapter IV Board of Directors and Audit Committee

Article 12. The Company has 5 to 9 directors, adopting the candidates nomination system, who will be selected by the shareholders' meeting with the list of candidates for a three-year term and the same person may be re-elected upon expiry of the term, however, the candidates shall not violate Article 30 of the Company Act and Article 26-3 of the Securities and Exchange Act. The above number of board of directors shall include at least 2 independent directors and no less than one-fifth of the numbers of board of directors. The professional qualifications, shareholding, restriction on other duties, nomination and election method and other compliance matters in relation to independent directors shall be in accordance with the applicable regulations of the securities competent authority.

Board of directors shall be elected in accordance with Article 198 of the Company Act. Independent directors shall be elected at the same time as the non-independent directors, with the number of elected persons calculated separately. The persons receiving more voting ballots shall be elected to be independent directors and non-independent directors. After election, the Company may, through board resolution, purchase liability insurance for directors of the Company covering compensation liability that shall be borne in accordance with law within the scope of business operation during their terms. The total number of registered shares held by all directors shall not be less than the certain percentage of total outstanding shares stipulated by the competent authority.

The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number. According to "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies", the number, terms of office, powers, rules of procedure for meetings, etc., shall be regulated in accordance with audit committee charter.

Article 13. The board of directors is composed of directors and has the following duties:

1. Preparation of the business plan.
2. Proposal of profit distribution or loss compensation.
3. Proposal of capital increase or decrease.

4. Review of important charters and contracts.
 5. Election and dismissal of president and executive officers of the Company.
 6. Establishment and closure of representative, branch, and subsidiary.
 7. Approval of budget and closing.
 8. Other duties granted by the Company Act or shareholders' resolution.
- Article 14. The board of directors is composed of directors. One chairman shall be elected by the majority of directors attending a meeting that is attended by two-thirds or more directors. The chairman represents the Company.
- Article 15. Unless otherwise provided by the Company Act, board meetings shall be held by the chairman. The notice of a board meeting shall specify the agenda and shall be sent to all directors 7 days in advance. However, in case of emergency, the meeting may be held at any time. Notice for board meetings may be sent in writing, by fax or email. Unless otherwise provided in the Company Act or these Articles of Association, board resolutions shall be approved by the majority of directors attending a meeting that is attended by the majority of directors.
- Article 16. The chairman shall chair board meetings. If the chairman is on leave or cannot exercise his duties due to any reason, the chairman shall appoint one director to act on his behalf. If the chairman does not make such appointment, one director shall be elected from among themselves. Any director who cannot attend a board meeting due to any reason may ask another director to act on his behalf.
- Article 17. In accordance with Article 14-4 of the Securities and Exchange Act, Company forms Audit Committee and any powers conferred by the Securities and Exchange Act, the Company Act, and any other law to be exercised by supervisors shall be exercised by the Audit Committee and shall follow the applicable regulations and be in accordance with this Articles of Association.
- Article 18. The board of directors is authorized to determine the remuneration to the directors based on the level of participation in the Company's operation and the value of contribution, as well as in reference to the common standard adopted by the same industry.

Chapter V Managers

- Article 19. The Company may have one general manager, the hiring, dismissal and remuneration of which shall be in accordance with Article 29 of the Company Act.

Chapter VI Accounting

- Article 20. The Company's accounting year is from 1 January to 31 December. Closing shall be performed at the end of each year.
- Article 21. The board of directors shall prepare the following statements in accordance with Article 228 of the Company Act at the end of each accounting year and submit them to the Audit Committee for audit 30 days before the general shareholder meeting. The Audit Committee shall issue an examination report and submit it to the general shareholders' meeting for approval.
1. Business report
 2. Financial statements
 3. Profit distribution or loss compensation proposal
- Article 22. The earning in the Company's annual final accounts if any shall first be offset against any deficit, then, 6% to 10% of net profit before tax (before deducting remuneration to employees and directors) will be distributed as employees remuneration and a maximum of 2.5% will be allocated as directors' remuneration. Employees who are entitled to receive the above mentioned employee remuneration, in share or cash, include the employees of the subsidiaries of the Company who meet certain specific requirements. Actual distribution should be determined in the board of directors' meeting, with no less than two-thirds of directors present, and approved by more than half of directors attending the meeting and then report to the shareholders' meeting.
- Article 22-1 The earning in the company's annual final accounts if any (after deducting the related operating expenses, including but not limited to the remuneration to employees and directors and other expenses) shall first be used to pay income tax and offset prior years' deficits, if any, then 10% of the above balance is to be set aside as legal reserve, and special reserve is set aside or reversed in accordance with laws or regulations. The remaining balance plus the amount of effect recorded directly in the retained earnings of the current year is the distributable retained earnings of the current year. The above distributable retained earnings, if any and the accumulated retained earnings in prior years together is the distributable dividends for shareholders. The aforementioned distribution is proposed by

the board of directors. In accordance with the Articles 240 and 241 of the Company Act, where the aforementioned distributable retained earnings or capital reserve and legal reserve are distributed by issuing new shares which shall be proposed by the board of directors and submitted to the shareholders' meeting for resolution; however, where the Company authorizes the distributable dividends, legal reserve, or capital reserve may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The board of directors of the Company shall determine the proportionality between stock dividends and cash dividends among shareholders' dividends in consideration of the Company's enterprise profitability status, future capital expenditure plans, operational enlargement plans, capital planning, cash flow requirements, legal systems, and the level of dilution on earnings per share. The distribution proposal for shareholders' dividends shall be adopted by board of directors and submitted to the shareholders' meeting for resolution and distribution. The contemplated distribution amount shall not be less than 50% of the Company's distributable retained earnings of the current year, and moreover, cash dividend distributed shall represent no less than 20% of the total amount of shareholders' dividends.

Chapter VII Miscellaneous

Article 23. Any matter not stipulated in these Articles of Association shall be handled in accordance with the Company Act and applicable regulations.

Article 24. These Articles of Association were established on 31 December 1976.

The first amendment was made on 13 December 1980.

The second amendment was made on 20 January 1981.

The third amendment was made on 11 June 1981.

The fourth amendment was made on 11 September 1981.

The fifth amendment was made on 11 February 1982.

The sixth amendment was made on 15 September 1982.

The seventh amendment was made on 21 January 1983.

The eighth amendment was made on 13 January 1984.

The ninth amendment was made on 26 December 1985.

The tenth amendment was made on 23 July 1986.

The eleventh amendment was made on 16 April 1988.

The twelfth amendment was made on 5 October 1988.

The thirteenth amendment was made on 24 November 1989.

The fourteenth amendment was made on 20 July 1992.

The fifteenth amendment was made on 12 June 1993.

The sixteenth amendment was made on 8 July 1993.

The seventeenth amendment was made on 14 April 1993.

The eighteenth amendment was made on 26 September 1994.

The nineteenth amendment was made on 15 June 1996.

The twentieth amendment was made on 26 June 1997.

The twenty-first amendment was made on 14 November 1997.

The twenty-second amendment was made on 22 April 1998.

The twenty-third amendment was made on 1 September 1998.

The twenty-fourth amendment was made on 31 August 1999.

The twenty-fifth amendment was made on 20 April 2000.

The twenty-sixth amendment was made on 9 October 2000.

The twenty-seventh amendment was made on 7 May 2001.

The twenty-eighth amendment was made on 21 June 2002.

The twenty-ninth amendment was made on 5 June 2003.

The thirtieth amendment was made on 15 June 2004.

The thirty-first amendment was made on 14 June 2005.

The thirty-second amendment was made on 14 June 2006.

The thirty-third amendment was made on 13 June 2008.

The thirty-fourth amendment was made on 19 June 2009.

The thirty-fifth amendment was made on 18 June 2010.

The thirty-sixth amendment was made on 22 June 2012.
The thirty-seventh amendment was made on 20 June 2013.
The thirty-eighth amendment was made on 17 June 2015.
The thirty-ninth amendment was made on 17 June 2016.
The fortieth amendment was made on 15 June 2017.
The forty-first amendment was made on 13 June 2018.
The forty-second amendment was made on 20 June, 2019.

Weikeng Industrial Co., Ltd.
Chairman: Hu Chiu Chiang

Appendix III

Weikeng Industrial Co., Ltd. Corporate Social Responsibility Best Practice Principles

Amended by the Board of Directors 2020/3/27 Report of the Shareholders' Meeting 2020/6/17
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Chapter I General

- Article 1. These guidelines are established by the Company in order to put into practice corporate social responsibility, promote the progress of economy, ecology and society, achieving the goal of sustainable development.
- Article 2. The scope of these guidelines includes the global operational activities by the Company and group enterprises. The guidelines are to encourage the Company to aggressively fulfill its social responsibility in business operation to meet the trend of the international development. Through being a corporate social citizen to advance the nation's economics, improve the life quality of its employees, community, and society, achieving the competitive advantage based on fulfilling of the enterprise social responsibility.
- Article 3. To perform corporate social responsibility, based on the due care to the interest of other interested parties, the Company shall focus on environmental, social and corporate governance elements and include such elements into the Company's management policy and operation, at the same time as pursuing sustainable operation and profit.
The Company shall conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies.
- Article 4. To implemental corporate social responsibility, the Company shall perform in accordance with the following principles:
1. Implement the corporate governance.
 2. Develop a sustainable environment.
 3. Maintain social benefit.
 4. Reinforce disclosure of information about corporate social responsibility.
- Article 5. The Company shall, in consideration of the development trend of domestic and foreign enterprise social responsibilities, the global operational activities of the Company itself and its group enterprises, the connection of the enterprise core business and the influence toward the interested persons, to establish its social corporate social responsibility policies, systems or relevant management systems for approval by the board of directors and submit to the shareholder's meeting. If any shareholder submits an agenda related to enterprise social responsibility, the board of the directors shall consider to adopt it into shareholder's meeting.

Chapter II Implementation Corporate Governance

- Article 6. The Company shall establish an effective corporate governance structure and relevant ethical standards and matters in compliance with Company's Code of Integrity Management, Code of Ethics in order to seek sound corporate governance.
- Article 7. The board of directors of the Company shall exercise due care as a good administrator to procure that the enterprise implements social responsibility and to review the results of implementation and continuous improvement, ensuring the implementation of corporate social responsibility policies.
The board of directors of the Company shall fully consider the interests of the stakeholders in the fulfillment of corporate social responsibility and shall include the following matters:
1. Propose corporate social responsibility mission (or perspective, value) and establish the policy statement of corporate social responsibility.
 2. Include corporate social responsibility in the Company's operational activities and development directions.
 3. Ensure that information related to corporate social responsibility is disclosed timely and accurately.
- The Company should assign the high managing level to handle any issues with the economics, environmental, social activities in business operation by board of the directors. And the above person

should report the process of the issues. The procedure and the related person in charge of the above should be set concretely and clearly.

- Article 8. The Company shall organize regular educational training of enterprise ethics. The training and promotion shall include the second paragraph of the above article..
- Article 9. To seek sound management of corporate social responsibility, the Chairman's office will be the responsible department for the promotion of corporate social responsibility, responsible for the proposal and execution of policies or systems of corporate social responsibility, the related concrete management plan proposal and reporting to the board of directors as required. The Company shall establish a reasonable salary policy to affirm the wages structure could meet the organization strategy and the related interested person's interest. The performance appraisal should combine the corporate social responsibility policy and set up a concrete reward and discipline system.
- Article 10. The Company shall identify interested parties of the Company based on respect of the interest of the interested parties, set up an interested parties' special region in Company's website and, through appropriate communication manners and participation of the interested parties, understand their reasonable expectations and requirements. The Company shall also properly respond to important corporate social responsibility issues that are of the concern by the interested parties.

Chapter III Development of a Sustainable Environment

- Article 11. The Company shall comply with environment related legislations and applicable international guidelines and regulations, properly protecting the natural environment and dedicating itself to the target of sustainable environment in engaging in business activities and internal management.
- Article 12. The Company shall endeavor to utilize all resources more efficiently and use renewable materials, which have a low impact on the environment to improve sustainability of natural resources.
- Article 13. The Company shall establish appropriate environment management systems in accordance with its industrial characteristics. Such systems shall include the following tasks:
1. To collect and evaluate the adequate and timely information on the impact of the operational activities toward the natural environment.
 2. To establish a measurable and everlasting environment goal and regularly review the sustainability and relevance of its development.
 3. To establish a concrete plan or action plan to execute and periodically review the outcome of the operation.
- Article 14. The Company shall put in place organizations and personnel dedicated to environment management to establish, promote, and maintain the environment management related systems and the concrete plans. The Company shall also regularly organize environment educational programs for the management and employees.
- Article 15. The Company shall consider the impact of its business operation on ecology, promote and educate consumers about the concept of sustainable consumption. The Company shall also engage in operational activities such as research and development, purchasing, production, operation and services in accordance with the following principles to lower the impact of the Company's operation on natural environment and human beings:
1. Reduce resources and energy consumption by products and services.
 2. Reduce emission of pollutant, toxics and waste, with any waste properly processed.
 3. Increase recyclability and re-use of raw materials and products.
 4. Sustainable use of recyclable resources to achieve maximum limit.
 5. Extend the durability of the products.
 6. Increase performance of products and services.
- Article 16. To increase the efficiently in the use of water resource, the Company shall use water resource in a proper and sustainable manner.
The Company shall build the facility to enhance the environment protection and avoid polluting the water, air and land in its operation. The Company shall make its best efforts to reduce the negative impact on human health and environment and adopt the best feasible measures of pollution prevention and control technology.
- Article 17. The Company is advised to assess the potential risks and opportunities of climate change for the company now and in the future, and adopt the corresponding measures to address climate-related issues.
The Company shall adopt the general standard domestically or internationally to inspect and disclosure

the greenhouse gas emission. The range shall include the following:

3. The direct greenhouse gas emission: it is owned or controlled by the Company
4. The indirect greenhouse gas emission: it is purchased by the Company

The Company is advised to calculate the greenhouse gas emissions, water consumption and total weight of waste, establish policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption or other waste management, incorporate the acquisition of carbon rights into the Company's carbon reduction strategy plan, and execute it accordingly to lower the impact of the Company's operations on climate change.

Chapter IV Maintenance of Social Public Interest

Article 18. The Company shall comply with applicable legislations and international human right treaties to protect the employees' legal interest, gender quality, working right and anti-discrimination. The Company shall establish the management policy and procedure in order to protect human rights including:

1. Provide policy or announcement for the human rights' protection.
2. Evaluate the influence of the business operation and internal management toward human rights and set up related process.
3. Periodically review the outcome of the said human rights' protection and announcement.
4. To disclosure the process in dealing with the potential infringement of the human rights.

The Company shall also respect the principles of internationally recognized labor human rights and shall not have any event that jeopardizes the workers' basic rights.

The human resource policies of the Company shall respect the principles of basic labor human right protection to establish proper management methods and procedures to affirm there is no gender, races, social and economic level, ages, marriages, family conditions differences in the view of human resource application to provide an equal opportunity to work, employ conditions, wages, welfare, training, assess, promotion

Any matters in danger of labor's interest should be brought to Company by an effective and proper complaints mechanism to assure the equality and fairness of the process. The complaint process should be simple, easy to reach and react properly when any complaint occurred.

Article 19. The Company shall provide employees with information for employees to understand the labor laws and their rights in the country where the operation is located.

Article 20. The Company shall provide a work environment for the safety and health of the employees, including providing necessary health and first-aid facilities and dedicating itself to the lowering of hazard elements for the safety and health of the employees in order to avoid occupational disaster.

The Company shall provide regular safety and health educational training.

Article 21. The Company shall create a good environment for employees' career development and shall establish an effective career capability development-training plan.

The Company shall formulate and implement reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect operating performance or results into employees' remuneration to ensure the recruitment, retention and encouragement of human resources to achieve the Company's goal of everlasting management development.

Article 22. The Company shall establish a channel for regular communication and dialogue between employees to enjoy the right to acquire information and express opinions about the Company's operational management activities and decisions.

Article 22-1. The company shall treat customers or consumers of its products or services in a fair and reasonable manner in accordance with its industry character and establish strategy and concrete measures.

The aforesaid fair and reasonable manner including the following principles:

1. Fairness and good faith in contracting
2. Duty of care and fiduciary duty,
3. Truthfulness in advertising and soliciting,
4. Fitness of products or services,
5. Notification and disclosure,
6. Commensuration between compensation and performance,
7. Protection of the right to complain,

8. Professionalism of salespersons etc.

Article 23. The Company shall establish and publish its consumer interest policy based on product responsibility and marketing ethics and shall implement the execution of consumer interest policies. The research, purchasing, production, operation and services should be safe and transparent and to prevent the product or service in danger of consumers' rights, safety and health.

Article 24. The Company shall ensure the quality of products and services in accordance with government legislations and applicable regulations to the industry..

In any health and safety of customers, customers' privacy, marketing and advertisement and labeling for its products and services, the Company shall comply with government legislations and applicable international standards, without any deception, misleading, fraud or any other conduct that jeopardizes consumer trust or damages consumer interest.

Article 25. The Company shall evaluate all kinds of the risks that cause the business break off and lower down the impact toward consumers and society. The Company shall provide a transparent and effective consumer complaint procedure for its products and services and shall handle consumer complaints in a fair and timely manner. The Company shall also comply with applicable legislations including personal information protection law to ensure the respect for consumer privacy and to protect the personal information provided by consumers.

Article 26. The Company shall evaluate the impact of its procurement on the environment and society of the supplying community and shall work with its suppliers to improve corporate social responsibility together.

The Company shall establish a supplier management policy, requiring suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and evaluate if the supplier has any record that influences the environment and society before it engages any business to avoid it conflicts with the corporate social responsibility policy.

The Company shall sign the related agreements with its suppliers that including the compliance of the mutual corporate social responsibility policy. If the supplier violates the policy and endanger the environment and the society, the Company shall be able to terminate the agreements.

Article 27. The Company shall evaluate and manage the impact of the Company's operation on the community and hire proper manpower localized in Company's business site to improve community recognition.

The Company may improve community development through equity investment, commercial activities, donation of physical objects, services by enterprise volunteers or other public welfare professional services etc., dedicate resources to organizations that resolve social or environmental issues through a business model, or participation in civil organizations about community development and community education and relevant activities with charitable and public interest groups and local government institutions.

Chapter V Reinforcement of Disclosure of Corporate social responsibility Information

Article 28. The Company shall disclose information in accordance with applicable legislations and the Corporate Governance Best-Practice principles for TWSE/GTSM Listed Companies and shall fully disclose information related to corporate social responsibility that is relevant and reliable in order to increase the level of information transparency.

The Company shall disclose the following information about corporate social responsibility:

1. The governance mechanism, strategy, policy and management guidelines, system of corporate social responsibility and the concrete plan that are approved by board resolutions.
2. Risk and impact on the Company's operational and financial status by the implementation and promotion of corporate governance, development of sustainable environment and maintenance of social public interest.
3. The Company's performance targets and measures established for corporate social responsibility and the results.
4. The main interested parties and their focus agenda.
5. The main suppliers' management toward social important issues and the discourse of the results.
6. Other information related to corporate social responsibility.

Article 29. The Company shall apply the internationally recognized standard and index to prepare a corporate social responsibility report to disclose the status of promotion of corporate social responsibility and attain the 3rd party's confirmation and guaranty for the information accuracy, including:

1. The implementation of the structure, policy, the related management strategy and action plan of

- corporate social responsibility system.
2. Main interested parties and issues of their concern.
 3. Performance and review of the Company's implementation and promotion of corporate governance, development of sustainable environment and maintenance of social public interest and the promotion of the economics.
 4. Improvement directions and targets in the future.

Chapter VI Miscellaneous

- Article 30. The Company shall pay attention at all time to the development of domestic and international corporate social responsibility policies and the change of enterprise environment, based on which the corporate social responsibility system established by the Company may be reviewed and improved in order to improve the results of performance of corporate social responsibility.
- Article 31. This Code of Practice for Corporate Social Responsibility is implemented after approval by the Board of Directors of the Company and shall be reported to the shareholder's meeting. The same shall be applicable in case of any amendment hereof.

Appendix IV

Weikeng Industrial Co., Ltd. Rules and Procedures of Board of Directors' Meeting

Revised on March, 27, 2020, Board of Directors Reported on June 17, 2020, AGM
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- Article 1. To establish a strong governance system and sound supervisory capabilities for the Company's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. These Rules are established in order to improve the operational efficiency and decision-making capabilities of the board of directors.
- Article 2. With respect to the board of directors' meetings ("board meetings") of the Company, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.
- Article 3. The board meeting of the Company shall be convened at least once every quarter.
A notice of the reasons for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.
The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.
All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.
- Article 4. The designated unit responsible for the board meetings of the Company shall be the Administration Department.
The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.
A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.
- Article 5. When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.
Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's Articles of Incorporation. Attendance by videoconference will be deemed attendance in person. A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.
The proxy referred to in the preceding paragraph may be the appointed proxy of only one person.
- Article 6. A board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.
- Article 7. Board meetings of the Company is convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.
According to the provisions of Article 203, paragraph 4 and Article 203-1, paragraph 3 of the Company Act, more than half of the directors convene a meeting of board of directors on their own; they shall select from among themselves one director to serve as chair.
When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.

- Article 8. When a board meeting is held, the designated unit responsible for the board meetings shall furnish the attending directors with relevant materials for ready reference. As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place. The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.
- If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.
- The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.
- Article 9. Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.
- If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained and the preceding paragraph shall not apply. Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.
- Article 10. Agenda items for regular board meetings of the Company shall include at least the following:
- (1) Matters to be reported:
 - i. Minutes of the last meeting and action taken.
 - ii. Important financial and business matters.
 - iii. Internal audit activities.
 - iv. Other important matters to be reported.
 - (2) Matters for discussion:
 - i. Items for continued discussion from the last meeting.
 - ii. Items for discussion at this meeting.
 - (3) Extraordinary motions.
- Article 11. A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting. The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting. At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply *mutatis mutandis*.
- Article 12. The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:
- (1) The Company's business plan.
 - (2) Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
 - (3) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
 - (4) Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
 - (5) The offering, issuance, or private placement of equity-type securities.
 - (6) The appointment or discharge of a financial, accounting, or internal audit officer.
 - (7) A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.

- (8) Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, shall be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under the second paragraph.)

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

With respect to a matter that, under Article 14-3 of the Securities and Exchange Act, shall be approved by resolution at a board meeting and shall be at least one independent director to attend the meeting. Toward subparagraph 1 aforesaid matter, there should be all independent directors to attend the meeting any independent directors of the Company who is not able to attend in person should appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

Article 13. When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote. When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

- (1) A show of hands or a vote by a tally.
- (2) A roll call vote.
- (3) A vote by ballot.
- (4) A vote by a method selected at the Company's discretion.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.

Article 14. Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors. Voting results shall be made known on-site immediately and recorded in writing.

Article 15. If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

Where the spouse, a blood relative within the second degree of consanguinity of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.

Article 16. Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

- (1) The meeting year, the time and place of the meeting.
- (2) The name of the chair.
- (3) The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
- (4) The names and titles of those attending the meeting as non-voting participants.
- (5) The name of the minute taker.
- (6) The matters reported at the meeting.
- (7) Agenda items: The method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 5.
- (8) Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
- (9) Other matters required to be recorded.

The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:

- (1) Any objection or expression of reservation by an independent director expresses of which there is a record or written statement.
- (2) A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the Company.

The attendance book constitutes an essential part of the minutes for each board meeting and shall be retained for the duration of the existence of the Company.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company. The meeting minutes of paragraph 1 may produced and distributed in electronic form.

Article 17. With the exception of matters required to be discussed at a board meeting under Article 12, paragraph 1, when the board of directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or the Company's articles of incorporation, the levels of such delegation and the content or matters it covers shall be definite and specific.

Article 18. These Rules of Procedures and any amendment shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders' meeting.

Appendix V

Shareholdings by the Board of Directors

- I. As of the shares book closure date (April 19, 2020) for the 2020 Annual General Meeting, the Company issued 367,751,242 ordinary shares. According to article 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the Minimum required shareholdings of all directors are 14,710,049 shares.
- II. The shareholdings of individual and all directors:

Shares Book Closure Date : April 19, 2020

Position	Name	Election Date	Term of Office (Year)	Shareholdings When Elected		Current Shareholdings	
				Shares	%	Shares	%
Chairman	Hu, Chiu-Chiang	June 13, 2018	3	8,002,487	2.45	8,843,627	2.40
Director	Chi, Ting-Fang	June 13, 2018	3	5,716,749	1.75	6,278,150	1.71
Director	WELLMARK INVESTMENT CO., LTD. (Representative : Chen, Cheng-Fong)	June 13, 2018	3	28,616,637	8.76	31,426,876	8.55
Director	Chen, Kuan-Hua	June 13, 2018		174,195	0.05	191,301	0.05
Independent Director	Lin, Hung	June 13, 2018	3	---	---	---	---
Independent Director	Tsai, Yu-Ping	June 13, 2018	3	---	---	---	---
Independent Director	Yu, Hsueh-Ping	June 13, 2018	3	---	---	---	---

Total Shareholdings by All Directors : 46,739,954 Shares