



**2024 Annual General Meeting of Shareholders
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 20, 2024 at 9:00 a.m.

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



Weikeng Industrial Co., Ltd.

2024 Annual General Meeting of Shareholders Meeting Procedures

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- VIII. Ad Hoc Motions**
- IX. Meeting Adjourned**



Weikeng Industrial Co., Ltd.

2024 Annual General Meeting of Shareholders Meeting Agenda

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III. Reported Matters

(I) 2023 Business Report & Report to Shareholders

2023 Business Performance

In 2023, the two major economies showed inflation in the United States and deflation in China. In the face of the inevitable business cycle and the pressure of financial costs, Taiwan's electronic and optical PMI indexes both remained below 50. The semiconductor industry environment faced many challenges, which the industry posted a decline in global revenue compared with 2021 and 2022, yet still slightly higher than the global semiconductor revenue in 2020. As the semiconductor applications became increasingly integrated into everyday life as well as to national policy infrastructure, we feel hopeful that the basic demand can be maintained. In response to relocation of operation bases of the industrial chain extended by the Sino-US technology war, the company has also expanded its service scope to cater our vendors and customers need. In addition to the existing Greater China (Taiwan, Hong Kong, China) and Southeast Asia (Singapore, Philippines, Malaysia, Thailand), in response to customers "China + 1" layout, we extended logistics support to Vietnam, Indonesia, India, Mexico and other regions.

Weikeng Group continued to play the role of connecting technology and creating value in the semiconductor industry. We aim to deepen our business and maintain our competitive position in the industry in facing economic downturn and pressure from rising financial costs. The Group consolidated sales revenue and net profit before tax reached approximately NT\$70.8 billion and NT\$1.04 billion in 2023, equivalent to a 0.87% year-on-year growth and 55.05% decline, respectively.

Commitment to Sustainable Development

Weikeng is dedicated to actively learn and promote sustainable operations, to engage in various operational activities with integrity and to comply with government regulations, hoping to maintain operational performance to create decent jobs and promote prosperity of the society. Decarbonization and digitalization are now the new norm of business operations, we see the implementation of decarbonization plan as the top priority after the Group's GHG inventory quantification is completed. This pushes us towards deeper digitalization as the group adopts more digital tools to meet real-time delivery of information, which allows Weikeng to share information simultaneously and respond promptly to issues the stakeholders may have. As a member of the semiconductor industry chain, we continue to invest resources and work with our upstream and downstream partners to build a green and sustainable semiconductor supply chain, striving to reduce environmental impact and act in accordance with social compliance.

Regarding investment in the environment, starting in 2022, the Company established its ESG Executive Office under the Sustainable Development Committee. The office's role is to initiate an organizational greenhouse gas inventory and implement the ISO-14064 organizational greenhouse gas inventory specification at the Group level. In 2023, the ESG Executive Office helped set up the internal verification team of the Parent Company and the quantification teams of the Subsidiaries. The management scope extends from the parent company to the group level, ensuring organizational GHG management's integrity and completeness. The Company recognizes that climate change poses risks and opportunities to almost all industrial sectors and considers its climate change strategy critical to maintaining its economic performance. As energy conservation and carbon reduction have become significant growth drivers of demand for semiconductors, especially in the era of decarbonization, the rise of AI, and green computing. The Company aims to work closely with upstream vendors and downstream clients to identify opportunities and industry insights regarding end products and applications. To create demand for related application solutions, the Company will continue to invest more resources. It will also continue to invest resources in the automotive/electric vehicle and industrial energy-related markets. The Company will collaborate closely with industry partners to develop decarbonization and green computing product solutions. Together with our industry partners, we hope to do our best to support the development of green products and create a sustainable supply chain.

Weikeng remains steadfast in its commitment to contributing to the United Nations Sustainable Development Goals (SDGs) and was awarded the Middle-aged and Senior Citizen Friendly Enterprise Certification in Taipei City in 2023. One of the key values and principles of the Company is to support its employees. The Company places great emphasis on talent training and retention. Over the past year, the Company has continued to promote ESG practices and awareness within the organization to foster a culture of sustainability. As a token of appreciation for hard work and dedication, the Company organized a two-day ESG-themed trip for the 2023 Weikeng Family Day.

The event was attended by the employees, along with their friends and families, and a charity performance team was invited to perform. Additionally, the Company encourages its employees to participate in charitable activities and support domestic cultural and art development. As part of this effort, the Company hosted a charity film appreciation event for charity organizations, employees, their families, and friends. The Company actively supports environmental protection, education, medical and sports resources, research institutions, and the cultivation of scientific and technological talents to enhance its ESG ability and contribute to the United Nations Sustainable Development Goals (SDGs).

The company's operation emphasizes on "integrity management", "risk management" and "supply chain efficiency", and to achieve such we adhere international standards to improve our corporate governance. Weikeng's objective is to become an indispensable and high-standard partner in the logistic support system and supply chain management within the semiconductor and electronics industry. The Company continues to promote a sustainable workplace and policies supporting sustainable governance. In the previous year, the Group adopted ISO quality and environmental systems for occupational safety and health management to reduce occupational hazards and risks while enhancing operational efficiency. The Company reported to the Sustainable Development Committee in August 2023, and after selecting a consulting firm, we began planning and building an occupational safety and health management system (ISO45001-2018) which was certified by ARES International Certification (ARES) in February, 2024. We hope to promote and establish the Occupational Safety and Health Management System to implement the occupational safety and health policy based on the following five principles - Compliance with Laws, Hazard Prevention, Competence Awareness, Continuous Improvement, and All-Staff Participation. Furthermore, to augment the quality of logistics services in supply chain management, we introduced the ISO9001-2015 (warehousing services) system in 2023. We obtained internationally recognized certifications issued by BSI (for the Shatin Warehouse in Hong Kong) and ARES (for Neihu Tanmei and Taoyuan Housheng warehouses in Taiwan) in September and November, respectively. All of the aforementioned endeavors manifest our commitment to advancing our performance in logistic and supply chain management, assuring workplace safety, and ensuring the quality of warehousing centers, and fulfilling the Company's commitment to a sustainable, responsible supply chain.

The company is dedicated to fulfilling its corporate social responsibilities in line with international trends. We are actively addressing the concerns of our stakeholders regarding environmental, social, and corporate governance issues. Additionally, we will conduct practical risk assessments and implement countermeasures to achieve our goals of strong corporate governance and sustainable operations.

2024 Business Outlook

In 2024, the global semiconductor industry is still waiting for an increase in demand from end consumers. Research institutions have predicted that the semiconductor industry will shift from a recession to growth in 2024. The medium to long-term outlook is promising for the automotive and AI chip markets, and high inventory levels are expected to gradually resolve. However, challenges lie ahead as the Federal Reserve's policy on interest rates remains unclear, and ongoing geopolitical factors continue to affect the operation bases relocation of the industrial chain. Our top priority is to maintain stable operations and enhance risk management in 2024. As for business expansion, the semiconductor sector's supply chain regionalization is being driven by geopolitics. Weikeng will continue to examine and adjust our business expansion strategies, providing technical support and seeking appropriate industry cooperation to understand the needs of both vendors and customers. In time of foreseeable growth and business expansion, it is hoped that the management team will lead all colleagues to strictly abide by the risk management policy, operation performance optimization and Ethical Corporate Management Best Practice Principles, together we will continue to strive towards the goal of integrity, sustainable operation and stable operation, thus creating more value for all stakeholders.

Weikeng Group has successfully won the franchises of product lines, covering many semiconductor Integrated Device Manufacturers (IDMs) or IC design companies such as MD、Amazing、GSD、Infineon (Infineon、Cypress)、Lattice、Microchip、Molex、NXP、Sitronix、Sinopower、Vishay、Western Digital, etc. 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 triple win value through the Group's intermediary technology connection between upstream vendors and downstream customers.

A. The annual business report for 2023

i) Business plan implementation results

Financial Figures	Amount (in Thousands of NT\$)	YoY %
Net Sales Revenue	\$70,892,413	0.87
Gross Profit	4,491,181	(18.19)
Net Operating Income	1,845,851	(32.34)
Profit before Tax	1,047,336	(55.05)
Net Profit	786,767	(53.70)

ii) Budget Execution in 2023

In 2023, the Group's execution of the operating budget was affected by the economic downturn caused by US and European inflation, deflation in China, and increased financial cost pressure, the Group consolidated sales revenue and net profit before tax reached approximately NT\$70.8 billion and NT\$1.04 billion in 2023, equivalent to a 0.87% year-on-year growth and 55.05% decline, respectively. The overall budget execution met internal expectations.

iii) Financial Income, Costs and Profitability Analysis

Financial Ratios		%
Financial Structure	Debt Ratio	77.32
	Long-term Capital to Property and Equipment Ratio	7,926.99
Solvency	Current Ratio	140.16
	Quick Ratio	61.19
Profitability	Return on Assets	4.28
	Return on Equity	8.77
	Net Profit Margin	1.11
	Basic EPS(in NT\$)	1.85

iv) Research Development Status

The Company has set up a Marketing Development Division and a FAE Division in order to provide technical services and product solutions to customers, and enhance the value and efficiency of our sales and logistics services. The two divisions work closely with domestic and international vendors/clients towards the common goal of innovative R&D that support sustainability. The two main areas that Weikeng and our upstream vendors focus on are the automotive market and the industrial energy related, therefore, the related power semiconductor applications are extremely important. With upstream vendors actively expanding their R&D into compound/Group III semiconductor products, the electric vehicle and industrial application markets such as solar energy, electric vehicles and fast charging are the major focuses of R&D and business development. The Company's total Research and Development Expenditure in 2023 (mainly R&D personnel and equipment, etc.) has reached NT\$135,112 thousand 21.85% of the total R&D expenditure were dedicated to green products research and development, which has met the goal of at least 20% of total R&D expenditure each year.

Marketing Development Division and a FAE Division continue to provide complete solutions in line with future low-carbon and environmentally-friendly norms to customers, hence to strengthen competitive advantages. With decent effort of "Business Development Division", the Group was able to successfully win 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. 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. The division assists customers in saving product research development expenses and shortening time to market, enhances service levels, and strengthens the cooperation with the vendors and customers. In addition, the "ELCOM Division" is officially entering the field of research development and design, and is responsible for the turnkey solution of the products.

At this stage, the Group's companies are developing product solutions for 5G (smartphones, Customer Premise Equipment (CPE), Open Radio Access Network (O-RAN) and Small Cell Station), artificial intelligence/AIoT, WiFi 6/7, automotive electronics (including electric vehicles, electric locomotives, charging piles/stations, etc.), consumer electronics (PC, AI PC, TV, Smartphone, Tablet), industrial control, Type C-Power Delivery (PD), and various power supply applications. We also devote our resources to the development of product solutions for servers/data centers, motor control, battery energy storage management systems, human-machine interface for in-vehicle infotainment systems, automotive radar, Tire-Pressure Monitoring System (TPMS) and Center Information Display (CID), in order to provide customers with immediate product reference solutions. All of these solutions are now available to customers.

B. Annual Business Plan in 2024

i) Operating Principles

- ① To prudently face the situation of destocking in the industry chain, actively manage and evaluate the speed of purchasing and sales, carefully prevent the loss of inventory depreciation, strengthen the efficiency of working capital, and enhance control measures for the prevention of dead inventory and improvement measures for the disposal of dead inventory.
- ② To strengthen cost structure management by adopting active financial management, capital structure optimization, digitalization to reduce operating costs, and implementation of "Zero-Based Budgeting", where each department must review its own business and propose a budget starting from the highest priority items based on cost-benefit analysis in order to save costs and expenses.
- ③ To timely grasp the dynamic adjustment of suppliers and customers due to trade policies or geopolitical factors, such as the "China+1" layout of semiconductor application electronics manufacturers. In order to relocate a production base, move, or adjust the production lines according to its plan, the Company must also be able to build transnational and trans-regional capacity and flexibility of strategy establishment, and expand its product portfolio on the premise of compliance with the provisions of the United States' (various countries) import and export laws and regulations.
- ④ In the face of a changing market and uncertainty, to continue to pay attention to the price and demand changes of each item, master the development trends of application-end technology products, invest appropriate R&D resources, and cooperate with industry partners to continue to create added value and competitiveness.
- ⑤ To attach importance to the green economy and sustainable development in the long term, continue to provide customers with competitive components, and through technical support services and research and development projects, achieve technological link in the industry chain, support the industry chain to promote the carbon reduction operation mode, and grasp business opportunities from the green energy industry, as well as work with upstream and downstream partners to build a green and sustainable industry chain.
- ⑥ To continue to comply with the risk management system and ethical corporate management best practice principles, strengthen the operational efficiency, pay attention to the needs and feelings of employees, take a stable business model as the principle, analyze the profitability of revenue growth, and take appropriate measures to grasp market opportunities.

ii) Production and Sales Policy

- ① Pricing Strategy: In the face of the high-cost environment, to carefully evaluate the product pricing strategy and profit analysis, maintain good communication with the franchising vendors and downstream manufacturers, and through the mechanism of negotiation with customers and on the premise of improving the quality of product services, timely adjust product pricing to ensure the maintenance of the profit of each product line.
- ② New Business Development: To continue to grasp the development trend of "new technology", "green economy", and "regionalization" division of the supply chain, expand business cooperation opportunities, and consolidate customer structure.

- ③ Resilience: In the face of the cross-border movement of upstream and downstream manufacturers among the Asia-Pacific region, North American region, and European region, as well as the adjustment of production line planning made by the customers due to marginalization of trade policies, the Group must strengthen its support, service momentum and resilience, assess its cost-effectiveness, and improve its capability of strategy establishment at any time.
- ④ Compliance with laws and regulations: To pay attention to and implement laws and regulations on the export and import of strategic high-tech products, including whether a transaction or service object is set forth in the control list of the United States' regulatory authority for export, re-export, or transfer.
- ⑤ With the continuous expansion of operation scale and franchises, to prudently review risk and profitability.

iii) Expected sales volume and its basis in 2024

The Company classifies the franchising products into chipsets/special application standard ICs, mixed signals and discrete components according to product characteristics. In 2024, the external environment posts challenges as we continue to navigate through supply chain regionalization, caused by geopolitical disputes and tech-war, and the US fed interest rate uncertainty. The industry is still facing inventory adjustments, economic cycles, and high financial costs. However, based on the management team's consideration of relevant research institutions' estimates of the semiconductor industry's sales forecast, the upstream vendors' set targets and the Company's internal business plan, the operating target of sales forecast for the fiscal year 2024 is expected to have growth opportunities, despite the challenges and difficulties in external 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: Hu, Chiu- Chiang (@Douglas Hu)

President Ting-Fang (@Stan Chi)

Chief Accountant: Huang Li-Hsiang (@Alice Huang)

(II) 2023 Financial Results as examined by Audit Committee

Explanation:

- (1) The Company's 2023 annual financial reports have been audited and attested by independent auditors of KPMG Taiwan, Mr. Au, Yiu-Kwan and Ms. Kuo, Kuan-Ying, together with the Business Report and Surplus Earnings Distribution Plan for 2023 have been submitted to the Audit Committee for verification and prepared a written audit report as the following.

Weikeng Industrial Co., Ltd.

2023 Audit Report of Audit Committee

The Board of Directors hereby submits the financial reports (including individual financial report and the consolidated financial report) for the fiscal year 2023, which has been audited by KPMG Taiwan, with independent auditors Mr. Au, Yiu-Kwan and Ms. Kuo, Kuan-Ying, and accompanied by an audit report. Along with the Business Report and proposals for Surplus Earnings Distribution Plan, these documents have been examined by the Audit Committee and found to be in compliance. Therefore, pursuant to the provisions of Articles 14-4 and 14-5 of the Securities and Exchange Act, as well as Article 219 of the Company Act, this report is prepared. Kindly review and verify.

To: Weikeng Industrial Co., Ltd., 2024 Shareholders' Annual General Meeting

Convener of Audit Committee : Tsai, Yu-Ping

Date: April 18, 2024

- (2) Report on communication between members of the Audit Committee and the head of Internal Audit and Certified Public Accountants (CPAs)/ Independent Auditors:

- ① The head of the internal audit office regularly communicates the execution process and conclusions of internal audits to independent directors via email or telephone, and attends meetings of the Audit Committee and the Board of Directors to report on audit work.
- ② The head of the internal audit office and CPAs/ Independent Auditors may communicate directly with independent directors/Audit Committee members via email, telephone, or meetings as needed. In principle, the head of the internal audit office attends the Audit Committee at least once per quarter (at least four times a year) to report on work and communicate with independent directors; whereas the CPAs/ Independent Auditors communicates with independent directors (Audit Committee) at least twice a year through symposium.

- ③ The communication situation in 2023 was as the attached:

Year	Frequency of Communication (Number of Times)	Way of Communication	Remark
2023	7	Head of Internal Audit Office attended Audit Committee	No non-independent directors and

			management were present at the time.
	2	Symposium between CPAs/ Independent Auditors and members of the audit committee	

(III) Report on the financial and business matters between the Company and its related parties in 2023

Explanation: The actual financial and business transactions between the Company and its related parties (all 100% owned subsidiaries) in 2023 were as follows (including purchase and sale transactions, acquisition of right-of-use assets, making of endorsements/guarantees, and loaning of funds), which were all handled in accordance with the “Rules Governing Financial and Business Matters Between the Company and its Related Parties” stipulated by the Company, and there were no non-arm’s length transactions or improper transfer of benefits.

In NT\$ thousand

Transaction Parties	Purchase Goods	Sales Goods	Acquisition of Right-of-Use Assets		Ending Balance of Endorsements/Guarantees	Ending Balance of Loaning of Funds
			Original Cost of Acquisition	Ending Balance		
Weikeng International Co., Ltd. (WKI)	200,544	246,719	39,820	11,061	9,734,547	---
Weikeng Technology Pte Ltd. (WTP)	4,125	109,693	---	---	1,182,142	---
Weikeng International (Shanghai) Co., Ltd. (WKS)	---	---	---	---	1,803,858	---
Weikeng Technology Co., Ltd. (WKZ)	---	72	---	---		---

- (1) Since the Group's business scope covers Greater China and Southeast Asia, the purchase and sale of goods to 100% owned subsidiaries is to meet the cross-regional needs of customers, and the inter-group companies conduct goods dispatch transactions, and whose prices are based on the purchase, plus, cost. Pricing is not significantly different from general suppliers or customers; the accounts payable and accounts receivable arising from the purchase and sale of goods respectively are based on the balance of OA 30 days of mutual offset, and the payment or collection is made 30~60 days after the arrival or shipment of the goods.
- (2) The Company's main downstream customers are all major 3C electronic product manufacturers (including OEM/ODM/OBM factories) in Taiwan, and their production bases are mainly in China. Therefore, in addition to building a logistics service base in Taiwan, the Company must also advance to a region closer to the customer to set up a logistics service base to speed up delivery logistics efficiency, and based on the requirements of diversifying logistics risks and controlling the cash outflow of goods import

business tax, the overall planning is coordinated by the Parent Company (i.e., the Company) of the Group, then WKI, an important subsidiary of the Company in Hong Kong, first leases and then sub-leases the Company to acquire the right-of-use real estate for business use. This is a general and regular business activity, and the rental price conditions of the sub-lease are compared with those of WKI and the original lessor, and there is no abnormality.

- (3) The Company's group operating strategy is to continue to expand, integrate and strengthen the sales capabilities of each subsidiary's product line portfolio. With the steady growth of the performance of each subsidiary, the demand for working capital in addition to considering timely financing in the capital market, also requires the funds injection of bank financing, which is endorsed by the Parent Company of the Group (i.e., the Company) for the bank financing of each subsidiary.

(IV) Report on the Company's the implementation of the 6th domestic unsecured convertible corporate bonds

Explanation: As of the shares book closure date for the 2024 Annual General Meeting, the number of outstanding convertible corporate bonds is still 18,522.

(V) Report on the remuneration distribution of employees and directors for 2023

Explanation: In accordance with Article 22 of the Articles of Incorporation of the Company, the Company appropriated the remuneration of employees and directors for 2023, of which for employees and directors were NT\$91,713,200 and NT\$22,932,800, respectively. The above remuneration had been resolved by the Board of Directors on March 11, 2024 with no less than two-thirds of directors present, and approved by more than half of directors attending the meeting. Both of which will be paid in cash after this 2024 Annual General Meeting and there will be no difference from the expense appropriated in the financial statements of 2023.

(VI) Report on the Cash Dividends of the 2023 Surplus Earnings Distribution Plan

Explanation:

- (1) The Company's 2023 surplus earnings distribution plan will be fully distributed in cash dividends, totaling NT\$870,000,000, which 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 April 18, 2024. 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 2024 Annual General Meeting, the total issued and outstanding ordinary shares are 428,388,041 shares and the proposed declared cash dividend is NT\$2.03086 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 and the aforesaid cash dividends distributed to each ordinary share needs to 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.

(VII) Report on the amendment of some articles to the Company's "Sustainable Development Best Practice Principles", "Ethical Corporate Management Best Practice Principles", and "Rules and Procedures of Board of Directors Meeting", as well as the addition of the "Procedures for Ethical Management and Guidelines for Conduct"

Explanation:

- (1) To implement the policy of operating with ethical corporate management and to specify the matters that the Company personnel shall pay attention to when carrying out their duties, as well as to amend certain articles of the "Sustainable Development Best Practice Principles", "Ethical Corporate Management Best Practice Principles ", and to add the "Procedures for Ethical Management and Guidelines for Conduct", in accordance with relevant laws and regulations issued by the competent authority, the proposals were approved by the board of directors on January 31, 2024. For details, please refer to the following explanation.

The Comparison Table of Amendment for Sustainable Development Best Practice Principles			
Article Item	Amended Article	Current Article	Reason for Amendment
Article 27-1	The Company should continue to pour resources into cultural and artistic activities or cultural and creative industries through donation, sponsorship, investment, procurement, strategic cooperation, corporate voluntary technical services or other support modes to promote cultural development.	This article is added.	To amend in accordance with directives from the competent authority.

The Comparison Table of Amendment to Some Articles of Ethical Corporate Management Best Practice Principles			
Article Item	Amended Article	Current Article	Reason for Amendment
Article 5	Policy The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith <u>and obtain approval from the board of directors</u> , and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	Policy The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	To amend in accordance with directives from the competent authority.
Article 7	Scope of Precautions <u>The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs</u>	Scope of Precautions <u>In establishing the Precautions, the Company shall analyze the business activities with higher risk of unethical conduct within its scope of business and reinforce the relevant precautions.</u> <u>The Precautions established by the Company shall cover at</u>	

**The Comparison Table of Amendment to Some Articles of Ethical Corporate Management
Best Practice Principles**

Article Item	Amended Article	Current Article	Reason for Amendment
	<p><u>accordingly and review their adequacy and effectiveness on a regular basis.</u> <u>It is advisable for the Company to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive</u> measures against the following:</p> <ol style="list-style-type: none"> 1. Bribery and acceptance of bribery. 2. Provision of illegal political contribution. 3. Improper charitable donation or sponsorship. 4. Provision or acceptance of unreasonable gift, entertainment or other undue benefit. 5. The infringement of business confidentiality, trademark right, patent, copyright, and other intellectual property rights, 6. The unfair competition. 7. The product or service from the purchase, supply or sale damaged directly or indirectly the interest, health, and safety of the consumers or other interested persons. 	<p><u>least precautionary</u> measures against the following conduct:</p> <ol style="list-style-type: none"> 1. Bribery and acceptance of bribery. 2. Provision of illegal political contribution. 3. Improper charitable donation or sponsorship. 4. Provision or acceptance of unreasonable gift, entertainment or other undue benefit. 5. The infringement of business confidentiality, trademark right, patent, copyright, and other intellectual property rights, 6. The unfair competition. 7. The product or service from the purchase, supply or sale damaged directly or indirectly the interest, health, and safety of the consumers or other interested persons. 	
Article 8	<p><u>Commitment and Execution</u> <u>The Company shall request directors and senior executive officers to issue a statement of compliance with the ethical management policy and require in the terms of employment that</u></p>	<p>Commitment and Execution The Group Enterprise and Organization shall clearly provide policies of integrity management in its charters and external documents. The board of directors and the management shall commit to actively</p>	

The Comparison Table of Amendment to Some Articles of Ethical Corporate Management Best Practice Principles			
Article Item	Amended Article	Current Article	Reason for Amendment
	<p><u>employees comply with such policy.</u></p> <p>The Group Enterprise and Organization shall clearly provide policies of integrity management in its charters and external documents <u>and on the Company official website.</u> The board of directors and the <u>senior executive officers</u> shall commit to actively implement the code of Integrity Management and duly execute such policies in its internal management and commercial activities.</p> <p><u>The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.</u></p>	<p>implement the code of Integrity Management and duly execute such policies in its internal management and commercial activities..</p>	
Article 17	<p>Organization and Responsibility</p> <p>The Company and any of its directors, managers, employees, mandatory or Actual Controllers shall exercise due care as a good administrator to procure that the Company prevents any unethical conduct, review the implementation result and continuous improvement at any time and ensure the implemental of the policies of ethical corporate management.</p> <p>To complete ethical corporate management of the Company, <u>The Executive Office under Sustainable Development Committee</u> is responsible</p>	<p>Organization and Responsibility</p> <p>The Company and any of its directors, managers, employees, mandatory or Actual Controllers shall exercise due care as a good administrator to procure that the Company prevents any unethical conduct, review the implementation result and continuous improvement at any time and ensure the implemental of the policies of ethical corporate management.</p> <p>To complete ethical corporate management of the Company, the <u>Chairman's Office</u> is responsible for the establishment and</p>	

**The Comparison Table of Amendment to Some Articles of Ethical Corporate Management
Best Practice Principles**

Article Item	Amended Article	Current Article	Reason for Amendment
	<p>for the establishment and execution supervision of the policies and precautions of ethical corporate management and shall report to the board of directors <u>on a regular basis (at least once a year)</u>. The main function is as below:</p> <ol style="list-style-type: none"> 1. To assist to apply the code of Integrity Management and code of Ethics into company business strategy and establish the anti-corruption methods to comply with the related regulations. 2. <u>Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.</u> 3. To plan internal organization, structure, and job function and set up the supervisory mechanism for the higher risk of Unethical Conduct in the business operation. 4. To propagate, negotiate and do training of the policy of the ethical corporate management. 5. To establish the reporting system to affirm the effectiveness 	<p>execution supervision of the policies and precautions of ethical corporate management and shall file reports to the board of directors <u>as required</u>. The main function is as below:</p> <ol style="list-style-type: none"> 1. To assist to apply the code of Integrity Management and code of Ethics into company business strategy and establish the anti-corruption methods to comply with the related regulations. 2. <u>To establish related working procedure for the standard process and conduct guideline for the anti-integrity policies.</u> 3. To plan internal organization, structure, and job function and set up the supervisory mechanism for the higher risk of Unethical Conduct in the business operation. 4. To propagate, negotiate and do training of the policy of the ethical corporate management. 5. To establish the reporting system to affirm the effectiveness of the system. 6. To assist the Boards of the Directors and managing level to audit and evaluate the operation of the methods for prevention for the business operation in order to comply with the ethical corporate management and report 	

The Comparison Table of Amendment to Some Articles of Ethical Corporate Management Best Practice Principles			
Article Item	Amended Article	Current Article	Reason for Amendment
	<p>of the system.</p> <p>6. To assist the Boards of the Directors and managing level to audit and evaluate the operation of the methods for prevention for the business operation in order to comply with the ethical corporate management and report periodically for the evaluating of the compliance of the business procedure for the ethical corporate management.</p>	<p>periodically for the evaluating of the compliance of the business procedure for the ethical corporate management.</p>	
Article 20	<p>Accounting and Internal Control</p> <p>The Company shall establish an effective accounting system and internal control system for business activities with higher risk of unethical conduct. The Company shall not keep any second set of accounting books or maintain any secret account. The system shall be reviewed at any time to ensure that the design and execution thereof continue to be effective.</p> <p>The internal audit unit of the Company shall <u>base on the results of assessment of the risks of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public</u></p>	<p>Accounting and Internal Control</p> <p>The Company shall establish an effective accounting system and internal control system for business activities with higher risk of unethical conduct. The Company shall not keep any second set of accounting books or maintain any secret account. The system shall be reviewed at any time to ensure that the design and execution thereof continue to be effective.</p> <p>Internal audit unit of the Company shall <u>perform regular audit on the compliance of the systems under the previous paragraph. Audit reports shall be prepared and submitted to the board of directors and Company can delegate CPA to audit the process and request the assistance from the professional persons.</u></p>	

**The Comparison Table of Amendment to Some Articles of Ethical Corporate Management
Best Practice Principles**

Article Item	Amended Article	Current Article	Reason for Amendment
	<u>accountant to carry out the audit, and may engage professionals to assist if necessary.</u> <u>The results of the aforementioned audits shall be reported to senior executive officers and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.</u>		
Article 23	<p>Reporting and Discipline system</p> <p>The Company shall set up a concrete Reporting and Discipline system and execute it thoroughly. The system should at least include the following:</p> <ol style="list-style-type: none"> 1. Provide and announce the internal independent reporting box, telephone line or delegate the external independent organization to provide reporting box, telephone line for the insider or outsider. 2. To assign the person or unit in charge for the above reporting. If there is any directors or high managing level involve in such conduct, it should be reported to independent directors and set up the standard process for the reporting based on the nature and the conduct. 3. <u>Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases</u> 	<p>Reporting and Discipline system</p> <p>The Company shall set up a concrete Reporting and Discipline system and execute it thoroughly. The system should at least include the following:</p> <ol style="list-style-type: none"> 1. Provide and announce the internal independent reporting box, telephone line or delegate the external independent organization to provide reporting box, telephone line for the insider or outsider. 2. To assign the person or unit in charge for the above reporting. If there is any directors or high managing level involve in such conduct, it should be reported to independent directors and set up the standard process for the reporting based on the nature and the conduct. 3. The reporting process and the inspection and records of the inspection for the filing and maintaining. 	

The Comparison Table of Amendment to Some Articles of Ethical Corporate Management Best Practice Principles			
Article Item	Amended Article	Current Article	Reason for Amendment
	<p><u>reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u></p> <p>4. The reporting process and the inspection and records of the inspection for the filing and maintaining.</p> <p>5. To keep confidential for the reporter's information and reporting content.</p> <p>6. There is no improper action toward the person to file a report.</p> <p>7. To set up an incentive program for the person to file a report.</p> <p>The person or the unit of the Reporting and Discipline system should file a report immediately and make written notice to independent directors if they find there is a severe violation or Company might suffer heavily during the inspection.</p>	<p>4. To keep confidential for the reporter's information and reporting content.</p> <p>5. There is no improper action toward the person to file a report.</p> <p>6. To set up an incentive program for the person to file a report.</p> <p>The person or the unit of the Reporting and Discipline system should file a report immediately and make written notice to independent directors if they find there is a severe violation or Company might suffer heavily during the inspection.</p>	

The Addition of the "Procedures for Ethical Management and Guidelines for Conduct"
<p>Approved by the Board of Directors on 2024/01/31</p> <p>Article 1 (Purpose of adoption and scope of application)</p> <p>This Corporation engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where this Corporation and its business groups and organizations operate, with a view to providing all personnel of this Corporation with clear directions for the performance of their duties.</p> <p>The scope of application of these Procedures and Guidelines includes the subsidiaries of this Corporation, any incorporated foundation in which this Corporation's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises</p>

The Addition of the "Procedures for Ethical Management and Guidelines for Conduct"

and organizations, such as institutions or juristic persons, substantially controlled by this Corporation.

Article 2

(Applicable subjects)

For the purposes of these Procedures and Guidelines, the term "personnel of this Corporation" refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of this Corporation or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of this Corporation through a third party will be presumed to be an act by the personnel of this Corporation.

Article 3

(Unethical conduct)

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of this Corporation, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4

(Types of benefits)

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 5

(Responsible unit and duties)

This Corporation shall designate the Executive Office under Sustainable Development Committee as the solely responsible unit (hereinafter, "responsible unit") under the board of directors and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors:

1. Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analysing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.

The Addition of the "Procedures for Ethical Management and Guidelines for Conduct"

6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.

Article 6

(Prohibition against providing or accepting improper benefits)

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of this Corporation shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Other conduct that complies with the rules of this Corporation.

Article 7

(Procedures for handling the acceptance of improper benefits)

Except under any of the circumstances set forth in the preceding article, when any personnel of this Corporation are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.

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3. Other circumstances in which a decision regarding this Corporation's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of this Corporation shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by President.

Article 8

(Prohibition of and handling procedure for facilitating payments)

This Corporation shall neither provide nor promise any facilitating payment.

If any personnel of this Corporation provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9

(Procedures for handling political contributions)

Political contributions by this Corporation shall be made in accordance with the following provisions, reported to President for approval, and a notification given to the responsible unit, and when the amount of a contribution is NT\$10,000,000 or more, it shall be made only after being reported to and approved by the board of directors:

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of this Corporation with the related government agencies shall be avoided.

Article 10

(Procedures for handling charitable donations or sponsorships)

Charitable donations or sponsorships by this Corporation shall be provided in accordance with the following provisions and reported to President for approval, and a notification shall be given to the responsible unit. When the amount is NT\$10,000,000 or more, the donation or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where this Corporation is doing business.
2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of this Corporation's commercial dealings or a party with which any personnel of this Corporation has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

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Article 11

(Recusal)

When a director , supervisor, officer or other stakeholder of this Corporation attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

Where the spouse, a blood relative within the second degree of kinship 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.

If in the course of conducting company business, any personnel of this Corporation discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of this Corporation may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Corporation.

Article 12

(Special unit in charge of confidentiality regime and its responsibilities)

This Corporation shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of this Corporation's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

All personnel of this Corporation shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of this Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of this Corporation unrelated to their individual duties.

Article 13

(Prohibition against unfair competition)

This Corporation shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities.

Article 14

(Prevention of damage caused by products and services to stakeholders)

This Corporation shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of this Corporation to ensure the transparency of information about, and safety of, the products and services in the course of their research and development,

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procurement, manufacture, provision, or sale of products and services.

This Corporation shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Article 15

(Prohibition against insider trading and non-disclosure agreement)

All personnel of this Corporation shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of this Corporation that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by this Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Corporation acquired as a result, and that they may not use such information without the prior consent of this Corporation.

Article 16

(Compliance and announcement of policy of ethical management)

This Corporation shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

This Corporation shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 17

(Ethical management evaluation prior to development of commercial relationships)

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, this Corporation shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

Article 18

(Statement of ethical management policy to counterparties in commercial dealings)

Any personnel of this Corporation, when engaging in commercial activities, shall make a statement to the trading counterparty about this Corporation's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 19

(Avoidance of commercial dealings with unethical operators)

All personnel of this Corporation shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further

The Addition of the "Procedures for Ethical Management and Guidelines for Conduct"

business interaction in order to effectively implement this Corporation's ethical management policy.

Article 20

(Stipulation of terms of ethical management in contracts)

Before entering into a contract with another party, this Corporation shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of this Corporation part of the terms and conditions of the contract.

Article 21

(Handling of unethical conduct by personnel of this Corporation)

This Corporation incents insiders and outsiders for informing of unethical or unseemly conduct. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

This Corporation shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for insiders and outsiders of this Corporation to submit reports. A whistleblower shall at least furnish the following information:

1. The whistleblower's name and I.D. number (whistleblowing reports may be submitted anonymously), and an address, telephone number and e-mail address where it can be reached.
2. The informed party's name or other information sufficient to distinguish its identifying features.
3. Specific facts available for investigation.

Personnel of this Corporation handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.

The responsible unit of this Corporation shall observe the following procedure in handling whistleblowing matters:

1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive.
2. The responsible unit of this Corporation and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. With respect to a confirmed information, this Corporation shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
6. The responsible unit of this Corporation shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

Article 22

(Actions upon event of unethical conduct by others towards this Corporation)

If any personnel of this Corporation discovers that another party has engaged in unethical conduct

The Addition of the "Procedures for Ethical Management and Guidelines for Conduct"

towards this Corporation, and such unethical conduct involves alleged illegality, this Corporation shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, this Corporation shall additionally notify the governmental anti-corruption agency.

Article 23

(Internal awareness sessions and establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)

This Corporation shall educate and publicize these Procedures and Guidelines during new employee registration or on the internal website to convey the importance of integrity.

This Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of this Corporation seriously violates ethical conduct, this Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of this Corporation.

This Corporation shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24

(Enforcement)

These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and reported to the shareholders meeting.

When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.

- (2) In order to comply with the Financial Supervisory Commission's letter Ref. No. 1120383996 issued on January 11, 2024 regarding the amendment of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", certain relevant articles of the Company's " Rules and Procedures of Board of Directors Meeting " have been amended. The proposals were approved by the board of directors on March 11, 2024. Please refer to the following amendment comparison table for details.

The Comparison Table of Amendment to Some Articles of Rules and Procedures of Board of Directors Meeting

Article Item	Amended Article	Current Article	Reason for Amendment
Article 8	(paragraph 1 to paragraph 2 are omitted) If one-half of all the directors are not in attendance at the appointed meeting time, the chair may	(paragraph 1 to paragraph 2 are omitted) If one-half of all the directors are not in attendance at the appointed meeting time, the chair may	Cooperate with the competent authority to make

The Comparison Table of Amendment to Some Articles of Rules and Procedures of Board of Directors Meeting			
Article Item	Amended Article	Current Article	Reason for Amendment
	<p>announce postponement of the meeting time <u>on that day</u>, 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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	corrections
Article 11	<p>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.</p> <p>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.</p> <p><u>If at any time during the proceeding of a board of directors meeting the chairman is unable to preside over the meeting due to unforeseen circumstances or fails to declare the adjournment of the meeting in accordance with the provisions of paragraph 2, in which case the paragraph 3 of Article 7 shall apply mutatis mutandis to the appointment of the chairman's proxy.</u></p>	<p>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.</p> <p>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.</p>	Cooperate with the competent authority to make corrections

The Comparison Table of Amendment to Some Articles of Rules and Procedures of Board of Directors Meeting			
Article Item	Amended Article	Current Article	Reason for Amendment
Article 18	These Rules of Procedures and any amendment shall be adopted by the approval of meeting of the board of directors.	These Rules of Procedures and any amendment shall be adopted by the approval of meeting of the board of directors <u>and shall be reported to the shareholders' meeting.</u>	Cooperate with the competent authority to make corrections

(VIII) Report on Director Remuneration for 2023

Explanation: The Company's Director Remuneration policy and its relationship with operational performance for 2023, as follows:

1. Remuneration to directors including directors' remuneration and business execution fees
 - (1) The Company pays the remuneration of directors, including the remuneration appropriated by the Company's Articles of Incorporation and business execution fees (only the attendance fee for attending the meeting, NT\$10,000 per person per occurrence). The total appropriated amount of directors' remuneration shall be set at a maximum of 2.5% of the net profit before tax stated in the Articles of Incorporation of the Company. However, if the Company still has accumulated losses, it shall first be offset against any deficit.
 - (2) The total remuneration of directors for 2022 was NT\$47,480,800 which was paid to all directors on June 28, 2023 in accordance with the Company's "Rules for Remuneration Management of Directors and Executive Managers" and "Rules for Board of Directors Performance Assessment".
 - (3) The 2023 director's remuneration totaling NT\$22,932,800 has been approved by the Remuneration Committee and the Board of Directors on March 11, 2024, and after reporting to the 2024 Annual General Meeting, which remuneration will be paid accordingly according to the aforementioned Rules.
2. Emoluments paid to executive officers are divided into fixed salary and variable remuneration.
 - (1) The fixed salary includes base pay, duty allowance and meal allowance, which are determined by the following factors such as education, experience, skills, degree of responsibility for risk decision-making, contribution to the Company, the typical pay levels adopted by peer companies, and professional job conditions for participating in sustainability. The annual salary adjustment is carried out in accordance with the Company's operating conditions, the domestic economic growth rate, price index, the salary adjustment status of the industry, the personal performance appraisal (including related efforts in sustainability), and the Company's annual budget target.
 - (2) The variable remuneration includes business performance incentive, year-end bonus and employee (including executive officer) remuneration.
 - ① Business performance incentives are mainly paid to business and technical application engineers, and which are paid based on product operating performance and personal performance, sustainable development should also be considered in conjunction with business opportunity acquisition and performance creation, such as digital transformation, green and energy saving, carbon reduction, etc.
 - ② The year-end bonus for employees and executive officers is the amount of

accumulated reserves appropriates in the accounting entry in advance on a monthly basis based on the achievement rate of the budget profit target; prior to the distribution of the above mentioned bonus, the top management must first complete a comprehensive assessment of employees and executive officers, including personal performance appraisal (including related efforts in sustainability), education, experience, skills, degree of responsibility for risk decision-making, contribution to the Company under ethical corporate management, the typical pay levels adopted by peer companies, responsibility for promoting sustainability and its performance contribution, etc., , and then according to the approved distribution plan, distribute the foresaid bonus to employees and executive officers. However, the distribution plan of year-end bonus belongs to executive officers must first be approved by the resolution of the Remuneration Committee and the Board of Directors.

- ③ Employees (including executive officers) remuneration is the total appropriated amount in accordance with the Company's Articles of Incorporation, which amount is first approved by the resolution of the Remuneration Committee and the Board of Directors and reported to the shareholders' meeting; the procedures for the distribution of remuneration to employees and executive officers are the same as described in the preceding subparagraph ②.

(3) Appropriation of employees (including executive officers) remuneration

- ① In accordance with the Articles of Incorporation 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, executive officers, and directors) will be distributed as employees (including executive officers) remuneration. Employees and executive officers who are entitled to receive the above mentioned remuneration, in share or cash, include the employees of the subsidiaries of the Company who meet certain specific requirements.
- ② The 2022 employees' remuneration amount NT\$189,923,200 appropriated in accordance with the Company's Articles of Incorporation has been paid in cash on July 28, 2023 based on employee's performance assessment.
- ③ The 2023 remuneration of employees (including managers) totaling NT\$91,731,200 has been approved by the Remuneration Committee and the Board of Directors on March 11, 2024, which payment will be made in cash, it will be submitted to the 2024 Annual General Meeting of Shareholder for reporting and will be distributed based on the performance appraisal of employees (including executive officers), but the payment to executive officers is subject to the approval of the Remuneration Committee and the Board of Directors.

3. Principles of relevance, rationality and avoidance of interests

The emoluments of directors and employees (including executive officers) must not only comply with relevant laws and regulations to attract outstanding talents, but also take into account the rationality of the relationship between personal performance and company financial performance, related efforts in sustainability and contribution, and risk management. The decision on the emoluments of directors and executive officers should not deviate significantly from the Company's financial performance, and should not lead them to engage in behaviors that exceed the Company's risk appetite in pursuit of emoluments; in addition, the principle of interest avoidance must be paid attention to in the procedure of approving personal salary and remuneration.

4. The breakdown of individual director remuneration is as follows:

Title	Name	Remuneration								Total Remuneration (A+B+C+D) and its ratio to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Total Remuneration (A+B+C+D+E+F+G) and its ratio to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Remuneration (G)						
		The Company	All companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	Cash	Stock	Cash	Stock	The Company	Companies in the consolidated financial statements	
Chairman	Hu, Chiu-Chiang (@Douglas Hu)	---	---	---	---	2,293,280	3,296,418	140,000	140,000	2,433,280 0.31%	3,436,418 0.44%	15,982,400	46,104,476	134,208	134,208	13,520,000	---	13,520,000	---	36,836,448 4.68%	68,964,800 8.77%	---
Director	Chi, Ting-Fang (@Stan Chi)	---	---	---	---	2,293,280	3,296,418	100,000	100,000	2,393,280 0.30%	3,396,418 0.43%											
Director	Chen, Kuan-Hua (@Bill Chen)	---	---	---	---	2,293,280	2,293,280	80,000	80,000	2,373,280 0.30%	2,373,280 0.30%											
Director	Weiji Investment Co., Ltd.	---	---	---	---	9,173,120	9,173,120	90,000	90,000	9,263,120 1.18%	9,263,120 1.18%	---	---	---	---	---	---	---	---	9,263,120 1.18%	9,263,120 1.18%	---
	Representative : Chen, Cheng-Fong (@Eric Chen)																					
Independent Director	Tsai, Yu-Ping (@Edward Tsai)	---	---	---	---	2,293,280	2,293,280	250,000	250,000	2,543,280 0.32%	2,543,280 0.32%	---	---	---	---	---	---	---	---	7,579,840 0.96%	7,579,840 0.96%	---
Independent Director	Lin, Hung (@Vincent Lin)					2,293,280	2,293,280	250,000	250,000	2,543,280 0.32%	2,543,280 0.32%											
Independent Director	Yu, Hsueh-Ping (@Peggy Yu)					2,293,280	2,293,280	200,000	200,000	2,493,280 0.32%	2,493,280 0.32%											

1. Please describe the independent director's remuneration payment policy, system, standards and structure, and describe the relationship with the amount of remuneration according to the responsibilities, risks, investment time and other factors:

- The Company pays the remuneration of directors, including the remuneration appropriated by the Company's Articles of Incorporation and business execution fees (only the attendance fee for attending the meeting). The total appropriated amount of directors' remuneration shall be set at a maximum of 2.5% of the net profit before tax stated in the Articles of Incorporation of the Company. However, if the Company still has accumulated losses, it shall first be offset against any deficit, and in accordance with the Company's "Rules for Remuneration Management of Directors and Executive Managers" and "Rules for Board of Directors Performance Assessment" and after reporting to the annual shareholders' meeting, directors' remuneration will be paid accordingly. The Company's functional committees include: Audit Committee, Remuneration Committee, Nominating Committee and Sustainable Development Committee. All independent directors participate in all committees and perform their duties in accordance with the charts of relevant committees. In addition, the conveners of each committee shall convene a meeting at least once every quarter during the year to make effective resolutions on improving the Company's corporate governance and sustainability governance, which will be used as the basis for the promotion and implementation of the management team, and the implementation results will be submitted to the relevant committees for acknowledgement or reporting. For related matters, please refer to the functional committees in the corporate governance section of the Company's official website. Directors' remuneration appropriated in accordance with the Company's Articles of Incorporation is linked to the Company's financial performance, and the director's personal performance and the accountabilities of corporate governance, sustainability and risk management have been taken into account when distributing remuneration, and the rationality of the connection has been established. At the same time, in terms of operating conditions, directors were not guided to engage in decision-making behaviors that exceeded the Company's risk appetite in pursuit of remuneration. In addition, the principle of interest avoidance was also paid attention to in the procedures for approving personal remuneration.
- With regard to the payment of remuneration for independent directors, the business execution fees are based on the attendance fee for attending the meeting (Board meeting and Functional Committee meeting) in each meeting, and each independent director is paid NT\$10,000 each meeting. In addition, the total amount of remuneration appropriated according to the Company's Articles of Incorporation shall be distributed to 3 independent directors at 30% of the total amount appropriated.

2. Except as disclosed in the above table, the remuneration received by the directors of the Company in the most recent year(2023) for providing services (such as serving as a consultant to non-employees of the parent company / all companies listed in the financial report / reinvestment enterprises, etc.):
None.

IV. Acknowledged Matters

Agenda 1. Acknowledgement on the 2023 Business Report and the Independent Auditors' audited financial reports (Proposed by the Board of Directors)

Explanation:

1. The Company's business report and financial reports for the fiscal year 2023 have been duly approved by the board of directors. The financial reports (including individual and consolidated) have been audited and attested by the Independent Auditors of KPMG Taiwan, Mr. Au, Yiu-Kwan and Ms. Kuo, Kuan-Ying. The aforementioned financial statements, along with the business report, have been submitted to the Audit Committee for review, and a written review report has been issued and filed.
2. Please refer to the attached Appendix I of this handbook for the Independent Auditors' audit report and financial statements of the preceding financial reports (including individual and consolidated).
3. Acknowledgement is respectfully requested.

RESOLVED :

Agenda 2. Acknowledgement on the 2023 Surplus Earnings Distribution Plan. (Proposed by the Board of Directors)

Explanation:

1. The Company proposed the Surplus Earnings Distribution Plan for 2023 pursuant to Articles of Incorporation of the Company, that plan as the below has been approved by the resolution of Board of Directors of the Company through discussion and has been submitted to the Audit Committee for review, with a written review report on file.
2. Acknowledgement is respectfully requested.

Weikeng Industrial Co., Ltd
2023 Surplus Earnings Distribution Plan

Expressed in NT\$		
Net Income after Tax for 2023	786,767,390	
Plus: Remeasurements of Defined Benefit Plans	2,488,000	
Sub-Total	789,255,390	
Less : 10% Legal Reserve	(78,925,539)	
Less: Appropriation of Special Reserve	(12,354,562)	
Total Distributable Earnings for 2023		697,975,289
Plus: Beginning Undistributed Surplus Earnings		877,841,081
Surplus Earnings Available for Distribution		1,575,816,370
Distribution Items:		
Cash Dividends on Ordinary Shares		870,000,000
Ending Undistributed Surplus Earnings		705,816,370
Chairman : Hu, Chiu-Chiang President : Chi, Ting-Fang Accounting Manager: Huang, Li-Hsiang		

RESOLVED :

V. Discussion Matters

Agenda 1. Proposed issuance of employee stock warrants at an exercise price lower than prevailing market price (Proposed by the Board of Directors)

Explanation:

1. The Company plans to issue employee stock warrants at an exercise price lower than the prevailing market price (i.e., closing price) of the Company's common stock on the issuance date, in accordance with relevant regulations such as Article 28-3 of the Securities and Exchange Act and Article 56-1 of the and the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers". The issuance will be conducted once or in installments within two years starting from the date of receipt of the effective resignation notice from the competent authority, depending on actual demand. The actual issuance date will be determined by the authorized Chairman of the Board.
2. The Employee Stock Warrants Issuance and Subscription Procedure proposed in this offering are detailed in the attached Appendix V. The explanation is as follows:
 - (1) The total number of employee stock warrants to be issued, the number of shares to subscribe per stock warrant, and the number of new shares that will have to be issued upon exercise of the stock warrants
 - ① The total number of employee stock warrants to be issued: 10,000 units,
 - ② The number of shares to subscribe per stock warrant: 1,000 shares of the Company's common stock.
 - ③ The number of new shares that will have to be issued upon exercise of the stock warrants: 10,000,000 shares.
 - (2) Basis and rationality for determining the Exercise Price:

The exercise price is set at no less than 50% of the closing price of the Company's common stock on the day of issuance of the stock warrants. The actual exercise price is determined by the board of directors, taking into consideration talent recruitment, retention, and incentive effects, while also balancing shareholder interests. Additionally, the exercise of employee stock warrants is subject to a two-year vesting period from the issuance date, based on the predetermined ratio. Therefore, setting the exercise price below the prevailing market price (i.e., the closing price) of the Company's common stock on the issuance date is considered reasonable.
 - (3) Qualifications for stock warrants' holders and number of shares eligible for subscription:
 - ① Limited to full-time regular employees who join the Company and its domestic and foreign controlled and subsidiary companies before the stock warrants grant date approved by the chairman.
 - ② The actual number of employees eligible to be stock warrants holders and the number of warrants they are eligible for will be determined based on their position, length of service, job performance evaluation (including input in sustainable development), past and expected future contributions to the Company's overall performance, or future development potential. The allocation criteria will be formulated by the general manager, approved by the chairman, and ratified after the Board of Directors' consent. However, directors who are also executives or employees should submit the proposal to the Remuneration Committee for discussion and then to the Board of Directors for approval. Non-executive employees should first submit their proposal to the Audit Committee for discussion and then seek approval from the Board of Directors.
 - ③ The Company shall, in accordance with Article 56-1, Paragraph 1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the cumulative number of shares to subscribe by a single warrant holder of the employee stock warrants, in combination with the cumulative

number of new restricted employee shares obtained by the single warrant holder, may not exceed 0.3 percent of the Company's total issued shares. And the above in combination with the cumulative number of shares to subscribe by the single warrant holder of employee stock warrants issued by the Company under Article 56, paragraph 1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, may not exceed 1 percent of the Company's total issued shares.

(4) Exercise Period:

- ① The term of validity of this stock warrants is six years. The stock warrants and its rights may not be transferred, pledged, gifted to others, or disposed of in any other way, except to heirs. Upon expiration of the validity period, unexercised stock warrants shall be deemed waived, and the stock warrants holder may no longer claim their subscription rights.
- ② The stock warrants holder may exercise the subscription rights as follows, starting from two years after being granted the Employee Stock Warrants:

Stock Warrants Vested Period	Cumulative Vested Ratio of Exercisable Stock Warrants
Upon Expiration of 2 Years	40%
Upon Expiration of 3 Years	60%
Upon Expiration of 4 Years	80%
Upon Expiration of 5 Years	100%

(5) Adjustment of the Exercise Price:

After the issuance of the employee stock warrants, in the event of "changes in share capital" and "distribution of cash dividends" as described in Article 7 of the Employee Stock Warrants Issuance and Subscription Procedure, the exercise price shall be adjusted in accordance with the provisions of that article. However, if the adjusted exercise price is lower than the face value of common stock, the adjusted exercise price shall be equal to the face value of common stock.

3. The necessary reasons for issuing the employee stock warrants:

The Company aims to attract and retain outstanding talents necessary for the Company, motivate employees, and enhance their sense of belonging, with the goal of collectively creating benefits for the Company and shareholders.

4. Impacts on shareholder equity matters:

(1) Potential amount of expenses and dilution of earnings per share for the Company:

Based on the duration of the stock warrants and the vested proportion of rights exercisable, the fair value of each employee stock warrant is determined. A total of 10,000 units will be issued, with each unit granting the right to subscribe to 1,000 shares of the Company's common stock. The fair value of each employee stock warrant is calculated using the Black-Scholes option pricing model. The stock warrants are expected to be filed registration for approval to the regulatory authority in the third quarter of 2024 and anticipated to be issued in the beginning of 2025, with a six-year duration. Calculations based on assumptions of turnover rate and the proportion of stock warrants exercisable during the vested period indicate that from the year 2025 to 2029, the annual amortization of the cost of services obtained during the vested period of employee stock warrants and the annual dilution effect on earnings per share per year are as follows in the table below:

Item \ Year	2025	2026	2027	2028	2029	Total
Cost of services obtained during the vested period of employee stock warrants(in NT\$ thousand)	61,801	61,801	27,091	15,489	6,863	173,045

Dilution effect on earnings per share(after tax , NT\$)	(0.115)	(0.115)	(0.051)	(0.029)	(0.013)	(0.323)
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- (2) Where previously issued shares will be used to cover the warrants, explain what financial burden this will impose on the Company: Not applicable.
5. This proposal has been approved by a special resolution of the Board of Directors on May 6, 2024 (with the attendance of over two-thirds of the directors and the consent of more than half of the attending directors), and is subject to submission to this Annual General Shareholders' Meeting for resolution. Such resolution requires the attendance of shareholders representing over half of the total issued shares and the consent of over two-thirds of the voting rights represented at the meeting before filing registration to the competent authority for issuance. In the event that revisions are required during the submission and review process due to requests from the competent authority, the Chairman is authorized to amend the Employee Stock Warrants Issuance and Subscription Procedure. Subsequently, issuance may proceed only after ratification by the Board of Directors.
6. Approval is respectfully requested.

RESOLVED :

VI. Election Matters

Agenda 1. Re-election of all Directors (including Independent Directors) (Proposed by the Board of Directors)

Explanation:

1. The term of office of the current directors (including independent directors) of the company will expire on July 19, 2024. In compliance with the comprehensive director election at the 2024 Annual Shareholders' Meeting, pursuant to Article 199-1 of the Company Act, the term of office of the original directors (including independent directors) will be terminated upon the election of new directors (including independent directors) at the 2024 Annual Shareholders' Meeting.
2. According to Article 12 of the Company's Articles of Incorporation, the Company shall have a board of directors consisting of five to nine members, with a candidate nomination system, to be elected by the Shareholders' Meeting from the list of candidates. In this instance, seven new directors are to be elected (including three independent directors). They shall assume office immediately upon the conclusion of the 2024 Annual General Meeting of Shareholders and serve a term of three years, from June 20, 2024, to June 19, 2027, with the option for re-election.
3. The list of candidates for new directors (including independent directors) has been nominated by the Company's Nominating Committee and approved by the Board of Directors. For brief introductions of the candidates, please refer to the below table.
4. Mr. Lin, Hung (@Vincent Lin), the nominated independent director, has served consecutively as an independent director of the Company for more than three terms. In accordance with Article 5 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", the Company's Nominating Committee continues to nominate Mr. Lin for the position of independent director for the following reasons: Mr. Lin holds an Executive Master of Business Administration (EMBA) degree from National Cheng Chi University. Currently, He currently serves as the Chairman of Hua Shuai Hospitality Management Consulting Co. Ltd., the President of Harbor View Hotel, and the Chairman of Dragonfly Gallery Co., Ltd., President of Ahotel, Taiwan Fine Business Travel Alliance, Director of National Association of the Republic of China Hotel Association, and the Director of Taiwan Miner's General Hospital. He has previously held positions such as Director of Leatec Fine Ceramics Co., Ltd., a passive electronic component manufacturer. His successful management in the tourism and hotel service industry, coupled with his deep understanding of commercial laws and expertise in corporate governance, are noteworthy. Our company hopes to leverage his cross-industry management experience and perspective to provide timely and diverse insights on business operations and sustainable governance. This aims to enhance the diversity of our company's thinking in terms of business operations and sustainable management strategies, thus

improving the quality of corporate governance and the supervisory function of the sustainability

5. The Board of Directors of the Company completed the nomination and review process for seven new directors (including three independent directors) in accordance with the Company's Articles of Incorporation on March 11, 2024, and submitted them for election at the 2024 Annual General Meeting of Shareholder.
6. After the new directors assume office, the Audit Committee will be composed of all independent directors.
7. The election process for this matter shall be conducted in accordance with the provisions of the Company's Rules for Election of Directors (please refer to the Appendix IV of this handbook).
8. Election is respectfully requested.

Position	Nominated Candidates	Education & Working Experience	Number of Shares Held (As of April 22, 2024)
Director	Hu, Chiu-Chiang (@Douglas Hu)	<p><u>Education :</u></p> <ul style="list-style-type: none"> • Ph.D. of Institute of Management of Technology, National Chiao Tung University, Taiwan • Master of Business Administration, Da-Yeh University, Taiwan • Executives Program, Graduate School of Business Administration, National Cheng-Chi University • Bachelor of Science in Communications Engineer, National Chiao Tung University, Taiwan <p><u>Concurrently assume the duties of the Company and other companies :</u></p> <ul style="list-style-type: none"> • Chief Strategy Officer, Weikeng Industrial Co., Ltd. • Chairman, Wei Ji Investment Co., Ltd. • Chairman, Weikeng International Co., Ltd. • Chairman, Weikeng Technology Pte Ltd. • Chairman, Weikeng Technology Co., Ltd. • Independent Director & Remuneration Committee, and Audit Committee, V-TAC Technology Co., Ltd. • Independent Director, Nominating Committee, Remuneration Committee, and Audit Committee, CIPHERLAB Co., Ltd. • Director, Promate Electronic Co., Ltd. • Director (Representative of Juristic Person/ Promate Electronic Co., Ltd.), Promate Solutions Co., Ltd. • Director, Amazing Microelectronic CO., Ltd. • Supervisor, LEADTEL Co., Ltd. (Resigning on 2023/12/26) • Supervisor, EVGA Technology Incorporated • Director (Representative of Juristic Person/ Hydroionic Technologies Co., 	8,843,627

Position	Nominated Candidates	Education & Working Experience	Number of Shares Held (As of April 22, 2024)
		<p>Ltd.), Hydroionic EnviroTec Co., Ltd.</p> <ul style="list-style-type: none"> • Director (Representative of Juristic Person/ Hydroionic EnviroTec Co., Ltd.), Hydroionic EnviroServices Co., Ltd. • Nominating Committee and Sustainable Development Committee, Weikeng Industrial Co., Ltd. <p><u>Past Working Experience :</u></p> <ul style="list-style-type: none"> • R&D Engineer, SAMPO Co.,Ltd. • Chairman & CEO, Weikeng Industrial Co., Ltd. and its affiliates • Chairman, Taipei County Computer Association (TCCA) • Executive Director, Taipei Electronic Components Suppliers' Association (TECSA) 	
Director	<p>Weiji Investment Co., Ltd. (Representative : Chen, Cheng-Fong (@Eric Chen))</p>	<p><u>Education :</u></p> <ul style="list-style-type: none"> • Bachelor of Science in Electrophysics, National Chiao Tung University, Taiwan <p><u>Concurrently assume the duties of the Company and other companies :</u></p> <ul style="list-style-type: none"> • Chairman, Promate Electronic Co., Ltd. • Chairman, Chuang Feng investment Co., Ltd. • Chairman, Promate International Co. Ltd. • Director, (Representative of Juristic Person/ Promate Electronic Co., Ltd.), Promate Solutions Co., Ltd. • Supervisor, Ching Fong investment Co., Ltd. • Director (Representative of Juristic Person/ Promate Electronic Co., Ltd.), CT CONTINENTAL Co., Ltd. • Director, GLIMMER INC <p><u>Past Working Experience :</u></p> <ul style="list-style-type: none"> • Engineer, Texas Instruments Inc. 	30,426,876
Director	<p>Chi, Ting-Fang (@Stan Chi)</p>	<p><u>Education:</u></p> <ul style="list-style-type: none"> • Bachelor of Science in Control Engineering, National Chiao Tung University, Taiwan <p><u>Concurrently assume the duties of the Company and other companies :</u></p> <ul style="list-style-type: none"> • President /CEO, Weikeng Industrial Co., Ltd. (Resigned as Chief Operating Officer and promoted to President/CEO since 2022.09.01), Weikeng Industrial Co., Ltd. • Managing Director, Weikeng Technology Pte Ltd. • Director, Weikeng Technology Co., Ltd. • Sustainable Development Committee, Weikeng Industrial Co., Ltd. 	6,278,150

Position	Nominated Candidates	Education & Working Experience	Number of Shares Held (As of April 22, 2024)
		<u>Past Working Experience :</u> <ul style="list-style-type: none"> • Chief Operating Officer, Weikeng Industrial Co., Ltd. • Associate Engineer, Institute of Machinery, Industrial Technology Research Institute (ITRI) 	
Director	Chen, Kuan-Hua (@Bill Chen)	<u>Education :</u> <ul style="list-style-type: none"> • Master of Financial Engineering, Carnegie Mellon University, Commonwealth of Pennsylvania • Master of Computer Science & Information Engineering, National Taiwan University • Bachelor of Mathematical Sciences, National Cheng-Chi University <u>Concurrently assume the duties of the Company and other companies :</u> <ul style="list-style-type: none"> • Director, King Yuan Electronics Co., Ltd. • Director, ChanCheng Investment Co., Ltd. <u>Past Working Experience :</u> <ul style="list-style-type: none"> • Supervisor, Weikeng Industrial Co., Ltd. 	191,301
Independent Director	Lin, Hung (@Vincent Lin)	<u>Education :</u> <ul style="list-style-type: none"> • Executive Master of Business Administration, National Cheng-Chi University • Bachelor of Science in Pharmacy, Kaohsiung Medical University <u>Concurrently assume the duties of the Company and other companies :</u> <ul style="list-style-type: none"> • Remuneration Committee, Audit Committee, Nominating Committee, and Sustainable Development Committee, Weikeng Industrial Co., Ltd. • Chairman, Hua Shuai Hospitality Management Consulting Co. Ltd. • Chairman, Dragonfly Gallery Co., Ltd. • President of Ahotel, Taiwan Fine Business Travel Alliance • Director, National Federation of the Hotel Industry Association of the Republic of China • Director, Taiwan Miner's General Hospital <u>Past Working Experience :</u> <ul style="list-style-type: none"> • President, Harbor View Hotel • Director, National Federation of the Republic of China Hotel Association • Keelung City Council Legislative Affairs Consultant • Executive Committee Member of the Keelung Branch of the Association for 	0

Position	Nominated Candidates	Education & Working Experience	Number of Shares Held (As of April 22, 2024)
		Victims Support, AVS • Director (Representative of Juristic Person/ ALPIN INTERNATIONAL CO., LTD.), Leatec Fine Ceramics Co., Ltd.	
Independent Director	Yu, Hsueh-Ping (@Peggy Yu)	<u>Education :</u> • Master of Accounting, National Taiwan University <u>Concurrently assume the duties of the Company and other companies :</u> • Audit Committee and Sustainable Development Committee, Weikeng Industrial Co., Ltd. • Vice President, Grand Aspect International Ltd. • Vice President, Grand China Ltd. • Director (Representative of Juristic Person/ Grand China Ltd.), PrinTec International Co., Ltd. <u>Past Working Experience :</u> • Senior Vice President, Standard Chartered International Commercial Bank • Independent Director, CastleNet Technology Inc. • Supervisor, Promate Electronic Co., Ltd. • Supervisor, Well Glory Development Co., Ltd.(Renamed as Mega International Development Co., Ltd.)	0
Independent Director	Wang, Chien-Chih (@Jeffrey Wang)	<u>Education :</u> • Bachelor of Department of Law, Fu Jen Catholic University <u>Concurrently assume the duties of the Company and other companies :</u> • Director (Representative of Juristic Person/ Ming-Liang Investment Co., Ltd.), Insyde Software Co., Ltd. • Director, Professional Computer Technology Limited • Independent Director, Remuneration Committee, and Audit Committee, STRONG H MACHINERY TECHNOLOGY CO., LTD. • Chairman, Ching Yu Investment Co., Ltd. • Principal, Chien Chih Law Firm <u>Past Working Experience :</u> • Chairman, SmartAnt Telecom Co., Ltd. • Supervisor, Nextronics Engineer Co., Ltd.	0

RESOLVED :

VII. Other Matters

Agenda1. Discussion on releasing the new Directors (including Independent Directors and the representative of Juristic Person Director) of the Company from Non-Competition restrictions (Proposed by the Board of Directors)

Explanation:

1. Pursuant to Article 209 of the Company Act, a director conducting either for himself or on behalf of another person, activities that are within the scope of the Company's business, shall explain to the Shareholders' Meeting the essential contents of such activities and obtain its approval for conducting such activities.
2. It is proposed the Shareholders agree to release new directors (including independent directors and the representative of juristic person director) from Non-Competition Restrictions for the needs of the Company's operation, and explain the scopes and contents of their competition on the spot when discussing this agenda at this Shareholders' Meeting.
3. Approval is respectfully requested.

RESOLVED :

VIII. Ad Hoc Motions

IX. Meeting Adjourned



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

To the Board of Directors of 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, 2023 and 2022, 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 material 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, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

How the matter was addressed in our audits:

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)(e) "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 audits.

How the matter was addressed in our audits:

Our main audit procedures for the aforementioned key audit matters include testing the related controls 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; as well as implementing sampling procedures to check the correctness of the aging of the inventories. In addition, we also examined the inventory aging reports, understood the subsequent sales status of slow moving inventories; and evaluated the adopted basis of the net realizable value to assess the reasonableness of the management's estimates of 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)(f) "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 (loss) 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 audits.

How the matter was addressed in our audits:

Our main audit procedures for the aforementioned key audit matters include understanding the related controls 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Au, Yiu-Kwan and Kuo, Kuan-Ying .

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2024

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, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022			
		Amount	%	Amount	%			Amount	%	Amount	%		
Current assets:						Current liabilities:							
1100	Cash and cash equivalents (note (6)(a))	\$	1,387,936	6	1,390,080	7	2100	Short-term borrowings (note (6)(i))	\$	5,681,720	24	5,915,021	29
1110	Current financial assets at fair value through profit or loss (note (6)(b))		850	-	644	-	2120	Current financial liabilities at fair value through profit or loss (note (6)(b))		-	-	784	-
1170	Notes and accounts receivable, net (notes (6)(d) and (7))		7,239,779	31	6,563,745	31	2130	Current contract liabilities (note (6)(r))		22,230	-	16,410	-
1200	Other receivables (note (7))		473,594	2	456,567	2	2170	Accounts payable (note (7))		4,820,600	21	1,517,039	7
1300	Inventories, net (note (6)(c))		6,187,022	27	4,511,439	22	2200	Other payables (notes (6)(j) and (7))		390,085	2	557,256	3
1470	Prepaid expenses and other current assets		56,161	-	18,060	-	2230	Current tax liabilities		191,901	1	265,308	1
			15,345,342	66	12,940,535	62	2280	Current lease liabilities (notes (6)(l) and (7))		53,811	-	31,520	-
Non-current assets:						2300	Other current liabilities		444,480	2	397,700	2	
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))		77,285	-	81,089	-			11,604,827	50	8,701,038	42	
1550	Investments accounted for using equity method, net (note (6)(f))		7,338,484	32	7,421,717	36	Non-current liabilities:						
1600	Property, plant and equipment (note (6)(g))		106,128	-	91,831	1	2500	Non-current financial liabilities at fair value through profit or loss (note (6)(b))		14,144	-	31,173	-
1755	Right-of-use assets (notes (6)(h) and (7))		132,872	1	55,414	-	2530	Bonds payable (note (6)(k))		1,768,116	8	1,870,309	9
1780	Intangible assets		620	-	4,371	-	2570	Deferred tax liabilities (note (6)(o))		857,291	4	873,504	5
1840	Deferred tax assets (note (6)(o))		139,419	1	144,830	1	2580	Non-current lease liabilities (notes (6)(l) and (7))		81,756	-	27,052	-
1900	Other non-current assets		22,270	-	23,050	-	2640	Non-current net defined benefit liabilities (note (6)(n))		69,867	-	79,956	-
			7,817,078	34	7,822,302	38	2670	Other non-current liabilities		199	-	187	-
									2,791,373	12	2,882,181	14	
								Total liabilities		14,396,200	62	11,583,219	56
								Equity (note (6)(p)):					
						3100	Common Stock		4,280,715	18	4,235,432	20	
						3200	Capital surplus		1,526,125	7	1,440,646	7	
							Retained earnings:						
						3310	Legal reserve		1,304,638	6	1,132,248	6	
						3320	Special reserve		-	-	454,583	2	
						3350	Unappropriated earnings		1,667,096	7	1,908,636	9	
									2,971,734	13	3,495,467	17	
								Other equity interest:					
						3410	Exchange differences on translation of foreign financial statements		79,453	-	89,420	-	
						3420	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		(91,807)	-	(81,347)	-	
									(12,354)	-	8,073	-	
								Total equity		8,766,220	38	9,179,618	44
Total assets		\$	23,162,420	100	20,762,837	100	Total liabilities and equity		\$	23,162,420	100	20,762,837	100

See accompanying notes to financial statements.

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

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars, except for earnings per share)

		2023		2022	
		Amount	%	Amount	%
4100	Net sales revenue (notes (6)(r) and (7))	\$ 33,150,275	100	28,811,601	100
5000	Cost of sales (notes (6)(e) and (7))	<u>31,194,854</u>	<u>94</u>	<u>26,748,962</u>	<u>93</u>
	Gross profit	<u>1,955,421</u>	<u>6</u>	<u>2,062,639</u>	<u>7</u>
	Operating expenses (notes (6)(l), (6)(n), (7) and (12)):				
6100	Selling expenses	770,531	2	844,851	3
6200	Administrative expenses	270,116	1	350,782	1
6450	Expected credit losses (reversal gains) (note (6)(d))	<u>(632)</u>	<u>-</u>	<u>1,561</u>	<u>-</u>
		<u>1,040,015</u>	<u>3</u>	<u>1,197,194</u>	<u>4</u>
	Net operating income	<u>915,406</u>	<u>3</u>	<u>865,445</u>	<u>3</u>
	Non-operating income and expenses:				
7100	Interest income	19,960	-	3,473	-
7010	Other income (notes (6)(m) and (7))	372,319	1	387,179	1
7230	Foreign currency exchange gains, net (note (6)(t))	137,925	-	174,752	1
7235	Gains (losses) on financial assets (liabilities) at fair value through profit or loss, net (note (6)(k))	15,868	-	(6,783)	-
7375	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method (note (6)(f))	(70,773)	-	920,098	3
7050	Financial costs (notes (6)(k) and (6)(l))	(358,535)	(1)	(206,824)	(1)
7590	Miscellaneous disbursements	<u>(193)</u>	<u>-</u>	<u>(702)</u>	<u>-</u>
		<u>116,571</u>	<u>-</u>	<u>1,271,193</u>	<u>4</u>
7900	Profit before tax	1,031,977	3	2,136,638	7
7950	Less: Income tax expenses (note (6)(o))	<u>245,210</u>	<u>1</u>	<u>437,504</u>	<u>1</u>
8200	Profit	<u>786,767</u>	<u>2</u>	<u>1,699,134</u>	<u>6</u>
	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Changes on remeasurements of defined benefit plans (note (6)(n))	3,110	-	30,954	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(10,460)	-	(169)	-
8349	Less: Income tax related to items that will not be reclassified to profit or loss (note (6)(o))	<u>622</u>	<u>-</u>	<u>6,191</u>	<u>-</u>
		<u>(7,972)</u>	<u>-</u>	<u>24,594</u>	<u>-</u>
8360	Items that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(12,460)	-	578,532	2
8399	Less: Income tax related to items that will be reclassified to profit or loss (note (6)(o))	<u>(2,493)</u>	<u>-</u>	<u>115,707</u>	<u>-</u>
		<u>(9,967)</u>	<u>-</u>	<u>462,825</u>	<u>2</u>
	Other comprehensive income	<u>(17,939)</u>	<u>-</u>	<u>487,419</u>	<u>2</u>
8500	Comprehensive income	<u>\$ 768,828</u>	<u>2</u>	<u>2,186,553</u>	<u>8</u>
	Earnings per ordinary share (expressed in New Taiwan dollars): (note (6)(q))				
9750	Basic earnings per share	<u>\$ 1.85</u>		<u>4.03</u>	
9850	Diluted earnings per share	<u>\$ 1.61</u>		<u>3.67</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese.)

WEIKENG INDUSTRIAL CO., LTD.**Statements of Changes in Equity****For the years ended December 31, 2023 and 2022****(expressed in thousands of New Taiwan Dollars)**

	Common stock	Capital surplus	Retained earnings			Exchange differences on translation of foreign financial statements	Other equity interest	Total equity
			Legal reserve	Special reserve	Unappropriated earnings		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
Balance at January 1, 2022	\$ 4,159,342	1,275,927	960,709	365,705	1,715,388	(373,405)	(81,178)	8,022,488
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	171,539	-	(171,539)	-	-	-
Special reserve appropriated	-	-	-	88,878	(88,878)	-	-	-
Cash dividends	-	-	-	-	(1,270,232)	-	-	(1,270,232)
	-	-	171,539	88,878	(1,530,649)	-	-	(1,270,232)
Profit for the year ended December 31, 2022	-	-	-	-	1,699,134	-	-	1,699,134
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	24,763	462,825	(169)	487,419
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	1,723,897	462,825	(169)	2,186,553
Issuance of convertible bonds	-	114,313	-	-	-	-	-	114,313
Conversion of convertible bonds	76,090	50,458	-	-	-	-	-	126,548
Others	-	(52)	-	-	-	-	-	(52)
Balance at December 31, 2022	4,235,432	1,440,646	1,132,248	454,583	1,908,636	89,420	(81,347)	9,179,618
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	172,390	-	(172,390)	-	-	-
Cash dividends	-	-	-	-	(1,312,988)	-	-	(1,312,988)
Reversal of special reserve	-	-	-	(454,583)	454,583	-	-	-
	-	-	172,390	(454,583)	(1,030,795)	-	-	(1,312,988)
Profit for the year ended December 31, 2023	-	-	-	-	786,767	-	-	786,767
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	2,488	(9,967)	(10,460)	(17,939)
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	789,255	(9,967)	(10,460)	768,828
Conversion of convertible bonds	45,283	85,479	-	-	-	-	-	130,762
Balance at December 31, 2023	\$ 4,280,715	1,526,125	1,304,638	-	1,667,096	79,453	(91,807)	8,766,220

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, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,031,977	2,136,638
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	65,123	64,132
Amortization expenses	7,054	8,765
Expected (reversal gains) credit losses	(632)	1,561
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(15,868)	6,783
Interest expenses	358,535	206,824
Interest income	(19,960)	(3,473)
Dividend income	(231)	-
Share of (loss) profit of subsidiaries, associates and joint ventures accounted for using equity method	70,773	(920,098)
Others	(546)	(36)
	<u>464,248</u>	<u>(635,542)</u>
Changes in operating assets and liabilities:		
(Increase) decrease in notes and accounts receivable	(675,402)	19,879
Increase in other receivable	(16,889)	(22,001)
Increase in inventories	(1,675,583)	(1,477,337)
Decrease in prepaid expenses and other current assets	6,015	89,662
	<u>(2,361,859)</u>	<u>(1,389,797)</u>
Decrease in financial liabilities at fair value profit or loss	(915)	-
Increase (decrease) in accounts payable	3,303,561	(1,383,216)
Decrease in other payable	(142,454)	(64)
Increase in contract liabilities and other current liabilities	52,600	84,113
Decrease in net defined benefit liabilities	(6,979)	(11,312)
	<u>3,205,813</u>	<u>(1,310,479)</u>
Total changes in operating assets and liabilities	843,954	(2,700,276)
Total adjustments	<u>1,308,202</u>	<u>(3,335,818)</u>
Cash flow from (used in) operations	2,340,179	(1,199,180)
Interest received	19,416	3,473
Dividends received	231	-
Interest paid	(355,798)	(142,689)
Income taxes paid	(327,548)	(153,745)
Net cash flows from (used in) operating activities	<u>1,676,480</u>	<u>(1,492,141)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(9,056)	(42,000)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	2,400	807
Acquisition of investment accounted for using equity method	-	(298,150)
Acquisition of property, plant and equipment	(18,055)	(1,751)
Disposal of property, plant and equipment	571	-
Increase in refundable deposits	(42,466)	(109)
Acquisition of intangible assets	(3,303)	(4,124)
Increase in other prepayments	(464)	(115)
Net cash flows used in investing activities	<u>(70,373)</u>	<u>(345,442)</u>
Cash flows from (used in) financing activities:		
Decrease (increase) in short-term borrowings	(233,301)	1,003,675
Proceeds from issuing bonds	-	2,000,000
Repurchase of bonds	-	(1,638)
Increase in guarantee deposits received	12	-
Payment of lease liabilities	(61,974)	(57,520)
Cash dividends paid	(1,312,988)	(1,270,232)
Net cash flows (used in) from financing activities	<u>(1,608,251)</u>	<u>1,674,285</u>
Net decrease in cash and cash equivalents	(2,144)	(163,298)
Cash and cash equivalents at beginning of period	1,390,080	1,553,378
Cash and cash equivalents at end of period	<u>\$ 1,387,936</u>	<u>1,390,080</u>

See accompanying notes to financial statements.



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

To the Board of Directors of 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, 2023 and 2022, 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 material 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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)(q) “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 audits.

How the matter was addressed in our audits:

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 audits.

How the matter was addressed in our audits:

Our main audit procedures for the aforementioned key audit matters include testing the related controls 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; as well as implementing sampling procedures to check the correctness of the aging of the inventories. In addition, we also examined the inventory aging reports, understood the subsequent sales status of slow-moving inventories; and evaluated the adopted basis of the net realizable value to assess the reasonableness of the management's estimates of the allowance for inventory valuation.

Other Matter

Weikeng Industrial Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Au, Yiu-Kwan and Kuo, Kuan-Ying.

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2024

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, 2023 and 2022**

(expressed in thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note (6)(a))	\$ 2,410,732	6	2,839,507	9	2100	Short-term borrowings (note (6)(h))	\$ 14,702,073	38	14,647,898	44
1110	Current financial assets at fair value through profit or loss (note (6)(b))	850	-	644	-	2120	Current financial liabilities at fair value through profit or loss (note (6)(b))	-	-	784	-
1170	Notes and accounts receivable, net (notes (6)(d) and (7))	13,586,966	35	12,844,427	39	2130	Current contract liabilities (note (6)(q))	1,053,924	3	898,765	3
1200	Other receivables (note (6)(d))	387,353	1	366,331	1	2170	Accounts payable	9,592,848	25	3,560,734	11
1300	Inventories, net (note (6)(c))	20,516,999	53	16,266,457	49	2200	Other payables (notes (6)(i) and (7))	846,652	2	1,046,936	3
1470	Prepayments and other current assets	<u>960,531</u>	<u>3</u>	<u>142,755</u>	-	2230	Current tax liabilities	196,256	1	333,254	1
		<u>37,863,431</u>	<u>98</u>	<u>32,460,121</u>	<u>98</u>	2280	Current lease liabilities (note (6)(k))	140,303	-	121,746	-
						2300	Other current liabilities	<u>481,545</u>	<u>1</u>	<u>423,496</u>	<u>1</u>
								<u>27,013,601</u>	<u>70</u>	<u>21,033,613</u>	<u>63</u>
Non-current assets:						Non-current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	77,285	-	81,089	-						
1600	Property, plant and equipment (note (6)(f))	146,748	-	129,766	-	2500	Non-current financial liabilities at fair value through profit or loss (note (6)(b))	14,144	-	31,173	-
1755	Right-of-use assets (note (6)(g))	286,220	1	284,249	1	2530	Bonds payable (note (6)(j))	1,768,116	5	1,870,309	5
1780	Intangible assets	6,597	-	10,602	-	2570	Deferred tax liabilities (note (6)(n))	857,291	2	874,328	3
1840	Deferred tax assets (note (6)(n))	190,007	1	196,650	1	2580	Non-current lease liabilities (note (6)(k))	156,868	-	171,675	1
1900	Other non-current assets	<u>76,012</u>	<u>-</u>	<u>78,376</u>	<u>-</u>	2640	Non-current net defined benefit liabilities	69,867	-	79,956	-
		<u>782,869</u>	<u>2</u>	<u>780,732</u>	<u>2</u>	2670	Other non-current liabilities	<u>193</u>	<u>-</u>	<u>181</u>	<u>-</u>
								<u>2,866,479</u>	<u>7</u>	<u>3,027,622</u>	<u>9</u>
								<u>29,880,080</u>	<u>77</u>	<u>24,061,235</u>	<u>72</u>
						Total liabilities					
						Equity (note (6)(o)):					
						3100	Common shares	<u>4,280,715</u>	<u>11</u>	<u>4,235,432</u>	<u>13</u>
						3200	Capital surplus	<u>1,526,125</u>	<u>4</u>	<u>1,440,646</u>	<u>4</u>
							Retained earnings:				
						3310	Legal reserve	1,304,638	4	1,132,248	4
						3320	Special reserve	-	-	454,583	1
						3350	Unappropriated earnings	<u>1,667,096</u>	<u>4</u>	<u>1,908,636</u>	<u>6</u>
								<u>2,971,734</u>	<u>8</u>	<u>3,495,467</u>	<u>11</u>
							Other equity interest:				
						3410	Exchange differences on translation of foreign financial statements	79,453	-	89,420	-
						3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	<u>(91,807)</u>	<u>-</u>	<u>(81,347)</u>	<u>-</u>
								<u>(12,354)</u>	<u>-</u>	<u>8,073</u>	<u>-</u>
								<u>8,766,220</u>	<u>23</u>	<u>9,179,618</u>	<u>28</u>
						Total equity					
						Total liabilities and equity					
								<u>\$ 38,646,300</u>	<u>100</u>	<u>33,240,853</u>	<u>100</u>
Total assets		<u>\$ 38,646,300</u>	<u>100</u>	<u>33,240,853</u>	<u>100</u>						

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES**Consolidated Statement of Comprehensive Income****For the years ended December 31, 2023 and 2022****(expressed in thousands of New Taiwan Dollars, except for earnings per share)**

		2023		2022	
		Amount	%	Amount	%
4100	Net sales revenue (note (6)(q))	\$ 70,892,413	100	70,281,179	100
5000	Cost of sales (note (6)(e))	<u>66,401,232</u>	<u>94</u>	<u>64,791,186</u>	<u>92</u>
	Gross profit	<u>4,491,181</u>	<u>6</u>	<u>5,489,993</u>	<u>8</u>
	Operating expenses (notes (6)(k), (6)(m), (7) and (12)):				
6100	Selling expenses	2,039,128	3	2,128,553	3
6200	Administrative expenses	556,835	1	632,975	1
6450	Expected credit losses (note (6)(d))	<u>49,367</u>	<u>-</u>	<u>282</u>	<u>-</u>
		<u>2,645,330</u>	<u>4</u>	<u>2,761,810</u>	<u>4</u>
	Net operating income	<u>1,845,851</u>	<u>2</u>	<u>2,728,183</u>	<u>4</u>
	Non-operating income and expenses:				
7100	Interest income	25,685	-	7,098	-
7010	Other income (notes (6)(l) and (7))	30,791	-	36,594	-
7230	Foreign currency exchange (losses) gains, net (note (6)(s))	66,794	-	14,526	-
7235	Gains (losses) on financial assets (liabilities) at fair value through profit or loss, net (note (6)(j))	15,868	-	(6,783)	-
7050	Finance costs (notes (6)(j) and (6)(k))	(937,320)	(1)	(448,796)	(1)
7590	Miscellaneous disbursements	<u>(333)</u>	<u>-</u>	<u>(668)</u>	<u>-</u>
		<u>(798,515)</u>	<u>(1)</u>	<u>(398,029)</u>	<u>(1)</u>
7900	Profit before tax	1,047,336	1	2,330,154	3
7950	Income tax expenses (note (6)(n))	<u>260,569</u>	<u>-</u>	<u>631,020</u>	<u>1</u>
8200	Profit	<u>786,767</u>	<u>1</u>	<u>1,699,134</u>	<u>2</u>
	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Changes on remeasurements of defined benefit plans (note (6)(m))	3,110	-	30,954	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u>(10,460)</u>	<u>-</u>	<u>(169)</u>	<u>-</u>
8349	Less: Income tax related to items that will not be reclassified to profit or loss (note (6)(n))	<u>622</u>	<u>-</u>	<u>6,191</u>	<u>-</u>
		<u>(7,972)</u>	<u>-</u>	<u>24,594</u>	<u>-</u>
8360	Items that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(12,460)	-	578,532	1
8399	Less: Income tax related to items that will be reclassified to profit or loss (note (6)(n))	<u>(2,493)</u>	<u>-</u>	<u>115,707</u>	<u>-</u>
		<u>(9,967)</u>	<u>-</u>	<u>462,825</u>	<u>1</u>
	Other comprehensive income	<u>(17,939)</u>	<u>-</u>	<u>487,419</u>	<u>1</u>
8500	Comprehensive income	<u>\$ 768,828</u>	<u>1</u>	<u>2,186,553</u>	<u>3</u>
	Earnings per ordinary share (expressed in New Taiwan dollars) (note (6)(p))				
9750	Basic earnings per share	<u>\$ 1.85</u>		<u>4.03</u>	
9850	Diluted earnings per share	<u>\$ 1.61</u>		<u>3.67</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES**Consolidated Statement of Changes in Equity****For the years ended December 31, 2023 and 2022****(expressed in thousands of New Taiwan Dollars)**

	Common stock	Capital surplus	Retained earnings			Exchange differences on translation of foreign financial statements	Other equity interest Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
			Legal reserve	Special reserve	Unappropriated earnings			
Balance at January 1, 2022	<u>\$ 4,159,342</u>	<u>1,275,927</u>	<u>960,709</u>	<u>365,705</u>	<u>1,715,388</u>	<u>(373,405)</u>	<u>(81,178)</u>	<u>8,022,488</u>
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	171,539	-	(171,539)	-	-	-
Special reserve appropriated	-	-	-	88,878	(88,878)	-	-	-
Cash dividends	-	-	-	-	(1,270,232)	-	-	(1,270,232)
	<u>-</u>	<u>-</u>	<u>171,539</u>	<u>88,878</u>	<u>(1,530,649)</u>	<u>-</u>	<u>-</u>	<u>(1,270,232)</u>
Profit for the year ended December 31, 2022	-	-	-	-	1,699,134	-	-	1,699,134
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	24,763	462,825	(169)	487,419
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	1,723,897	462,825	(169)	2,186,553
Issuance of convertible bonds	-	114,313	-	-	-	-	-	114,313
Conversion of convertible bonds	76,090	50,458	-	-	-	-	-	126,548
Others	-	(52)	-	-	-	-	-	(52)
Balance at December 31, 2022	<u>4,235,432</u>	<u>1,440,646</u>	<u>1,132,248</u>	<u>454,583</u>	<u>1,908,636</u>	<u>89,420</u>	<u>(81,347)</u>	<u>9,179,618</u>
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	172,390	-	(172,390)	-	-	-
Cash dividends	-	-	-	-	(1,312,988)	-	-	(1,312,988)
Reversal of special reserve	-	-	-	(454,583)	454,583	-	-	-
	<u>-</u>	<u>-</u>	<u>172,390</u>	<u>(454,583)</u>	<u>(1,030,795)</u>	<u>-</u>	<u>-</u>	<u>(1,312,988)</u>
Profit for the year ended December 31, 2023	-	-	-	-	786,767	-	-	786,767
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	2,488	(9,967)	(10,460)	(17,939)
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	789,255	(9,967)	(10,460)	768,828
Conversion of convertible bonds	45,283	85,479	-	-	-	-	-	130,762
Balance at December 31, 2023	<u>\$ 4,280,715</u>	<u>1,526,125</u>	<u>1,304,638</u>	<u>-</u>	<u>1,667,096</u>	<u>79,453</u>	<u>(91,807)</u>	<u>8,766,220</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES**Consolidated Statement of Cash Flows****For the years ended December 31, 2023 and 2022****(expressed in thousands of New Taiwan Dollars)**

	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,047,336	2,330,154
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	170,901	165,728
Amortization expenses	10,749	27,987
Expected credit losses	49,367	282
Net (gains) losses on financial assets and liabilities at fair value through profit or loss	(15,868)	6,783
Interest expenses	937,320	448,796
Interest income	(25,685)	(7,098)
Dividends income	(231)	-
Gain on lease modification	(6)	(103)
Others	(439)	(26)
	<u>1,126,108</u>	<u>642,349</u>
Changes in operating assets and liabilities:		
(Increase) decrease in notes and accounts receivable	(791,906)	704,272
(Increase) decrease in other receivables	(20,884)	10,016
Increase in inventories	(4,250,542)	(5,979,589)
(Increase) decrease in prepayments and other current assets	(773,664)	54,359
	<u>(5,836,996)</u>	<u>(5,210,942)</u>
Decrease in financial liabilities at fair value profit or loss	(915)	-
Increase (decrease) in accounts payable	6,032,114	(1,747,414)
Decrease in other payable	(192,917)	(22,782)
Increase in contract liabilities and other current liabilities	213,208	697,713
Decrease in net defined benefit liabilities	(6,979)	(11,312)
	<u>6,044,511</u>	<u>(1,083,795)</u>
Total changes in operating assets and liabilities	<u>207,515</u>	<u>(6,294,737)</u>
Total adjustments	<u>1,333,623</u>	<u>(5,652,388)</u>
Cash flows from (used in) operations	2,380,959	(3,322,234)
Interest received	25,141	7,098
Dividends received	231	-
Interest paid	(917,411)	(319,860)
Income taxes paid	(407,696)	(558,412)
Net cash flows from (used in) operating activities	<u>1,081,224</u>	<u>(4,193,408)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(9,056)	(42,000)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	2,400	807
Acquisition of property, plant and equipment	(30,045)	(7,759)
Disposal of property, plant and equipment	587	-
Increase in refundable deposits	(40,882)	(3,665)
Acquisition of intangible assets	(6,836)	(6,751)
(Increase) decrease in other prepayments	(464)	166
Net cash flows used in investing activities	<u>(84,296)</u>	<u>(59,202)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	54,175	3,651,850
Proceeds from issuing bonds	-	2,000,000
Repurchase of bonds	-	(1,638)
Increase in guarantee deposits received	12	-
Payments of lease liabilities	(154,902)	(153,882)
Cash dividends paid	(1,312,988)	(1,270,232)
Net cash flows (used in) from financing activities	<u>(1,413,703)</u>	<u>4,226,098</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(12,000)</u>	<u>599,412</u>
Net (decrease) increase in cash and cash equivalents	<u>(428,775)</u>	<u>572,900</u>
Cash and cash equivalents at the beginning of period	<u>2,839,507</u>	<u>2,266,607</u>
Cash and cash equivalents at the end of period	<u><u>\$ 2,410,732</u></u>	<u><u>2,839,507</u></u>

See accompanying notes to consolidated financial statements.

Appendix II

Weikeng Industrial Co., Ltd. **Rules of Procedure for Shareholders' Meetings**

2022/3/25 amended by Board of Directors

2022/6/16 resolved by AGM

- Article 1 The Company's shareholders' meetings, except as otherwise provided by law, shall be carried out according to 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 notice the time during which the registrations for attendance of shareholders, solicitors, appointed proxies (hereinafter referred to as shareholders) will be accepted, the place to register for attendance, and other matters for attention. Any change in the way the shareholders' meeting is held shall be resolved by the Board of Directors and shall be made at the latest before mailing the shareholders' meeting notice.
- The above-mentioned time for the acceptance of registrations for shareholders' attendance shall be at least 30 minutes prior to the start of the meeting; the registration area shall be clearly marked, and adequate and appropriate personnel shall be assigned to handle the registrations; The acceptance of registrations for shareholders' meetings by video conference should be 30 minutes before the start of the meeting on the video conference platform of the shareholders' meeting. The shareholders who complete the registrations shall be deemed to attend the meeting in person. Shareholders 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 with proxy forms shall also bring identification documents for verification.
- Article 3.1 The Company shall specify the following in the shareholders' meeting notice if the shareholders' meeting is by video conference:
1. The way shareholders participate in the video conference and exercise their rights.
 2. The handling of obstacles to the video conference platform or video participation due to natural disasters, events or other force majeure circumstances shall include at least the following:
 - (1) The time when the aforementioned obstacles continue and cannot be removed, and the date when the meeting must be postponed or reconvened.
 - (2) Shareholders who have not registered to participate in the original meeting by video conference shall not participate in the postponed or reconvened meeting.
 - (3) If a video-assisted shareholders' meeting cannot be reconvened by video conference, the shareholders' meeting shall continue if the total number of shares present reaches the legal quota for the shareholders' meeting after deducting the number of shares attending the shareholders' meeting by video conference, and the number of shares attending the shareholders' meeting by video conference shall be counted in the total number of shares present for the shareholders' meeting, and shall be deemed abstain from all motions for that shareholders' meeting.
 - (4) In the event that the results of all motions have been announced and no extraordinary motion has been made, or other handling method.
 3. The Company shall convene a shareholders' meeting by video conference and

state the appropriate alternative measures for shareholders who have difficulties participating in the meetings by video conference.

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 shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. The shareholders shall be notified of the tentative resolution and a further shareholders' meeting will be held within one month. If the shareholders' meeting is held by video conference, the shareholders who wish to attend the meeting by video conference shall re-register with the Company in accordance with Article 16. When, prior to the 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. The number of shares present shall be calculated based on the number of shares reported in the signature book or the submitted attendance cards and registrations on the video conference platform, plus the number of shares exercising the voting rights by written or electronic means.

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. The Company shall not be restricted from holding a video shareholders' meeting on the venue as described above.

The meeting chair and the recorder shall be present at the same venue in the country when the Company convenes a shareholders' meeting by video conference, and the meeting chair shall announce the address of such venue at the time the meeting is called to order.

Article 7 If the board of directors convenes a shareholders' meeting, 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 armbands.

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. If a shareholders' meeting is held by video conference, the Company shall keep records of the shareholders' registration, sign-in, attendance, questions, voting, and the Company's vote counting results, and shall make an uninterrupted audio and video recording of the entire video conference.

The Company shall keep the aforementioned information and audio and video recordings throughout the life of the Company period and provide the audio and video recordings to the person appointed to administer the video conference for retention.

Article 11 When speaking, an attending shareholder shall specify the subject of the speech on a speaker's slip, 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 the content of the speech does not correspond to the subject given on the speaker slip, the spoken content shall prevail. 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 the 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, the proposal shall be approved by the majority of votes represented by attending shareholders. At the time of voting, the meeting chair or the person designated by the chair should first announce the total number of voting rights of the attending shareholders for each proposal, then the shareholders shall vote on each proposal. On the same day after the meeting, the results of shareholders' approvals, disapprovals and abstentions, shall be entered into the Market Observation Post System.

Article 16 When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting. When a shareholders' meeting is held by video

conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.

If a shareholders' meeting is held by video conference, the Company shall upload the meeting handbook, annual report and other relevant information to the video conference platform at least 30 minutes prior to the meeting and continue to disclose them until the end of 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. If the shareholders' meeting is convened by video conference, shareholders participating by video conference may ask questions by text on the video conference platform after the meeting chair calls the meeting to order and before the meeting is adjourned. The number of questions shall not exceed two for each motion, and each time shall be limited to 200 words, and the provisions of Article 11 to Article 3 shall not apply.

If the preceding question does not violate the regulations or is within the scope of the motion, it is appropriate to disclose the question on the video conference platform of the shareholders' meeting for public information.

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. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and made into record.

After the meeting chair calls the Company's shareholders' meeting by video conference to order, the shareholders participating by video conference shall vote on the motions and the elections through the video conference platform, and the voting shall be completed before the meeting chair announces the end of the voting. Any delay shall be deemed as an abstention.

If a shareholders' meeting is convened by video conference, a one-time vote count shall be conducted after the meeting chair announces the close of voting and the voting and election results shall be announced

When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 16 and wish to attend the physical shareholders' meeting in person shall deregister in the same manner as they have registered two days prior to the shareholders' meeting; if they deregister after that time, they can attend the shareholders' meeting by video conference only.

A shareholder who exercises his or her voting rights in writing or by electronic means and does not revoke his or her declaration of intent to attend the shareholders' meeting by video means may not exercise his or her voting rights on the original motion or propose amendments to the original motion or exercise his or her voting rights on amendments to the original motion, except for an extraordinary motion.

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 one among them is passed, the

other proposals will be 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.

If a shareholders' meeting is convened by video conference, the meeting chair shall make the announcement separately when calling the meeting to order. Except in the case of the meeting that does not need to be postponed or reconvened as stipulated in Article 44-20 paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, before the meeting chair announces the adjournment of the meeting, if, due to natural disasters, events or other force majeure circumstances, the video conference platform or participation by video communication is obstructed and lasts for more than 30 minutes, the meeting shall be postponed or reconvened within five days. The provisions of Article 182 of the Company Act shall not apply.

In the event of an adjournment or reconvening of a meeting under the preceding Paragraph, shareholders who have not registered to participate in the original meeting by video means shall not participate in the postponed or reconvened meeting.

For the postponed or reconvened meeting in accordance with the second paragraph, if a shareholder who has registered to attend the original shareholders' meeting by video means and has completed the registration for the meeting, but does not participate in the adjourned or reconvened meeting, the number of shares, voting rights and election rights exercised at the original shareholders' meeting shall be counted in the total number of shares, voting rights and election rights of the shareholders attending the adjourned or reconvened meeting.

If the shareholders' meeting is adjourned or reconvened in accordance with the second paragraph, there is no need to discuss and resolve again if the voting and counting of votes have been completed and the voting results or the list of directors and supervisors elected have been announced.

If the Company holds a video-assisted shareholders' meeting and the video conference cannot be reconvened in accordance with Paragraph 2, the shareholders' meeting shall continue if the total number of shares present, after deducting the number of shares attending the shareholders' meeting by video means, still reaches the legal quota for the shareholders' meeting, without the need to adjourn or reconvene the meeting in accordance with Paragraph 2.

In the event that the meeting should be continued under the preceding Paragraph, the number of shares attending the shareholders' meeting by video means shall be counted in the total number of shares attended, but shall be deemed to have abstained for the purpose of all motions at that meeting.

If the Company adjourns or reconvenes the meeting in accordance with Paragraph 2, the Company shall comply with the provisions set forth in Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shall complete the relevant preliminary work in accordance with the date of the original shareholders' meeting and the provisions of each Article.

In accordance with the latter part of Article 12 and the third Paragraph of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and the period set forth in Paragraph 2 of Article 44-5, Article 45-15 and Paragraph 1 of Article 44-17 of the Regulations Governing the

Administration of Shareholder Services of Public Companies, the Company shall follow the date of the shareholders' meeting for the postponement or reconvening of the meeting as stipulated in Paragraph 2.

When convening a shareholders' meeting by video means, the Company shall provide the appropriate alternative measures for shareholders who have difficulties participating in the meetings by video means.

Article 23

These Rules, and any amendments hereto, shall be implemented after adoption by a shareholders' meetings.

Appendix III

Weikeng Industrial Co., Ltd. Articles of Incorporation

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\$6,000,000,000, divided into 600,000,000 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.

In accordance with the Company Act, the Company transfers the shares bought back to employees, issues the share subscription warrants to employees, issues the restricted new shares for employees, or reserves the new issuance of shares for subscription by employees. Qualification requirements of employees include the employees of parents or subsidiaries of the Company meeting certain specific requirements, and the conditions and distribution methods authorize the Board of Directors or its authorized person to decide.

Article 6. All shares of the Company are registered shares and shall be numbered and then issued following the signatures or personal seals of the directors representing the Company 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.

When the Company's shareholders' meeting is held, it can be held by video conference or other methods announced by the Ministry of Economic Affairs, R.O.C.

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 3 independent directors at least. The regulations, relevant norms and other compliance matters in relation to independent directors shall be in accordance with the Company Act, Securities and Exchange Act, and other 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.

- 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 the Article 14-4 of the Securities and Exchange Act, the Company forms Audit Committee composed of all independent directors. The exercise of powers and related matters of the Audit Committee and its members shall follow in accordance with the Securities and Exchange Act and other applicable laws and regulations.
In addition to the Audit Committee, the Board of Directors of the Company may also set up various other functional committees, and which charts shall be formulated by the Board of Directors in accordance with relevant laws and regulations.
- 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 earnings in the Company's annual final accounts if any, when distributing surplus earnings, the Company shall first estimate and reserve the taxes and dues to be paid, the losses to be covered, and the legal reserve and special reserve to be set aside or the special reserve to be reversed according to laws or regulations, and then the remaining balance shall be the distributable surplus earnings for the current year; the Board of Directors may combine the undistributed surplus earnings of the previous period to prepare a proposal of surplus earnings distribution.

In accordance with the Company Act, where the aforementioned surplus earnings distribution 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 surplus earnings of the current year, and moreover, cash dividend distributed shall represent no less than 20% of the total amount of shareholders' dividends. Setting aside of the special reserve referred to in the preceding paragraph shall be carried out in the manners listed below:

With respect to the book net amount of other deductions from equity for the period in which it arises, an equivalent amount of special reserve shall be allocated from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period. If there remains any insufficiency, it shall be allocated from the undistributed earnings of the previous period.

With respect to the cumulative net amount of other deductions from equity in a preceding period(s), allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period. If there remains any insufficiency, allocate it from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.

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.
The forty-third amendment was made on 17 June, 2020.
The forty-fourth amendment was made on 20 July, 2021.
The forty-fifth amended was made on 16 June, 2022.
The forty-sixth amended was made on 14 June, 2023.

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

Appendix IV

Rules for Election of Directors Weikeng Industrial Co., Ltd.

Resolved by the Board on 2018/03/20
Approved by AGM on 2018/06/13

- Article 1. Except as otherwise provided by the Company Act, the Securities and Exchange Act and the Company's Articles of Incorporation, elections of directors and shall be conducted in accordance with these Procedures.
- Article 2. The open-ballot, cumulative voting method will be used for election of the directors at the Company. Except regulated by Company Act otherwise, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The directors and independent directors shall be elected at the same time and the voting rights shall be calculated separately.
- Article 3. To elect the directors, the number and the candidates' nomination system of directors of the Company have been expressly stipulated in the Company's Articles of Association; and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates by the calculation of voting rights for independent directors and non-independent directors in the shareholders' meeting. Those receiving ballots representing the highest numbers of voting rights will be elected as independent directors and non-independent directors sequentially according to their respective numbers of votes. When two or more candidates receive the same number of voting rights, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any candidate not in attendance. If any director elected fails to meet personal qualification following verification or if the election ceases to be valid in accordance with applicable law, whose election is invalid.
- Article 4. The board of directors shall prepare ballots for directors in numbers corresponding to the number of persons to be elected (one ballot per person), which shall be distributed to the shareholders. The number of voting rights associated with each ballot shall correspond to the number of voting rights represented by each shareholder.
- Article 5. Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.
- Article 6. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 7. If a candidate is a shareholder, a voter shall enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a juristic-person shareholder, the name of the juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper. When there are multiple representatives, the names of each respective representative shall be entered. If the representative of a juristic-person shareholder is a candidate, the ballot shall specify both the name of the juristic-person shareholder and the name of its representative.
- Article 8. A ballot is invalid under any of the following circumstances:
- (1) The ballot was not inserted into the ballot box.
 - (2) The ballot was not prepared in accordance with this procedure.
 - (3) Blank ballot not completed by the electing party.
 - (4) Other words or marks are entered in addition to the candidate's account name, shareholder account number or identity card number.
 - (5) The writing is illegible and indecipherable.
 - (6) Any ballot in which the candidate's account name, account number or identity card number is altered.
 - (7) The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
 - (8) Each ballot shows two (inclusive) or more candidates.

- (9) The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.

- Article 9. The voting rights shall be calculated on site immediately after the end of the poll, and the chair or host shall announce on the site the list of persons elected, including the elected directors and the number of votes received.
- Article 10. The board of directors of the Company shall issue notifications to the persons elected as directors.
- Article 11. Any inconsistency with the provisions under Paragraphs 3 and 4, Article 26-3 of the Securities and Transaction Act shall render the election invalid.
- Article 12. Any matter that is not stipulated in this procedure shall be in accordance with the Company Act, the Articles of Association of the Company and applicable laws.
- Article 13. These Rules, and any amendments hereto, shall be implemented after adoption by a shareholder's meeting.

Appendix V

Weikeng Industrial Co., Ltd.

Employee Stock Warrants Issuance and Subscription Procedure for the Year 2024

Resolved by the Board on 2024/05/06

Article 1: Purpose of Issuance

In order to attract and retain the talents required by the Company, and to enhance employees' sense of cohesion and belonging to the Company, thereby jointly creating benefits for the Company and shareholders, the Company has formulated the Employee Stock Warrants Issuance and Subscription Procedure for this time in accordance with Article 28-3 of the Securities Exchange Act and the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" issued by the Financial Supervisory Commission and other relevant regulations.

Article 2: Issuance Period

The Employee Stock Warrants shall be issued once or in installments within two years starting from the date of receipt of the effective resignation notice from the competent authority, depending on actual demand. The actual issuance date will be determined by the authorized Chairman of the Board.

Article 3: Qualifications for Stock Warrants Holders

Limited to full-time regular employees who join the Company and its domestic and foreign controlled and subsidiary companies before the stock warrants grant date approved by the Chairman of the Board. The actual number of employees eligible to be stock warrants holders and the number of warrants they are eligible for will be determined based on their position, length of service, job performance evaluation (including input in sustainable development), past and expected future contributions to the Company's overall performance, or future development potential. The allocation criteria will be formulated by the general manager, approved by the Chairman of the Board, and ratified after the Board of Directors' consent. However, directors who are also executives or employees should submit the proposal to the Remuneration Committee for discussion and then to the Board of Directors for approval. Non-executive employees should first submit their proposal to the Audit Committee for discussion and then seek approval from the Board of Directors.

The Company shall, in accordance with Article 56-1, Paragraph 1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the cumulative number of shares to subscribe by a single warrant holder of the employee stock warrants, in combination with the cumulative number of new restricted employee shares obtained by the single warrant holder, may not exceed 0.3 percent of the Company's total issued shares. And the above in combination with the cumulative number of shares to subscribe by the single warrant holder of employee stock warrants issued by the Company under Article 56, paragraph 1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, may not exceed 1 percent of the Company's total issued shares.

Article 4: Total Number of Issuance

The total issuance is 10,000 units, with each unit of Employee Stock Warrants entitling the holder to subscribe for 1,000 shares of the Company's common stock. The total number of new common shares to be issued due to the exercise of stock warrants is 10,000,000 shares.

Article 5: Subscription Conditions

I. Exercise Price:

The Exercise Price shall be no less than 50% of the closing price of the Company's common stock on the issuance date of the stock warrants, with the actual Exercise Price determined by the Board of Directors.

II. Exercise Period:

- (i) The term of validity of this stock warrants is six years. The stock warrants and its rights may not be transferred, pledged, gifted to others, or disposed of in any other way, except to heirs. Upon expiration of the validity period, unexercised stock warrants shall be deemed waived, and the stock warrants holder may no longer claim their subscription rights.
- (ii) The stock warrants holder may exercise the subscription rights as follows, starting from two years after being granted the Employee Stock Warrants:

Stock Warrants Vested Period	Cumulative Vested Ratio of Exercisable Stock Warrants
Upon Expiration of 2 Years	40%
Upon Expiration of 3 Years	60%
Upon Expiration of 4 Years	80%
Upon Expiration of 5 Years	100%

- (iii) After the Company grants stock warrants to employees, if the stock warrants holder commits a significant breach of the labor contract or work rules, or if their job performance significantly deteriorates, the Company has the right to reclaim and cancel the stock warrants that have not yet been exercisable.

III. Type of Shares Subscribed: Ordinary shares of the Company.

IV. If the stock warrants holder resigns for any reason, they should handle it in the following manner during the validity period of this Employee Stock Warrants:

- (i) Resignation (including voluntary resignation, disability resignation, severance, and dismissal)

Stock warrants that are already exercisable can be exercised within one month from the date of resignation. For a leave of absence without pay, the Chairman of the Board or authorized executive can approve the stock warrants rights and exercise timeline within the scope of the rights exercise schedule specified in Paragraph II, Subparagraph (ii) of this article. However, in the case specified in Article 8, Paragraph III, the period for exercising stock warrants may be postponed sequentially according to the duration of that provision. Stock warrants that are not yet exercisable are considered forfeited of their rights on the day of resignation.

- (ii) Leave of absence without pay:

For stock warrants holders approved by the Company for a leave of absence without pay, stock warrants that are already exercisable should be exercised within one month from the start of the leave of absence. However, during the period defined in Article 8, Paragraph III, where stock warrants cannot be exercised, the exercise period may be postponed sequentially according to the duration of that restriction, but it must not exceed the validity period of the stock warrants.

Stock warrants that are not yet exercisable will have their rights restored from the day of return to work, although the schedule for exercising these rights will be postponed according to the duration of the leave of absence, and is limited

to the validity period of the stock warrants, or as determined by the Chairman of the Board or authorized executive within the exercise schedule scope defined in Paragraph II, Subparagraph (ii) of this article.

(iii) Retirement:

Stock warrants that are already exercisable can be exercised within one month from the retirement date. However, during the period defined in Article 8, Paragraph III, where stock warrants cannot be exercised, the exercise period may be postponed sequentially according to the duration of that restriction, but it must not exceed the validity period of the stock warrants; stock warrants that are not yet exercisable are considered forfeited of their rights on the day of retirement.

(iv) General death:

Stock warrants that are already exercisable can be exercised by the heirs after completing the necessary legal inheritance procedures, starting from the date of the stock warrants holder's death and within one year, provided it does not exceed the validity period of the stock warrants that are not yet exercisable lose all rights and obligations on the date of the stock warrants holder's death.

(v) Disability or Death Due to Occupational Accidents:

1. For those who become disabled due to an occupational accident and are unable to continue their employment:

Stock warrants granted can be fully exercised at the time of resignation, without being restricted by the exercise schedule or proportion limitations specified in Paragraph II, Subparagraph (ii) of this article. However, during periods specified in Article 8, Paragraph III, where stock warrants cannot be exercised, the exercise period may be postponed sequentially according to the duration of that restriction, but it must not exceed the validity period of the stock warrants.

2. For those who die due to an occupational accident:

Stock warrants held at the time of death can be exercised in full by the heirs after completing the necessary legal inheritance procedures. This is possible even during the periods specified in Article 8, Paragraph III, where stock warrants cannot be exercised. The exercise period may be postponed sequentially according to the duration of that restriction, without being restricted by the exercise schedule or proportion limitations specified in Paragraph II, Subparagraph (ii), but it must not exceed the validity period of the stock warrants.

(vi) Transfer:

1. If the stock warrants holder requests a transfer to a related enterprise, their stock warrants should be processed as per the "Resignation" method described in Paragraph IV, Subparagraph (i) of this article.
2. If the stock warrants holder is transferred to a related enterprise due to the operational needs of the Company, and such transfer is approved by the Company, the Chairman of the Board or the authorized executive officer may determine the stock warrants rights and the exercise time limit within the scope of the rights exercise schedule outlined in Paragraph II, Subparagraph (ii) of this article, or allow the continuation

of the exercise of the original stock warrants rights during the validity period.

- (vii) If the stock warrants holder or their heirs fail to exercise the stock warrants within the specified time limit, it will be considered as a forfeiture of the stock warrants rights.

V. Method for handling forfeited stock warrants: For stock warrants where rights have been forfeited, the Company will cancel them, and the quota will not be reissued.

Article 6: Method of fulfillment

- I. The Company will issue new shares by book-entry transfer, and in accordance with the proviso in Article 161, Paragraph 1 of the Company Law, the Company will proceed with the capital increase registration after issuing the shares.
- II. If the new shares are issued to employees of overseas subsidiaries, they will be delivered to the 'Employee Collective Investment Account' opened at the custodian institution for the overseas subsidiary. This account is limited to selling shares obtained through the exercise of rights to subscribe to securities or through distribution and cannot be used for other securities trading activities.

Article 7: Adjustment of the Exercise Price:

- I. After the issuance of this Employee Stock Warrants, except for securities issued by the Company that have ordinary share conversion rights or subscription rights, which are exchanged for ordinary shares, or new shares issued for employee compensation, when the number of ordinary shares issued by the Company increases (including but not limited to cash capital increases through public offering or private placement, capitalization of earnings, capitalization of capital reserves, issuance of new shares through company mergers or acquisition of other companies' shares, stock splits, and participation in overseas depositary receipt issuances in cash capital increases), the Company shall adjust the Exercise Price according to the following formula (rounded to the nearest ten cents of New Taiwan Dollar), and adjust it on the ex-rights base date of the new share issuance, and if the increase in the issued common shares is due to a change in the face value of the stock, it shall be adjusted on the new share issuance base date; however, if there is an actual payment operation, then adjust it on the date the share payment is completed. If the adjusted Exercise Price is higher than the pre-adjusted price, no adjustment will be made.
 - (i)
$$\text{Adjusted Exercise Price} = \text{Pre-adjusted Exercise Price} \times [(\text{Number of shares issued} + (\text{Per share payment amount} \times \text{Number of new shares issued}) / \text{Per share market price}) / (\text{Number of shares issued} + \text{Number of new shares issued})]$$
 - (ii) When there is a change in the face value of the stock:
$$\text{Adjusted Exercise Price} = \text{Pre-adjusted Exercise Price} \times (\text{Number of issued common shares before the change in face value} / \text{Number of issued common shares after the change in face value}).$$
 - (iii) For stock splits, the adjustment is made on the split base date; for mergers or acquisitions, it is adjusted on the merger or acquisition base date; for cash capital increases carried out through book building or issuance of overseas depositary receipts without an ex-rights base date, it is adjusted on the date the share payment is completed; for private placements, it is adjusted on the delivery date of the privately placed securities.

- (iv) The number of shares issued refers to the total number of ordinary shares issued (including those privately placed) minus the number of treasury shares bought back by the Company but not yet canceled or transferred, and the number of new shares restricted to employees that have been reclaimed or bought back but not yet canceled.
 - (v) Per share payment amount, if it relates to new shares as stock dividends or stock split, then the payment amount is zero.
 - (vi) In the case of a merger with another company, the payment amount per share of the new shares issued is based on the average closing price of the Company's ordinary shares for the thirty consecutive trading days starting from the forty-fifth business day before the merger base date; when issuing new shares by acquiring shares from another company, the payment amount per share of the new shares issued is based on the average closing price of the Company's ordinary shares for the thirty consecutive trading days starting from the forty-fifth business day before the completion date of the transfer of the acquired shares.
 - (vii) The setting of the per-share prevailing market price should be based on a simple arithmetic average of the closing price of ordinary shares calculated from one of the three options: one, three, or five business days prior to the ex-rights base date, pricing base date, stock split base date, or the private placement securities delivery date.
- II. After the issuance of this Employee Stock Warrants, if the Company distributes cash dividends on ordinary shares, the Exercise Price should be adjusted downward on the ex-dividend base date using the following formula (rounded to the nearest ten cents of New Taiwan Dollar):
- Adjusted Exercise Price = Pre-adjustment Exercise Price \times (1 - Ratio of ordinary share cash dividend to per-share market price)
- The aforementioned setting of the per-share market price should be based on a simple arithmetic average of the closing price of ordinary shares calculated from one of the three options: one, three, or five business days prior to the ex-dividend announcement date for the transfer stop.
- III. In the event of simultaneous distribution of cash and stock dividends (including capitalization of earnings and capital reserve capitalization), the Exercise Price should be adjusted first using the formula for cash dividend distribution mentioned in the Paragraph II of this article, followed by adjustment according to the formula for increase in shares mentioned in the Paragraph I of this article.
- IV. After the issuance of this Employee Stock Warrants, if the Company experiences a capital reduction not due to the cancellation of treasury shares, leading to a decrease in ordinary shares (including capital reduction to offset losses and cash capital reductions), the Company shall calculate the adjusted Exercise Price using the following formula (rounded to the nearest ten cents of New Taiwan Dollar), and adjust it on the capital reduction base date; and if the decrease in the number of issued common shares is due to a change in the face value of the stock, it shall be adjusted on the new share issuance base date.
- (i) During capital reduction to offset losses:

Adjusted Exercise Price = Pre-adjustment Exercise Price \times (Number of shares issued before capital reduction / Number of shares issued after capital reduction)

(ii) During cash capital reduction:

Adjusted Exercise Price = (Pre-adjustment Exercise Price - Amount of cash returned per share) \times (Number of shares issued before capital reduction / Number of shares issued after capital reduction)

(iii) When there is a change in the face value of the stock:

Adjusted Exercise Price = Pre-adjusted Exercise Price \times (Number of issued common shares before the change in face value / Number of issued common shares after the change in face value).

The aforementioned number of issued shares is as explained in the Paragraph I, Subparagraph (iv) of this article.

V. If the Exercise Price of the stock warrants issued by the Company, due to the adjustments listed in this article, falls below the face value of ordinary shares, the face value of ordinary shares shall be the adjusted Exercise Price.

Article 8: Procedure for Subscription rights

I. Except during legally mandated suspension of transfer periods and the suspension of exercise periods specified in the Paragraph III of this article, the stock warrants holder may exercise their subscription rights during the period specified in Paragraph II, Subparagraph (ii) of Article 5, by submitting an employee stock subscription application to the Company's Human Resources Department. Upon approval of the complete documents, the stock warrants holder will be notified to deposit the share amount into a designated bank. Once payment is made, it cannot be withdrawn, and failure to pay by the deadline will be considered as a forfeiture of subscription rights.

II. Once the Company confirms full payment of the shares, it will submit to the Company's share registrar agency to register the subscribed shares in the Company's shareholders' ledger. Within five business days, the shares will be issued through book-entry transfer, and the newly issued ordinary shares can be traded on the Taiwan Stock Exchange from the day of delivery.

III. The Employee Stock Warrants may not be exercised during the following periods:

- (i) The statutory suspension of transfer period before the annual shareholders' meeting.
- (ii) From fifteen business days before the issuance of new shares as stock dividends, cash dividend stop transfer day, or cash capital increase subscription stop transfer day, until the rights distribution base date.
- (iii) From the capital reduction base date to the day before the start of trading of the newly issued shares following the capital reduction.
- (iv) From the period after the board meeting that decides the merger base date until the merger base date itself; or from after the board meeting that decides the split base date until the split base date.
- (v) Other periods of legally mandated suspension of transfer that occur due to specific circumstances.

IV. The Company will at least quarterly, after the Board of Directors sets the new share issuance capital increase base date, proceed with the registration of the capital change with the competent authority in charge of company registration; however, if

it coincides with the base date of issuance of new shares as stock dividends or the cash capital increase subscription ex-rights base date, the timing of the registration change may be adjusted.

- V. If the stock warrants holder is an employee of an overseas subsidiary, the exercise of the subscription rights will be carried out by an agent or representative in Taiwan.

Article 9: Rights and obligations after subscription rights

- I. The ordinary shares delivered according to these regulations have the same rights and obligations as the Company's ordinary shares.
- II. The taxes arising from the shares subscribed and traded by the stock warrants holder under these regulations shall be handled in accordance with the relevant tax regulations set by the competent authorities of the Republic of China at that time, and also according to the tax regulations of the country of registration of the overseas subsidiary awarded the subscription rights and the country where the employee is located.
- III. For mainland Chinese employees holding shares issued under these regulations, the exercise of their voting rights, unless otherwise specified by law, shall not substantially control or influence the management of the Company and must be attended by an agent or representative in Taiwan.

Article 10: Confidentiality provisions

After being granted the stock warrants, the stock warrants holder must adhere to confidentiality provisions. Except as required by law or regulatory authorities, the disclosure of information and quantities related to the granted stock warrants is not allowed. Violations will be handled according to Paragraph II, Subparagraph (iii) of Article 5.

Article 11: Implementation details

Individual details regarding the granting of stock warrants and quantities, the exercise of stock warrants, payment of subscription money, issuance of shares, adjustment of exercise prices, and related operations and timings will be notified to the stock warrants holder by the Company separately.

Article 12: Other important stipulated matters

- I. These regulations will become effective after being approved by a majority of at least two-thirds of the directors present at a board meeting and by more than half of the directors in attendance, and after approval by the competent authority. If amendments to these regulations are required by the competent authority during review, the Chairman of the Board is authorized to make preliminary amendments, which must subsequently be ratified by the Board of Directors before issuance.
- II. If there are matters not covered by these regulations, they shall be handled in accordance with relevant legal provisions.

Appendix VI

Shareholdings by the Board of Directors

I. As of the shares book closure date (April 22, 2024) for the 2024 Annual General Meeting, the Company issued 428,388,041 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 16,000,000 shares.

II. The shareholdings of individual and all directors:

Shares Book Closure Date : April 22, 2024

Position	Name	Election Date	Term of Office (Year)	Shareholdings When Elected		Current Shareholdings	
				Shares	%	Shares	%
Chairman	Hu, Chiu-Chiang	July 20 2021	3	8,843,627	2.40	8,843,627	2.06
Director	Chi, Ting-Fang	July 20 2021	3	6,278,150	1.71	6,278,150	1.47
Director	Wei-ji Investment Co., Ltd. (Representative : Chen, Cheng-Fong)	July 20 2021	3	30,426,876	8.27	30,426,876	7.10
Director	Chen, Kuan-Hua	July 20 2021	3	191,301	0.05	191,301	0.04
Independent Director	Tsai, Yu-Ping	July 20 2021	3	---	---	---	---
Independent Director	Lin, Hung	July 20 2021	3	---	---	---	---
Independent Director	Yu, Hsueh-Ping	July 20 2021	3	---	---	---	---

Total Shareholdings by All Directors : 45,739,954 Shares