



Weikeng Industrial Co., Ltd.

2021 Annual General Meeting Meeting Handbook

Notice to readers

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

Date and Time of the Meeting : June 18, 2021 at 9:00 a.m. (Friday)

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

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Weikeng Industrial Co., Ltd.
2021 Annual General Meeting
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Weikeng Industrial Co., Ltd.

2020 Annual General Meeting Meeting Agenda

Date and Time of the Meeting : June 18, 2021 at 9:00 a.m. (Friday)
**Venue of the Meeting : Chin-Chin Garden Restaurant (No.32, Ln. 266, Sec.2,
 Zhishan Rd., Shilin Dist., Taipei City 111, Taiwan)**

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III. Reporting Matters

(I) 2020 Business Report & Report to Shareholders

Explanation: Please refer to the Attachment I for the Company's 2020 Business Report (Report to Shareholders).

(II) 2020 Financial Results as reviewed by Audit Committee

Explanation:

- (1) Please refer to the Attachment II for the Review Report of the Audit Committee on the Business Report, the Financial Statements audited by independent auditors, Lo, Jui-Lan and Au, Yiu-Kwan of KPMG Taiwan, and Earnings Distribution Plan for 2020.
- (2) Report on the communication between members of the Audit Committee and the head of internal audit: After checking the 2020 audit report, there were no major internal control deficiencies and abnormal matters.

(III) Report on the Company's endorsements and guarantees amount

Explanation:

- (1) As of the end of the year 2020, the Company's endorsements and guarantees amount for its subsidiary, Weikeng International Co., Ltd., was US\$210.6 million and NT\$613 million, both of which were subject to the Procedures for Endorsements and Guarantees.
- (2) As of the end of the year 2020, the Company's endorsements and guarantees amount for its subsidiary, Weikeng Technology Pte. Ltd., was US\$24 million, which was subject to the Procedures for Endorsements and Guarantees.
- (3) As of the end of the year 2020, the Company's endorsements and guarantees amount for its subsidiary, Weikeng International (Shanghai) Co., Ltd., were US\$23 million and RMB 30 million, both of which were subject to the Procedures for Endorsements and Guarantees.
- (4) The operational strategy of Weikeng Group is to continuously expand, integrate, and strengthen the combined sales capabilities of its subsidiaries' product lines. As the sales performance of each subsidiary grows, the demand for working capital is not only considered to raise funds from the capital market, but also requires injection from bank loans. Therefore, the total amount of endorsements and guarantees for each subsidiary company are necessary and reasonable.

(IV) Report on the Company's the implementation of the 5th domestic unsecured convertible corporate bonds

Explanation:

- (1) The Company issued the 5th domestic unsecured convertible corporate bonds of 10,000 units, each with a denomination of NT\$100,000, issued by denomination with a total amount of NT\$1 billion and a coupon rate of 0%, which was issued on November 3, 2020 and traded on Taipei Exchange (stock code: 30335), the tenor is 5 years with maturity on November 3, 2025.
- (2) All funds raised from the convertible corporate bonds were used to repay loans from financial institutions and which expected benefits of the fund-raising project will be (i) saving cash outflow of interest expenses, reducing financial burden, and (ii) strengthening financial structure and improving debt solvency.
- (3) As of the shares book closure date for the 2021 Annual General Meeting, the bondholders of the convertible corporate bonds have not yet executed the conversion, so the number of outstanding convertible corporate bonds are still 10,000 units.

(V) Report on the remuneration distribution of employees and directors for 2020

Explanation: In accordance with Article 22 of the Articles of Association of the Company, the Company appropriated the remuneration of employees and directors for 2020, of which for employees and directors is NT\$78,442,400 and NT\$19,610,600, respectively. The above remuneration had been resolved by the Board of

Directors on March 26, 2021 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 2021 Annual General Meeting and there will be no difference from the expense appropriated in the financial statements of 2020.

(VI) Report on the Cash Dividends of the 2020 Earnings Distribution Plan

Explanation:

- (1) The Company's 2020 earnings distribution plan (please refer to the Attachment IV), will be fully distributed by cash dividends totaling by NT\$494,508,010, has been resolved by the Audit Committee and Board of Directors with no less than two-thirds of directors present, and approved by more than half of directors attending the meeting on March 26, 2021. 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 2021 Annual General Meeting, the total issued and outstanding ordinary shares are 367,751,242 shares and the proposed declared cash dividend is NT\$1.3446807 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 Some Amendments to the Company's "Rules and Procedures of Board of Directors' Meeting" and "Codes of Ethical Conduct"

Explanation: According to the amendments of relevant laws and regulations promulgated by the competent authority, the Company has revised some articles of the Company's "Rules and Procedures of Board of Directors' Meeting" and "Codes of Ethical Conduct", which have been approved by the resolution of Board of Directors on July 31, 2020 and March 26, 2021, respectively, and both of amendments are being reported to the 2021 Annual General Meeting. Please refer to the Attachment V~VI.

(VIII) Report on the results of individual performance assessments of directors and executive officers, as well as the correlation and rationality between the contents and amounts of their individual remuneration and performance assessment results.

Explanation: The correlations between the Company's emoluments (salary and remuneration) policy of directors and executive officers and the operating performance are 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 association 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 association 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 2020 is NT\$19,610,600. After the 2021 shareholders' meeting is reported, the Company will pay directors'

remuneration in accordance with the "Rules for Remuneration Management of Directors and Executive Managers" and "Rules for Board of Directors Performance Assessment".

- ③ For the performance assessments of the board of directors and board members, please refer to the Company's 2020 Annual Report.
- (2) Emoluments paid to executive officers are divided into fixed salary and variable remuneration.
 - ① Fixed salary includes base pay, duty allowance and meal allowance, which are determined by the following factors such as education, experience, skills, degree of decision-making responsibility & risk, contribution to the Company, and the typical pay levels adopted by peer companies. 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 and the Company's annual budget target.
 - ② Variable remuneration includes year-end bonus and employee remuneration.
 - a. The year-end bonus is the amount of accumulated reserves appropriated 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 bonus to executive officers, the top management must first complete a comprehensive assessments, including personal performance appraisal, education, experience, skills, degree of decision-making responsibility & risk, contribution to the Company, the typical pay levels adopted by peer companies, etc., after which the Company distributes year-end bonuses to executive officers based on the approved allocation plan. However, the distribution plan of year-end bonus belongs to executive officers must be approved by the resolution of the Remuneration Committee and the Board of Directors.
 - b. Employees and executive officers' remuneration is the total appropriated amount in accordance with the Company's Articles of Association, 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 executive officers are the same as described in the preceding subparagraph a.
 - ③ Appropriation of employees and executive officers remuneration
 - a. In accordance with the Articles of Association of the Company, the earning in the Company's annual final accounts if any shall first be offset against any deficit, then, 6% to 10% of net profit before tax (before deducting remuneration to employees, executive officers, and directors) will be distributed as employees and 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.
 - b. The total employees and executive officers' remuneration for 2020 is NT\$78,442,400, which is being reported to 2021 Annual General Meeting of shareholders, and then the executive officers' distribution amount will be paid in cash in accordance with the approved procedures.
- (3) Please refer to the Company's 2020 Annual Report for the relevant information in the "Remuneration paid to Directors, President, and Vice President in the Most Recent Year".

IV. Recognition Matters

Agenda 1. Recognition on the 2020 Business Report and the Financial Statements, including individual financial statements and consolidated financial statements. (Proposed by the Board of Directors)

Explanation:

1. The independent auditors, Lo, Jui-Lan and Au, Yiu-Kwan of KPMG Taiwan, have completed the auditing and attesting procedures of the Company's 2020 financial reports, including individual and consolidated statements, and submitted an audit report.
2. The Board of Directors of the Company had resolved to approve the 2020 financial reports and business report on March 26, 2021 and submitted those reports to the Audit Committee for verification and a written review report was prepared.
3. Please refer to Attachment III for the Independent Auditors' Report, Balance Sheets, Statements of Comprehensive Income, Statements of changes in Equity, and Statements of Cash Flows.
4. Recognition is respectfully requested.

RESOLVED :

Agenda 2. Recognition on the 2020 Earnings Distribution Plan. (Proposed by the Board of Directors)

Explanation:

1. The Company proposed the Earnings Distribution Plan (please refer to the Attachment IV) pursuant to Articles of Association of the Company, that plan has been approved by the resolution of Audit Committee and Board of Directors of the Company through discussion on March 26, 2021.
2. Recognition is respectfully requested.

RESOLVED :

V. Discussion Matters

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

Explanation:

1. In order to comply with the amendments to the laws and the actual operational needs, some of the articles of the Company's Articles of Association will be amended.
2. The amended articles had been approved by the resolution of Audit Committee and Board of Directors on March 26, 2021, which amended articles will be implemented after the resolution of the 2021 Annual General Meeting. Please refer to the Attachment VII for the comparison table of some amendments to the Company's Articles of Association.
3. Approval is respectfully requested.

RESOLVED :

VI. Election Matters

Agenda 1. Re-election of All Directors (Proposed by the Board of Directors)

Explanation:

1. The term of office of the current directors (including independent directors) of the Company shall be expired on June 12, 2021. However, due to the comprehensive re-election in conjunction with the 2021 Annual General Meeting of shareholders, the term of office of the current directors (including independent directors) will be extended until the re-election of new directors (including independent directors) in accordance with Article 195 of the Company Act.
2. Pursuant to the Company's Articles of Association, 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. Seven new directors (including three independent directors) shall be elected for this re-election and their term of office will be three-year term, which is from the date of the re-election of the Annual General Meeting June 18, 2021 to June 17, 2024, and the same person may be re-elected upon expiry of the term.
3. The Company's board of directors has completed the nomination and review of seven new directors (including three independent directors) as required by the Company's articles of association on March 26, 2021, and those who will be elected at the 2021 Annual General Meeting of shareholders; all current directors will be dismissed after the election of new directors at the 2021 Annual General Meeting of shareholders.
4. When the newly re-elected directors take office, all independent directors will form the "Audit Committee" of the Company.
5. The re-election will be conducted in accordance with the "Rules for Election of Directors" of the Company. (Please refer to the Appendix III.)
6. In accordance with the above explanations in 2 and 3, the list of candidates for new directors (including independent directors) nominated and approved by the current board of directors of the Company and their brief introductions are as follows:

Position	Nominated Candidates	Education & Working Experience	Number of Shares Held (As of April 20, 2021)
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"> • Chairman & President, Weikeng Industrial Co., Ltd. • Chairman, Weiji Investment Co., Ltd. • Chairman, Weikeng International Co., Ltd. • Chairman, Weikeng Technology Pte Ltd. • Chairman, Weikeng Technology Co., 	8,843,627

Position	Nominated Candidates	Education & Working Experience	Number of Shares Held (As of April 20, 2021)
		<p>Ltd.</p> <ul style="list-style-type: none"> • Independent Director & Remuneration Committee, V-TAC Technology Co., Ltd. • Independent Director, 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. • Director, LEADTEL Co., Ltd. • Supervisor, EVGA Technology Incorporated <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	WEIJI INVESTMENT CO., LTD. (Representative : CHEN, CHENG-FONG (@Eric Chen))	<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	CHI, TING-FANG (@Stan Chi)	<p><u>Education:</u></p> <ul style="list-style-type: none"> • Bachelor of Science in Control 	6,278,150

Position	Nominated Candidates	Education & Working Experience	Number of Shares Held (As of April 20, 2021)
		<p>Engineering, National Chiao Tung University, Taiwan</p> <p><u>Concurrently assume the duties of the Company and other companies :</u></p> <ul style="list-style-type: none"> • Director & Chief Operating Officer, Weikeng Industrial Co., Ltd. • Managing Director, Weikeng Technology Pte Ltd. • Director, Weikeng Technology Co., Ltd. <p><u>Past Working Experience :</u></p> <ul style="list-style-type: none"> • President, Weikeng Industrial Co., Ltd. • Associate Engineer, Institute of Machinery, Industrial Technology Research Institute (ITRI) 	
Director	CHEN, KUAN-HUA (@Bill Chen)	<p><u>Education :</u></p> <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 <p><u>Concurrently assume the duties of the Company and other companies :</u></p> <ul style="list-style-type: none"> • Director, King Yuan Electronics Co., Ltd. • Director & President, Chan-Cheng Investment Co., Ltd. <p><u>Past Working Experience :</u></p> <ul style="list-style-type: none"> • Supervisor, Weikeng Industrial Co., Ltd. 	191,301
Independent Director	TSAI, YU-PING (@Edward Tsai)	<p><u>Education :</u></p> <ul style="list-style-type: none"> • Juris Doctor, Santa Clara University, California • Executives Program, Graduate School of Business Administration, National Cheng-Chi University <p><u>Concurrently assume the duties of the Company and other companies :</u></p> <ul style="list-style-type: none"> • Remuneration Committee and Audit Committee, Weikeng Industrial Co., Ltd.. • Chairman, Paradigm Venture Partners, L.L.C. • Director (Representative of Juristic Person/ Paradigm Venture Partners, L.L.C.), ezSWAP Networks Co., Ltd. 	0

Position	Nominated Candidates	Education & Working Experience	Number of Shares Held (As of April 20, 2021)
		<ul style="list-style-type: none"> • Director, Hydroionic Technologies Co., Ltd. • Director (Representative of Juristic Person/ Hydroionic Technologies Co., Ltd.), Hydroionic EnviroTec Co., Ltd. • Director (Representative of Juristic Person/ Hydroionic EnviroTec Co., Ltd.), Hydroionic EnviroServices Co., Ltd. • Director, CellMax Taiwan Co., Ltd. • Independent Director, Remuneration Committee, and Audit Committee, Welldone Co., Ltd. <p><u>Past Working Experience :</u></p> <ul style="list-style-type: none"> • Chairman, Meitung Limited • Chief Strategy Officer, Allianz President Insurance Group • President, Allianz-President General Insurance Co., Ltd. • President & CEO, President Securities Investment Trust Co., Ltd. • Lawyer, Baker & McKenzie • Lawyer, Diepenbrock, Wulff, Plant & Hannegan, California • Associate Professor of Department of Law, National Chung Hsing University, Taiwan 	
Independent Director	LIN, HUNG (@Vincent Lin)	<p><u>Education :</u></p> <ul style="list-style-type: none"> • Executive Master of Business Administration, National Cheng-Chi University • Bachelor of Science in Pharmacy, Kaohsiung Medical University <p><u>Concurrently assume the duties of the Company and other companies :</u></p> <ul style="list-style-type: none"> • Remuneration Committee and Audit Committee, Weikeng Industrial Co., Ltd. • Director(Representative of Juristic Person/ ALPIN INTERNATIONAL CO., LTD.), Leatec Fine Ceramics Co., Ltd. • Chairman, Hua Shuai Hospitality Management Consulting Co. Ltd. • Chairman, Dragonfly Gallery Co., Ltd. • President of Ahotel, Taiwan Fine Business Travel Alliance • Director, Taiwan Miner’s General Hospital 	0

Position	Nominated Candidates	Education & Working Experience	Number of Shares Held (As of April 20, 2021)
		<p><u>Past Working Experience :</u></p> <ul style="list-style-type: none"> • President, Harbor View Hotel • Independent Director & Remuneration Committee, Weikeng Industrial Co., Ltd. • Director, National Federation of the Republic of China Hotel Association • Committee of Keelung Foreign Sister City Promotion Association 	
Independent Director	YU, HSUEH-PING (@Peggy Yu)	<p><u>Education :</u></p> <ul style="list-style-type: none"> • Master of Accounting, National Taiwan University <p><u>Concurrently assume the duties of the Company and other companies :</u></p> <ul style="list-style-type: none"> • Audit Committee, Weikeng Industrial Co., Ltd. • Vice President, Grand Aspect International Ltd. • Vice President, Grand China Ltd. • Director, PrinTec International Co., Ltd. • Supervisor (Representative of Juristic Person/Chin-Tzu Leasing Co., Ltd.) , Well Glory Development Co., Ltd. <p><u>Past Working Experience :</u></p> <ul style="list-style-type: none"> • Senior Vice President, Standard Chartered International Commercial Bank • Independent Director, CastleNet Technology Inc. • Supervisor, Promate Electronic Co., Ltd. 	0

1. Among the nominated candidates of independent directors, Mr. TSAI, YU-PING (@Edward Tsai) and Mr. LIN, HUNG (@Vincent Lin) have served as independent directors of the Company for more than 3 consecutive terms. In accordance with the provisions of Article 5 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", the Company shall publicly disclose, together with the review results of the nominees, the reasons why the candidates are nominated again for the independent directorship, and present the reasons to the shareholders at the time of the election at the shareholders meeting. The reasons why the board of directors of the Company nominates Mr. TSAI, YU-PING (@Edward Tsai) and Mr. LIN, HUNG (@Vincent Lin) again as independent directors are as follows:
 - (1) Mr. TSAI, YU-PING (@Edward Tsai), a Juris Doctor from Santa Clara University of California, USA, with legal expertise and practice, who has taught as the Associate Professor of the Law Department at National Chung Hsing University and worked as a lawyer for Baker & McKenzie Law Firm and Diepenbrock, Wulff, Plant, and Hannegan Law Firm, California, and served as the Chief Strategy Officer of Allianz-President Insurance Group, the President of Allianz-President General Insurance Co., Ltd., the President and CEO of President Securities Investment Trust Co., Ltd., and is currently the Chairman of Paradigm Venture Partners, L.L.C., who is responsible for venture capital investment and management. Investment sectors covered

semiconductor, communications, software, optoelectronics, biotechnology, medical equipment, aerospace, and materials industries.

Mr. TSAI, YU-PING (@Edward Tsai) has expertise in law, finance, technology industry management and corporate governance, which will help the Company to provide industry analysis and integration, risk management, legal strategy / compliance and management decision-making opinions on the operation and management. The aforesaid are the reasons for the Company to continue the nomination of the candidate as an independent director so he could continue to bring his legal, financial and technology industry management expertise in the exercise of his duties as an independent director and audit committee to enhance the quality of the Company's corporate governance and the supervision of the audit committee.

- (2) Mr. LIN, HUNG (@Vincent Lin), Executive Master of Business Administration (EMBA) of National Cheng Chi University, is currently the Chairman of Hua Shuai Hospitality Management Consulting Co. Ltd., the President of Harbor View Hotel, and the Chairman of Dragonfly Gallery Co., Ltd. and served as the President of Ahotel, Taiwan Fine Business Travel Alliance and the Director of the National Federation of the Republic of China Hotel Association. He is committed to the success of the tourism hotel service industry with his familiarity with commercial laws and expertise in corporate governance, and also serves as the director of Leatec Fine Ceramics Co., Ltd., which belongs to a passive electronic component firm, and Taiwan's Miner General Hospital. The Company expects to leverage on his experience and vision in different industry management and to provide timely diversified opinions on operation and management, so that the Company can be more diversified in the thinking of operation and management strategies, and improve the supervision and management quality of the board of directors and the audit committee.

VII. Other Matters

Agenda 1. 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

Attachment I

Weikeng Industrial Co., Ltd 2020 Business Report & Letter to Shareholders

Dear Shareholders,

The operating areas of Weikeng Group are mainly in Greater China (Taiwan, Hong Kong, China) and Southeast Asia (Singapore, Philippines, Malaysia, Thailand, and Vietnam). Weikeng Group's companies continue to play the role of connecting technology and creating value in the semiconductor industry chain with the spirit of actively meeting challenges and overcoming difficulties and insist on strengthening the portfolio of franchises product lines to meet market demand changes, even although the external economic environment in 2020 has been hit by the US-China trade disputes and the new coronavirus epidemic, which has led to a slowdown in global economic growth. Fighting the new coronavirus epidemic is like a war, but it has also changed the way people live and work. In 2020, the COVID-19 epidemic broke out globally and the global economy has been stagnated, however, the world ceased physical face-to-face contact, but brought up new non-contact business opportunities. The COVID-19 epidemic has accelerated the stimulation of cloud computing, data centers, distance-using needs, the high performance computing (HPC) chip required by the server, logic ICs with high computing power, chips with high-bandwidth memory (HBM), application-specific integrated circuit (ASIC), etc. have pushed participants in the supply chain of the semiconductor industry to witness that 2020 is a year of great growth and explosion. Therefore, with the efforts of all colleagues and the support of shareholders, the Weikeng Group consolidated sales revenue and net profit before tax reached approximately NT\$58.4 billion and 933 million in 2020, respectively, representing a growth of approximately 21% and 161%.

In 2021, the new coronavirus epidemic is still ongoing, and the group's operating market area is still deeply affected, but because the semiconductor industry and its supply chain have been regarded as "essential infrastructure" and / or "essential business" in real economic activities, in response to the needs of the post-epidemic market, the international market has turned to related semiconductor industries to place orders in order to smoothly and quickly obtain the IC chips required by the market, which will drive the continuous upward development of the global IC design, foundry, and packaging and testing industries, making the semiconductor industry prosperous. The results of this operation in the first quarter of 2021 have already shown clues. However, due to the substantial increase in market demand for semiconductors, production capacity of wafer foundry is tight. Therefore, the semiconductor market in 2021 will show a demand growth rate greater than a production capacity growth rate. At present, pure-play wafer foundries are actively adjusting production capacity or building new wafer fabs, but the cost of building new wafer fabs is high and there is a waiting period for construction. As a result, it may not be possible to wait for new wafer production capacity to meet market demand. Facing the aforementioned supply and demand situation, pure-play wafer foundries have begun to balance market supply and demand through price increases, but the problem has gradually spread to IC chip suppliers (the Company's franchises vendors), to adjust the short supply situation in the IC chip market, chip suppliers have also extended the delivery time by at least 90 days. In summary, the semiconductor market in 2021 will face the problem of insufficient wafer production capacity, which has caused chip suppliers to adjust the practice of extending product delivery; in other words, the market will have supply not keeping up with demand, and existing demand will be delayed, but new demand for applications will continue to occur, which will result in crowding out, capacity grabbing, and intensive communication with the supply chain. The problem of chip supply shortages may continue until the third or fourth quarter of 2021, and that will be a variable in the semiconductor market in 2021.

Weikeng Group has successfully won the franchises of product lines, covering many semiconductor Integrated Device Manufacturers (IDMs) or IC design companies such as AMD, Amazing, Dialog, Infineon, Lattice, Microchip, Molex, NXP, 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.

(I) The annual business report for 2020

A. Implementation results of business plan

items	Amount(in Thousands of NT\$)	YoY %
Net Sales Revenue	58,413,402	21
Gross Profit	3,067,783	11
Net Operating Income	976,203	30
Profit before Tax	933,088	161
Net Profit	699,309	169

B. Budget Execution in 2020

In 2020, the Group's implementation of operating budget, revenue and profitability performance have exceeded expectations.

C. Financial Income, Costs and Profitability Analysis

items		%
Finicial Structure	Debt Ratio	73.4
	Long-term capital to fixed assets ratio	5,655.1
Solvency	Current Ratio	145.4
	Quick Ratio	93.5
Profitability	Return on Assets	3.9
	Return on Equity	11.9
	Net Profit Margin	1.2
	Basic EPS(in NT\$)	1.9

D. Research Development Status

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

At this stage, the product solutions developed by the companies in the Group are mainly focused in 5G (Smart phones, Customer Premise Equipment (CPE), Open Radio Access Network (O-RAN), etc.), artificial intelligence/Internet of things (AIoT), automotive electronics (including electric vehicles, electric locomotives, charging piles, etc.), consumer electronics, industrial control, Type-C power delivery, and various power products, but also devoted various resources to the application development of related product solutions, such as server/data center, motor control, battery energy storage management system, in-vehicle infotainment system and panel display human-machine interface, to facilitate the reference solutions for customers' products in time, which solutions are now available to customers.

(II) Annual Business Plan in 2021

A. Operating Principles

- (A) Facing the prosperity of the market cautiously, Weikeng Group must fully grasp and feedback the customer demand schedule in terms of product and price strategy, actively coordinate with the upstream vendors, and make the best efforts to meet customer needs.
- (B) As the new coronavirus epidemic changes, timely assess the impact, and pay attention to the "Coronomics" and post-epidemic market demand, and take countermeasures to grasp market opportunities.

- (C) With the development trend of technology products, Weikeng Group continues to provide customers with competitive parts, technical support services, and the turnkey solution of new products, and achieve the goal of bridging the technology between upstream vendors and downstream customers through the intermediary of the Group companies, creating a triple value.
 - (D) Real-time grasp the diversified strategy and construction of customers' production bases and supply chains affected by trade brinkmanship and the epidemic.
 - (E) Focus on operational performance and efficiency, emphasize operational risk and emphasize risk management.
- B. Production and Sales Policy
- (A) In the face of increasing customer demand, actively coordinate the delivery date of franchise vendors' products, adjust the product and price strategy in a timely manner, and the best interactive communication platform.
 - (B) Grasp the development trend of "new technology" and "Coronomics", expand business cooperation opportunities, and strengthen customer structure.
 - (C) Facing the multinational expansion of customers in the Asia-Pacific region, the Group must strengthen timely support, service momentum and flexibility.
 - (D) Attach importance to compliance with laws and regulations for the import and export of strategic high-tech commodities.
 - (E) As the scale of operations expands, both risk and profitability must be considered.
- C. Expected sales volume and its basis in 2021
- The Company classifies the franchising products into chipsets/special application standard ICs, mixed signals and discrete components according to product characteristics. The operating target of sales forecast for 2021, is based on the management team's consideration of relevant institutions' estimates of the semiconductor industry's sales forecast, the upstream vendors' set targets and the Company's internal business plan, will still be positively expected to have growth opportunities, although the external operating environment in 2021 will still be double-struck by the US-China disputes of trading brinkmanship and the COVID-19 epidemic.

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

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

Attachment II

Weikeng Industrial Co., Ltd. 2020 Review Report of Audit Committee

The Board of Directors has prepared this Company's 2020 financial statements (including individual financial statements and consolidated financial statements), business report, and the earnings distribution plan; with respect to the financial statements have been audited by independent auditors, Lo, Jui-Lan and Au, Yiu-Kwan of KPMG Taiwan, who have submitted an audit report. The above statements and reports have been reviewed by the Audit Committee and no irregularities were found. We hereby report as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Kindly approve.

To: Weikeng Industrial Co., Ltd., 2021 Annual General Meeting

Convener of Audit Committee : Tsai, Yu-Ping

Date: March 26, 2021

Attachment III



安侯建業聯合會計師事務所

KPMG

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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, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the Consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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



1. Recognition of Operating Revenue

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

Description of key audit matters:

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

How the matter was addressed in our audit:

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

2. Valuation of Inventories

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

Description of key audit matters:

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

How the matter was addressed in our audit:

Our main audit procedures for the aforementioned key audit matters include testing the related control over the cost operating cycle; evaluating whether the policies for setting aside allowance for inventory valuation and obsolescence losses are in accordance with the Group’ s policies and related standard; taking into consideration the possible impact of COVID-19s; and executing the implementation of sampling procedures to check the correctness of stock age. In addition, we also examined the inventory aging reports; understood the subsequent sales status of slow-moving inventories; and evaluated the adopted basis of net realizable value to verify the rationality of the management’ s estimates on the allowance for inventory valuation.

Other Matter

Weikeng Industrial Co., Ltd. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements



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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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



6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on this consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 26, 2021

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2020		December 31, 2019			Liabilities and Equity	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (note (6)(a))	\$ 2,486,340	11	2,336,361	10	2100	Short-term borrowings (note (6)(i))	\$ 9,745,315	43	9,844,853	42
1110 Financial assets at fair value through profit or loss -current (note (6)(b))	624	-	522	-	2120	Financial liabilities at fair value through profit or loss - current (note (6)(b))	-	-	4,040	-
1170 Notes and accounts receivable, net (note (6)(d))	10,679,023	47	8,223,453	35	2130	Contract liabilities -current (note (6)(r))	195,013	1	91,026	-
1200 Other receivables (notes (6)(d), (6)(e) and (7))	912,877	4	1,243,839	6	2170	Notes and accounts payable	3,575,860	16	5,316,218	23
1300 Inventories, net (note (6)(f))	7,855,756	34	10,479,000	45	2200	Other payables (notes (6)(j) and (7))	1,246,481	5	1,411,607	6
1470 Prepaid expenses and other current assets	218,979	1	276,752	1	2230	Current tax liabilities	43,793	-	87,361	-
	<u>22,153,599</u>	<u>97</u>	<u>22,559,927</u>	<u>97</u>	2280	Current lease liabilities (note (6)(l))	112,146	-	127,571	1
					2300	Other current liabilities	313,843	1	221,797	1
							<u>15,232,451</u>	<u>66</u>	<u>17,104,473</u>	<u>73</u>
Non-current assets:						Non-current liabilities:				
1517 Financial assets at fair value through other comprehensive income — non-current (note (6)(c))	44,822	-	45,162	-	2500	Financial liabilities at fair value through profit or loss — non-current (note (6)(b))	9,600	-	-	-
1600 Property, plant and equipment (note (6)(g))	134,770	1	149,291	1	2530	Convertible bonds payable (note (6)(k))	929,322	4	-	-
1755 Right-of-use assets (note (6)(h))	190,179	1	279,613	1	2570	Deferred tax liabilities (note (6)(o))	408,431	2	332,613	1
1780 Intangible assets	53,665	-	57,519	-	2580	Non-current lease liabilities (note (6)(l))	78,793	-	152,221	1
1840 Deferred tax assets (note (6)(o))	203,229	1	216,156	1	2640	Non-current net defined benefit liabilities (note (6)(n))	120,974	1	129,007	1
1900 Other non-current assets	73,566	-	75,782	-	2670	Other non-current liabilities	181	-	211	-
	<u>700,231</u>	<u>3</u>	<u>823,523</u>	<u>3</u>			<u>1,547,301</u>	<u>7</u>	<u>614,052</u>	<u>3</u>
							<u>16,779,752</u>	<u>73</u>	<u>17,718,525</u>	<u>76</u>
						Total liabilities				
						Equity (note (6)(p)):				
					3100	Ordinary share	3,677,513	16	3,677,513	16
					3200	Capital surplus	941,349	4	884,335	4
					3310	Legal reserve	890,626	4	864,760	3
					3320	Special reserve	229,459	1	138,615	1
					3350	Unappropriated retained earnings	700,837	3	329,162	1
						Other equity interest:				
					3410	Exchange differences on translation of foreign financial statements	(282,193)	(1)	(144,308)	(1)
					3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(83,513)	-	(85,152)	-
							<u>(365,706)</u>	<u>(1)</u>	<u>(229,460)</u>	<u>(1)</u>
						Total equity	<u>6,074,078</u>	<u>27</u>	<u>5,664,925</u>	<u>24</u>
Total assets	\$ 22,853,830	100	23,383,450	100		Total liabilities and equity	\$ 22,853,830	100	23,383,450	100

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		<u>2020</u>		<u>2019</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100	Net sales revenue (note (6)(r) and note (7))	\$ 58,413,402	100	48,224,086	100
5000	Cost of sales (note (6)(f))	55,345,619	95	45,448,798	94
	Gross profit	<u>3,067,783</u>	<u>5</u>	<u>2,775,288</u>	<u>6</u>
	Operating expenses (notes (6)(l), (6)(m), (6)(n), note (7) and (12)):				
6100	Selling expenses	1,615,273	3	1,599,194	3
6200	Administrative expenses	473,293	-	432,631	1
6450	Expected credit losses (gains) (note (6)(d))	3,014	-	(9,294)	-
		<u>2,091,580</u>	<u>3</u>	<u>2,022,531</u>	<u>4</u>
	Net operating income	<u>976,203</u>	<u>2</u>	<u>752,757</u>	<u>2</u>
	Non-operating income and expenses:				
7100	Interest income	4,668	-	6,621	-
7010	Other income (note (7))	44,872	-	19,601	-
7235	Gains (losses) on financial assets (liabilities) at fair value through profit or loss (note (6)(t))	3,203	-	(8,187)	-
7230	Foreign currency exchange gains (losses), net	157,073	-	12,114	-
7050	Financial costs (note (6)(l))	(251,624)	-	(424,827)	(1)
7590	Miscellaneous disbursements	(1,307)	-	(23)	-
		<u>(43,115)</u>	<u>-</u>	<u>(394,701)</u>	<u>(1)</u>
7900	Profit before tax	933,088	2	358,056	1
7950	Income tax expenses (note (6)(o))	233,779	-	97,662	-
8200	Profit	<u>699,309</u>	<u>2</u>	<u>260,394</u>	<u>1</u>
	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (note (6)(n))	1,910	-	(2,168)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,639	-	(17,921)	-
8349	Less: income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	<u>382</u>	<u>-</u>	<u>(434)</u>	<u>-</u>
		<u>3,167</u>	<u>-</u>	<u>(19,655)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(172,356)	-	(91,154)	-
8399	Less: income tax relating to components of other comprehensive income that may be reclassified to profit or loss (note (6)(o))	<u>(34,471)</u>	<u>-</u>	<u>(18,231)</u>	<u>-</u>
		<u>(137,885)</u>	<u>-</u>	<u>(72,923)</u>	<u>-</u>
	Other comprehensive income, net	<u>(134,718)</u>	<u>-</u>	<u>(92,578)</u>	<u>-</u>
8500	Comprehensive income	<u>\$ 564,591</u>	<u>2</u>	<u>167,816</u>	<u>1</u>
	Earnings per share: (note (6)(q))				
9750	Basic earnings per share	<u>\$ 1.90</u>		<u>0.71</u>	
9850	Diluted earnings per share	<u>\$ 1.84</u>		<u>0.70</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 Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Exchange differences on translation of foreign financial statements	Other equity interest		Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		
Balance at January 1, 2019	\$ 3,448,980	872,702	802,354	143,162	690,010	(71,385)	(67,231)	5,818,592	
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	62,406	-	(62,406)	-	-	-	
Special reserve reversed	-	-	-	(4,547)	4,547	-	-	-	
Cash dividends	-	-	-	-	(354,165)	-	-	(354,165)	
Stock dividends	207,484	-	-	-	(207,484)	-	-	-	
	207,484	-	62,406	(4,547)	(619,508)	-	-	(354,165)	
Consolidated net income for the year ended December 31, 2019	-	-	-	-	260,394	-	-	260,394	
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	(1,734)	(72,923)	(17,921)	(92,578)	
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	258,660	(72,923)	(17,921)	167,816	
Conversion of convertible bonds	21,049	11,633	-	-	-	-	-	32,682	
Balance at December 31, 2019	3,677,513	884,335	864,760	138,615	329,162	(144,308)	(85,152)	5,664,925	
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	25,866	-	(25,866)	-	-	-	
Special reserve appropriated	-	-	-	90,844	(90,844)	-	-	-	
Cash dividends	-	-	-	-	(212,452)	-	-	(212,452)	
	-	-	25,866	90,844	(329,162)	-	-	(212,452)	
Consolidated net income for the year ended December 31, 2020	-	-	-	-	699,309	-	-	699,309	
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	1,528	(137,885)	1,639	(134,718)	
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	700,837	(137,885)	1,639	564,591	
Issuance of convertible bonds	-	57,014	-	-	-	-	-	57,014	
Balance at December 31, 2020	\$ 3,677,513	941,349	890,626	229,459	700,837	(282,193)	(83,513)	6,074,078	

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 933,088	358,056
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	152,828	154,034
Amortization expense	23,841	9,615
Expected credit (gains) losses	3,014	(9,294)
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(3,203)	8,187
Interest expense	251,624	424,827
Interest income	(4,668)	(6,621)
Others	14	6
	423,450	580,754
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss	(2,339)	(3,549)
Decrease (increase) in notes and accounts receivable	(2,458,584)	209,706
Decrease (increase) in other receivable	334,794	(27,037)
Decrease (increase) in inventories	2,623,244	2,925,822
Decrease (increase) in prepaid expenses and other current assets	57,773	20,226
	554,888	3,125,168
Increase (decrease) in notes and accounts payable	(1,740,358)	(316,606)
Increase (decrease) in other payable	(130,910)	(69,659)
Increase (decrease) in contract liabilities and other current liabilities	196,033	23,521
Others	(6,123)	(4,711)
	(1,681,358)	(367,455)
Total changes in operating assets and liabilities	(1,126,470)	2,757,713
Total adjustments	(703,020)	3,338,467
Cash flow from (used in) operations	230,068	3,696,523
Interest received	4,668	6,621
Interest paid	(271,398)	(449,144)
Income taxes paid	(157,158)	(203,990)
Net cash flows from (used in) operating activities	(193,820)	3,050,010
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(3,112)	(11,480)
Decrease (increase) in refundable deposits	(1,918)	1,182
Acquisition of intangible assets	(35,212)	(33,443)
Others	1,979	175
Net cash flows from (used in) investing activities	(38,263)	(43,566)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(99,538)	(1,892,622)
Proceeds from issuing bonds	1,000,000	-
Increase (decrease) in guarantee deposits received	(30)	(33)
Payment of lease liabilities	(134,924)	(136,613)
Cash dividends paid	(212,452)	(354,165)
Net cash flows from (used in) financing activities	553,056	(2,383,433)
Effect of exchange rate changes on cash and cash equivalents	(170,994)	(89,551)
Net increase (decrease) in cash and cash equivalents	149,979	533,460
Cash and cash equivalents at beginning of period	2,336,361	1,802,901
Cash and cash equivalents at end of period	\$ 2,486,340	2,336,361



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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, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Recognition of Operating Revenue

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



Description of key audit matters:

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

How the matter was addressed in our audit:

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

2. Valuation of Inventories

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

Description of key audit matters:

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

How the matter was addressed in our audit:

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

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

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

Description of key audit matters:

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



How the matter was addressed in our audit:

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material



uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investments in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 26, 2021

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019		Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note (6)(a))	\$ 1,479,458	10	1,355,639	9	2100	Short-term borrowings (note (6)(j))	\$ 4,647,106	31	4,745,669	33
1110	Financial assets at fair value through profit or loss-current(note (6)(b))	624	-	522	-	2120	Financial liabilities at fair value through profit or loss-current (notes (6)(b))	-	-	4,040	-
1170	Notes and accounts receivable, net (note (6)(d) and note (7))	4,813,408	32	3,754,444	27	2130	Contract liabilities-current (note (6)(s))	8,489	-	20,173	-
1200	Other receivables (note (6)(e) and note (7))	958,178	6	1,295,970	9	2170	Notes and accounts payable (note (7))	1,438,566	10	1,924,968	14
1300	Inventories, net (note (6)(f))	2,939,187	20	3,587,993	25	2200	Other payables (note (6)(k) and note (7))	949,583	6	1,171,482	8
1470	Prepaid expenses and other current assets	<u>166,302</u>	<u>1</u>	<u>170,177</u>	<u>1</u>	2230	Current tax liabilities	13,859	-	58,018	1
		<u>10,357,157</u>	<u>69</u>	<u>10,164,745</u>	<u>71</u>	2280	Current lease liabilities (note (6)(m))	49,297	-	50,818	-
						2300	Other current liabilities	<u>244,019</u>	<u>2</u>	<u>187,575</u>	<u>1</u>
								<u>7,350,919</u>	<u>49</u>	<u>8,162,743</u>	<u>57</u>
Non-current assets:						Non-current liabilities:					
1517	Financial assets at fair value through other comprehensive income – non-current (note (6)(c))	44,822	-	45,162	-	2500	Financial liabilities at fair value through profit or loss – non-current (notes (6)(b) and (6)(l))	9,600	-	-	-
1550	Investments accounted for using equity method, net (note (6)(g))	4,106,990	28	3,686,602	26	2530	Convertible bonds payable (note (6)(l))	929,322	6	-	-
1600	Property, plant and equipment (note (6)(h))	96,552	1	100,785	1	2570	Deferred tax liabilities (note (6)(p))	407,666	3	331,807	2
1755	Right-of-use assets (note (6)(i))	88,652	1	130,186	1	2580	Non-current lease liabilities (note (6)(m))	39,788	-	79,927	1
1780	Intangible assets	13,899	-	574	-	2640	Non-current net defined benefit liabilities	120,974	1	129,007	1
1840	Deferred tax assets (note (6)(p))	201,743	1	214,782	1	2670	Other non-current liabilities	<u>187</u>	<u>-</u>	<u>217</u>	<u>-</u>
1900	Other non-current assets	<u>22,719</u>	<u>-</u>	<u>25,790</u>	<u>-</u>			<u>1,507,537</u>	<u>10</u>	<u>540,958</u>	<u>4</u>
		<u>4,575,377</u>	<u>31</u>	<u>4,203,881</u>	<u>29</u>			<u>8,858,456</u>	<u>59</u>	<u>8,703,701</u>	<u>61</u>
						Total liabilities					
						Equity (Note (6)(q)):					
						3100	Ordinary share	3,677,513	25	3,677,513	26
						3200	Capital surplus	941,349	6	884,335	6
						3310	Legal reserve	890,626	6	864,760	6
						3320	Special reserve	229,459	2	138,615	1
						3350	Unappropriated retained earnings	<u>700,837</u>	<u>5</u>	<u>329,162</u>	<u>2</u>
						Other equity interest:					
						3410	Exchange differences on translation of foreign financial statements	(282,193)	(2)	(144,308)	(1)
						3420	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	<u>(83,513)</u>	<u>(1)</u>	<u>(85,152)</u>	<u>(1)</u>
								<u>(365,706)</u>	<u>(3)</u>	<u>(229,460)</u>	<u>(2)</u>
						Total equity		<u>6,074,078</u>	<u>41</u>	<u>5,664,925</u>	<u>39</u>
						Total liabilities and equity		<u>\$ 14,932,534</u>	<u>100</u>	<u>14,368,626</u>	<u>100</u>
	Total assets	<u>\$ 14,932,534</u>	<u>100</u>	<u>14,368,626</u>	<u>100</u>						

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, 2020 and 2019

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

		<u>2020</u>		<u>2019</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100	Net sales revenue (notes (6)(s) and note (7))	\$ 27,706,010	100	22,377,731	100
5000	Cost of sales (note (6)(f) and note (7))	26,467,370	96	21,320,941	95
	Gross profit	1,238,640	4	1,056,790	5
	Operating expenses (notes (6)(n), (6)(o), note (7) and (12)):				
6100	Selling expenses	656,547	2	597,662	3
6200	Administrative expenses	271,854	1	246,930	1
6450	Expected credit losses (gains) (note (6)(d))	25,090	-	(13,876)	-
		953,491	3	830,716	4
	Net operating income	285,149	1	226,074	1
	Non-operating income and expenses:				
7010	Other income (notes (6)(n) and note (7))	286,479	1	263,447	1
7230	Foreign currency exchange gains (losses), net (note (6)(u))	112,975	-	41,627	-
7235	Gains (losses) on financial assets (liabilities) at fair value through profit or loss	3,203	-	(8,187)	-
7375	Share of profit of associates accounted for using equity method (note (6)(g))	322,024	1	4,876	-
7050	Financial costs (note (6)(m) and note (7))	(126,777)	-	(193,831)	(1)
7590	Miscellaneous disbursements (note 6(e))	(571)	-	-	-
		597,333	2	107,932	-
7900	Profit before tax	882,482	3	334,006	1
7950	Less: Income tax expenses (note (6)(p))	183,173	1	73,612	-
	Profit	699,309	2	260,394	1
	Other comprehensive income:				
	Items that will not be reclassified to profit or loss				
8310					
8311	Gains (losses) on remeasurements of defined benefit plans (note (6)(o))	1,910	-	(2,168)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,639	-	(17,921)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(p))	382	-	(434)	-
		3,167	-	(19,655)	-
	Items that may be reclassified to profit or loss				
8360					
8361	Exchange differences on translation of foreign financial statements	(172,356)	-	(91,154)	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(p))	(34,471)	-	(18,231)	-
	Components of other comprehensive income that will be reclassified to profit or loss	(137,885)	-	(72,923)	-
8300	Other comprehensive income	(134,718)	-	(92,578)	-
8500	Comprehensive income	\$ 564,591	2	167,816	1
	Earnings per share: (note (6)(r))				
9750	Basic earnings per share	\$ 1.90		0.71	
9850	Diluted earnings per share	\$ 1.84		0.70	

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity interest	Unrealized gains (losses) on financial assets at fair value through other	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements		
Balance at January 1, 2019	\$ 3,448,980	872,702	802,354	143,162	690,010	(71,385)	(67,231)	5,818,592
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	62,406	-	(62,406)	-	-	-
Special reserve reversed	-	-	-	(4,547)	4,547	-	-	-
Cash dividends	-	-	-	-	(354,165)	-	-	(354,165)
Stock dividends	207,484	-	-	-	(207,484)	-	-	-
	207,484	-	62,406	(4,547)	(619,508)	-	-	(354,165)
Net income	-	-	-	-	260,394	-	-	260,394
Other comprehensive income	-	-	-	-	(1,734)	(72,923)	(17,921)	(92,578)
Total comprehensive income	-	-	-	-	258,660	(72,923)	(17,921)	167,816
Conversion of convertible bonds	21,049	11,633	-	-	-	-	-	32,682
Balance at December 31, 2019	3,677,513	884,335	864,760	138,615	329,162	(144,308)	(85,152)	5,664,925
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	25,866	-	(25,866)	-	-	-
Special reserve appropriated	-	-	-	90,844	(90,844)	-	-	-
Cash dividends	-	-	-	-	(212,452)	-	-	(212,452)
	-	-	25,866	90,844	(329,162)	-	-	(212,452)
Net income	-	-	-	-	699,309	-	-	699,309
Other comprehensive income	-	-	-	-	1,528	(137,885)	1,639	(134,718)
Total comprehensive income	-	-	-	-	700,837	(137,885)	1,639	564,591
Issuance of convertible bonds	-	57,014	-	-	-	-	-	57,014
Balance at December 31, 2020	\$ 3,677,513	941,349	890,626	229,459	700,837	(282,193)	(83,513)	6,074,078

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 882,482	334,006
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	58,474	59,528
Amortization expense	5,291	2,988
Expected credit losses (gains)	25,090	(13,876)
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	(3,203)	8,187
Interest expense	126,777	193,831
Interest income	(1,796)	(3,763)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	(322,024)	(4,876)
	(111,391)	242,019
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss	(2,339)	(3,549)
Decrease (increase) in notes and accounts receivable	(1,084,054)	756,556
Decrease (increase) in other receivable	341,624	(41,792)
Decrease (increase) in inventories	648,806	2,628,114
Decrease (increase) in prepaid expenses and other current assets	3,875	17,295
	(92,088)	3,356,624
Increase (decrease) in accounts payable	(486,402)	(1,235,973)
Increase (decrease) in other payable	(220,087)	(46,556)
Increase (decrease) in contract liabilities and other current liabilities	44,760	19,107
Increase (decrease) in net defined benefit liability – non-current	(6,123)	(4,711)
	(667,852)	(1,268,133)
Total changes in operating assets and liabilities	(759,940)	2,088,491
Total adjustments	(871,331)	2,330,510
Cash flow from (used in) operations	11,151	2,664,516
Interest received	1,796	3,763
Interest paid	(131,257)	(208,895)
Income taxes paid	(108,177)	(197,949)
Net cash flows from (used in) operating activities	(226,487)	2,261,435
Cash flows from (used in) investing activities:		
Acquisition of investment accounted for using equity method	(270,720)	(231,833)
Acquisition of property, plant and equipment	(1,492)	(2,730)
Acquisition of intangible assets	(14,483)	(2,500)
Others	917	175
Net cash flows from (used in) investing activities	(285,778)	(236,888)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(98,563)	(1,138,887)
Proceeds from issuing bonds	1,000,000	-

Increase (decrease) in guarantee deposits received	(30)	(33)
Payment of lease liabilities	(52,871)	(52,873)
Cash dividends paid	(212,452)	(354,165)
Net cash flows from (used in) financing activities	<u>636,084</u>	<u>(1,545,958)</u>
Net increase (decrease) in cash and cash equivalents	123,819	478,589
Cash and cash equivalents at beginning of period	<u>1,355,639</u>	<u>877,050</u>
Cash and cash equivalents at end of period	<u>\$ 1,479,458</u>	<u>1,355,639</u>

Attachment IV**Earnings Distribution Plan for 2020**

Expressed in NT\$

Beginning Undistributed Retained Earnings		0
Plus: Remeasurements of Defined benefit plans	1,528,800	
Plus: Net Income after Tax in 2020	699,308,629	
Subtotal		700,837,429
Less: 10% Legal Reserve	(70,083,743)	
Less: Special Reserve Adjustments	(136,245,676)	
Total Distributable Earnings for 2020		494,508,010
Distribution Items:		
Cash Dividends on Ordinary Shares		494,508,010
Ending Undistributed Retained Earnings		0
Chairman : Hu,Chiu-Chiang President : Hu,Chiu-Chiang Accounting Manager: Huang,Li-Hsiang		
Note 1 : The cash dividends in line with the Company's dividend policy are subject to no less than 20% of the total dividends of shareholders.		

Attachment V

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

Amended Article	Current Article	Reason for Amendment
<p>Article 1. When a board meeting is held, the designated unit responsible for the board meetings shall furnish the attending directors with relevant materials for ready reference. As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place. The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2. The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.</p>	<p>Article 8. When a board meeting is held, the designated unit responsible for the board meetings shall furnish the attending directors with relevant materials for ready reference. As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place. The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2. The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.</p>	<p>Adjust the paragraphs.</p>
<p>Article 11. A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting. The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting. At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 4 shall apply mutatis mutandis.</p>	<p>Article 11. A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting. The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting. At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.</p>	<p>Amended to coordinate with the adjustment of paragraphs in Article 8</p>

Amended Article	Current Article	Reason for Amendment
<p>Article 12. The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:</p> <p>(1) The Comapny’s business plan. (2) Annual <u>financial report and financial report for the second quarter that requires a certified public accountant (CPA) to audit and attest.</u></p> <p>(The following is omitted)</p>	<p>Article 12. The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:</p> <p>(1) The Comapny’s business plan. (2) <u>Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).</u></p> <p>(The following is omitted)</p>	<p>Amended based on the letter of the competent authority.</p>
<p>Article 15. (The first paragraph is omitted) Where the spouse, a blood relative within the second degree of consanguinity of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting, such director shall be deemed to have a personal interest in the matter. Where a director is prohibited from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.</p>	<p>Article 15. (The first paragraph is omitted) Where the spouse, a blood relative within the second degree of consanguinity of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting <u>of the preceding paragraph</u>, such director shall be deemed to have a personal interest in the matter. Where a director is prohibited <u>by the preceding paragraph</u> from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 4 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.</p>	<p>Amended based on the letter of the competent authority.</p>

Attachment VI

The Comparison Table of Amendments to Codes of Ethical Conduct

Amended Article	Current Article	Reason for Amendment
<p>Article 2. Scope Covered</p> <p>(1) Avoiding Conflict of Interest: If personal interest interferes with, or may interfere with, the global interest of the Company and group enterprises, there is a conflict of interest. For example, when any director or manager of the Company and group enterprises cannot handle business in an objective and efficient manner, or when any such person allow <u>him/herself, his/her spouse, or any family member within 2 degrees of kinship</u> to acquire any undue benefit based on his/her job position with the Company and group enterprises, the Company and group enterprises shall exercise particular care to the dealings between such person and the relevant affiliate, such as capital lending or provision of guarantee, transaction of material asset and sale (purchase) of products. The Company and group enterprises shall provide information about and prevent the occurrence of such conflict of interest and shall provide proper channels for directors or managers to take the initiative to explain about whether there is any potential conflict of interest between them and the Company and group enterprises.</p> <p>(2)~ (6) omitted</p> <p>(7) Encourage reporting of any illegal conduct or conduct in violation of code of ethical conduct: The Company and group enterprises shall reinforce the promotion of ethical concepts internally and shall encourage employees to report to the Audit Committee, officers, internal audit executives or other suitable personnel in case of any doubt or discovery of any conduct in violation of law or code of ethical conduct. <u>In order to encourage employees to report violations, the Company should establish a specific whistleblowing system that allows anonymous whistleblowing, and at the same time let employees know that the Company and group enterprises will make its best efforts to protect the safety of whistleblowers from retaliation.</u></p> <p>(Omitted below)</p>	<p>Article 2. Scope Covered</p> <p>(1) Avoiding Conflict of Interest: If personal interest interferes with, or may interfere with, the global interest of the Company and group enterprises, there is a conflict of interest. For example, when any director or manager of the Company and group enterprises cannot handle business in an objective and efficient manner, or when any such person allow him/herself, his/her spouse, <u>parent, child</u> or any family member within 2 degrees of kinship to acquire any undue benefit based on his/her job position with the Company and group enterprises, the Company and group enterprises shall exercise particular care to the dealings between such person and the relevant affiliate, such as capital lending or provision of guarantee, transaction of material asset and sale (purchase) of products. The Company and group enterprises shall provide information about and prevent the occurrence of such conflict of interest and shall provide proper channels for directors or managers to take the initiative to explain about whether there is any potential conflict of interest between them and the Company and group enterprises.</p> <p>(2) ~ (6) omitted</p> <p>(7) Encourage reporting of any illegal conduct or conduct in violation of code of ethical conduct: The Company and group enterprises shall reinforce the promotion of ethical concepts internally and shall encourage employees to report to the Audit Committee, officers, internal audit executives or other suitable personnel in case of any doubt or discovery of any conduct in violation of law or code of ethical conduct. The employees shall also be made aware that the Company and group enterprises will make its best efforts to protect the safety of <u>the informer</u> against reprisal.</p> <p>(Omitted below)</p>	<p>In accordance with the amendment of the regulations of the competent authority, cooperate with the addition or amendment of relevant articles.</p>

Attachment VII

The Comparison Table of Some Amendments to Articles of Association

Article Item	Amended Article	Current Article	Reason for Amendment
Article 5	<p>The Company's registered capital is NT\$5,500,000,000, divided into 550,000,000 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.</p>	<p>The Company's registered capital is <u>NT\$4,500,000,000</u>, divided into <u>450,000,000</u> 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.</p>	According to operational needs
Article 12	<p>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. <u>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.</u> 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.</p>	<p>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 <u>at least 2 independent directors and no less than one-fifth of the numbers of board of directors.</u> <u>The professional qualifications, shareholding, restriction on other duties, nomination and election method and other compliance matters in relation to independent directors shall be in accordance with the applicable regulations of the securities competent authority.</u> 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</p>	According to the interpretation of the letter of the Company Act, the textual description will be amended accordingly.

Article Item	Amended Article	Current Article	Reason for Amendment
	<p>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.</p> <p>The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number. According to “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies”, the number, terms of office, powers, rules of procedure for meetings, etc., shall be regulated in accordance with audit committee charter.</p>	<p>elected to be independent directors and non-independent directors.</p> <p>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.</p> <p>The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number. According to “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies”, the number, terms of office, powers, rules of procedure for meetings, etc., shall be regulated in accordance with audit committee charter.</p>	
Article 17	<p>In accordance with the Article 14-4 of the Securities and Exchange Act, the Company forms Audit Committee <u>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.</u></p>	<p>In accordance with Article 14-4 of the Securities and Exchange Act, Company forms Audit Committee and <u>any powers conferred by the Securities and Exchange Act, the Company Act, and any other law to be exercised by supervisors shall be exercised by the Audit Committee and shall follow the applicable regulations and be in accordance with this Articles of Association.</u></p>	According to the interpretation of the letter of the Company Act, the textual description will be amended accordingly.
Article 24	<p>These Articles of Association were established on 31 December 1976. (hereinafter omitted)</p> <p>The forty-second amendment was made on 20 June 2019.</p> <p>The forty-third amendment was made on 17 June, 2020.</p> <p><u>The forty-fourth amendment was made on 18 June, 2021.</u></p>	<p>These Articles of Association were established on 31 December 1976. (hereinafter omitted)</p> <p>The forty-second amendment was made on 20 June 2019.</p> <p>The forty-third amendment was made on 17 June, 2020.</p>	Updated amendment date

Appendix I

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

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

attend a shareholders' meeting in a non-voting capacity.

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

Article 10. The Company shall make an audio or video recording of the proceedings of the shareholders' meeting and such recording shall be maintained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 11. When speaking, an attending shareholder shall specify on a speaker's slip the subject of the speech, shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 12. Except with the consent of the chair, a shareholder speech may not exceed 5 minutes. An extension of 3 minutes may be granted by the chair.

Article 13. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 14. During discussion of an agenda, the chair may announce completion of discussion at a proper time. If required, the chair may announce the discussion closed and call for a vote.

Article 15. Unless otherwise provided by law and Articles of Association, proposal shall be approved by the majority of votes represented by attending shareholders. During voting, if no objection is voiced following an inquiry by the chair, the proposal will be deemed approved with the same effect as a vote. If there is any objection, the chair may ask the persons voicing objections and waivers by showing their hands or by standing up in order to count the votes. If the legal number or the number required in the articles of association is not met, the proposal shall still be passed and no voting is required.

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

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

Article 17. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 18. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 19. When a meeting is in progress, the chair may announce a break based on time considerations.

Article 20. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 21. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 22. Any matter not stipulated in this procedure shall be in accordance with the Company Act, the articles of association of the Company and applicable laws.

Article 23. These Rules, and any amendments hereto, shall be implemented after adoption by a shareholders' meetings.

Appendix II

Articles of Association Weikeng Industrial Co., Ltd.

Chapter I General

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

Chapter II Shares

- Article 5. The Company's registered capital is NT\$4,500,000,000, divided into 450,000,000 shares, all as ordinary shares at NT\$10 per share. The board of directors is authorized to issue the shares in several times through resolutions. Among the aforementioned registered capital amount, NT\$200,000,000, divided into 20,000,000 shares, is reserved for issuance of employee stock options, preferred shares with warrants attached or corporate bonds with warrants attached. These shares may be issued pursuant to board resolutions in several times.
- Article 5-1. With the approval of the shareholders representing two-thirds of voting rights attending a shareholders' meeting attended by shareholders representing the majority of all outstanding shares, the Company could transfer treasury shares to its employees at a price lower than the average buy-back price of treasury shares, or issue employee stock options at a subscription price lower than the closing price of the ordinary shares on the date of issuance of the employee stock options.
- Article 6. All shares of the Company are registered shares and shall be numbered and then issued following the signatures or 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.

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

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

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

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

Chapter IV Board of Directors and Audit Committee

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

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

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

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

1. Preparation of the business plan.
2. Proposal of profit distribution or loss compensation.
3. Proposal of capital increase or decrease.
4. Review of important charters and contracts.
5. Election and dismissal of president and executive officers of the Company.
6. Establishment and closure of representative, branch, and subsidiary.
7. Approval of budget and closing.
8. Other duties granted by the Company Act or shareholders' resolution.

Article 14. The board of directors is composed of directors. One chairman shall be elected by the majority of directors attending a meeting that is attended by two-thirds or more directors. The chairman represents the Company.

Article 15. Unless otherwise provided by the Company Act, board meetings shall be held by the chairman. The notice of a

board meeting shall specify the agenda and shall be sent to all directors 7 days in advance. However, in case of emergency, the meeting may be held at any time. Notice for board meetings may be sent in writing, by fax or email. Unless otherwise provided in the Company Act or these Articles of Association, board resolutions shall be approved by the majority of directors attending a meeting that is attended by the majority of directors.

Article 16. The chairman shall chair board meetings. If the chairman is on leave or cannot exercise his duties due to any reason, the chairman shall appoint one director to act on his behalf. If the chairman does not make such appointment, one director shall be elected from among themselves. Any director who cannot attend a board meeting due to any reason may ask another director to act on his behalf.

Article 17. In accordance with Article 14-4 of the Securities and Exchange Act, Company forms Audit Committee and any powers conferred by the Securities and Exchange Act, the Company Act, and any other law to be exercised by supervisors shall be exercised by the Audit Committee and shall follow the applicable regulations and be in accordance with this Articles of Association.

Article 18. The board of directors is authorized to determine the remuneration to the directors based on the level of participation in the Company's operation and the value of contribution, as well as in reference to the common standard adopted by the same industry.

Chapter V Managers

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

Chapter VI Accounting

Article 20. The Company's accounting year is from 1 January to 31 December. Closing shall be performed at the end of each year.

Article 21. The board of directors shall prepare the following statements in accordance with Article 228 of the Company Act at the end of each accounting year and submit them to the Audit Committee for audit 30 days before the general shareholder meeting. The Audit Committee shall issue an examination report and submit it to the general shareholders' meeting for approval.

1. Business report
2. Financial statements
3. Profit distribution or loss compensation proposal

Article 22. The earning in the Company's annual final accounts if any shall first be offset against any deficit, then, 6% to 10% of net profit before tax (before deducting remuneration to employees and directors) will be distributed as employees remuneration and a maximum of 2.5% will be allocated as directors' remuneration. Employees who are entitled to receive the above mentioned employee remuneration, in share or cash, include the employees of the subsidiaries of the Company who meet certain specific requirements. Actual distribution should be determined in the board of directors' meeting, with no less than two-thirds of directors present, and approved by more than half of directors attending the meeting and then report to the shareholders' meeting.

Article 22-1 The earning in the company's annual final accounts if any shall first be used to pay income tax and offset prior years' deficits, if any, and then set aside legal reserve, and special reserve is set aside or reversed in accordance with laws or regulations. The remaining balance of the current year is the distributable retained earnings of the current year. The above distributable retained earnings, if any and the accumulated retained earnings in prior years together is the distributable dividends for shareholders. The aforementioned distribution is proposed by the board of directors. In accordance with the Company Act, where the aforementioned distributable retained earnings or capital reserve and legal reserve are distributed by issuing new shares which shall be proposed by the board of directors and submitted to the shareholders' meeting for resolution; however, where the Company authorizes the distributable dividends, legal reserve, or capital reserve may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

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

Chapter VII Miscellaneous

- Article 23. Any matter not stipulated in these Articles of Association shall be handled in accordance with the Company Act and applicable regulations.
- Article 24. These Articles of Association were established on 31 December 1976.
The first amendment was made on 13 December 1980.
The second amendment was made on 20 January 1981.
The third amendment was made on 11 June 1981.
The fourth amendment was made on 11 September 1981.
The fifth amendment was made on 11 February 1982.
The sixth amendment was made on 15 September 1982.
The seventh amendment was made on 21 January 1983.
The eighth amendment was made on 13 January 1984.
The ninth amendment was made on 26 December 1985.
The tenth amendment was made on 23 July 1986.
The eleventh amendment was made on 16 April 1988.
The twelfth amendment was made on 5 October 1988.
The thirteenth amendment was made on 24 November 1989.
The fourteenth amendment was made on 20 July 1992.
The fifteenth amendment was made on 12 June 1993.
The sixteenth amendment was made on 8 July 1993.
The seventeenth amendment was made on 14 April 1993.
The eighteenth amendment was made on 26 September 1994.
The nineteenth amendment was made on 15 June 1996.
The twentieth amendment was made on 26 June 1997.
The twenty-first amendment was made on 14 November 1997.
The twenty-second amendment was made on 22 April 1998.
The twenty-third amendment was made on 1 September 1998.
The twenty-fourth amendment was made on 31 August 1999.
The twenty-fifth amendment was made on 20 April 2000.
The twenty-sixth amendment was made on 9 October 2000.
The twenty-seventh amendment was made on 7 May 2001.
The twenty-eighth amendment was made on 21 June 2002.
The twenty-ninth amendment was made on 5 June 2003.
The thirtieth amendment was made on 15 June 2004.
The thirty-first amendment was made on 14 June 2005.
The thirty-second amendment was made on 14 June 2006.
The thirty-third amendment was made on 13 June 2008.
The thirty-fourth amendment was made on 19 June 2009.
The thirty-fifth amendment was made on 18 June 2010.
The thirty-sixth amendment was made on 22 June 2012.
The thirty-seventh amendment was made on 20 June 2013.
The thirty-eighth amendment was made on 17 June 2015.
The thirty-ninth amendment was made on 17 June 2016.
The fortieth amendment was made on 15 June 2017.
The forty-first amendment was made on 13 June 2018.
The forty-second amendment was made on 20 June, 2019.
The forty-third amendment was made on 17 June, 2020.

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

Appendix III

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 IV

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

Amended & Approved by Board of Directors on 2020/7/31 Reported to 2021 AGM on 2021/6/18

Article 1. To establish a strong governance system and sound supervisory capabilities for the Company's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. These Rules are established in order to improve the operational efficiency and decision-making capabilities of the board of directors.

Article 2. With respect to the board of directors' meetings ("board meetings") of the Company, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.

Article 3. The board meeting of the Company shall be convened at least once every quarter. A notice of the reasons for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.

The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.

All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.

Article 4. The designated unit responsible for the board meetings of the Company shall be the Administration Department.

The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.

A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 5. When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.

Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's Articles of Incorporation. Attendance by videoconference will be deemed attendance in person. A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in the preceding paragraph may be the appointed proxy of only one person.

Article 6. A board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

Article 7. Board meetings of the Company is convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.

According to the provisions of Article 203, paragraph 4 and Article 203-1, paragraph 3 of the Company Act, more than half of the directors convene a meeting of board of directors on their own; they shall select from among themselves one director to serve as chair.

When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.

Article 8. When a board meeting is held, the designated unit responsible for the board meetings shall furnish the attending

directors with relevant materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants.

When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9. Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained and the preceding paragraph shall not apply. Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.

Article 10. Agenda items for regular board meetings of the Company shall include at least the following:

- (1) Matters to be reported:
 - i. Minutes of the last meeting and action taken.
 - ii. Important financial and business matters.
 - iii. Internal audit activities.
 - iv. Other important matters to be reported.
- (2) Matters for discussion:
 - i. Items for continued discussion from the last meeting.
 - ii. Items for discussion at this meeting.
- (3) Extraordinary motions.

Article 11. A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting. The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting. At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 4 shall apply *mutatis mutandis*.

Article 12. The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:

- (3) The Company's business plan.
- (4) Annual financial report and financial report for the second quarter that requires a certified public accountant (CPA) to audit and attest.
- (5) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
- (6) Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
- (7) The offering, issuance, or private placement of equity-type securities.
- (8) The appointment or discharge of a financial, accounting, or internal audit officer.
- (9) A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
- (10) Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, shall be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5

percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under the second paragraph.)

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

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

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

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

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

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

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

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

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

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

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

Where a director is prohibited from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.

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

- (1) The meeting year, the time and place of the meeting.
- (2) The name of the chair.
- (3) The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
- (4) The names and titles of those attending the meeting as non-voting participants.
- (5) The name of the minute taker.

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

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

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

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

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

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

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

Appendix V

Codes of Ethical Conduct Weikeng Industrial Co., Ltd.

Amended and Approved by Board of Directors on 2021/3/26
Reported in 2021 AGM on 2021/6/18

Article 1. Purpose and Basis of Establishment

This code is established for compliance in order to guide the conduct of the directors and managers of the Company and group enterprises (including general managers and equivalents, vice presidents and equivalents, assistant managers and equivalents, finance department executives, accounting department executives and other business managers and authorized signatories) in consistency with ethical standards and to allow interested parties of the Company and group enterprises to better understand the ethical standards of the Company and the group enterprises.

Article 2. Scope Covered

(1) Avoiding Conflict of Interest:

If personal interest interferes with, or may interfere with, the global interest of the Company and group enterprises, there is a conflict of interest. For example, when any director or manager of the Company and group enterprises cannot handle business in an objective and efficient manner, or when any such person allow him/herself, his/her spouse, or any family member within 2 degrees of kinship to acquire any undue benefit based on his/her job position with the Company and group enterprises, the Company and group enterprises shall exercise particular care to the dealings between such person and the relevant affiliate, such as capital lending or provision of guarantee, transaction of material asset and sale (purchase) of products. The Company and group enterprises shall provide information about and prevent the occurrence of such conflict of interest and shall provide proper channels for directors or managers to take the initiative to explain about whether there is any potential conflict of interest between them and the Company and group enterprises.

(2) Avoiding opportunities to seek personal interest:

The Company and group enterprises shall avoid the engagement of the following by any director or manager: ① The opportunity to seek personal interest through the use of any property or information of the Company and group enterprises or through the convenience of job duties; ② Acquiring personal interest through the use of any property or information of the Company and group enterprises or through the convenience of job duties; ③ Compete with the Company and group enterprises. When the Company and group enterprises have an opportunity to gain profit, the director or manager has the responsibility to increase the due and legal interest that may be acquired by the Company and group enterprises.

(3) Confidentiality responsibility:

Directors or managers shall keep confidential any information of the Company and group enterprises or of any client of product sale (purchase), other than authorized publication or publication in accordance with law. The information subject to confidentiality includes all non-public information that may be used by competitors or that may damage the Company and group enterprises or the client following disclosure.

(4) Fair transactions:

Directors or managers shall treat clients of product sale (purchase), competitors and employees of the Company and group enterprises fairly and shall not acquire any undue benefit through manipulation, concealment or abuse of any information acquired based on job duties, false statement about important matters or other unfair transaction manners.

(5) Protection and proper use of company assets:

Directors or managers have the responsibility to protect the assets of the Company and group enterprises and to ensure that they are effectively and legally used for business. Any theft, negligence or waste will have a direct impact on the profitability of the Company and group enterprises.

(6) Compliance with laws and regulations:

The Company and group enterprises shall reinforce the compliance of the securities transaction law and other legislations of the place where the Company is located.

(7) Encourage reporting of any illegal conduct or conduct in violation of code of ethical conduct:

The Company and group enterprises shall reinforce the promotion of ethical concepts internally and shall encourage employees to report to the Audit Committee, officers, internal audit executives or other suitable personnel in case of any doubt or discovery of any conduct in violation of law or code of ethical conduct. In order

to encourage employees to report violations, the Company should establish a specific whistleblowing system that allows anonymous whistleblowing, and at the same time let employees know that the Company and group enterprises will make its best efforts to protect the safety of whistleblowers from retaliation.

(8) Disciplinary measures:

The Company and group enterprises shall impose disciplinary sanctions on any conduct by any director or manager of the Company and group enterprises in violation of this Code of Ethical Conduct and shall make timely disclosure on the Market Observation Post System about the date of violation, subject matter of violation, guideline violated and handling status. The Company and group enterprises shall also establish a complaint channel as remedy for any person in violation of this Code of Ethical Conduct.

Article 3. Waiver Procedure

Any waiver of compliance with this Code of Ethical Conduct by any director or manager of the Company and group enterprises is subject to board approval by the Company. The date of board approval on the waiver, objections or reservations of independent directors, the applicable period of the waiver, the reasons for the waiver and the guidelines for the application of the waiver shall be timely disclosed in the Market Observation Post System so that shareholders may evaluate whether the determination by the board of directors is appropriate in order to avoid any unjustifiable or doubtful waiver from compliance, to ensure that proper control mechanism is in place for any wavier from compliance and to protect the Company and group enterprises.

Article 4. Manner of Disclosure

The Company shall disclose this Code of Ethical Conduct or any amendment hereof in its company website, annual report, and prospectus and in the Market Observation Post System.

Article 5. Implementation

This Code of Ethical Conduct is implemented after approval by the Board of Directors of the Company. It shall also be submitted to the shareholders' meeting of the Company. The same shall be applicable in case of any amendment hereof.

Appendix VI

Shareholdings by the Board of Directors

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

II. The shareholdings of individual and all directors:

Shares Book Closure Date : April 20, 2021

Position	Name	Election Date	Term of Office (Year)	Shareholdings When Elected		Current Shareholdings	
				Shares	%	Shares	%
Chairman	Hu, Chiu-Chiang	June 13, 2018	3	8,002,487	2.45	8,843,627	2.40
Director	Chi, Ting-Fang	June 13, 2018	3	5,716,749	1.75	6,278,150	1.71
Director	WEIJI INVESTMENT CO., LTD.. (Representative : Chen, Cheng-Fong)	June 13, 2018	3	28,616,637	8.76	30,426,876	8.27
Director	Chen, Kuan-Hua	June 13, 2018		174,195	0.05	191,301	0.05
Independent Director	Lin, Hung	June 13, 2018	3	---	---	---	---
Independent Director	Tsai, Yu-Ping	June 13, 2018	3	---	---	---	---
Independent Director	Yu, Hsueh-Ping	June 13, 2018	3	---	---	---	---

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