



Weikeng Industrial Co., Ltd.

2022 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 16, 2022 at 9:00 a.m. (Thursday)
**Venue of the Meeting : Chin-Chin Garden Restaurant (No.32, Ln. 266,
Sec. 2, Zhishan Rd., Shilin Dist., Taipei City 111, Taiwan)**



Weikeng Industrial Co., Ltd.

**2022 Annual General Meeting
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- II. Chairman’s Remarks**
- III. Reporting Matters**
- IV. Acknowledged Matters**
- V. Discussion Matters**
- VI. Ad Hoc Motions**
- VII. Meeting Adjourned**



Weikeng Industrial Co., Ltd.

2022 Annual General Meeting Meeting Agenda

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III. Reporting Matters

(I) 2021 Business Report & Report to Shareholders

2021 Business Performance

2021 was a year of economic recovery amid COVID-19 pandemic. The risk and uncertainty of variant outbreak had immensely impacted the way we live and work, our economy and government policy making. As we learn and adjust to a new-normal life with COVID-19, the applications of semiconductor had expanded due to pandemic-induced stay-at-home economy as well as emerging technology related to the raising importance of a green economy. As a result, worldwide semiconductor revenue reached an all-time high. However, new wafer capacity was still not in place to accommodate the surge in demand in the past year, while the industry faced prolonged shipping time like all others, downstream suppliers struggled to secure orders and chips shortages became the new status quo. Weikeng Group continued to play the role of connecting technology and creating value in the semiconductor industry. We aim to maintain logistics efficiency to meet client's production schedule in difficult times. With the diligent efforts of all colleagues and the support of shareholders, the Group consolidated sales revenue and net profit before tax reached approximately NT\$72.4 billion and NT\$2.4 billion in 2021, respectively, representing a growth of approximately 24% and 163%, and the gross margin of 7.13% and operating income margin of 3.49% have increased by 1.88 percentage points and 1.82 percentage points respectively, hitting new highs in recent years.

Commitment to Sustainable Development

Weikeng is dedicated to strengthen corporate governance and sustainability development. The goal is to partner with our vendors and buyers in the semiconductor industry to build a green sustainable supply chain that reduces environmental impact and act in accordance with social compliance. Vendors of the Company are renowned IDM and fabless companies who follow the code of conducts set by RBA (Responsible Business Alliance) formerly the Electronic Industry Citizenship Coalition (EICC), covering five aspects: labor, health and safety, environment, ethics and management system, and as their distributor, we aim to connect our downstream partners to participate accordingly for a better and more sustainable future.

Weikeng implemented BRA practices per vendors' requests and established the "Code of Conduct for Supplier" in May, 2020, to promote sustainable supply chain proactively. Apart from those already participated in BRA, 50 Weikeng suppliers had signed the agreement to comply with BRA code of conduct as of the end of 2021. An intra department Green Product Management was structured to ensure the compliance with RoHS (Restriction of Hazardous Substances), REACH Substances of Very High Concern (SVHC), and RBA regulations throughout product life cycle. We will continue to connect our downstream clients and devote management resources to issues concerning labor, health and safety, environment, ethics and management system, to build a supply chain that addresses social and environmental issues, and ultimately to implement our sustainable supply chain management strategies.

Emission reduction and energy efficiency have been the main drivers that motivate innovative electronic and technology products for combating climate change. The Company will continue to evaluate risks and opportunities associated with climate change both at

present and in the foreseeable future. Through collaborations among industry partners who are on the same path, we hope to do our best by devoting more resources in green product development, and leverage our demand creation ability to further extend green technology applications such as battery management system, electric vehicle charging pile, smart grid, wind power, solar power inverter. Since the upstream DIM and fabless vendors had already expanded R&D capacity for the compound/ group III semiconductors, the Company will continue to expand businesses in the automotive/electric vehicle and industrial energy related markets by develop technology supports for more stable, more efficient and low-power-consuming products as we seize the opportunities in green energy industry.

In 2021, the Company has established Protection of Human Rights Policy, Intellectual Property Management Plan and Risk Management Policies and Procedures as part of the progress of enhancing sustainable development framework. We continued to sponsor environmental awareness documentary, education scholarship, sports events and technology research institutes for the purpose of cultivating high-technology talents, in response to United Nation's Sustainability Development Goals. In March 2022, the Board of directors had approved the establishment of the Sustainable Development Committee, under which sustainable development team and risk management team were established to ensure the advocacy and implementation of the work related to sustainable development of the Company. The Company is committed to fulfilling corporate social responsibility following international standards and trends. We promise to not only make the effort to respond actively to stakeholders concerning environmental, social and corporate governance related issues, but also conduct risk assessment and take countermeasures to strengthen corporate governance and sustainability.

2022 Business Outlook

In 2022, the semiconductor industry is still facing geopolitical tension and exclusions, production capacity rush and intensive communication within the supply chain, while the major chip manufacturers are also investing massive resources to increase capacities. However, due to the high cost of building new fabs and the prolonged construction period, chips shortages and price adjustments may continue into the second half of 2022 and even into 2023. We may anticipate market uncertainties and challenges as we wait for supply-demand balance in the semiconductor supply chain while entering post-pandemic era. The Company will continue to grasp market insights, meet vendor and customer requirements, closely monitor lead-time of stocking and delivery speed, and to provide technical support to clients. In time of foreseeable growth and business expansion, it is hoped that the management team will lead all colleagues to strictly abide by the risk management policy, operation performance optimization and "Ethical Corporate Management Best Practice Principles", together we will continue to strive towards the goal of integrity, sustainability and stable operation, and thus create more value for all stakeholders.

Weikeng Group has successfully won the franchises of product lines, covering many semiconductor Integrated Device Manufacturers (IDMs) or IC design companies such as AMD, Amazing, Cypress, 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 2021

(i) Business plan implementation results

Financial Figures	Amount (in Thousands of NT\$)	YoY %
Net Sales Revenue	72,404,886	24
Gross Profit	5,162,842	68
Net Operating Income	2,525,619	159
Profit before Tax	2,451,320	163
Net Profit	1,721,140	146

(ii) Budget Execution in 2021

In 2021, the Group's implementation of operating budget, revenue and profitability performance have exceeded expectations.

(iii) Financial Income, Costs and Profitability Analysis

Financial Ratios		%
Financial Structure	Debt Ratio	70.86
	Long-term Capital to Property, Plant and Equipment Ratio	6,861.49
Solvency	Current Ratio	145.16
	Quick Ratio	88.91
Profitability	Return on Assets	7.37
	Return on Equity	24.42
	Net Profit Margin	2.38
	Basic EPS(in NT\$)	4.54

(iv) Research Development Status

Under the planning and active pursuit of the "Marketing Development Division", the Company has successfully franchised the product lines of well-known domestic and foreign semiconductor companies as a distributor, and even successfully maintained or expanded the continuation of the franchises after the consolidation between the upstream vendors. In addition to continuing to establish a solid foothold in the application field of 3C electronic products, the "FAE Division" also actively cooperates with the vendors to provide technical support for the relevant IC products that customers need in emerging application fields, so as to increase the Company's business territory, help customers save R&D expenses and shorten the electronic products of time-to-market, and enhance service levels to strengthen the cooperative relationship with vendors and customers.

In the "Solution Division", we are moving into the field of R&D and design, specializing in the turnkey solution of products. Given the fast growing scope of semiconductor and its emerging application solutions, in addition to franchising the product lines of well-known domestic and foreign semiconductor companies as a distributor, the "Marketing Development Division" is leading the search for new distributorships, paying close attention to and assessing the applications and development of products rolled out by startups and

new ventures, including the development of green economy-related applications, and timely investing the development resources of the “Solution Division”, and then introducing the technical support and demand creation services of the “FAE Division”.

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

ii. Annual Business Plan in 2022

(i) Operating Principles

1. Immediate response to change or adjustment of client’s needs according to material/chip shortages and stocking schedule adjustments in time of disrupted supply chain.
2. To strengthen core competence and create added-value through R&D and collaboration with industry partners according to high-tech application trends, client’s near-term and future needs and pricing strategy of all product items.
3. Continue to provide high competitive components, technical support and R&D projects that advocate to the rising importance of sustainability and the fast growing green economy. To achieve technology connections of the supply chain and our mission to build a greener and more sustainable supply chain with upstream vendors and downstream clients.
4. To obtain Real-time insights of the diversified strategy and construction of customers' production bases and supply chains affected by trade brinkmanship and the epidemic.
5. To remain cautious in time of prosperity of the market and post pandemic era. As the scale of business and operation expands, Weikeng Group must fully abide by the risk management policy, Ethical Corporate Management Best Practice Principles and optimize business performance and profitability, as well as to evaluate and take actions to seize market opportunities in a timely manner.

(ii) Production and Sales Policy

1. Pricing Strategy: In the face of increasing customer demand, we will actively mediate the delivery date of franchise vendors’ products for clients, adjust the product and price strategy in a timely manner, so to provide best interactive communication platform.
2. New Business Development: closely monitor the development trend of "new technology" and “green economy” and expand business cooperation opportunities, and strengthen customer structure accordingly.
3. Resilience: Facing the multinational expansion of customers outside of the Asia-Pacific region, the Group must strengthen timely support, service momentum and flexibility to accommodate client’s cross-border and cross-region reallocation.
4. Compliance: Emphasize on the importance of and act accordingly to the compliance with laws and regulations for the import and export of strategic high-tech commodities.
5. Risk and Profitability Assessment: As the scale of operations expands, both risk and

profitability must be critically examined and assessed.

(iii) Expected sales volume and its basis in 2022

The Company classifies the franchising products into chipsets/special application standard ICs, mixed signals and discrete components according to product characteristics. In 2022, the external environment posts challenges as it double-struck by the US-China disputes of trading brinkmanship and the COVID-19 epidemic. We continue to navigate through supply chain disruption driven by the conflict and pressure from US fed interest rate uncertainty. However, based on the management team's consideration of relevant research institutions' estimates of the semiconductor industry's sales forecast, the upstream vendors' set targets and the Company's internal business plan, the operating target of sales forecast for the fiscal year 2022 is expected to have growth opportunities, despite the challenges and difficulties in external environment.

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

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

(II) 2021 Financial Results as reviewed by Audit Committee
Explanation:

- (1) The Company's 2021 annual financial report has been audited and attested by independent auditors, Lo, Jui-Lan and Au, Yiu-Kwan of KPMG Taiwan, together with the Business Report and Earnings Distribution Plan for 2021 have been submitted to the Audit Committee for verification and prepared a written review report as the following.

Weikeng Industrial Co., Ltd.

2021 Review Report of Audit Committee

The Board of Directors has prepared this Company's 2021 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 aforementioned statements, plan and report 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 verify.
To: Weikeng Industrial Co., Ltd., 2022 Annual General Meeting

Convener of Audit Committee : Tsai, Yu-Ping

Date: March 25, 2022

- (2) Report on the communication between members of the Audit Committee and the head of internal audit: After checking the 2021 audit report, there were no major internal control deficiencies and abnormal matters.
 - ① The supervisor of the internal audit office of the Company reports to independent directors on the execution process and conclusions of

internal audits by e-mail or telephone from time to time, and attends Audit Committee to perform audit work reports and other matters.

② Normally, internal audit supervisor and CPA may communicate directly with independent directors / Audit Committee member by e-mail, telephone or meeting as needed. In principle, the head of internal audit attends the Audit Committee at least once a quarter (at least four times a year) to report and communicate with the independent directors; while CPA communicates with independent directors (Audit Committee) at least twice a year in a symposium.

③ The communication situation in 2021 was as the attached:

Year	Frequency of Communication (Number of Times)	Way of Communication	Remark
2021	7	Head of Internal Audit Attended Audit Committee	No non-independent directors and management were present at the time.
	2	Symposium between accountants and members of the audit committee	

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

Explanation:

- (1) As of the end of the year 2021, the Company's endorsements and guarantees amount for its subsidiary, Weikeng International Co., Ltd., was US\$193.6 million and NT\$713 million, both of which were subject to the Procedures for Endorsements and Guarantees.
- (2) As of the end of the year 2021, the Company's endorsements and guarantees amount for its subsidiary, Weikeng Technology Pte. Ltd., was US\$19 million, which was subject to the Procedures for Endorsements and Guarantees.
- (3) As of the end of the year 2021, the Company's endorsements and guarantees amount for its subsidiary, Weikeng International (Shanghai) Co., Ltd., were US\$23 million and RMB 62.5 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 and 6th domestic unsecured convertible corporate bonds

Explanation:

- (1) As of the shares book closure date for the 2022 Annual General Meeting, the Company's 5th domestic unsecured convertible of corporate bonds, after the conversion by the bondholders, has a total of 379 units outstanding bonds.
- (2) On April 22, 2022, the Company registered to the Securities and Futures Bureau of the Financial Supervision Commission R.O.C.(Taiwan) for the offering and issuance of 20,000 units of the 6th domestic unsecured convertible corporate bonds, each with a face value of NT\$100,000, and issued in denominations, with the total amount in NT\$ 2 billion, the coupon rate is 0%, the issuance period is 5 years, and it is expected to be listed on the TPEx in June of 2022; all the funds raised by the 6th domestic unsecured

convertible corporate bonds will be used to repay the borrowings of financial institutions. The expected benefits are ① saving cash outflows from interest expenses and reducing financial burdens, and ② strengthening financial structure and improving solvency.

(V) Report on the remuneration distribution of employees and directors for 2021

Explanation: In accordance with Article 22 of the Articles of Association of the Company, the Company appropriated the remuneration of employees and directors for 2021, of which for employees and directors were NT\$191,512,000 and NT\$47,878,000, respectively. The above remuneration had been resolved by the Board of Directors on March 25, 2022 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 2022 Annual General Meeting and there will be no difference from the expense appropriated in the financial statements of 2021.

(VI) Report on the Cash Dividends of the 2021 Earnings Distribution Plan

Explanation:

- (1) The Company's 2021 earnings distribution plan will be fully distributed in cash dividends, totaling NT\$ 1,270,232,000, which has been resolved by the Audit Committee and Board of Directors with no less than two-thirds of directors present, and approved by more than half of directors attending the meeting on March 25, 2022. 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 2022 Annual General Meeting, the total issued and outstanding ordinary shares are 421,294,256 shares and the proposed declared cash dividend is NT\$3.01507 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 renaming and amendment of some provisions of the Company's "Corporate Social Responsibility Policy", "Corporate Social Responsibility Best Practice Principles" and "Corporate Governance Best Practice Principles".

Explanation: According to the Taiwan Stock Exchange Co., Ltd. Tai Zheng Zhi Zi No. 1100024173 Announcement on December 7, 2021, the "Corporate Social Responsibility Best Practice Principles" and "Corporate Social Responsibility Policy" were renamed and their relevant regulations were revised. The Company has amended the aforesaid Principles, Policy and Corporate Governance Best Practice Principles accordingly, and which have been approved by the resolution of the Board of Directors on December 30, 2021. Please refer to the below comparison table of some amendments to the Company's "Corporate Social Responsibility Best Practice Principles", "Corporate Social Responsibility Policy" and "Corporate Governance Best Practice Principles".

The Comparison Table of Renaming and Amendment of Some Provisions of Corporate Social Responsibility Best Practice Principles

Amended Article	Current Article	Reason of Amendment
Revised policy name: <u>Sustainable</u>	Current policy name: <u>Corporate Social</u>	In accordance with the

Amended Article	Current Article	Reason of Amendment
<p><u>Development Best Practice Principles</u></p> <p>Article 2. The scope of these guidelines includes the global operational activities by the Company and group enterprises. The guidelines are to encourage the Company to aggressively fulfill its social responsibility in business operation to meet the trend of the international development. Through being a corporate social citizen to advance the nation's economics, improve the life quality of its employees, community, and society, achieving the competitive advantage based on fulfilling of the enterprise <u>sustainable development</u>.</p>	<p><u>Responsibility Best Practice Principles</u></p> <p>Article 2. The scope of these guidelines includes the global operational activities by the Company and group enterprises. The guidelines are to encourage the Company to aggressively fulfill its social responsibility in business operation to meet the trend of the international development. Through being a corporate social citizen to advance the nation's economics, improve the life quality of its employees, community, and society, achieving the competitive advantage based on fulfilling of the enterprise <u>social responsibility</u>.</p>	<p>amendment of the regulations of the competent authority.</p>
<p>Article 3. To perform <u>sustainable development</u>, based on the due care to the interest of <u>stakeholders</u>, the Company shall focus on environmental, social and corporate governance elements and include such elements into the Company's management policy and operation, at the same time as pursuing sustainable operation and profit. (The following is omitted)</p>	<p>Article 3. To perform <u>corporate social responsibility</u>, based on <u>respecting social ethics</u> and the due care to the interest of <u>other interested parties</u>, the Company shall focus on environmental, social and corporate governance elements and include such elements into the Company's management policy and operation, at the same time as pursuing sustainable operation and profit. (The following is omitted)</p>	
<p>Article 4 To implement <u>sustainable development</u>, the Company shall perform in accordance with the following principles: 1. Implement the corporate governance. 2. Develop a sustainable environment. 3. Maintain social benefit. 4. Reinforce disclosure of information about <u>sustainable development</u>.</p>	<p>Article 4 To implement <u>corporate social responsibility</u>, the Company shall perform in accordance with the following principles: 1. Implement the corporate governance. 2. Develop a sustainable environment. 3. Maintain social benefit. 4. Reinforce disclosure of information about <u>corporate social responsibility</u>.</p>	
<p>Article 5. The Company shall abide by the laws and regulations, as well as contracts and related regulations signed with Taiwan Stock Exchange Corporation (TWSE) or Taipei Exchange, should also consider the connection between the development trend of <u>sustainability issues</u> at home and abroad and the enterprise core business, the impact of the Company itself and its group companies' overall operating activities on the stakeholders, etc., and establish its <u>sustainable development</u> policies, systems or relevant management systems for approval by the board of</p>	<p>Article 5. The Company shall abide by the laws and regulations, as well as contracts and related regulations signed with Taiwan Stock Exchange Corporation (TWSE) or Taipei Exchange, should also consider the connection between the development trend of <u>corporate social responsibility</u> at home and abroad and the enterprise core business, the impact of the Company itself and its group companies' overall operating activities on the stakeholders, etc., and establish its <u>corporate social responsibility</u> policies, systems or relevant management systems for approval by</p>	

Amended Article	Current Article	Reason of Amendment
<p>directors and submit to the shareholder’s meeting. If any shareholder submits an agenda related to <u>sustainable development</u>, the board of the directors shall consider to adopt it into shareholder’s meeting.</p>	<p>the board of directors and submit to the shareholder’s meeting. If any shareholder submits an agenda related to <u>corporate social responsibility</u>, the board of the directors shall consider to adopt it into shareholder’s meeting.</p>	
<p>Article 7. The board of directors of the Company shall exercise due care as a good administrator to procure that the enterprise implements <u>sustainable development</u> and to review the results of implementation and continuous improvement, ensuring the implementation of <u>sustainable development</u> policies. The board of directors of the Company shall fully consider the interests of the stakeholders in the <u>promotion of sustainable development</u> and shall include the following matters:</p> <ol style="list-style-type: none"> 1. Propose <u>sustainable development</u> mission or vision, and formulate <u>sustainable development</u> policies, systems or related management guidelines. 2. Incorporate <u>sustainable development</u> into the Company's operating activities and development directions, and approve specific promotion plans for <u>sustainable development</u>. 3. Ensure that information related to <u>sustainable development</u> is disclosed timely and accurately. <p>(The following is omitted)</p>	<p>Article 7. The board of directors of the Company shall exercise due care as a good administrator to procure that the enterprise implements <u>social responsibility</u> and to review the results of implementation and continuous improvement, ensuring the implementation of <u>corporate social responsibility</u> policies. The board of directors of the Company shall fully consider the interests of the stakeholders in the fulfillment of <u>corporate social responsibility</u> and shall include the following matters:</p> <ol style="list-style-type: none"> 1. Propose <u>corporate social responsibility</u> mission or vision, and formulate <u>corporate social responsibility</u> policies, systems or related management guidelines. 2. Incorporate <u>corporate social responsibility</u> into the Company's operating activities and development directions, and approve specific promotion plans for <u>corporate social responsibility</u>. 3. Ensure that information related to <u>corporate social responsibility</u> is disclosed timely and accurately. <p>(The following is omitted)</p>	
<p>Article 8. The Company should organize regular educational training <u>to promote sustainable development</u>, the content of which includes the publicizing the second paragraph of the preceding article.</p>	<p>Article 8. The Company should organize regular educational training of <u>corporate social responsibility</u>, the content of which includes the publicizing the second paragraph of the preceding article.</p>	
<p>Article 9. To seek sound management of <u>sustainable development</u>, the Chairman’s office will be the responsible department for the promotion of <u>sustainable development</u>, responsible for the proposal and execution of policies or systems of <u>sustainable development</u>, the related concrete management plan proposal and reporting to the board of directors as required.</p>	<p>Article 9. To seek sound management of <u>corporate social responsibility</u>, the Chairman’s office will be the responsible department for the promotion of <u>corporate social responsibility</u>, responsible for the proposal and execution of policies or systems of <u>corporate social responsibility</u>, the related concrete management plan proposal and reporting to the board of directors as required.</p>	

Amended Article	Current Article	Reason of Amendment
<p>The Company should formulate a reasonable salary and remuneration policy to affirm the remuneration plan could meet the organization's strategic objectives and the interests of stakeholders. The employee performance appraisal system should be combined with the sustainable developmen policy and set up a concrete reward and discipline system.</p>	<p>The Company should formulate a reasonable salary and remuneration policy to affirm the remuneration plan could meet the organization's strategic objectives and the interests of stakeholders. The employee performance appraisal system should be combined with the corporate social responsibility policy and set up a concrete reward and discipline system.</p>	
<p>Article 10. The Company shall identify stakeholders of the Company based on respect of the interest of the stakeholders, set up a stakeholders' special region in Company's website; and through appropriate communication manners and participation of the stakeholders, understand their reasonable expectations and requirements. The Company shall also properly respond to important sustainable development issues that are of the concern by the stakeholders.</p>	<p>Article 10. The Company shall identify stakeholders of the Company based on respect of the interest of the stakeholders, set up a stakeholders' special region in Company's website; and through appropriate communication manners and participation of the stakeholders, understand their reasonable expectations and requirements. The Company shall also properly respond to important corporate social responsibility issues that are of the concern by the stakeholders.</p>	
<p>Article 12. The Company shall endeavor to utilize energy resources more efficiently and use renewable materials, which have a low impact on the environment to improve sustainability of the earth's resources.</p>	<p>Article 12. The Company shall endeavor to utilize all resources more efficiently and use renewable materials, which have a low impact on the environment to improve sustainability of the earth's resources.</p>	
<p>Article 17. The Company is advised to assess the potential risks and opportunities of climate change for the company now and in the future, and adopt the corresponding measures. The Company should adopt the general standard domestically or internationally to inspect and disclosure the greenhouse gas emission. The scope should include the following:</p> <ol style="list-style-type: none"> 1. The direct greenhouse gas emission: owned or controlled by the Company. 2. The indirect greenhouse gas emission: generated by input electricity, heat, steam, etc. 3. Other indirect emissions: generated by company activities are not indirect energy emissions, but come from emission sources owned or controlled by other companies. <p>(The following is omitted)</p>	<p>Article 17. The Company is advised to assess the potential risks and opportunities of climate change for the company now and in the future, and adopt the corresponding measures to address climate-related issues. The Company should adopt the general standard domestically or internationally to inspect and disclosure the greenhouse gas emission. The scope should include the following:</p> <ol style="list-style-type: none"> 1. The direct greenhouse gas emission: owned or controlled by the Company. 2. The indirect greenhouse gas emission: generated by purchased electricity, heat, steam, etc. <p>(The following is omitted)</p>	

Amended Article	Current Article	Reason of Amendment
<p>Chapter V Reinforcement of Disclosure of Enterprise Sustainable Development Information</p>	<p>Chapter V Reinforcement of Disclosure of Corporate social responsibility Information</p>	
<p>Article 28. The Company shall disclose information in accordance with applicable legislations and the Corporate Governance Best Practice Principles and shall fully disclose information related to sustainable development that is relevant and reliable in order to increase the level of information transparency. The Company shall disclose the following information about sustainable development:</p> <ol style="list-style-type: none"> 1. The governance mechanism, strategy, policy and management guidelines, system of sustainable development and the concrete plan that are approved by board resolutions. 2. Risk and impact on the Company's operational and financial status by the implementation and promotion of corporate governance, development of sustainable environment and maintenance of social public interest. 3. The promotion goals, measures and performance of the company formulated for sustainable development. 4. The main stakeholders and their concerns. 5. Disclosure of management and performance information on major environmental and social issues by major suppliers. 6. Other information related to sustainable development. 	<p>Article 28. The Company shall disclose information in accordance with applicable legislations and the Corporate Governance Best Practice Principles and shall fully disclose information related to corporate social responsibility that is relevant and reliable in order to increase the level of information transparency. The Company shall disclose the following information about corporate social responsibility:</p> <ol style="list-style-type: none"> 1. The governance mechanism, strategy, policy and management guidelines, system of corporate social responsibility and the concrete plan that are approved by board resolutions. 2. Risk and impact on the Company's operational and financial status by the implementation and promotion of corporate governance, development of sustainable environment and maintenance of social public interest. 3. The fulfillment goals, measures and performance of the company formulated for corporate social responsibility. 4. The main stakeholders and their concerns. 5. Disclosure of management and performance information on major environmental and social issues by major suppliers. 6. Other information related to corporate social responsibility. 	
<p>Article 29. The Company shall apply the internationally recognized standard and index to prepare a sustainable development report to disclose the status of promotion of sustainable development, and it is advisable to attain the 3rd party's assurance or guarantee to improve the reliability of information, including:</p> <ol style="list-style-type: none"> 1. The implementation of the policies, systems or related management guidelines and specific promotion plans of sustainable development. (The following is omitted.) 	<p>Article 29. The Company shall apply the internationally recognized standard and index to prepare a corporate social responsibility report to disclose the status of promotion of corporate social responsibility, and it is advisable to attain the 3rd party's assurance or guarantee to improve the reliability of information, including:</p> <ol style="list-style-type: none"> 1. The implementation of the policies, systems or related management guidelines and specific promotion plans of corporate social responsibility. 	

Amended Article	Current Article	Reason of Amendment
	(The following is omitted.)	
<p>Article 30. The Company shall pay attention at all time to the development of domestic and international <u>sustainable development</u> policies and the change of enterprise environment, based on which the <u>sustainable development</u> system established by the Company may be reviewed and improved in order to improve the results of performance of <u>sustainable development</u>.</p>	<p>Article 30. The Company shall pay attention at all time to the development of domestic and international <u>corporate social responsibility</u> policies and the change of enterprise environment, based on which the <u>corporate social responsibility</u> system established by the Company may be reviewed and improved in order to improve the results of performance of <u>corporate social responsibility</u>.</p>	

The Comparison Table of Renaming and Amendment of Some Provisions of Corporate Social Responsibility Policy

Amended Article	Current Article	Reason of Amendment
Revised policy name: <u>Sustainable Development Policy</u>	Current policy name: <u>Corporate Social Responsibility Policy</u>	In accordance with the amendment of the regulations of the competent authority.
<p>Article 1. The Company is a professional distributor of electronic components and computer peripheral equipment. As a member of the supply chain of important key parts in the electronics manufacturing industry, the Company is dedicated to fulfilling its <u>sustainable development</u> and providing employees with suitable security, work safety and environmental protection related policies and training. The Company undertakes to consolidate its resources to implement <u>sustainable development</u> through internal and external educational training, and establish a risk management system for product quality, environment, safety, health, ethics and employee interest in accordance with applicable laws and standards in order to achieve the following <u>sustainable development</u> policies. The Company also undertakes to continuously perform all types of improvement in the spirit of pursuing outstanding sustainable operation.</p>	<p>Article 1. The Company is a professional distributor of electronic components and computer peripheral equipment. As a member of the supply chain of important key parts in the electronics manufacturing industry, the Company is dedicated to fulfilling its <u>corporate social responsibility</u> and providing employees with suitable security, work safety and environmental protection related policies and training. The Company undertakes to consolidate its resources to implement <u>corporate social responsibility</u> through internal and external educational training, and establish a risk management system for product quality, environment, safety, health, ethics and employee interest in accordance with applicable laws and standards in order to achieve the following <u>corporate social responsibility</u> policies. The Company also undertakes to continuously perform all types of improvement in the spirit of pursuing outstanding sustainable operation.</p>	
<p>Article 11. Promotion and Participation The Company shall actively participate in government and community activities and, through promotion, encourage the company's relevant partners to jointly promote and fulfill <u>sustainable development</u>.</p>	<p>Article 11. Promotion and Participation The Company shall actively participate in government and community activities and, through promotion, encourage the company's relevant partners to jointly promote and fulfill <u>corporate social responsibility</u>.</p>	
Article 12	Article 12	

Amended Article	Current Article	Reason of Amendment
This <u>sustainable development</u> policy shall be implemented after the approval by the board of directors, it will be submitted to the shareholders meeting report. The same shall be applicable in case of any amendment hereof.	This <u>corporate social responsibility</u> policy shall be implemented after the approval by the board of directors, it will be submitted to the shareholders meeting report. The same shall be applicable in case of any amendment hereof.	

The Comparison Table of Amendment of Some Provisions of Corporate Governance Best Practice Principles

Amended Article	Current Article	Reason of Amendment
<p>Article 10. (The first to third paragraphs are omitted) The above-mentioned norms should include stock trading control measures from the date when the insiders of the Company learn about the Company's financial report or related business performance, <u>including (but not limited to) directors not allowed to trade their stocks during the lock-up period 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.</u></p>	<p>Article 10. (The first to third paragraphs are omitted) The above-mentioned norms should include stock trading control measures from the date when the insiders of the Company learn about the Company's financial report or related business performance.</p>	In accordance with the amendment of the regulations of the competent authority.
<p>Article 10-1. <u>It is advisable for the Company to report the remuneration received by the directors at the shareholders' meeting, including the remuneration policy, the content and amount of individual remuneration, and the relevance to the results of the performance evaluation.</u></p>	New Article	
<p>Article 20 (The first to second paragraphs are omitted) The composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards: 1. Basic requirements and values: Gender, age, nationality, culture, etc., <u>and the ratio of female directors should reach one third of the number of directors.</u></p>	<p>Article 20 (The first to second paragraphs are omitted) The composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards: 1. Basic requirements and values: Gender, age, nationality, culture, etc. 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance,</p>	

Amended Article	Current Article	Reason of Amendment
<p>2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience.</p> <p>(The fourth paragraph is omitted.)</p>	<p>marketing, and technology), professional skills, and industry experience.</p> <p>(The fourth paragraph is omitted.)</p>	
<p>Article 24 The Company shall appoint independent directors in accordance with its articles of incorporation not less than two in number and not less than <u>one-third</u> of the total number of directors, <u>and independent directors should not serve more than three consecutive terms.</u></p> <p>(The followings are omitted.)</p>	<p>Article 24 The Company shall appoint independent directors in accordance with its articles of incorporation not less than two in number and not less than <u>one-fifth</u> of the total number of directors.</p> <p>(The followings are omitted.)</p>	
<p>Article 49 The Company's <u>website shall set up a special area to expose the following corporate governance-related information, and continue to update:</u></p> <ol style="list-style-type: none"> 1. <u>The board of directors: such as the resumes of the members of the board of directors and their powers and responsibilities, the diversity policy of the board of directors and the implementation status.</u> 2. <u>Functional committees: such as the resumes of the members of each functional committee and their powers and responsibilities.</u> 3. <u>Related regulations of corporate governance: such as the Company's Articles of Association, Rules and Procedures of Board of Directors Meeting, and Functional Committee's Charter and other corporate governance related regulations.</u> 4. <u>Important information related to corporate governance: such as setting up corporate governance officer information.</u> 	<p>Article 49 The Company <u>shall disclose and update from time to time the following information regarding corporate governance in the fiscal year in accordance with laws and regulations and TWSE or TPEX rules (disclosure of supervisors' information is not required if the company has an Audit Committee):</u></p> <ol style="list-style-type: none"> 1. <u>Corporate governance framework and rules.</u> 2. <u>Ownership structure and the rights and interests of shareholders (including specific and explicit dividend policy).</u> 3. <u>Structure, professionalism, and independence of the Board of Directors.</u> 4. <u>Responsibility of the Board of Directors and managerial officers.</u> 5. <u>Composition, duties and independence of the Audit Committee.</u> 6. <u>Composition, duties and operation of the Remuneration Committee and other functional committees.</u> 7. <u>The remuneration paid to the directors, president and vice president in the last two fiscal years, the analysis of the percentage of total remuneration to the net profit after tax in the parent company only financial reports or individual financial reports, the policy, standard and package of remuneration payment, the procedure for determination of</u> 	

Amended Article	Current Article	Reason of Amendment
	<p><u>remuneration and the connection with the operation performance and future risk. Under a specifically special scenario, remuneration of the directors shall be disclosed respectively.</u></p> <p>8. <u>The progress of training of directors.</u></p> <p>9. <u>The rights, relationships, avenues for complaint, concerns, and appropriate response mechanism regarding stakeholders.</u></p> <p>10. <u>Details of the events subject to information disclosure required by law and regulations.</u></p> <p>11. <u>The enforcement of corporate governance, differences between the corporate governance principles implemented by the Company and these Principles, and the reason for the differences.</u></p> <p>12. <u>Other information regarding corporate governance.</u></p> <p><u>The Company is advised, according to the actual performance of the corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.</u></p>	

(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 in 2021 of NT\$47,878,000 has been approved by the Remuneration Committee and the Board of Directors on March 25, 2022. After the 2022 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 2021 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 appropriates in the accounting entry in advance on a monthly basis based on the achievement rate of the budget profit target; prior to the distribution of the 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 remuneration of employees (including executive officers) in 2021 of NT\$191,512,000 has been approved by the Remuneration Committee and the Board of Directors on March 25, 2022, which will be paid in cash. After the 2022 shareholders' meeting is reported, the Company will pay the employees remuneration in accordance with the performance evaluation of employees (including executive officers), and then the executive officers' distribution amount will be approved by the Remuneration Committee and the Board of Directors.

IV. Acknowledged Matters

Agenda 1. Acknowledgement on the 2021 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 2021 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 2021 financial reports and business report on March 25, 2022 and submitted those reports to the Audit Committee for verification and a written review report was prepared as the (II) of Reporting Matters.
3. Please refer to Appendix I for the Independent Auditors' Report、Balance Sheets, Statements of Comprehensive Income, Statements of changes in Equity, and Statements of Cash Flows.
4. Acknowledgement is respectfully requested.

RESOLVED :

Agenda 2. Acknowledgement on the 2021 Earnings Distribution Plan. (Proposed by the Board of Directors)

Explanation:

1. The Company proposed the Earnings Distribution Plan for 2021 pursuant to Articles of Association of the Company, that plan as the below has been approved by the resolution of Audit Committee and Board of Directors of the Company through discussion on March 25, 2021.
2. Acknowledgement is respectfully requested.

Weikeng Industrial Co., Ltd
2021 Earnings Distribution Plan

Expressed in NT\$

Beginning Undistributed Retained Earnings		0
Plus: Disposals of equity instruments at fair value through other comprehensive income	764,119	
Minus: Remeasurements of Defined benefit plans	(6,516,000)	
Plus: Net Income after Tax in 2021	1,721,139,911	
Subtotal		1,715,388,030
Less: 10% Legal Reserve		(171,538,803)
Less: Special Reserve Adjustments		(88,877,980)
Total Distributable Earnings for 2021		1,454,971,247
Distribution Items:		
Cash Dividends on Ordinary Shares		1,270,232,000
Ending Undistributed Retained Earnings		184,739,247
Chairman : Hu, Chiu-Chiang President : Hu, Chiu-Chiang Accounting Manager: Huang, Li-Hsiang		

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 as below. Please refer to the comparison table of some amendments to the Company's Articles of Association.
2. Approval is respectfully requested.

Weikeng Industrial Co., Ltd.

The Comparison Table of Some Amendments to Articles of Association

Article Item	Amended Article	Current Article	Reason of Amendment
Article 5	The Company's registered capital is NT\$ 6,000,000,000 , divided into 600,000,000 shares, all as ordinary shares at NT\$10 per share. The board of directors is authorized to issue the shares in several times through resolutions. Among the aforementioned registered capital amount, NT\$200,000,000, divided into 20,000,000 shares, is reserved for issuance of employee stock options, preferred shares with warrants attached or corporate bonds with warrants attached. These shares may be issued pursuant to board resolutions in several times.	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.	To meet operational needs.
Article 5-1	<p>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.</p> <p><u>In accordance with the Company Act, the Company transfers the shares bought back to employees, issues the share subscription warrants to employees, issues the restricted new shares for employees, or reserves the new issuance of shares for subscription by employees. Qualification requirements of employees include the employees of parents or subsidiaries of the Company meeting certain specific</u></p>	<p>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.</p>	To meet operational needs

Article Item	Amended Article	Current Article	Reason of Amendment
	<u>requirements, and the conditions and distribution methods authorize the Board of Directors or its authorized person to decide.</u>		
Article 8	<p>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.</p> <p><u>When the Company's shareholders' meeting is held, it can be held by video conference or other methods announced by the Ministry of Economic Affairs, R.O.C.</u></p>	<p>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.</p>	<p>In order to cooperate with the competent authority's policy of promoting video-based shareholders' meetings.</p>
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 at least. The regulations, relevant norms and other compliance matters in relation to independent directors shall be in accordance with the Company Act, Securities and Exchange Act, and other applicable regulations of the securities competent authority.</p> <p>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</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 3 independent directors. 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.</p> <p>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</p>	<p>To meet operational needs</p>

Article Item	Amended Article	Current Article	Reason of Amendment
	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.	terms. The total number of registered shares held by all directors shall not be less than the certain percentage of total outstanding shares stipulated by the competent authority.	
Article 17	In accordance with the Article 14-4 of the Securities and Exchange Act, the Company forms Audit Committee composed of all independent directors. The exercise of powers and related matters of the Audit Committee and its members shall follow in accordance with the Securities and Exchange Act and other applicable laws and regulations. <u>In addition to the Audit Committee, the Board of Directors of the Company may also set up various other functional committees, and which charts shall be formulated by the Board of Directors in accordance with relevant laws and regulations.</u>	In accordance with the Article 14-4 of the Securities and Exchange Act, the Company forms Audit Committee composed of all independent directors. The exercise of powers and related matters of the Audit Committee and its members shall follow in accordance with the Securities and Exchange Act and other applicable laws and regulations.	Cooperate with the Company to set up a functional committee.
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.	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.	Amendment date added.

Article Item	Amended Article	Current Article	Reason of Amendment
	<p>The sixteenth amendment was made on 8 July 1993.</p> <p>The seventeenth amendment was made on 14 April 1993.</p> <p>The eighteenth amendment was made on 26 September 1994.</p> <p>The nineteenth amendment was made on 15 June 1996.</p> <p>The twentieth amendment was made on 26 June 1997.</p> <p>The twenty-first amendment was made on 14 November 1997.</p> <p>The twenty-second amendment was made on 22 April 1998.</p> <p>The twenty-third amendment was made on 1 September 1998.</p> <p>The twenty-fourth amendment was made on 31 August 1999.</p> <p>The twenty-fifth amendment was made on 20 April 2000.</p> <p>The twenty-sixth amendment was made on 9 October 2000.</p> <p>The twenty-seventh amendment was made on 7 May 2001.</p> <p>The twenty-eighth amendment was made on 21 June 2002.</p> <p>The twenty-ninth amendment was made on 5 June 2003.</p> <p>The thirtieth amendment was made on 15 June 2004.</p> <p>The thirty-first amendment was made on 14 June 2005.</p> <p>The thirty-second amendment was made on 14 June 2006.</p> <p>The thirty-third amendment was made on 13 June 2008.</p> <p>The thirty-fourth amendment was made on 19 June 2009.</p> <p>The thirty-fifth amendment was made on 18 June 2010.</p> <p>The thirty-sixth amendment was made on 22 June 2012.</p> <p>The thirty-seventh amendment was made on 20 June 2013.</p> <p>The thirty-eighth amendment was made on 17 June 2015.</p> <p>The thirty-ninth amendment was made on 17 June 2016.</p> <p>The fortieth amendment was made on 15 June 2017.</p> <p>The forty-first amendment was made on 13 June 2018.</p> <p>The forty-second amendment was made on 20 June, 2019.</p>	<p>The sixteenth amendment was made on 8 July 1993.</p> <p>The seventeenth amendment was made on 14 April 1993.</p> <p>The eighteenth amendment was made on 26 September 1994.</p> <p>The nineteenth amendment was made on 15 June 1996.</p> <p>The twentieth amendment was made on 26 June 1997.</p> <p>The twenty-first amendment was made on 14 November 1997.</p> <p>The twenty-second amendment was made on 22 April 1998.</p> <p>The twenty-third amendment was made on 1 September 1998.</p> <p>The twenty-fourth amendment was made on 31 August 1999.</p> <p>The twenty-fifth amendment was made on 20 April 2000.</p> <p>The twenty-sixth amendment was made on 9 October 2000.</p> <p>The twenty-seventh amendment was made on 7 May 2001.</p> <p>The twenty-eighth amendment was made on 21 June 2002.</p> <p>The twenty-ninth amendment was made on 5 June 2003.</p> <p>The thirtieth amendment was made on 15 June 2004.</p> <p>The thirty-first amendment was made on 14 June 2005.</p> <p>The thirty-second amendment was made on 14 June 2006.</p> <p>The thirty-third amendment was made on 13 June 2008.</p> <p>The thirty-fourth amendment was made on 19 June 2009.</p> <p>The thirty-fifth amendment was made on 18 June 2010.</p> <p>The thirty-sixth amendment was made on 22 June 2012.</p> <p>The thirty-seventh amendment was made on 20 June 2013.</p> <p>The thirty-eighth amendment was made on 17 June 2015.</p> <p>The thirty-ninth amendment was made on 17 June 2016.</p> <p>The fortieth amendment was made on 15 June 2017.</p> <p>The forty-first amendment was made on 13 June 2018.</p> <p>The forty-second amendment was made on 20 June, 2019.</p>	

Article Item	Amended Article	Current Article	Reason of Amendment
	<p>The forty-third amended was made on 17 June, 2020.</p> <p>The forty-fourth amended was made on 20 July, 2021.</p> <p><u>The forty-fifth amended was made on 16 June, 2022.</u></p>	<p>The forty-third amended was made on 17 June, 2020.</p> <p>The forty-fourth amended was made on 20 July, 2021.</p>	

RESOLVED :

Agenda 2. Discussion on the Some Amendments to the Company’s “Procedures for Acquisition or Disposal of Assets”. (Proposed by the Board of Directors)

Explanation:

1. In accordance with the provisions of the “Procedures for Acquisition or Disposal of Assets” amended by the Financial Supervisory Commission R.O.C (Taiwan) (hereinafter referred to as “FSC”) and the order by the FSC Jing-Guang-Zheng-Fa-Tzu No. 111038465 dated January 28, 2022, it is proposed to amend the relevant provisions of the Company’s “Procedures for Acquisition or Disposal of Assets” .
2. The amended articles as below were resolved by the Audit Committee and Board of Directors, which amended articles will be implemented after the resolution of the 2022 Annual General Meeting. Please refer to the comparison table of Some Amendments to Procedures for Acquisition or Disposal of Assets.
3. Approval is respectfully requested.

Weikeng Industrial Co., Ltd.

The Comparison Table of Some Amendments to Procedures for Acquisition or Disposal of Assets

Amended Article	Current Article	Reason of Amendment
<p>Article 3. Evaluation Procedure:</p> <p>(1) (Description omitted)</p> <p>(2) In acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price.</p> <p>(The following descriptions of this article are deleted.)</p> <p>(3) In acquiring or disposing of real property, right-of-use assets thereof, and other fixed assets where the</p>	<p>Article 3. Evaluation Procedure:</p> <p>(1) (Description omitted)</p> <p>(2) Unless there is the following event, in acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards</p>	<p>Coordinate with the competent authority to make amendments.</p>

Amended Article	Current Article	Reason of Amendment
<p>transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a objective and independent professional appraiser and shall follow the asset appraisal procedure provided under this procedure. When the Company acquires or disposes of intangible assets, right-of-use assets thereof, or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, unless it is a transaction with domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>No. 20 published by the Taiwan Accounting Research and Development Foundation (hereinafter referred to as ARDF).</p> <ul style="list-style-type: none"> (i) Securities acquired in exchange for capital injection in cash under incorporation by promoters or through placement. (ii) Participation in the subscription of securities issued at face value by issuing company under capital increase in cash in accordance with applicable laws. (iii) Participation in the subscription of securities issued by a 100% subsidiary under capital increase in cash. (iv) Trading of securities traded on the stock exchange, OTC market or emerging market in a securities stock exchange or the Taipei Exchange. (v) Government bonds, bonds under Repo or Reverse Repurchase (RS) agreements. (vi) Domestic and offshore funds. (vii) Stocks of exchange (or OTC) listed companies acquired or disposed of in accordance with the Rules Governing Purchase of Listed Securities by Reverse Auction of the stock exchange or the Taipei Exchange. (viii) Securities (other than securities under private placement) acquired through participation in share subscription under capital increase in cash by a public issuer. (ix) Subscription to funds before the launch in accordance with Paragraph 1, Article 11 of the Securities Investment Trust and Consulting Act and the order by the Financial Supervisory Commission Jing-Guang-Zheng-Si-Zhi No. 0930005249 dated 1 	

Amended Article	Current Article	Reason of Amendment
	<p>November 2004.</p> <p>(x) Subscription to or repurchase of domestic fund under private placement, provided that the trust agreement specifies that the investment strategy covers the same scope of investment for publicly-placed funds, except securities credit transactions and positions of uncovered securities related products held.</p> <p>(3) In acquiring or disposing of real property, right-of-use assets thereof, and other fixed assets where the transaction amount reaches 20 percent of the Company's paid-in capital in the financial statements of for the most recent period, certified or reviewed by a certified public accountant, or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a objective and independent professional appraiser and shall follow the asset appraisal procedure provided under this procedure. When the Company acquires or disposes of intangible assets , right-of-use assets thereof, or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, unless it is a transaction with domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	
<p>Article 5. Procedure for Public Announcement and Reporting: (1) Under any of the following circumstances, when the Company acquires or disposes of assets, it shall publicly announce and report</p>	<p>Article 5. Procedure for Public Announcement and Reporting: (1) Under any of the following circumstances, when the Company acquires or disposes of assets, it shall publicly announce and report</p>	<p>Coordinate with the competent authority to make amendments.</p>

Amended Article	Current Article	Reason of Amendment
<p>the relevant information on the FSC's designated website within 2 days commencing immediately from the date of occurrence of the event.</p> <p>i.~v. subparagraphs omitted.</p> <p>vi. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the Mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(i) Trading of domestic government bonds <u>or foreign bonds with a credit rating not lower than our country's sovereign rating.</u></p> <p>(ii) Trading of bonds under Repo or RS agreements, subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(The following descriptions are omitted.)</p>	<p>the relevant information on the FSC's designated website within 2 days commencing immediately from the date of occurrence of the event.</p> <p>i.~v. subparagraphs omitted.</p> <p>vi. Where an asset transaction other than any of those referred to in the preceding five subparagraphs or an investment in the Mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(i) Trading of domestic government bonds.</p> <p>(ii) Trading of bonds under Repo or RS agreements, subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(The following descriptions are omitted.)</p>	
<p>Article 6. Asset Appraisal Procedure: In acquiring or disposing of real property or equipment or right-of-use assets where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions. However, where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	<p>Article 6. Asset Appraisal Procedure: In acquiring or disposing of real property or equipment or right-of-use assets where the transaction amount reaches 20 percent of the company's paid-in capital <u>in the financial statements of for the most recent period, certified or reviewed by a certified public accountant</u> or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions. However, where the Company acquires or disposes of assets through court auction procedures, the</p>	<p>Coordinate with the competent authority to make amendments.</p>

Amended Article	Current Article	Reason of Amendment
<p>(1)~(2) Omitted</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ul style="list-style-type: none"> i. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. ii. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>(The following clauses are omitted.)</p>	<p>evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>(1) ~ (2) Omitted</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ul style="list-style-type: none"> i. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. ii. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>(The following clauses are omitted.)</p>	
<p>Article 11. Resolution Procedure:</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, other than sale and purchase of government bonds, bonds under Repo or RS agreements, subscription or redemption of money market funds issued by</p>	<p>Article 11. Resolution Procedure:</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, other than sale and purchase of government bonds, bonds under Repo or RS agreements, subscription or redemption of money market funds issued by</p>	<p>Coordinate with the competent authority to make amendments.</p>

Amended Article	Current Article	Reason of Amendment
<p>domestic securities investment trust enterprise, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been submitted by the execution department to Audit Committee for review and then to get approved by the Board of Directors:</p> <p>(1) ~ (7) Omitted.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Subparagraph 5, Paragraph 1, Article 4 delegate the board chairman to decide such matters when the transaction is within <u>the amount of NT\$60 million (inclusive)</u> and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(2) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>Where Audit Committee reviews the matters for which paragraph 1, and shall be subject to mutatis mutandis application of Article 26.</p> <p><u>If the Company or the Company's subsidiary that is not a domestic public offering company has the transactions mentioned in Paragraph 1 of this article, which amount is 10 percent or more of the Company's total assets, and the Company shall first propose a proposal and obtain approval from the shareholders' meeting before signing the transaction contract and making payment. However, the transactions between the Company and its subsidiaries, or between subsidiaries, are not subject to this limitation. The calculation of the transaction amount referred to in Paragraph 1 and the preceding Paragraph shall be made in accordance with Paragraph 1, Article 5 herein, and "within the</u></p>	<p>domestic securities investment trust enterprise, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been submitted by the execution department to Audit Committee for review and then to get approved by the Board of Directors:</p> <p>(1) ~ (7) Omitted.</p> <p><u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 1, Article 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been reviewed by the Audit Committee and then approved by the Board of Directors need not be counted toward the transaction amount.</u></p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Subparagraph 5, Paragraph 1, Article 4 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(2) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>Where Audit Committee reviews the matters for which paragraph 1, and shall be subject to mutatis mutandis application of Article 26.</p>	

Amended Article	Current Article	Reason of Amendment
<p><u>preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction, and shall be calculated retrospectively for one year. However, transactions that have been submitted to the shareholders' meeting, reviewed by the Audit Committee and then approved by the Board of Directors in accordance with the procedures prescribed by the competent authority are exempted from being counted.</u></p>		
<p>Article 25. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(1)~(3) Omitted.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-discipline regulations of their respective industry associations</u> and the following:</p> <p>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the</p>	<p>Article 25. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(1) ~ (3) Omitted.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy, and reasonableness</u> of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the</p>	<p>Coordinate with the competent authority to make amendments and adjust the paragraphs.</p>

Amended Article	Current Article	Reason of Amendment
report or opinion, and that they have evaluated and found that the information used is reasonable and <u>appropriate</u> , and that they have complied with applicable laws and regulations	information used is <u>reasonable and accurate</u> , and that they have complied with applicable laws and regulations.	
Article 28. Provisions about “20% of paid-in capital” and “10% of total asset” referred to in this Procedure shall be calculated based on paid-in capital and the total asset amount in the latest individual financial report <u>audited and attested by CPAs</u> in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.	Article 28. Provisions about “20% of paid-in capital” and “10% of total asset” referred to in this Procedure shall be calculated based on paid-in capital and the total asset amount in the latest <u>statutory or individual financial report prepared</u> in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers	Coordinate with the competent authority to make amendments.

RESOLVED :

Agenda 3. Discussion on the Some Amendments to the Company’s Rules of Procedure for Shareholders' Meeting. (Proposed by the Board of Directors)

Explanation:

1. In response to the amendment of Article 172-2 of the Company Act, open public companies can hold shareholders' meetings by video conferencing, and amend the relevant articles of the Company's "Rules of Procedure for Shareholders' Meetings" in accordance with the order No. 1110004093 dated March 08, 2022.
2. Please refer to the comparison table of Some Amendments to the Rules of Procedure for Shareholders' Meeting as below.
3. Approval is respectfully requested.

Weikeng Industrial Co., Ltd.

The Comparison Table of Some Amendments to the Rules of Procedure for Shareholders' Meeting

Amended Article	Current Article	Reason of Amendment
<p>Article 3</p> <p>The Company shall specify in its shareholders' meeting notice the time during which the registrations for attendance of <u>shareholders, solicitors, appointed proxies (hereinafter referred to as shareholders)</u> will be accepted, the place to register for attendance, and other matters for attention. <u>Any change in the way the shareholders' meeting is held shall be resolved by the Board of Directors and shall be made at the latest before mailing the shareholders' meeting notice.</u></p> <p>The above-mentioned time for the acceptance of registrations for shareholders' attendance shall be at least 30 minutes prior to the start of the meeting; the registration area shall be clearly marked, and adequate and appropriate personnel shall be assigned to handle the registrations; <u>The acceptance of registrations for shareholders'</u></p>	<p>Article 3</p> <p>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.</p> <p>As stated in the preceding paragraph, the time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place where 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</p>	<p>This Article is amended in accordance with the order of the competent authority.</p>

Amended Article	Current Article	Reason of Amendment
<p><u>meetings by video conference should be 30 minutes before the start of the meeting on the video conference platform of the shareholders' meeting. The shareholders who complete the registrations shall be deemed to attend the meeting in person.</u>Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Voting rights represented in the meeting shall be calculated on such basis. Solicitors with proxy forms shall also bring identification documents for verification.</p>	<p>meeting shall be calculated on such basis. Solicitors with proxy forms shall also bring identification documents for verification.</p>	
<p>Article 3-1 <u>The Company shall specify the following in the shareholders' meeting notice if the shareholders' meeting is by video conference:</u> <u>I. The way shareholders participate in the video conference and exercise their rights.</u> <u>II. The handling of obstacles to the video conference platform or video participation due to natural disasters, events or other force majeure circumstances shall include at least the following:</u> <u>(I) The time when the aforementioned obstacles continue and cannot be removed, and the date when the meeting must be postponed or reconvened.</u> <u>(II) Shareholders who have not registered to participate in the original meeting by video conference shall not participate in the postponed or reconvened meeting.</u> <u>(III) If a video-assisted shareholders' meeting cannot be reconvened by video conference, the shareholders' meeting shall continue if the total number of shares present reaches the legal quota for the shareholders' meeting after deducting the number of shares attending the shareholders' meeting by video conference, and the number of shares attending the shareholders' meeting by video conference shall be counted in the total number of shares present for the shareholders' meeting, and shall be deemed abstain from all motions for that shareholders' meeting.</u> <u>(IV) In the event that the results of all motions have been announced and no extraordinary motion has been made, or other handling methods.</u> <u>III. The Company shall convene a shareholders' meeting by video conference and shall state the appropriate alternative measures for shareholders who have difficulties in participating in the shareholders' meeting by video conference.</u></p>		<p>This Article is added in accordance with the order of the competent</p>
<p>Article 4 The chair shall call the meeting to order at the appointed meeting time. However, when the</p>	<p>Article 4 The chair shall call the meeting to order at the appointed meeting time. However, when the</p>	<p>This Article is amended in</p>

Amended Article	Current Article	Reason of Amendment
<p>attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. <u>The shareholders shall be notified of the tentative resolution and a further shareholders' meeting will be held within one month. If the shareholders' meeting is held by video conference, the shareholders who wish to attend the meeting by video conference shall re-register with the Company in accordance with Article 16.</u></p> <p>When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the <u>shareholders'</u> meeting pursuant to Article 174 of the Company Act.</p>	<p>attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.</p> <p>When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.</p>	<p>accordance with the order of the competent authority.</p>
<p>Article 5 Attendance at shareholders' meetings shall be calculated based on numbers of shares. <u>The number of shares present shall be calculated based on the number of shares reported in the signature book or the submitted attendance cards and registrations on the video conference platform, plus the number of shares exercising the voting rights by written or electronic means.</u></p>	<p>Article 5 Attendance at shareholders' meetings shall be calculated based on numbers of shares.</p>	<p>This Article is amended in accordance with the order of the competent authority.</p>
<p>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. <u>The Company shall not be restricted from holding a video shareholders' meeting on the venue as described above. The meeting chair and the recorder shall be present at the same venue in the country when the Company convenes a shareholders' meeting by video conference, and the meeting chair shall announce the address of such venue at the time the meeting is called to order.</u></p>	<p>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.</p>	<p>This Article is amended in accordance with the order of the competent authority.</p>
<p>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</p>	<p>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</p>	<p>This Article is amended in accordance with the order of the competent</p>

Amended Article	Current Article	Reason of Amendment
<p>until the conclusion of the litigation. <u>If a shareholders' meeting is held by video conference, the Company shall keep records of the shareholders' registration, sign-in, attendance, questions, voting, and the Company's vote counting results, and shall make an uninterrupted audio and video recording of the entire video conference.</u> <u>The Company shall keep the aforementioned information and audio and video recordings throughout the life of the Company period and provide the audio and video recordings to the person appointed to administer the video conference for retention.</u></p>	<p>recording shall be retained until the conclusion of the litigation.</p>	<p>authority.</p>
<p>Article 15 Unless otherwise provided by law and Articles of Association, the proposal shall be approved by the majority of votes represented by attending shareholders. At the time of voting, <u>the meeting chair or the person designated by the chair should first announce the total number of voting rights of the attending shareholders for each proposal. The shareholders shall vote on each proposal. On the same day after the meeting, the results of shareholders' approvals, disapprovals and abstentions, shall be entered into the Market Observation Post System.</u></p>	<p>Article 15 Unless otherwise provided by law and Articles of Association, the proposal shall be approved by the majority of votes represented by attending shareholders. If no objection is voiced following an inquiry by the chair during voting, 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 standing up 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.</p>	<p>This Article is amended in accordance with the order of the competent authority.</p>
<p>Article 16 When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting. <u>When a shareholders' meeting is held by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.</u> <u>If a shareholders' meeting is held by video conference, the Company shall upload the meeting handbook, annual report and other relevant information to the video conference platform at least 30 minutes prior to the meeting and continue to disclose them until the end of the meeting.</u> 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.</p>	<p>Article 16 When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting. When a 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.</p>	<p>This Article is amended in accordance with the order of the competent authority.</p>
<p>Article 17 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. <u>If the shareholders' meeting is convened by video conference, shareholders participating by video conference may ask questions by text on the video conference</u></p>	<p>Article 17 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>This Article is amended in accordance with the order of the competent</p>

Amended Article	Current Article	Reason of Amendment
<p><u>platform after the meeting chair calls the meeting to order and before the meeting is adjourned. The number of questions shall not exceed two for each motion, and each time shall be limited to 200 words, and the provisions of Article 11 to Article 3 shall not apply.</u></p> <p><u>If the preceding question does not violate the regulations or is within the scope of the motion, it is appropriate to disclose the question on the video conference platform of the shareholders' meeting for public information.</u></p>		authority.
<p>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. <u>Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders meeting.</u> Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and made into record.</p> <p><u>After the meeting chair calls the Company's shareholders' meeting by video conference to order, the shareholders participating by video conference shall vote on the motions and the elections through the video conference platform, and the voting shall be completed before the meeting chair announces the end of the voting. Any delay shall be deemed as an abstention. If a shareholders' meeting is convened by video conference, a one-time vote count shall be conducted after the meeting chair announces the close of voting and the voting and election results shall be announced</u></p> <p><u>When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 16 and wish to attend the physical shareholders' meeting in person shall deregister in the same manner as they have registered two days prior to the shareholders' meeting; if they deregister after that time, they can attend the shareholders' meeting by video conference only.</u></p> <p><u>A shareholder who exercises his or her voting rights in writing or by electronic means and does not revoke his or her declaration of intent to attend the shareholders' meeting by video means may not exercise his or her voting rights on the original motion or propose amendments to the original motion or exercise his or her voting rights on amendments to the original motion, except for</u></p>	<p>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.</p>	This Article is amended in accordance with the order of the competent authority.

Amended Article	Current Article	Reason of Amendment
<p><u>an extraordinary motion.</u></p> <p>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.</p> <p><u>If a shareholders' meeting is convened by video conference, the meeting chair shall make the announcement separately when calling the meeting to order. Except in the case of the meeting that does not need to be postponed or reconvened as stipulated in Article 44-20 paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, before the meeting chair announces the adjournment of the meeting, if, due to natural disasters, events or other force majeure circumstances, the video conference platform or participation by video communication is obstructed and lasts for more than 30 minutes, the meeting shall be postponed or reconvened within five days, and the provisions of Article 182 of the Company Act shall not apply.</u></p> <p><u>In the event of an adjournment or reconvening of a meeting under the preceding Paragraph, shareholders who have not registered to participate in the original meeting by video means shall not participate in the postponed or reconvened meeting.</u></p> <p><u>For the postponed or reconvened meeting in accordance with the second paragraph, if a shareholder who has registered to attend the original shareholders' meeting by video means and has completed the registration for the meeting, but does not participate in the adjourned or reconvened meeting, the number of shares, voting rights and election rights exercised at the original shareholders' meeting shall be counted in the total number of shares, voting rights and election rights of the shareholders attending the adjourned or reconvened meeting.</u></p> <p><u>If the shareholders' meeting is adjourned or reconvened in accordance with the second paragraph, there is no need to discuss and resolve again if the voting and counting of votes have been completed and the voting results or the list of directors and supervisors elected have been announced.</u></p> <p><u>If the Company holds a video-assisted shareholders' meeting and the video conference cannot be reconvened in accordance with Paragraph 2, the shareholders' meeting shall continue if the total number of shares present, after deducting the number of shares attending the</u></p>	<p>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.</p>	<p>This Article is amended in accordance with the order of the competent authority.</p>

Amended Article	Current Article	Reason of Amendment
<p><u>shareholders' meeting by video means, still reaches the legal quota for the shareholders' meeting, without the need to adjourn or reconvene the meeting in accordance with Paragraph 2. In the event that the meeting should be continued under the preceding Paragraph, the number of shares attending the shareholders' meeting by video means shall be counted in the total number of shares attended, but shall be deemed to have abstained for the purpose of all motions at that meeting.</u></p> <p><u>If the Company adjourns or reconvenes the meeting in accordance with Paragraph 2, the Company shall comply with the provisions set forth in Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shall complete the relevant preliminary work in accordance with the date of the original shareholders' meeting and the provisions of each Article.</u></p> <p><u>In accordance with the latter part of Article 12 and the third Paragraph of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and the period set forth in Paragraph 2 of Article 44-5, Article 45-15 and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall follow the date of the shareholders' meeting for the postponement or reconvening of the meeting as stipulated in Paragraph 2.</u></p> <p><u>When convening a shareholders' meeting by video means, the Company shall provide the appropriate alternative measures for shareholders who have difficulties participating in the meetings by video means.</u></p>		

RESOLVED :

- VI. Ad Hoc Motions**
- VII. Meeting Adjourned**

WEIKENG INDUSTRIAL CO., LTD.

Parent Company Only Financial Statements

**With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020**

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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, 2021 and 2020, 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, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 25, 2022

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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note (6)(a))	\$ 1,553,378	9	1,479,458	10	2100	Short-term borrowings (note (6)(j))	\$ 4,911,346	27	4,647,106	31
1110	Financial assets at fair value through profit or loss-current(note (6)(b))	607	-	624	-	2130	Contract liabilities-current (note (6)(s))	34,902	-	8,489	-
1170	Notes and accounts receivable, net (note (6)(d) and note (7))	6,585,185	37	4,813,408	32	2170	Notes and accounts payable	2,900,255	16	1,438,566	10
1200	Other receivables (note (6)(e) and note (7))	434,566	2	958,178	6	2200	Other payables (note (6)(k) and note (7))	505,138	3	949,583	6
1300	Inventories, net (note (6)(f))	3,034,102	17	2,939,187	20	2230	Current tax liabilities	101,863	1	13,859	-
1470	Prepaid expenses and other current assets	107,722	1	166,302	1	2280	Current lease liabilities (note (6)(m))	58,825	-	49,297	-
		<u>11,715,560</u>	<u>66</u>	<u>10,357,157</u>	<u>69</u>	2300	Other current liabilities	295,095	2	244,019	2
								<u>8,807,424</u>	<u>49</u>	<u>7,350,919</u>	<u>49</u>
Non-current assets:						Non-current liabilities:					
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	375	-	-	-	2500	Non-current financial liabilities at fair value through profit or loss (notes (6)(b) and (6)(l))	-	-	9,600	-
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	40,065	-	44,822	-	2530	Convertible bonds payable (note (6)(l))	126,336	1	929,322	6
1550	Investments accounted for using equity method, net (note (6)(g))	5,624,937	31	4,106,990	28	2570	Deferred tax liabilities (note (6)(p))	696,744	4	407,666	3
1600	Property, plant and equipment (note (6)(h))	94,045	1	96,552	1	2580	Non-current lease liabilities (note (6)(m))	36,795	-	39,788	-
1755	Right-of-use assets (note (6)(i))	95,094	1	88,652	1	2640	Non-current net defined benefit liabilities (note (6)(o))	122,222	1	120,974	1
1780	Intangible assets	9,012	-	13,899	-	2670	Other non-current liabilities	187	-	187	-
1840	Deferred tax assets (note (6)(p))	210,282	1	201,743	1			<u>982,284</u>	<u>6</u>	<u>1,507,537</u>	<u>10</u>
1900	Other non-current assets	22,826	-	22,719	-			<u>9,789,708</u>	<u>55</u>	<u>8,858,456</u>	<u>59</u>
		<u>6,096,636</u>	<u>34</u>	<u>4,575,377</u>	<u>31</u>	Total liabilities					
						Equity (Note (6)(q)):					
						3100	Ordinary share	4,159,342	23	3,677,513	25
						3200	Capital surplus	1,275,927	7	941,349	6
							Retained earnings:				
						3310	Legal reserve	960,709	5	890,626	6
						3320	Special reserve	365,705	2	229,459	2
						3350	Unappropriated retained earnings	1,715,388	10	700,837	5
								<u>3,041,802</u>	<u>17</u>	<u>1,820,922</u>	<u>13</u>
							Other equity interest:				
						3410	Exchange differences on translation of foreign financial statements	(373,405)	(2)	(282,193)	(2)
						3420	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	(81,178)	-	(83,513)	(1)
								<u>(454,583)</u>	<u>(2)</u>	<u>(365,706)</u>	<u>(3)</u>
						Total equity		<u>8,022,488</u>	<u>45</u>	<u>6,074,078</u>	<u>41</u>
						Total liabilities and equity		<u>\$ 17,812,196</u>	<u>100</u>	<u>14,932,534</u>	<u>100</u>
	Total assets	<u>\$ 17,812,196</u>	<u>100</u>	<u>14,932,534</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, 2021 and 2020

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

		2021		2020	
		Amount	%	Amount	%
4100	Net sales revenue (notes (6)(s) and note (7))	\$ 29,964,915	100	27,706,010	100
5000	Cost of sales (note (6)(f) and note (7))	28,361,656	95	26,467,370	96
	Gross profit	<u>1,603,259</u>	5	<u>1,238,640</u>	4
	Operating expenses (notes (6)(n), (6)(o), note (7) and (12)):				
6100	Selling expenses	822,502	3	656,547	2
6200	Administrative expenses	343,001	1	271,854	1
6450	Expected credit (gains) losses (note (6)(d))	(7,284)	-	25,090	-
		<u>1,158,219</u>	4	<u>953,491</u>	3
	Net operating income	<u>445,040</u>	1	<u>285,149</u>	1
	Non-operating income and expenses:				
7100	Interest income	525	-	1,796	-
7010	Other income (notes (6)(n) and note (7))	375,504	1	284,683	1
7230	Foreign currency exchange gains (losses), net (note (6)(u))	58,442	-	112,975	-
7235	Gains on financial assets (liabilities) at fair value through profit or loss	7,921	-	3,203	-
7375	Share of profit of associates accounted for using equity method (note (6)(g))	1,354,664	5	322,024	1
7050	Financial costs (note ((6)(m) and note (7))	(86,956)	-	(126,777)	-
7590	Miscellaneous disbursements	(633)	-	(571)	-
0		<u>1,709,467</u>	6	<u>597,333</u>	2
7900	Profit before tax	2,154,507	7	882,482	3
7950	Less: Income tax expenses (note (6)(p))	433,367	1	183,173	1
	Profit	<u>1,721,140</u>	6	<u>699,309</u>	2
	Other comprehensive income:				
	Items that will not be reclassified to profit or loss				
8310	(Losses) gains on remeasurements of defined benefit plans (note (6)(o))	(8,145)	-	1,910	-
8311	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	3,099	-	1,639	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(p))	<u>(1,629)</u>	-	<u>382</u>	-
		<u>(3,417)</u>	-	<u>3,167</u>	-
	Items that may be reclassified to profit or loss				
8360	Exchange differences on translation of foreign financial statements	(114,017)	(1)	(172,356)	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(p))	<u>(22,805)</u>	-	<u>(34,471)</u>	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(91,212)</u>	(1)	<u>(137,885)</u>	-
8300	Other comprehensive income	<u>(94,629)</u>	(1)	<u>(134,718)</u>	-
8500	Comprehensive income	<u>\$ 1,626,511</u>	5	<u>\$ 564,591</u>	2
	Earnings per share: (note (6)(r))				
9750	Basic earnings per share	<u>\$ 4.54</u>		<u>1.90</u>	
9850	Diluted earnings per share	<u>\$ 4.02</u>		<u>1.84</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

WEIKENG INDUSTRIAL CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity interest	Total equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements		Unrealized gains (losses) on financial assets at fair value through other comprehensive income
Balance at January 1, 2020	\$ 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
Conversion 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
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	70,083	-	(70,083)	-	-	-
Special reserve appropriated	-	-	-	136,246	(136,246)	-	-	-
Cash dividends	-	-	-	-	(494,508)	-	-	(494,508)
	-	-	70,083	136,246	(700,837)	-	-	(494,508)
Net income	-	-	-	-	1,721,140	-	-	1,721,140
Other comprehensive income	-	-	-	-	(6,516)	(91,212)	3,099	(94,629)
Total comprehensive income	-	-	-	-	1,714,624	(91,212)	3,099	1,626,511
Conversion of convertible bonds	481,829	334,578	-	-	-	-	-	816,407
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	764	-	(764)	-
Balance at December 31, 2021	\$ 4,159,342	1,275,927	960,709	365,705	1,715,388	(373,405)	(81,178)	8,022,488

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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,154,507	882,482
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	64,432	58,474
Amortization expense	8,573	5,291
Expected credit (gains) losses	(7,284)	25,090
Net gains on financial assets or liabilities at fair value through profit or loss	(7,921)	(3,203)
Interest expense	86,956	126,777
Interest income	(525)	(1,796)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(1,354,664)	(322,024)
	<u>(1,210,433)</u>	<u>(111,391)</u>
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss	11	(2,339)
Decrease (increase) in notes and accounts receivable	(1,764,493)	(1,084,054)
Decrease (increase) in other receivable	523,612	341,624
Decrease (increase) in inventories	(94,915)	648,806
Decrease (increase) in prepaid expenses and other current assets	58,580	3,875
	<u>(1,277,205)</u>	<u>(92,088)</u>
Increase (decrease) in accounts payable	1,461,689	(486,402)
Increase (decrease) in other payable	(443,201)	(220,087)
Increase (decrease) in contract liabilities and other current liabilities	77,489	44,760
Increase (decrease) in net defined benefit liability – non-current	(6,897)	(6,123)
	<u>1,089,080</u>	<u>(667,852)</u>
Total changes in operating assets and liabilities	<u>(188,125)</u>	<u>(759,940)</u>
Total adjustments	<u>(1,398,558)</u>	<u>(871,331)</u>
Cash flow from operations	755,949	11,151
Interest received	525	1,796
Interest paid	(76,855)	(131,257)
Income taxes paid	(40,391)	(108,177)
Net cash flows from operating activities	<u>639,228</u>	<u>(226,487)</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	7,451	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	405	1,979
Acquisition of investment accounted for using equity method	(277,300)	(270,720)
Acquisition of property, plant and equipment	(2,357)	(1,492)
Increase in refundable deposits	170	(1,062)
Acquisition of intangible assets	(3,686)	(14,483)
Increase in other prepayments	(277)	-
Net cash flows used in investing activities	<u>(275,594)</u>	<u>(285,778)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	264,240	(98,563)
Proceeds from issuing bonds	-	1,000,000
Decrease in guarantee deposits received	-	(30)
Payment of lease liabilities	(59,446)	(52,871)
Cash dividends paid	(494,508)	(212,452)
Net cash flows (used in) from financing activities	<u>(289,714)</u>	<u>636,084</u>
Net Increase (decrease) in cash and cash equivalents	73,920	123,819
Cash and cash equivalents at beginning of period	1,479,458	1,355,639
Cash and cash equivalents at end of period	<u>\$ 1,553,378</u>	<u>1,479,458</u>

See accompanying notes to financial statements.

**WEIKENG INDUSTRIAL CO., LTD. AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020**

Address: 11F., No.308, Sec.1, Neihu Rd., Neihu Dist., Taipei City
Telephone: (02)2659-0202

The independent auditors' 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' report and consolidated financial statements, the Chinese version shall prevail.

Representation Letter

The entities that are required to be included in the combined financial statements of WEIKENG INDUSTRIAL CO., LTD. as of and for the year ended December 31, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, WEIKENG INDUSTRIAL CO., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: WEIKENG INDUSTRIAL CO., LTD.

Chairman: Chiu-Chiang, Hu

Date: March 25, 2022



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, 2021 and 2020, 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, 2021 and 2020, 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 audits in accordance with the " Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor' s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of the 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, 2021 and 2020, 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 25, 2022

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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note (6)(a))	\$ 2,266,607	8	2,486,340	11	2100	Short-term borrowings (note (6)(i))	\$ 10,996,048	40	9,745,315	43
1110	Current financial assets at fair value through profit or loss (note (6)(b))	607	-	624	-	2130	Current contract liabilities (note (6)(r))	305,931	1	195,013	1
1170	Notes and accounts receivable, net (notes (6)(d) and (7))	13,548,981	49	10,679,023	47	2170	Notes and accounts payable	5,308,148	19	3,575,860	16
1200	Other receivables (notes (6)(d) and (6)(e))	376,347	1	912,877	4	2200	Other payables (notes (6)(j) and (7))	952,772	4	1,246,481	5
1300	Inventories, net (note (6)(f))	10,286,868	38	7,855,756	34	2230	Current tax liabilities (note (6)(o))	361,274	1	43,793	-
1470	Prepaid expenses and other current assets	197,132	1	218,979	1	2280	Current lease liabilities (note (6)(l))	135,160	1	112,146	-
		<u>26,676,542</u>	<u>97</u>	<u>22,153,599</u>	<u>97</u>	2300	Other current liabilities	318,617	1	313,843	1
								<u>18,377,950</u>	<u>67</u>	<u>15,232,451</u>	<u>66</u>
Non-current assets:						Non-current liabilities:					
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	375	-	-	-	2500	Non-current financial liabilities at fair value through profit or loss (note (6)(b))	-	-	9,600	-
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	40,065	-	44,822	-	2530	Convertible bonds payable (note (6)(k))	126,336	-	929,322	4
1600	Property, plant and equipment (note (6)(g))	133,459	1	134,770	1	2570	Deferred tax liabilities (note (6)(o))	697,487	3	408,431	2
1755	Right-of-use assets (note (6)(h))	317,375	1	190,179	1	2580	Non-current lease liabilities (note (6)(l))	188,566	1	78,793	-
1780	Intangible assets	30,480	-	53,665	-	2640	Non-current net defined benefit liabilities (note (6)(n))	122,222	-	120,974	1
1840	Deferred tax assets (note (6)(o))	262,057	1	203,229	1	2670	Other non-current liabilities	181	-	181	-
1900	Other non-current assets	74,877	-	73,566	-			<u>1,134,792</u>	<u>4</u>	<u>1,547,301</u>	<u>7</u>
		<u>858,688</u>	<u>3</u>	<u>700,231</u>	<u>3</u>			<u>19,512,742</u>	<u>71</u>	<u>16,779,752</u>	<u>73</u>
Total assets		\$ 27,535,230	100	22,853,830	100	Total liabilities					
						Equity (note (6)(p)):					
						3100	Ordinary shares	4,159,342	15	3,677,513	16
						3200	Capital surplus	1,275,927	5	941,349	4
						Retained earnings:					
						3310	Legal reserve	960,709	4	890,626	4
						3320	Special reserve	365,705	1	229,459	1
						3350	Unappropriated retained earnings	1,715,388	6	700,837	3
								<u>3,041,802</u>	<u>11</u>	<u>1,820,922</u>	<u>8</u>
						Other equity interest:					
						3410	Exchange differences on translation of foreign financial statements	(373,405)	(2)	(282,193)	(1)
						3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(81,178)	-	(83,513)	-
								<u>(454,583)</u>	<u>(2)</u>	<u>(365,706)</u>	<u>(1)</u>
								<u>8,022,488</u>	<u>29</u>	<u>6,074,078</u>	<u>27</u>
						Total equity					
								<u>\$ 27,535,230</u>	<u>100</u>	<u>22,853,830</u>	<u>100</u>
						Total liabilities and equity					
								<u>\$ 27,535,230</u>	<u>100</u>	<u>22,853,830</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		<u>2021</u>		<u>2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100	Net sales revenue (note (6)(r) and note (7))	\$ 72,404,886	100	58,413,402	100
5000	Cost of sales (note (6)(f))	67,242,044	93	55,345,619	95
	Gross profit	<u>5,162,842</u>	<u>7</u>	<u>3,067,783</u>	<u>5</u>
	Operating expenses (notes (6)(l), (6)(m), (6)(n), (7) and (12)):				
6100	Selling expenses	2,019,819	3	1,615,273	3
6200	Administrative expenses	626,981	1	473,293	-
6450	Expected credit (gains) losses (note (6)(d))	(9,577)	-	3,014	-
		<u>2,637,223</u>	<u>4</u>	<u>2,091,580</u>	<u>3</u>
	Net operating income	<u>2,525,619</u>	<u>3</u>	<u>976,203</u>	<u>2</u>
	Non-operating income and expenses:				
7100	Interest income	3,381	-	4,668	-
7010	Other income (note (7))	22,831	-	44,872	-
7235	Gains on financial assets (liabilities) at fair value through profit or loss, net	7,921	-	3,203	-
7230	Foreign currency exchange gains (losses), net (note (6)(t))	61,390	-	157,073	-
7050	Finance costs (note (6)(l))	(169,048)	-	(251,624)	-
7590	Miscellaneous disbursements	(774)	-	(1,307)	-
		<u>(74,299)</u>	<u>-</u>	<u>(43,115)</u>	<u>-</u>
7900	Profit before tax	2,451,320	3	933,088	2
7950	Income tax expenses (note (6)(o))	730,180	1	233,779	-
8200	Profit	<u>1,721,140</u>	<u>2</u>	<u>699,309</u>	<u>2</u>
	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	(Losses) gains on remeasurements of defined benefit plans (note (6)(n))	(8,145)	-	1,910	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	3,099	-	1,639	-
8349	Less: income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	(1,629)	-	382	-
		<u>(3,417)</u>	<u>-</u>	<u>3,167</u>	<u>-</u>
8360	Components of other comprehensive income that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(114,017)	-	(172,356)	-
8399	Less: income tax relating to components of other comprehensive income that may be reclassified to profit or loss (note (6)(o))	(22,805)	-	(34,471)	-
		<u>(91,212)</u>	<u>-</u>	<u>(137,885)</u>	<u>-</u>
	Other comprehensive income, net	<u>(94,629)</u>	<u>-</u>	<u>(134,718)</u>	<u>-</u>
8500	Comprehensive income	<u>\$ 1,626,511</u>	<u>2</u>	<u>564,591</u>	<u>2</u>
	Earnings per common share (expressed in dollars) (note (6)(q))				
9750	Basic earnings per share	<u>\$ 4.54</u>		<u>1.90</u>	
9850	Diluted earnings per share	<u>\$ 4.02</u>		<u>1.84</u>	

See accompanying notes to consolidated financial statements.

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

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Retained earnings			Exchange differences on translation of foreign financial statements	Other equity interest	Total equity
			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, 2020	\$ 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 reversed	-	-	-	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
Conversion 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
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	70,083	-	(70,083)	-	-	-
Special reserve appropriated	-	-	-	136,246	(136,246)	-	-	-
Cash dividends	-	-	-	-	(494,508)	-	-	(494,508)
	-	-	70,083	136,246	(700,837)	-	-	(494,508)
Consolidated net income for the year ended December 31, 2021	-	-	-	-	1,721,140	-	-	1,721,140
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(6,516)	(91,212)	3,099	(94,629)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,714,624	(91,212)	3,099	1,626,511
Issuance of convertible bonds	481,829	334,578	-	-	-	-	-	816,407
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	764	-	(764)	-
Balance at December 31, 2021	\$ 4,159,342	1,275,927	960,709	365,705	1,715,388	(373,405)	(81,178)	8,022,488

See accompanying notes to consolidated financial statements.

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

WEIKENG INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,451,320	933,088
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	157,550	152,828
Amortization expenses	26,800	23,841
Expected credit (gains) losses	(9,577)	3,014
Net gains on financial assets or liabilities at fair value through profit or loss	(7,921)	(3,203)
Interest expenses	169,048	251,624
Interest income	(3,381)	(4,668)
Others	141	14
	<u>332,660</u>	<u>423,450</u>
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss	11	(2,339)
Decrease (increase) in notes and accounts receivable	(2,860,381)	(2,458,584)
Decrease (increase) in other receivable	536,530	334,794
Decrease (increase) in inventories	(2,431,112)	2,623,244
Decrease (increase) in prepaid expenses and other current assets	21,869	57,773
	<u>(4,733,083)</u>	<u>554,888</u>
Increase (decrease) in notes and accounts payable	1,732,288	(1,740,358)
Increase (decrease) in other payable	(291,325)	(130,910)
Increase (decrease) in contract liabilities and other current liabilities	115,692	196,033
Others	(6,897)	(6,123)
	<u>1,549,758</u>	<u>(1,681,358)</u>
Total changes in operating assets and liabilities	<u>(3,183,325)</u>	<u>(1,126,470)</u>
Total adjustments	<u>(2,850,665)</u>	<u>(703,020)</u>
Cash flow (used in) from operations	(399,345)	230,068
Interest received	3,381	4,668
Interest paid	(157,648)	(271,398)
Income taxes paid	(155,052)	(157,158)
Net cash flows used in operating activities	<u>(708,664)</u>	<u>(193,820)</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	7,451	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	405	1,979
Acquisition of property, plant and equipment	(12,118)	(3,112)
Disposal of property, plant and equipment	282	-
Increase in refundable deposits	(753)	(1,918)
Acquisition of intangible assets	(6,533)	(35,212)
Increase in other prepayments	(558)	-
Net cash flows used in investing activities	<u>(11,824)</u>	<u>(38,263)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	1,250,733	(99,538)
Proceeds from issuing bonds	-	1,000,000
Decrease in guarantee deposits received	-	(30)
Payments of lease liabilities	(139,486)	(134,924)
Cash dividends paid	(494,508)	(212,452)
Net cash flows from financing activities	<u>616,739</u>	<u>553,056</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(115,984)</u>	<u>(170,994)</u>
Net (decrease) increase in cash and cash equivalents	(219,733)	149,979
Cash and cash equivalents at the beginning of period	2,486,340	2,336,361
Cash and cash equivalents at the end of period	<u>\$ 2,266,607</u>	<u>2,486,340</u>

Appendix II

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

Approved by AGM on 2013/6/20

- 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 himself 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 III

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\$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.
- 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 3 independent directors. The regulations, relevant norms and other compliance matters in relation to independent directors shall be in accordance with the Company Act, Securities and Exchange Act, and other applicable regulations of the securities competent authority.

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

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

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

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

Article 15. Unless otherwise provided by the Company Act, board meetings shall be held by the chairman. The notice of a board meeting shall specify the agenda and shall be sent to all directors 7 days in advance. However, in case of emergency, the meeting may be held at any time. Notice for board meetings may be sent in writing, by fax or email. Unless otherwise provided in the Company Act or these Articles of Association, board resolutions shall be approved by the majority of directors attending a meeting that is attended by the majority of directors.

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

Article 17. In accordance with the Article 14-4 of the Securities and Exchange Act, the Company forms Audit Committee composed of all independent directors. The exercise of powers and related matters of the Audit Committee and its members shall follow in accordance with the Securities and Exchange Act and other applicable laws and regulations.

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.

The forty-fourth amendment was made on 20 July, 2021

Weikeng Industrial Co., Ltd.

Chairman: Hu Chiu Chiang

Appendix IV

Procedures for Acquisition or Disposal of Assets Weikeng Industrial Co., Ltd.

Resolved by the Board on 2019/03/28
Approved by AGM on 2019/06/20

Chapter I General

Article 1. Purpose and Source of Law:

These procedures are revised in accordance with the regulations of the securities regulatory authorities in order to reinforce asset management and to implement information disclosure.

Article 2. Assets include the following:

- (1) Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- (2) Real property (including land, houses and buildings, investment in real property) and equipment.
- (3) Memberships.
- (4) Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- (5) Right-of-use assets
- (6) Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- (7) Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act..
- (8) Other major assets.

Article 3. Evaluation Procedure:

- (1) When the Company acquires or disposes of long-term or short-term securities investment or engages in any derivatives trading, the finance department shall perform analysis of relevant benefit and evaluate possible risk. For the acquisition or disposal of real property and other assets, each department shall first prepare a capital expenditure plan to perform feasibility evaluation about the purpose and expected benefit of the acquisition or disposal. In case of acquisition or disposal of real property from or to a related party, Chapter II of this procedure shall be applied to evaluate the reasonableness of the transaction terms.
- (2) Unless there is the following event, in acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Taiwan Accounting Research and Development Foundation (hereinafter referred to as ARDF).
 - (i) Securities acquired in exchange for capital injection in cash under incorporation by promoters or through placement.
 - (ii) Participation in the subscription of securities issued at face value by issuing company under capital increase in cash in accordance with applicable laws.
 - (iii) Participation in the subscription of securities issued by a 100% subsidiary under capital increase in cash.
 - (iv) Trading of securities traded on the stock exchange, OTC market or emerging market in a securities stock exchange or the Taipei Exchange.
 - (v) Government bonds, bonds under Repo or Reverse Repurchase (RS) agreements.
 - (vi) Domestic and offshore funds.
 - (vii) Stocks of exchange (or OTC) listed companies acquired or disposed of in accordance with the Rules

- Governing Purchase of Listed Securities by Reverse Auction of the stock exchange or the Taipei Exchange.
- (viii) Securities (other than securities under private placement) acquired through participation in share subscription under capital increase in cash by a public issuer.
 - (ix) Subscription to funds before the launch in accordance with Paragraph 1, Article 11 of the Securities Investment Trust and Consulting Act and the order by the Financial Supervisory Commission Jing-Guang-Zheng-Si-Zhi No. 0930005249 dated 1 November 2004.
 - (x) Subscription to or repurchase of domestic fund under private placement, provided that the trust agreement specifies that the investment strategy covers the same scope of investment for publicly-placed funds, except securities credit transactions and positions of uncovered securities related products held.
- (3) In acquiring or disposing of real property, right-of-use assets thereof, and other fixed assets where the transaction amount reaches 20 percent of the Company's paid-in capital in the financial statements of for the most recent period, certified or reviewed by a certified public accountant, or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of occurrence of the event from an objective and independent professional appraiser and shall follow the asset appraisal procedure provided under this procedure. When the Company acquires or disposes of intangible assets, right-of-use assets thereof, or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, unless it is a transaction with domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.
- (4) When the Company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. Then applicable provisions under Chapter IV of this procedure shall apply.
- (5) When the Company acquires or disposes of assets, in addition to the above references to the opinions of relevant experts such as professional appraisers and CPAs, the manner and reference basis for the price determination shall be in accordance with the following:
- i. For acquisition or disposal of securities already traded in a centralized trading market or Taipei Exchange, based on the price of the stock or bond at the time.
 - ii. For acquisition or disposal of securities not traded in a centralized trading market or Taipei Exchange, consideration shall be given to the net value per share, technical and profitability capabilities, future development potential, market interest rate, bond rate and debtor's credit. Reference shall also be made to the latest closing price at the time.
 - iii. For acquisition or disposal of membership, consideration shall be given to the possible benefit. Reference shall be made to the latest closing price at the time. For acquisition or disposal of patents, copyrights, trademarks, franchise rights, and other intangible assets, reference shall be made to international or market practice, remaining life and the impact on the technology and business of the Company.
 - iv. For acquisition or disposal of real property and other fixed assets, consideration shall be given to the current value, appraised value, actual losing price or book value of real property in the vicinity and suppliers' quotations. In case of real property purchased from a related party, computation shall first be performed in accordance with Chapter II of this procedure to evaluate whether the transaction price is reasonable.
 - v. For derivatives trading, reference shall be made to the trading status in the futures market, exchange rate and interest rate trend, etc.
 - vi. For mergers, demergers, acquisitions, or transfer of shares, consideration shall be given to the business nature, net value per share, asset value, technical and profitability capabilities, production capacity and future growth potential.

Article 4. Procedure:

(1) Degree and Level of Authority Delegated

- i. Securities: The chairman is authorized to engage in transactions within the limit specified under Article 7 of this procedure. If the transaction amount exceeds NT\$60 million (exclusive), or in case of acquisition or disposal of stocks, corporate bonds, securities under private placement that are not traded in a centralized exchange market or Taipei Exchange and if the transaction amount exceeds the threshold of public and reporting, the transaction shall only take place after prior board resolution. Investment in Mainland China is subject to approval by the shareholders' meeting or the shareholders' meeting may authorize the Board of Directors to perform such investment, subject to applicable regulations of the competent authority.
- ii. Derivatives Trading

- (i) Hedging Transactions:
 - A. The finance executive is authorized to make decisions for single or accumulated closing position below US\$3 million (inclusive).
 - B. The highest-level finance executive shall make decisions for single or accumulated closing position between US\$3 million (exclusive) and US\$5 million (inclusive).
 - C. The chairman shall make decisions for single or accumulated closing position above US\$5 million (exclusive).
- (ii) Non-Hedging Transactions: In order to lower risk, the chairman's approval is required for single or accumulated closing position below US\$1 million (inclusive) (including equivalent value in other currencies). Before any transaction above US\$1 million (exclusive), prior approval by the Board of Directors is required.
- (iii) To ensure that the Company's delegation of authority is consistent with the corresponding supervision and management by the bank, the authorized transaction personnel shall notify the bank.
- (iv) Derivatives trading engaged under the above authorization shall be submitted to the following board meeting after the fact.
- iii. Acquisition of real property from a related party: Relevant information shall be prepared in accordance with Chapter II of this procedure and submitted to the Audit Committee for review and then to the Board of Directors for approval before the transaction.
- iv. Mergers, demergers, acquisitions, or transfer of shares: The relevant procedure and the relevant information under Chapter IV of this procedure shall be followed and prepared. Mergers, demergers and acquisitions are subject to prior shareholders resolution, except if stipulated by law that no shareholder resolution is required. Transfer of shares is subject to prior board approval.
- v. Others: In accordance with the procedures under internal control system and rules of delegation of powers. If the transaction amount exceeds the threshold of public and reporting under Article 5, other than acquisition or disposal of machine and equipment for business use, which may be reported to the Board of Directors for ratification after the fact, prior board resolution is required. In case of any event under Article 185 of the Company Act, prior shareholders' resolution is required.

(2) Execution Department and Transaction Process Flow

The execution department of the Company in relation to long-term and short-term securities investment and derivatives trading is the finance and accounting department and the personnel designated by the chairman. For real property and other assets, the execution department is the department using the asset and the relevant responsible department. For mergers, demergers, acquisitions and transfer of shares, the chairman will designate the execution department. After the acquisition or disposal of asset is evaluated and approved in accordance with the procedure, the execution department will proceed with the transaction process flow such as contract signing, making or receiving payment, delivery and acceptance inspection. Depending on the nature of the asset, applicable procedure flow under the internal control system shall apply. For acquisition of real property, derivatives trading or mergers, demergers, acquisitions or transfer of shares with a related party, Chapters II to IV of this procedure shall also apply.

Article 5. Procedure for Public Announcement and Reporting:

- (1) Under any of the following circumstances, when the Company acquires or disposes of assets, it shall publicly announce and report the relevant information on the FSC's designated website within 2 days commencing immediately from the date of occurrence of the event.
 - i. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds, bonds under Repo or RS agreements, subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - ii. Merger, demerger, acquisition, or transfer of shares.
 - iii. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in this Procedure.
 - iv. Where the type of asset acquired or disposed is equipment or right-of-use assets thereof for business use, the trading counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - (i) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - (ii) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.

- v. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- vi. Where an asset transaction other than any of those referred to in the preceding five subparagraphs or an investment in the Mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (iii) Trading of domestic government bonds.
 - (iv) Trading of bonds under Repo or RS agreements, subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

- (i) The amount of any individual transaction.
- (ii) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
- (iii) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
- (iv) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

- (2) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information into the information reporting website designated by the FSC by the 10th day of each month.
- (3) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.
- (4) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with paragraph (1), a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event:
 - i. Change, termination, or rescission of a contract signed in regard to the original transaction.
 - ii. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - iii. Change to the originally publicly announced and reported information.

Article 6. Asset Appraisal Procedure:

In acquiring or disposing of real property or equipment or right-of-use assets where the transaction amount reaches 20 percent of the company's paid-in capital in the financial statements of for the most recent period, certified or reviewed by a certified public accountant or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions. However, where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

- (1) Where, due to special circumstances, it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
- (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing

Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

- i. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - ii. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (4) If an appraisal is performed before the contract date, no more than 3 months may lapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have lapsed, an opinion may still be issued by the original professional appraiser.

The calculation of transaction amount for the acquisition or disposal listed under this Article and Article 3 shall be in accordance with Subparagraph 5, Paragraph 1, Article 5. "Within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 7. Scope and Limit of Investment:

In addition to assets for business use, the Company and the subsidiaries of the Company may also invest in and purchase real property and right-of-use assets thereof or securities for non-business use, within the following limits. In making calculations under Subparagraphs (2), (3), (4) and (5), persons participating in the investment incorporation or persons serving as directors and supervisors, with the intention of long-term holding, may be excluded from the calculation.

- (1) The total amount of real property and right-of-use assets thereof for non-business use shall not exceed 100% of the net value of the Company and the subsidiary of the Company in their respective financial statements for the most recent period, certified or reviewed by a certified public accountant.
- (2) The total amount of securities shall not exceed 50% of the net value of the Company and the subsidiary of the Company in their respective financial statements for the most recent period, certified or reviewed by a certified public accountant.
- (3) The limit of investment in each individual security shall not exceed 50% of the net value of the Company and the subsidiary of the Company in their respective financial statements for the most recent period, certified or reviewed by a certified public accountant.
- (4) The net investment amount by the Company and subsidiary, respectively, in any single company listed on the stock exchange or OTC market, shall not exceed 10% of the net value of each company in their respective financial statements for the most recent period, certified or reviewed by a certified public accountant.
- (5) The combined number of shares of any single company listed on the stock exchange or OTC market held by the Company and its subsidiaries shall not exceed 10% of the total number of outstanding shares in the financial statements of such single company listed on the stock exchange or OTC market for the most recent period, certified or reviewed by a certified public accountant.

Article 8. Control over Acquisition or Disposal of Asset by Subsidiaries:

- (1) The subsidiaries of the Company shall also establish the "Procedure for Acquisition or Disposal of Assets" in accordance with the letter from the Financial Supervisory Commission Tai-Cai-Zheng-Yi-Zhi No. 0910006105. Such procedure shall be approved by the Board of Directors, sent to each supervisor and submitted to the shareholders' meeting for approval. The same shall be applicable in case of any amendment.
- (2) In acquiring or disposing of any asset, the subsidiaries of the Company shall follow the "internal control system" or the "Procedure for Acquisition or Disposal of Assets" established by each such subsidiary. Before the 5th day of each month, any acquisition or disposal of asset in the single or accumulated (transactions of the same nature) transaction amount exceeding NT\$10 million in the previous month and derivatives trading as of the end of the previous month shall be reported to the Company in writing. The Company's audit department shall include the subsidiaries' acquisition or disposal of assets as part of the quarterly audit items. The audit status shall also be included as a required audit activity that shall be reported to the Board of Directors and Audit Committee.
- (3) If any subsidiary of the Company is not a public company and if the asset acquired or disposed of by such subsidiary has reached the threshold for public announcement and reports, the subsidiary shall give notice to the Company within the date of occurrence of the event. The Company shall make public announcements and reports on the designated website as required. The above threshold for public announcement and reports by the subsidiary, in relation to the paid-in capital or total asset, shall be based on the paid-in capital or total asset in the financial statements of the Company for the most recent period, certified or reviewed by a certified public accountant.

Article 9. Penalties:

If the relevant responsible person for the acquisition or disposal of an asset by the Company breaches the Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the Securities and Futures

Commission or this procedure, the following provisions shall apply, depending on the event of breach. The breach record shall be included as reference for annual personal performance review.

- (1) Breach of approval authority: A verbal warning will be given for an initial breach. The second breach will be subject to a written warning and mandatory participation in the Company's internal training program about internal control system. Another repeat of a serious breach is subject to relocation or suspension.
- (2) Breach of evaluation procedure: A verbal warning will be given for an initial breach. The second breach will be subject to a written warning and mandatory participation in the Company's internal training program about internal control system. Another repeat of a serious breach is subject to relocation or suspension.
- (3) Breach of public announcement and report: A verbal warning will be given for an initial breach. The second breach will be subject to a written warning and mandatory participation in the Company's internal training program about internal control system. Another repeat of a serious breach is subject to relocation or suspension.
- (4) The supervisor of the person violating the rules shall also receive penalty, except if the supervisor can provide reasonable explanation that precautions was already taken in advance.
- (5) If the Board of Directors or any director breaches any applicable regulation or shareholder resolution in the performance of business, the independent director of the Audit Committee shall ask the Board of Directors or the director to stop such conduct in accordance with Article 218-2 of the Company Act.

Chapter II Related Party Transactions

Article 10. Basis of Determination

When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with the provisions of this chapter, if the transaction amount reaches 10 percent or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 6 herein.

Article 11. Resolution Procedure:

When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, other than sale and purchase of government bonds, bonds under Repo or RS agreements, subscription or redemption of money market funds issued by domestic securities investment trust enterprise, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been submitted by the execution department to Audit Committee for review and then to get approved by the Board of Directors:

- (2) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (3) The reason for choosing the related party as a trading counterparty.
- (4) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with exception provisions under Article 12 or 13.
- (5) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.
- (6) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (7) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (8) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 1, Article 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been reviewed by the Audit Committee and then approved by the Board of Directors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted the acquisition or disposal of business-use equipment between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's the Board of Directors may pursuant to Subparagraph 5, Paragraph 1, Article 4 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting:

- (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.

(2) Acquisition or disposal of real property right-of-use assets held for business use.

Where Audit Committee reviews the matters for which paragraph 1, and shall be subject to mutatis mutandis application of Article 26.

Article 12. Evaluation of Reasonableness of Transaction Conditions:

When the Company acquires real property or right-of-use assets thereof from a related party, unless the related party acquired the real property through inheritance or as a gift, or more than 5 years have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction, or the real property is acquired through signing of a joint development contract with the related party, or a related party is engaged for the construction of real property located on self-owned land or leased land, or the real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the reasonableness of the transaction cost of real property or right-of-use assets thereof shall be evaluated in the following manner and a CPA shall be asked to perform review and provide a substantial opinion.

- (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
- (2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in Subparagraph (1) or (2).

Article 13. Matters to be Performed if the Calculated Transaction Cost is Lower than Transaction Price:

When the results of a appraisal conducted in accordance with the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Paragraph 3, unless there is any of the following circumstances and objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained.

- (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - i. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - ii. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market trading or leasing practices.
 - iii. Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.
- (2) Where the Company acquiring real property or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Where the Company acquires real property or right-of-use assets thereof from a related party and the results of

appraisals conducted in accordance with the preceding article are uniformly lower than the transaction price, the following steps shall be taken:

- (1) A special reserve shall be set aside in accordance with Paragraph 1, Article 41 of the Securities and Transaction Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. The Company may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the securities competent authority has given its consent.
- (2) The Audit Committee shall comply with Article 218 of the Company Act.
- (3) Actions taken pursuant to subparagraphs (1) and (2) shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.

Chapter III Control over Derivatives Trading

Article 14. Transaction Principles and Guidelines:

- (1) **Types of Transactions:** The Company may engage in derivatives including forward contracts, options, interest rates and foreign exchanges swap, futures and compound contracts combining the above products. Any transaction of other products is subject to prior approval by board resolution.
- (2) **Management or Hedging Strategies:** Derivatives trading by the Company is divided into trading for hedging purpose and non-hedging purpose (i.e., for trading purpose). The strategies focus on the avoidance of operational risks as the main purpose. The transaction products shall be selected to avoid the risk of foreign currency income, expense, assets and liabilities arising out of the Company's business operation. In case of change of objective environment, derivatives "trading for non-hedging purpose" may be carried out at proper selected timing to increase non-operating income for the Company and to reduce non-operating losses. In addition, the transaction counterparty shall, to the extent possible, select financial institutions with business dealings with the Company, in order to avoid credit risk. Before the transaction, transaction types of financial operations under hedging type or for the purpose of pursuing investment return shall be clearly defined in order to serve as the basis for accounting entry.
- (3) **Transaction Limit:**
 - i. **Hedging Transactions:** The hedging limit is the net position consolidated assets and liabilities (including net positions expected to arise in the future).
 - ii. **Non-Hedging Transactions:** No more than US\$5 million. Before execution, the transaction personnel shall provide a transaction target trend analysis report, specifying the trend analysis of the transaction target and the recommendation operation manner. The transaction shall only be carried out after approval.
- (4) **Global and Individual Contract Loss Limit**
 - i. **Hedging Transactions:** Accumulated loss amount in one year shall not exceed US\$2 million.
 - ii. **Non-Hedging Transactions:** Accumulated loss amount in one year shall not exceed US\$800,000.
- (5) **Division of Duties**
 - i. **Transaction personnel:** The execution personnel for derivatives trading in the Company is the finance executive or the proxy thereof, responsible for the establishment of transaction strategies, execution of transaction orders and disclosure of future transaction risk within the scope of authorization, as well as providing timely information to the relevant department for reference.
 - ii. **Confirmation Personnel:** The accounting department is responsible for confirmation of transactions, accounting entry in accordance with applicable regulations, maintenance of transaction records and information, periodical disclosure and provision to transaction personnel of fair market price evaluation for positions held and disclosure of derivatives related matters in the financial statements.
 - iii. **Settlement Personnel:** Finance personnel other than the finance executive of the finance department or the proxy thereof shall be responsible for settlement matters of derivatives transactions.
- (6) **Guidelines for Performance Evaluation**
 - i. **Hedging Transactions:** At least two profit and loss performance reviews shall be performed every month. The performance results shall be submitted to the management for reference.
 - ii. **Non-Hedging Transactions**

Perform at least one evaluation every week based on the profit and loss actually incurred. The performance results shall be

submitted to the management for reference.

Article 15. Risk Management Measures:

In engaging in derivatives trading, the Company's risk management scope and risk management measures that shall be adopted are as follows:

- (1) Consideration of credit risk: The transaction parties shall be selected with a preference for financial institutions and futures brokers having dealings with the Company, with good reputation and able to provide professional information.
- (2) Consideration of market risk: The loss that may occur due to future market price fluctuation of derivatives cannot be determined. Thus the stop loss points shall be strictly complied with after the establishment of such positions.
- (3) Consideration of liquidity risk: To ensure the liquidation of transaction products, the transaction institution shall have sufficient equipment, information and transaction capability to trade in any market.
- (4) Consideration of operational risk: The authorized limit amount and the procedures shall be duly complied with in order to avoid operational risk.
- (5) Consideration of legal risk: Any contract document signed with a financial institution shall be an international standard document, to the extent possible, in order to avoid legal risk.
- (6) Consideration of product risk: Internal transaction persons shall possess complete and correct professional knowledge about the derivatives traded in order to avoid losses incurred from misuse of derivatives.
- (7) Consideration of cash settlement risk: The authorized transaction person shall strictly comply with the regulations within the authorized amount limit. Regular attention shall be paid to the Company's cash flow to ensure sufficient cash is available for payment at the time of settlement.
- (8) Transaction personnel shall be different from confirmation and settlement personnel.
- (9) The confirmation personnel shall periodically reconcile accounts or send letter confirmations with the dealing bank and shall verify at all times whether the total transaction amount exceeds the limit stipulated in this procedure.
- (10) Risk evaluation, supervision and personnel controlling is the highest financial officer (reporting to the chairman's office) and shall be under a different department from the personnel under Subparagraph (8). Such personnel shall report to the Board of Directors.
- (11) Evaluation on positions of hedging and non-hedging positions held shall be evaluated at least once every week. The evaluation report shall be submitted to the highest financial officer and chairman for approval.

Article 16. Internal Audit System:

- (1) The internal audit personnel of the Company shall periodically understand the appropriateness of internal control for derivatives trading and shall perform monthly audit on the compliance with derivatives trading procedures by the transaction department. Audit report shall be prepared. If any material breach is discovered, the Audit Committee shall be notified in writing.
- (2) The audit personnel of the Company shall include derivatives trading in the audit plan. Before the end of February of the following year, the execution status of the annual audit plan for the previous year shall be reported to the Securities and Futures Commission. By the end of May of the following year, at the latest, the status of remedy for any anomaly shall be reported to the Securities and Futures Commission for reference.

Article 17. Periodic Evaluation Manner and Handling of Anomaly:

- (1) Monthly or weekly periodic evaluation of derivatives trading. Compilation of information showing profit and loss of the current week or current month and uncovered positions of non-hedging transactions. The information shall be submitted to the highest financial officer and chairman as reference for management performance evaluation and risk assessment.
- (2) The Board of Directors shall pay attention at all times to the supervision and control of the transaction risk of derivatives, supervising the transactions and loss and profit status. If any anomaly is discovered, necessary corresponding measures shall be undertaken. It shall also be periodically evaluated as to whether the risk management measures currently used are appropriate and the Regulations Governing the Acquisition and Disposal of Assets established by the Securities and Futures Commission and applicable provisions of this procedure shall be duly complied with. It shall also be evaluated as to whether the performance of derivatives trading engaged is consistent with the established operational strategies and whether the risks undertaken are within the scope of tolerance of the Company.

(If there are independent directors, there shall be independent directors present in the board meeting to voice their opinions)

- (3) The Company shall establish a record book for derivatives trading, specifying in detail the types and amounts of derivatives trading, dates of approval by the Board of Directors, monthly or weekly periodic evaluation report and periodic evaluations by the Board of Directors.

Chapter IV Merger, Demerger, Acquisition or Transfer of Shares

- Article 18. When the Company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
- Article 19. When the Company engages in a merger, demerger, acquisition, or transfer of shares, it shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to in the preceding Article when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders' meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to any reason, or the proposal is rejected by the shareholders' meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.
- Article 20. When the Company participates in a merger, demerger, or acquisition, it shall convene a Board of Directors' meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless otherwise provided or the securities competent authority is notified in advance of extraordinary circumstances and grants consent. When the Company participates in transfer of shares, it shall call a Board of Directors' meeting on the day of the transaction, unless otherwise provided by law or the securities competent authority is notified in advance of extraordinary circumstances and grants consent. When the Company participates in a merger, demerger, acquisition, or transfer of another company's shares, it shall prepare a full written record of the following information and retain it for 5 years for reference.
- (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors' meeting.
 - (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors' meetings.
- When the Company participates in a merger, demerger, acquisition, or transfer of another company's shares, it shall, within 2 days commencing immediately from the date of passage of a resolution by the Board of Directors, report in the prescribed format and via the Internet-based information system the information set out in subparagraphs (1) and (2) of the preceding paragraph to the securities competent authority for recordation. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company whereby the latter is required to abide by the provisions of the third and fourth paragraphs.
- Article 21. Share Exchange Ratio and Acquisition Price:
The share exchange ratio or acquisition price in a merger, demerger, acquisition, or transfer of shares may not be arbitrarily altered unless under the below-listed circumstances:
- (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 - (2) An action, such as a disposal of major assets, that affects the Company's financial operations.
 - (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- Article 22. Matters to be Specified in Contract

When the Company participates in a merger, demerger, acquisition, or of shares, the contract shall record the rights and obligations of the participating companies, the share exchange ratio or acquisition price that are subject to change under the previous article and shall also record the following.

- (1) Handling of breach of contract.
- (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
- (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
- (4) The manner of handling changes in the number of participating entities or companies.
- (5) Preliminary progress schedule for plan execution, and anticipated completion date.
- (6) Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 23. The Company shall pay attention to the following other matters when it participates in merger, demerger, acquisition or transfer of shares:

- (1) Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall be asked to issue a written undertaking of confidentiality not to disclose the content of the plan prior to public disclosure of the information and not to trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- (2) After public disclosure of the information of the merger, demerger, acquisition, or share transfer, if it is contemplated to further carry out a merger, demerger, acquisition, or share transfer with another company, the procedures or legal actions that had originally been completed shall be carried out again; except that where the number of participating companies is decreased and the shareholders' meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, the Company may be exempted from calling another shareholders' meeting to resolve on the matter anew.
- (3) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 21 of this procedure and the previous two subparagraphs.

Chapter V Other Important Matters

Article 24. When the Company acquires or disposes of assets, it shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.

Article 25. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- (2) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- (3) May not be a related party or de facto related party of any party to the transaction.
- (4) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

- (1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- (2) When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- (3) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- (4) They shall issue a statement attesting to the professional competence and independence of the personnel who

prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 26. In accordance with these Procedures and related regulations, if Company's acquisition or disposal of assets which shall be approved by the Board of Directors, it shall get a resolution of the Audit Committee for the concurrence of one-half or more of all members and then submit to board of director's meeting for resolution. If it has not been approved with the consent of one-half or more of all Audit Committee members that it may be undertaken upon the consent of two-thirds or more of all directors and the resolution of the Audit Committee shall be recorded into board meeting minutes.

The meaning of all Audit Committee members and all directors is the one who is actually in power. If a director consents or objects about any matter, it shall be recorded in the minutes of the Board of Directors' meeting.

Article 27. "Related party" and "subsidiary" are defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 28. Provisions about "20% of paid-in capital" and "10% of total asset" referred to in this Procedure shall be calculated based on paid-in capital and the total asset amount in the latest statutory or individual financial report prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

In the case of the Company whose shares have no par value or a par value other than NT\$10-for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the Company shall be substituted.

Article 29. If the Company does not intend to engage in derivatives trading, it may, after obtaining the approval of the Board of Directors, be exempted from adopting procedures governing derivatives trading. If it subsequently wishes to engage in derivatives trading, it will still be required first to comply with the provisions of the preceding article and the preceding paragraph before doing so.

Article 30. These procedures are implemented after it is approved by the Board of Directors, and submitted to the shareholders' meeting for approval. If there is any amendment of it, it shall get a resolution of the Audit Committee for the concurrence of one-half or more of all members and then submit to board of director's meeting for resolution. If it has not been approved with the consent of one-half or more of all Audit Committee members that it may be undertaken upon the consent of two-thirds or more of all directors and the resolution of the Audit Committee shall be recorded into board meeting minutes. The amendment is implemented after it is approved by the Board of Directors, and submitted to the shareholders' meeting for approval.

The meaning of all Audit Committee members and all directors is the one who is actually in power.

If each director has any comments on the amendments to this procedure, the Board of Directors shall take into full consideration each director's opinions. If a director objects to or express reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

Appendix V

Shareholdings by the Board of Directors

I. As of the shares book closure date (April 18, 2022) for the 2022 Annual General Meeting, the Company issued 421,294,256 ordinary shares. According to article 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the Minimum required shareholdings of all directors are 16,000,000 shares.

II. The shareholdings of individual and all directors:

Shares Book Closure Date : April 18, 2022

Position	Name	Election Date	Term of Office (Year)	Shareholdings When Elected		Current Shareholdings	
				Shares	%	Shares	%
Chairman	Hu, Chiu-Chiang	July 20 2022	3	8,843,627	2.40	8,843,627	2.10
Director	Chi, Ting-Fang	July 20 2022	3	6,278,150	1.71	6,278,150	1.49
Director	WEIJI INVESTMENT CO., LTD.. (Representative : Chen, Cheng-Fong)	July 20 2022	3	30,426,876	8.27	30,426,876	7.22
Director	Chen, Kuan-Hua	July 20 2022		191,301	0.05	191,301	0.05
Independent Director	Tsai, Yu-Ping	July 20 2022	3	---	---	---	---
Independent Director	Lin, Hung	July 20 2022	3	---	---	---	---
Independent Director	Yu, Hsueh-Ping	July 20 2022	3	---	---	---	---

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