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**Wonderful Hi-Tech Co., Ltd.**

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**2023 Annual General Shareholders'  
Meeting Handbook**

**June 7, 2023**

**No. 17, Beiyuan Rd., Zhongli Industrial Park Service  
Center, Zhongli Dist., Taoyuan City (Wonderful Hi-Tech  
Factory)**

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# **One. Wonderful Hi-Tech Co., Ltd. 2023 General Shareholders' Meeting**

## **Agenda**

- I. Date and Time: June 7, 2023 (Wednesday) 9:00AM**
- II. Venue: No. 17, Beiyuan Rd., Zhongli Industrial Park Service Center, Zhongli Dist., Taoyuan City (Wonderful Hi-Tech Factory)**
- III. Convention Method: Physical Convention of Annual General Shareholders' Meeting**
- IV. Registration and Sign-in**
- V. Call the Meeting to Order (report the number of shares represented by attending shareholders)**
- VI. Chairperson's Remarks**
- VII. Report Items:**
  - 1. 2022 Business Report**
  - 2. Audit Committee's Review Report on the 2022 Financial Statements**
  - 3. Report on Issuance of Domestic Fifth and Sixth Domestic Unsecured Convertible Bonds.**
  - 4. Report on Executing Repurchase of the Company's Shares.**
  - 5. Report on 2022 Distribution of Remuneration of Employees and Directors.**
  - 6. Report on Amendment to "Rules of Procedure for Board of Directors' Meetings".**
  - 7. Report on Amendment to "Procedures for Transferring Repurchased Shares to Employees".**
- VIII. Ratification Items**
  - Proposal 1 Adoption of 2022 business report and financial statements of the Company.**
  - Proposal 2 Adoption of 2022 Distribution of Earnings.**
- IX. Discussions**
  - Proposal 1 Discussion on Amendment to "Procedures for Acquisition or Disposal of Assets" of the Company.**
  - Proposal 2 Discussion on Amendment to "Rules of Procedure for Shareholders Meetings" of the Company.**
  - Proposal 3 Discussion on Amendment to "Articles of Incorporation" of the Company.**
- X. Extraordinary Motions.**
- XI. Adjournment.**

## TWO. Report Items

### I. 2022 Business Report

(I)

The following situations were facing the world in 2022 after the outbreak of the COVID-19 pandemic:

1. The supply chain is entangled in a web of uncertainty and the ocean freight rates were soaring greatly.
2. Geopolitical conflicts occurred frequently.
3. Rapid inflation with rates rising across the world.
4. The uncertainty of whether a global economic recession was rising.

To react to ever-changing external factors, Wonderful Hi-Tech Co., Ltd. continued to strengthen factory integration in terms of product development, production allocation, and resource input, thus maximizing the overall combat power. The online orders were fully booked due to the economic recovery from the COVID-19 pandemic in the first half of the year; the market demand stagnated due to interest rate hikes and high inventory levels, resulting in delayed shipments. The overall performance in the second half of the year was worse than that in the first half, achieving a final annual revenue of NT\$9 billion. The year over year growth rate came out to 20 percent the profit margin significantly increased as well.

(II) The 2022 business result report of the Company is as follows:

Unite: NT\$ thousand

| Item \ Year           | 2022      | 2021      | Increase (decrease) % |
|-----------------------|-----------|-----------|-----------------------|
| Operating revenue     | 9,028,285 | 7,538,001 | 19.77                 |
| Gross profit          | 1,578,065 | 1,083,183 | 45.69                 |
| Profit margin %       | 17.48     | 14.37     | 21.64                 |
| Net income before tax | 750,427   | 368,839   | 103.46                |

(III) Financial Revenue/Expenditure and Profitability Analysis

Debt ratio (debt/total assets): 51.89%

Current ratio (current assets/current liabilities): 201.67%

Return on shareholders' equity (net profit after tax/average net shareholders equity): 19.59%

Net profit margin (net profit after tax/net operating revenue): 5.96%

Earnings per share (net profit after tax/weighted average number of issued shares): NT\$3.04

(IV) Research and Development Status

The research and development expenses were NT\$47.23 million in 2022. As of Q1 this year, NT\$9.58 million has been invested in R&D. In 2023, the first year of the post-pandemic era, with the global administration of coronavirus vaccines, countries across the world have removed policy restraints. Technological progress will continuously promote global economic and social development. Various emerging technologies continue to evolve, including AI, 5G, the Internet of Things, electric vehicles (autonomous driving), intelligent buildings, etc. Wonderful Hi-Tech Co., Ltd. is committed to integrating the resources and advantages of different factories and constantly developing new products to seize market opportunities. It will continue to focus on quality enhancement and cost reduction by improving product design and developing new raw materials and through other efforts.

## **II. Audit Committee's Review Report on the 2022 Financial Statements**

Wonderful Hi-Tech Co., Ltd.

### **Audit Committee's Review Report**

The Board of Directors has prepared the 2022 financial statements, business report and the earnings distribution proposal of the Company, among which the 2022 financial statements were audited by PwC Taiwan, by whom an audit report was issued. We have reviewed the aforementioned 2022 financial statements, business report and the earnings distribution proposal, to which we have found no misstatement, and we hereby issue a review report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

To:

2023 Shareholders' Meeting of Wonderful Hi-Tech Co., Ltd.

Audit Committee Convener: Kuei-Sen Huang

March 17, 2023

### III. Report on Issuance of Fifth and Sixth Domestic Unsecured Convertible Bonds.

Explanation:

- (1) The Company executed the issuance of fifth domestic secured convertible bonds, had completed in full and the trading of such shares at TPEX has been terminated.
- (2) The Company's issuance of sixth domestic issuance of unsecured convertible bonds is explained in the following:

| Item   | Sixth domestic unsecured convertible bonds   |
|--|--|
| Date of Board Resolution                       | Approved by the Board of Directors on September 6, 2022  |
| Approval Letter No. of the Competent Authority | Jin-Guan-Zheng-Fa-Zi No. 1110357711 Letter   |
| Total Amount of Corporate Bonds Issued         | NT\$800,000 thousand.  |
| Issuance Period                                | Three years. Maturity Date: October 31, 2025.  |
| Par Value of Issuance                          | Par Value Per Bond: NT\$100 thousand.  |
| Coupon Rate                                    | 0%.  |
| Conversion Price                               | NT\$36.2 (from October 31, 2022.)  |
| Repayment Method                               | In addition to conversion, reverse repurchase or redemption according to the conversion regulations, bonds are redeemed all at once in cash upon maturity. |

Up to the book closure date of April 9, 2023, the balance of the bond issuance of the Company is NT\$800,000 thousand.

#### IV. Report on Executing Repurchase of the Company's Shares

Explanation:

Note: According to Paragraph 7, Article 28-2 of the *Securities and Exchange Action*, the Company shall report the resolution of the board of directors to repurchase shares at the most recent shareholders' meeting. The repurchase documents are as follows:

Date: April 30, 2023

| Session of repurchase   | 16th (session)                        | 17th (session)                      | 18th (session)                |
|---|---------------------------------------|-------------------------------------|-------------------------------|
| Purpose of repurchase   | Transfer shares to employees          | Transfer shares to employees        | Transfer shares to employees  |
| Period of repurchase  | October 28, 2019 to December 27, 2019 | August 14, 2020 to October 12, 2020 | May 20, 2021 to July 16, 2021 |
| Price range of repurchase (NT\$)  | 11.66~25.86                           | 10.43~22.50                         | 15.02~36.27                   |
| Type and quantity of shares repurchased (shares)  | 4,000,000                             | 2,600,000                           | 1,014,000                     |
| Amount of shares repurchased (NT\$)   | 67,194,093                            | 40,663,484                          | 25,816,962                    |
| Ratio of repurchased quantity over the predefined repurchase quantity (%)                   | 100.00                                | 86.67                               | 72.43                         |
| Number of shares canceled and transferred (shares)  | 0                                     | 0                                   | 0                             |
| Accumulated number of company shares convened (shares)                                      | 4,000,000                             | 6,600,000                           | 7,614,000                     |
| Ratio of accumulated number of company shares convened to total number of shares issued (%) | 2.48                                  | 4.10                                | 4.73                          |

## **V. Report on 2022 Distribution of Remuneration of Employees and Directors.**

Explanation:

1. According to the Article 26 of the Articles of Incorporation of the Company, when the Company has a profit for a fiscal year, 2% to 4% of the profit before tax and before the deduction of the distribution of remunerations of employees and directors shall be set aside as the remuneration of employees and no higher than 2% thereof shall be set aside as the remuneration of directors. However, when the Company has accumulated losses, the amount shall be reserved for making up the accumulated losses first.
2. The 2022 net income before the Company's tax is NT\$571,668,244, and the income before subtracting the distribution of remunerations of employees and directors from the net Income before tax is NT\$597,178,731. According to the Articles of Incorporation and the recommendation of the Remuneration Committee, remuneration of employees in cash of 3% for an amount of NT\$17,915,362 and remuneration of directors in cash of 1.5% for an amount of NT\$8,957,681 is proposed for distribution.



## **VI. Report on Amendment to the “Rules of Procedure for Board of Directors Meetings”.**

Explanation:

1. According to the No. 1110383263 document issued by the Financial Supervisory Commission on August 5, 2022, a portion of the regulations of the Measures for the Board of Directors Standard Operating Procedures of Listed Companies were corrected and a portion of the regulations of the Rules of the Board of Directors Standard Operating Procedures were amended.
2. Please refer to appendix I (P.27) for the full text after amendment.

## **VII. Report on Amendment to “Procedures for Transferring Repurchased Shares to Employees”.**

Explanation:

1. According to the No. 1110383426 document and the No. 11103834264 document issued by the Financial Supervisory Commission, Amendment to some regulations of “Procedures for Transferring Repurchased Shares to Employees”.
2. Please refer to Appendix II for the full content of the Procedures after amendment (P.33)

### Three.Ratification Items

#### Proposal 1. (proposed by the Board of Directors)

Proposal: Adoption of the 2022 business report and financial statements, proposed for ratification.

Explanation: The Company's 2022 consolidated financial statements and parent company only financial statements have been audited and certified by PwC Taiwan, which have been determined to adequately present the financial position of Wonderful Hi-Tech and subsidiaries (the "Group") as of December 31, 2022 and the Group's financial performance and cash flows for the years ended 2022. Please refer to P.3 and Appendix III(P.35-P.61) for relevant statements and the Independent Auditor's Audit Report.

Resolution:

#### Proposal 2. (proposed by the Board of Directors)

Proposal: The Company's 2022 Distribution of Earnings, proposed for ratification.

Explanation:

- I. For the current year, the Company plans to distribute shareholders' cash dividends at NT\$2 per share with the undistributed earnings of NT\$308,102,460.
- II. The proposed earnings distribution table is as follows:

Wonderful Hi-Tech Co., Ltd.

2021

#### Earnings Distribution Table

| Item  | Amount       |
|---|--------------|
| Undistributed earnings at the beginning of the period     | 2,791,802    |
| Less: Adjustment to retained earnings for 2022 (Note 1)   | 23,185,290   |
| Add: Net profit after tax for 2022                        | 465,853,757  |
| Accumulated distributable earnings                        | 491,830,849  |
| Recognized item   |              |
| Legal reserve (10%)                                       | 48,903,905   |
| Reversal of special reserve (Note 2)                      | (49,900,779) |
| Current distributable earnings                            | 492,827,723  |
| Distribution item   |              |
| Shareholders' dividends (NT\$2 per share) (Notes 3 and 4) | 308,102,460  |
| Ending undistributed earnings reserved                    | 184,725,263  |

- Note 1: It includes the adjustment of benefit plan actuarial benefit according to the actuarial report of NT\$7,519,222, the share of other comprehensive income or loss on associated companies and joint ventures accounted for using equity method - defined benefit plan actuarial gain of Interest of NT\$1,365,985 and unrealized gains and losses on equity instruments measured at fair value through other comprehensive gains and losses on disposal of associates and joint ventures of NT\$14,300,083.
- Note 2: Including the exchange gain of NT\$84,445,684 converted from the financial statements of foreign operating institutions, the provision for unrealized losses on financial assets measured at fair value through other comprehensive income of NT\$30,667,227, and the provision for fair value adjustment gain - investment property of NT\$3,877,678.
- Note 3: This distribution plan was calculated based on the number of outstanding shares minus the number of treasury shares as of March 17, 2023.
- Note 4: For the aforementioned earnings, the earnings in 2022 are distributed first in priority, followed by distributing the earnings for 2021.

- III. However, in case of execution of a capital increase or the number of outstanding shares is affected due to other reasons before the ex-dividend date, the shareholders' meeting is proposed to authorize the board of directors to adjust the distribution amount per share for the shareholders according to the actual number of outstanding shares on the base date.
- IV. For the calculation method of an amount less than the cash dividend dollar issued in the current year and the cash dividends less than one dollar for specific personnel, the shareholders' meeting is proposed to authorize the chairman to handle such matter.
- V. After this proposal has been approved by the shareholders' meeting, the board of directors is authorized to specify the ex-dividend date, issuance date and other relevant matters.

Chairman:

Managerial Officer:

Accounting Officer:

Resolution:

## **Four. Discussions**

### **Proposal 1. (proposed by the Board of Directors)**

Proposal: Proposal for amendment to parts of provisions of the "Procedures for Acquisition and Disposal of Assets", submitted for discussion.

Explanation:

- I. In accordance with the Financial Supervisory Commission (FSC) Jin-Guan-Zheng-Fa-Zi No. 1110380465 Letter dated January 28, 2022, parts of provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" have been

amended. Accordingly, the Company's "Procedures for Acquisition and Disposal of Assets" is proposed to be amended.

II. Please refer to Appendix IV(P.62-P.78) for the full content of the Procedures before amendment.

| Provision After Amendment   | Current Provision   | Explanation  |
|---|---|--|
| <p>Article 5<br/>Appraisal Report and Opinion<br/>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:<br/>I~II omitted<br/>III. 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 <u>self-disciplinary rules of its own industrial association</u> and the following:<br/>I. Omitted<br/>II. When <b>executing</b> 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 conclusions shall be fully and accurately specified in the case working papers.<br/>III. 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 the issuance of the appraisal report or the opinion.<br/>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p> | <p>Article 5<br/>Appraisal Report and Opinion<br/>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:<br/>I~II omitted<br/>III. 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:<br/>I. Omitted<br/>II. 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 conclusions shall be fully and accurately specified in the case working papers.<br/>III. 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 the issuance of the appraisal report or the opinion.<br/>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p> | <p>I. To specify that external experts shall comply with the procedures and responsibilities, it is explicitly stipulated that professional appraisals and appraisers, CPAs, attorneys or securities underwriters issuing appraisal reports and opinions shall handle relevant operations during the acceptance and execution of cases, and shall also comply with all self-disciplinary rules of their respective industrial associations.<br/>II. Revised the wording and description.</p>                   |
| <p>Article 8<br/>Acquisition or Disposal of Securities Investment<br/>I~III Omitted<br/>IV. Obtaining Expert Opinion<br/>Where the Company acquires or disposes of securities and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, 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. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.</p>  | <p>Article 8<br/>Acquisition or Disposal of Securities Investment<br/>I~III Omitted<br/>IV. Obtaining Expert Opinion<br/>When the transaction amount of the acquisition or disposal of securities reaches 20% 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. <del>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 Accounting Research and Development Foundation (ARDF).</del> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.</p>   | <p>Based on the consideration that in the amended Article 5, the provision stating that external experts issuing opinions are required to comply with the self-disciplinary rules of their industrial associations has included the necessary procedure for the issuance of an opinion by CPA, the description stating that CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF) is deleted.</p> |

|   |   |   |
|---|---|---|
| <p>Article 9<br/>Acquisition or Disposal Property, Equipment or Right-of-use Assets Thereof<br/>I~III Omitted</p> <p>IV. According to the appraisal report of property, equipment or right-of-use assets thereof, in acquiring or disposing of real property, equipment or right-of-use assets thereof, 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 held 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.</p> <p>(I)~(II) Omitted</p> <p>(III) 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 render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1.~2. Omitted</p> <p>(IV) Omitted</p> | <p>Article 9<br/>Acquisition or Disposal Property, Equipment or Right-of-use Assets Thereof<br/>I~III Omitted</p> <p>IV. According to the appraisal report of property, equipment or right-of-use assets thereof, in acquiring or disposing of real property, equipment or right-of-use assets thereof, 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 held 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.</p> <p>(I)~(II) Omitted</p> <p>(III) 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 (referred to as "ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1.~2. Omitted</p> <p>(IV) Omitted</p> | <p>Reason of amendment is the same as the explanation for Article 8.</p>  |
| <p>Article 10<br/>Acquisition or Disposal of Intangible Assets or Right-of-use Assets Thereof or Memberships<br/>I~III Omitted</p> <p>IV. Expert assessment opinion report for intangible assets or right-of-use assets thereof or memberships</p> <p>(I)~(II) Omitted</p> <p>(III) Where the Company acquires or disposes of intangible assets or 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, except in transactions with a 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>Article 10<br/>Acquisition or Disposal of Intangible Assets or Right-of-use Assets Thereof or Memberships<br/>I~III Omitted</p> <p>IV. Expert assessment opinion report for intangible assets or right-of-use assets thereof or memberships</p> <p>(I)~(II) Omitted</p> <p>(III) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NTD 300 million or more, except in transactions with a government agency, the Company shall engage a CPA 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>Reason of amendment is the same as the explanation for Article 8.</p>  |
| <p>Article 13<br/>Related party transactions</p> <p>I. Omitted</p> <p>II. Assessment and operating procedures</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% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by more than one-half of all members of the Audit</p>  | <p>Article 13<br/>Related party transactions</p> <p>I. Omitted</p> <p>II. Assessment and operating procedures</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% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by more than one-half of all members of the Audit</p>  | <p>I. Newly added the content of Subparagraph (7) of II, and the original content is moved to the amended provision of Paragraph 4 of II, and according to the new addition of Paragraph 3, the calculation of transaction amount is amended to include in the transaction for submission to the shareholders' meeting for approval.</p> <p>II. Revised wording.</p> <p>III. Newly added Paragraph 3 of II to</p> |

|   |   |   |
|---|---|---|
| <p>Committee and have been submitted to the board of directors for resolution with approval (Subparagraphs 3 and 4 of Articles 6 are applied mutatis mutandis):<br/>(I)~(VI) Omitted<br/>(VII) <u>Restrictive covenants and other important stipulations associated with the transaction.</u></p> <p>With respect to the types of transactions listed below, when to be conducted between the Company <b>and</b> its subsidiaries or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, the board of directors may authorize the chairman, according to the approval authority regulations of the Company, to decide such matters when the transaction is within the following amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:<br/>1.~2. omitted</p> <p><b><u>If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in Paragraph 1 and the transaction amount will reach 10 percent or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of Paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment is made. However, this restriction does not apply to transactions between the Company and its subsidiaries or between its subsidiaries.</u></b></p> <p>The calculation of the transaction amounts referred to in <b><u>Paragraph 1 and</u></b> the preceding paragraph shall be made in accordance with Paragraph 1 of Article 16 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 agreed by the audit committee and approved by the board of directors <b><u>or shareholders' meeting</u></b> need not be counted toward the transaction amount.</p> <p>III. Omitted</p> | <p>Committee and have been submitted to the board of directors for resolution with approval (Subparagraphs 3 and 4 of Articles 6 are applied mutatis mutandis):<br/>(I)~(VI) Omitted<br/>(VII) The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 1 of Article 16 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 agreed upon by the audit committee and approved by the board of directors need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, the board of directors may authorize the chairman, according to the approval authority regulations of the Company, to decide such matters when the transaction is within the following amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:<br/>1.~2. Omitted</p> <p>III. Omitted</p> | <p>enhance the management of related party transactions: In accordance with the international primary capital market regulations, the acquisition or disposal of assets of a public company or a subsidiary thereof that is not a domestic public company from related parties, when the transaction amount reaches 10 percent of total assets of the public company, the company shall submit relevant documents to the shareholders' meeting for approval before executing the transaction, in order to protect the interests of shareholders.</p> <p>However, for the transactions between the Company and its parent company or subsidiary or between its subsidiaries, it is exempted from submission to the shareholders' meeting for resolution.</p> |
| <p>Article 16<br/>Public Disclosure of Information</p> <p>I. Required announcement and report items and standards for announcement and report:<br/>(I)~(V) Omitted<br/>(VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NTD 300 million; provided, this shall not apply to the following circumstances:<br/>1. Trading of domestic government bonds <b><u>or foreign government bonds of credit rating not inferior to the authority rating of our nation.</u></b><br/>2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <b><u>or subscription or redemption of exchange-traded notes,</u></b> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.<br/>3. Omitted</p> <p>II.~III. Omitted</p>  | <p>Article 16<br/>Public Disclosure of Information</p> <p>I. Required announcement and report items and standards for announcement and report:<br/>(I)~(V) Omitted<br/>(VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NTD 300 million; provided, this shall not apply to the following circumstances:<br/>1. Trading of domestic government bonds.<br/>2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.<br/>3. Omitted</p> <p>II.~III. omitted</p>                    | <p>Amendment is made to exempt the information disclosure limitation for some transactions:<br/>1. Based on the consideration that public companies trading domestic government bonds are exempted from making announcements and reports, the provision is amended in order to exempt trading of foreign government bonds of credit rating not inferior to the authority rating of our nation from the announcement.<br/>2. Based on the consideration that foreign government bond's nature is relatively simple, and the product nature of the Exchange Traded Note (ETN) is similar to that of Exchange Traded Fund (ETF), it is proposed to lift the restriction that professional investors subscribing foreign</p>                                    |

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|  |   | government bonds at the primary market or subscribing or redeeming ETN may be exempted from public announcement. |
| Article 21<br>These Procedures were established on June 15, 2002.<br>.<br>.<br>The 9th amendment was made on July 20, 2021.<br><b>The 10th amendment was made on June 7, 2023.</b> | Article 21<br>These Procedures were established on June 15, 2002.<br>.<br>.<br>The 9th amendment was made on July 20, 2021. | Newly added the date of current amendment.   |

Resolution:

**Proposal 2. (proposed by the Board of Directors)**

Proposal: Proposal for amendment to the “Rules of Procedure for Shareholders’ Meetings” of the Company, submitted for discussion.

Explanation:

I. According to the No. 11100543771 document issued by Gre Tai Securities Market (GTSM) on March 11, 2022, a video conference was convened to amend a portion of the regulations of the Company’s Rules of the Board of Directors Standard Operating Procedures.

II. Please refer to Appendix V. (P.79-P.85) for the full content of the Procedures before amendment.

| Provision After Amendment  | Current Provision   | Explanation   |
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| <p>Article 3</p> <p>Unless otherwise provided by law or regulation, the shareholders’ meetings of the Company shall be convened by the board of directors.</p> <p><b><u>Changes to how the Company convenes its shareholders’ meetings shall be resolved by the Board, and shall be made no later than before the shareholders’ meeting notice is sent.</u></b></p> <p>The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of Directors, and upload them to the Market Observation Post System (MOPS) thirty days before the date of an ordinary shareholders meeting or fifteen days before the date of an extraordinary shareholders meeting. The Company shall prepare electronic versions of the shareholders’ meeting agenda and supplemental meeting materials and upload them to the MOPS twenty-one days before the date of the regular shareholders’ meeting or fifteen days before the date of the special shareholders’ meeting.</p> <p>I. According to the No. 11100543771 document issued by Gre Tai Securities Market (GTSM) on March 11, 2022, a video meeting was convened to amend a portion of the regulations of the Company’s Rules of the Board of Directors Standard Operating Procedures.</p> <p><b><u>The Company shall distribute the Procedures Manual and the supplemental documents</u></b></p> | <p>Article 3</p> <p>Unless otherwise provided by law or regulation, the shareholders’ meetings of the Company shall be convened by the board of directors.</p> <p>The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of Directors, and upload them to the Market Observation Post System (MOPS) thirty days before the date of an ordinary shareholders meeting or fifteen days before the date of an extraordinary shareholders meeting. The Company shall prepare electronic versions of the shareholders’ meeting agenda and supplemental meeting materials and upload them to the MOPS twenty-one days before the date of the regular shareholders’ meeting or fifteen days before the date of the special shareholders’ meeting. In addition, fifteen days prior to the date of the shareholders’ meeting, the Company shall also have prepared the shareholders’ meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated therefore as well as being distributed</p> | <p>I. To inform the shareholders of the change in the convening method of the shareholders’ meeting, a resolution of the board of directors shall be made prior to the notice of the meeting at the latest to revise and enlarge Paragraph 2.</p> <p>II. Upon the call of the listed company, the Company shall hold the shareholders’ meeting at a single physical venue or virtually via meeting technology. Paragraph 4 is revised and added and Paragraph 2 is amended to ensure that the shareholders can refer to the Procedures Manual and supplemental documents on the day of the shareholders’ meeting regardless of the convening method of the shareholders’ meeting.</p> |



| Provision After Amendment   | Current Provision  | Explanation   |
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| <p><u>described in the above paragraph to the shareholders for reference on the day of the shareholders' meeting in the following ways:</u></p> <p><u>(I) The Procedures Manual and the supplemental documents shall be distributed to the shareholders on site if a shareholders' meeting is convened at a physical venue.</u></p> <p><u>(II) The electronic Procedures Manual and the supplemental documents shall be delivered to the platform of the video meeting for distribution to the shareholders if a video meeting is convened.</u></p> <p><u>(III) The electronic Procedures Manual and the supplemental documents shall be delivered to the platform of the video meeting if a video meeting is convened.</u></p> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.<br/>(Omitted below)</p>   | <p>on-site at the meeting place.</p> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement.<br/>With the consent of the addressee, the meeting notice may be given in electronic form.<br/>(Omitted below)</p>   |   |
| <p>Article 4</p> <p>The venue of the shareholders' meeting shall be at the location of the company or at a location convenient for shareholders to attend and suitable for the shareholders' meeting. The meeting shall not commence earlier than 9AM or later than 3PM. The opinions of independent directors shall be fully considered for the venue and time of the meeting.</p> <p><u>The restrictions on the place of the meeting set out in the preceding paragraph shall not apply when the Company convenes a virtual-only shareholders meeting.</u></p>  | <p>Article 4</p> <p>The venue of the shareholders' meeting shall be at the location of the company or at a location convenient for shareholders to attend and suitable for the shareholders' meeting. The meeting shall not commence earlier than 9AM or later than 3PM. The opinions of independent directors shall be fully considered for the venue and time of the meeting.</p>  | <p>Paragraph 2 is revised and added to specifically provide that the restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</p>  |
| <p>Article 6</p> <p>The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, <u>solicitors and proxies (hereinafter referred to as "shareholders") will be accepted,</u> the place to register for attendance, and other matters for attention</p> <p>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; <u>for virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing the registration will be deemed as attending the shareholders' meeting in person.</u></p> <p>The attending shareholders shall be admitted to the shareholders' meeting on the basis of attendance passes, attendance cards or other certificates, and shall submit attendance cards in lieu of signing in. The Company shall not randomly require other forms of certificates for admission to the Meeting; those persons soliciting proxy forms shall be required to present identification documents for checking identities.</p> <p>The Company shall furnish the attending</p> | <p>Article 6</p> <p>To convene a shareholders' meeting, the Company shall include the venue and time of the meeting, and other particulars in the shareholders' meeting notice:</p> <p>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.</p> <p><del>The attending shareholders shall be admitted to the shareholders' meeting on the basis of</del> attendance passes, attendance cards or other certificates, and shall submit attendance cards in lieu of signing in. The Company shall not randomly require other forms of certificates for admission to the Meeting; those persons soliciting proxy forms shall be required to present identification documents for checking identities.</p> <p>The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> | <p>I. Paragraph 2 is amended to specify the time of registration and procedures for the shareholders' attendance.</p> <p>II. Paragraph 3 is amended in compliance with Paragraph 1.</p> <p>III. In the event of a virtual shareholders'</p> |

| Provision After Amendment   | Current Provision  | Explanation  |
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| <p>shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker’s slips, voting slips, and other meeting materials.</p> <p>Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders’ meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p><b><u>In the event of a virtual shareholders’ meeting, shareholders who intend to attend the meeting via video conference shall register with the Company two days before the meeting date. In the event of a virtual shareholders’ meeting, the Company shall upload the manual for shareholders’ meetings, annual report, and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></b></p>   | <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders’ meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> | <p>meeting, shareholders who intend to attend the meeting via video conference shall register with the Company two days before the meeting date. Paragraph 7 is revised and added accordingly.</p> <p>IV. In the event of a virtual shareholders’ meeting, the Company shall upload the manual for shareholders’ meetings, annual report, and other meeting materials to the virtual meeting platform before the meeting starts. Paragraph 8 is revised and added accordingly.</p>   |
| <p><b><u>Article 6-1</u></b><br/> <b><u>(Convening virtual shareholders’ meetings and particulars to be included in shareholders’ meeting notices)</u></b><br/> <b><u>To convene a virtual shareholders’ meeting, the Company shall include the following particulars in the shareholders’ meeting notice:</u></b></p> <p>(I) <b><u>How shareholders attend the virtual meeting and exercise their rights.</u></b></p> <p>(II) <b><u>Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, which at least should cover the following particulars:</u></b></p> <ol style="list-style-type: none"> <li><b><u>1. The time of the meeting that must be postponed or resumed at a later date due to an aforementioned malfunction, and the date that a postponed meeting will be resumed.</u></b></li> <li><b><u>2. Shareholders who have not registered to attend the original shareholders’ meeting via video conference shall not attend the postponed or resumed meeting.</u></b></li> <li><b><u>3. In case of a hybrid shareholders’ meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders’ meeting via video conference, still meets the minimum legal requirement for a shareholder meeting, then the shareholders’ meeting shall continue. The shares represented by shareholders attending the virtual meeting via video conference shall be counted towards the total number of shares represented by shareholders present at the meeting,</u></b></li> </ol> |  | <p>I. A New Clause.</p> <p>II. To inform the shareholders’ of their relevant rights and restraints prior to the commencement of the meeting, the Company shall include the following particulars in the shareholders’ meeting notice: How shareholders attend the virtual meeting and exercise their rights; actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, which at least should cover The time of the meeting that must be postponed or resumed at a later date due to an aforementioned malfunction, and the date that a postponed meeting will be resumed. According to Paragraphs 1, 2, 4, and 5, Article 44-20 of the Criteria Governing Handling of Stock Affairs by Public Stock Companies, the results of all proposals are released. To convene a virtual shareholders’ meeting via video conference without a temporary call, appropriate alternative measures available to shareholders with difficulties in attending the meeting shall be specified.</p> |

| Provision After Amendment  | Current Provision   | Explanation   |
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| <p><u>and the shareholders attending the virtual meeting via video conference shall be deemed abstaining from voting on all proposals on the meeting agenda of that shareholders' meeting.</u></p> <p><b>4. Actions to be taken if the outcome of all proposals has been announced and an extraordinary motion has not been carried out.</b></p> <p>(III) <u>To convene a virtual shareholders' meeting via video conference, appropriate alternative measures available to shareholders with difficulties in attending the meeting shall be specified.</u></p>  |   |   |
| <p>Article 7<br/>The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.<br/>The recorded materials of the preceding paragraph shall be retained for at least 1 year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.<br/><u>Where a shareholders' meeting is convened via video conference, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast, and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u><br/><u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u><br/><u>In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p> | <p>Article 7<br/>The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.<br/>The recorded materials of the preceding paragraph shall be retained for at least 1 year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p> | <p>I. In accordance with Article 183 of the Company Act and Article 18 of the Procedures Measures of the board of directors of the Company, the Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting. Paragraphs 3 and 4 are revised and added accordingly.<br/>II. In order to keep the relevant information of video conferences as much as possible, in addition to the provision in Paragraph 3 that the company should make an uninterrupted audio and video recording of the video conference. The Company is advised to audio and video record the back-end operation interface of the virtual meeting platform. As synchronous screen recording requires computer software and hardware equipment with specifications and security assurance, the Company may, based on the available equipment, explicitly establish its shareholders' meeting rules of procedure, and therefore Paragraph 5 is revised and added accordingly.</p> |
| <p>Article 8<br/>Attendance at shareholders' meetings shall be determined based on the number of shares. The number of attending shares shall be calculated based on the attendance cards submitted by shareholders, <u>and shares checked in on the virtual meeting platform</u>, plus the number of the shares exercised in written form or by electronic transmission.<br/>The chair shall call the meeting to order at the</p>   | <p>Article 8<br/>For the attendance of a shareholders' meeting, the number of shares shall be used as the calculation basis. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.<br/>The chair shall call the meeting to order at the</p>   | <p>I. To specify that when the company's shareholders' meeting is convened through a virtual meeting, the total number of shares attended should include the number of shares reported to shareholders through the virtual meeting. Therefore, Paragraph 1 is amended.<br/>II. When the shareholders' meeting of the</p>  |

| Provision After Amendment   | Current Provision  | Explanation   |
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| <p>appointed meeting time, and shall also announce information related to the number of shares having no voting rights and the number of shares represented by the attending shareholders. 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 one hour, may be made. If after two such postponements, the number of shares represented by the attending shareholders has not yet constituted more than one-third of all issued and outstanding shares, the chairman shall announce the adjournment of the meeting; <b><u>in the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</u></b></p> <p>If after two postponements, the number of attending shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares, but the attending shareholders at the meeting represent one-third of all issued and outstanding shares, provisional resolutions may be adopted in accordance with Article 175, Paragraph 1 of the Company Act, and shareholders shall be notified to attend another shareholders' meeting to approve the said provisional resolutions within one month; <b><u>in the event of a virtual shareholders' meeting, shareholders who intend to attend the meeting via video conference shall re-register to the Company in accordance with Article 6</u></b></p> <p>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.</p> | <p>appointed meeting time, and shall also announce information related to the number of shares having no voting rights and the number of shares represented by the attending shareholders. 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 one 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, the chair shall declare the meeting adjourned.</p> <p>If the attending shareholders have constituted more than one-third of all issued and outstanding shares by the end of the meeting, the chairman may re-submit the foregoing provisional resolutions to the meeting for approval within one month in accordance with Paragraph 1, Article 175 of the Company Act.</p> <p>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.</p> | <p>company is convened through video conferencing if the chairman shall announce the adjournment of the meeting, the Company shall announce the adjournment at the virtual meeting platform separately to inform the shareholders in real-time. Therefore, Paragraph 3 is amended.</p> <p>III. When the Company convenes a shareholders' meeting separately and the shareholders would like to attend virtually, they shall register with the Company. Therefore, Paragraph 4 is amended.</p> |
| <p>Article 10<br/>(Preceding paragraph omitted)<br/>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. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.<br/><b><u>Where a virtual shareholders' meeting via video conference is convened, shareholders attending the meeting may raise questions in writing on the platform from the moment the Chairman declares the meeting open until the Chairman declares the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.</u></b><br/><b><u>As long as the questions raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable to disclose them to the public on the virtual meeting platform.</u></b></p>   | <p>Article 10<br/>(Preceding paragraph omitted)<br/>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.<br/>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>  | <p>I. Paragraph 7 is revised and added to specify the way of questioning, procedures and restraints for the shareholders who attend the meeting virtually.</p> <p>II. For the convenience of other shareholders to understand the questions, the Company shall disclose the questions raised to the public on the virtual meeting platform except those unrelated to the topics. Paragraph 8 is revised and added.</p>  |
| <p>Article 11<br/>For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.</p>   | <p>Article 11<br/>For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.</p>  | <p>I. After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders'</p>  |

| Provision After Amendment   | Current Provision   | Explanation  |
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| <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail; unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p> <p><b><u>After the delivery of a proxy's power of attorney to the Company, in case the shareholder issuing said proxy intends to attend the shareholders' meeting via video conference, a proxy rescission notice shall be made in writing and filed with the Company two days prior to the date scheduled for the shareholders' meeting so as to rescind the proxy at issue.</u></b></p>  | <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail; unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>  | <p>meeting in person or exercise his/her voting power in writing or by way of electronic transmission, a proxy rescission notice shall be in writing and filed with the Company two days prior to the date scheduled for the shareholders' meeting so as to rescind the proxy at issue. Therefore, Paragraph 4 is revised and added.</p>   |
| <p>Article 13</p> <p>Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within twenty days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.</p> <p>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.</p> <p><b><u>If a virtual shareholders' meeting is convened, in addition to the matters required to be recorded in accordance with the preceding paragraph, the minutes must faithfully record the meeting's start and end time, the method of convening, the name of the chairman, the name of the minute secretary, and the handling method and situation in case of obstacles to the visual meeting platform or participation through visual meeting due to natural disasters, events, or other force majeure circumstances.</u></b></p> <p><b><u>When the Company convenes a virtual shareholders' meeting, besides complying with the requirements in the preceding paragraph, it shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting via video conference.</u></b></p> | <p>Article 13</p> <p>Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within twenty days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.</p> <p>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.</p> | <p>I. In order to facilitate shareholders' understanding of the results of the virtual meeting, alternative measures for shareholders with digital divides, and the handling methods and situations of interruption of communication, it is required that the Company, when preparing the minutes of the shareholders' meeting, in addition to the matters required to be recorded in accordance with the Paragraph 3, should also record the start and end time of the meeting, the method of convening the meeting, the name of the chairman and secretary, as well as due to natural disasters, paragraph 4 is therefore added to address the handling methods and situations of obstacles caused by incidents or other force majeure events on the virtual meeting platform.</p> <p>II. When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting via video conference. The alternative measures shall be included in the meeting minutes for such shareholders with digital divides. Therefore, paragraph 5 is established.</p> |
| <p>Article 14</p> <p>The number of shares of the requestors, the number of shares of the proxy, <b><u>and the number of shares of the shareholders who attend the</u></b></p>   | <p>Article 14</p> <p>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares</p>  | <p>I. In order to inform shareholders of the number of shares acquired by the requestors and the number of shares</p>  |

| Provision After Amendment  | Current Provision  | Explanation  |
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| <p><b><u>meeting in writing or by way of electronic methods</u></b>,the Company shall collect the statistics and prepare a list on the day of the meeting commencement in a standard format and disclose the information at the meeting; <b><u>for virtual shareholders' meetings via video conference, electronic files shall be uploaded on the virtual meeting platform at least thirty minutes prior to the commencement of the meeting and shall be disclosed until the end of the meeting.</u></b><br/> <b><u>When the Company convenes a virtual shareholders' meeting, the total number of attending shareholders' shares should be disclosed on the virtual meeting platform. If there is another record of the total number of shares and voting rights of the attending shareholders during the meeting, the same rule applies.</u></b></p> <p>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange , TPEX) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>   | <p>obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.</p> <p>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange , TPEX) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>  | <p>represented by the proxies, as well as the number of shares present in writing or electronic form, the Company shall clearly disclose them at the shareholders' meeting. If the Company convenes a virtual meeting, it should be uploaded to the virtual shareholders' meeting platform, and Paragraph 1 should be amended accordingly.</p> <p>II. In order to enable shareholders participating in the virtual meeting to simultaneously be informed whether their attendance rights meet the threshold for shareholders' meeting, it is stipulated that the Company should disclose the total number of shareholders' shares present on the virtual meeting platform when the announcement is made. If there are further statistics on the total number of shares and voting rights of shareholders present, they should also be disclosed on the platform. Therefore, Paragraph 2 is added.</p>  |
| <p>Article 17<br/>(Paragraph 1, 2, and 3 omitted)<br/> When the shareholders exercise their voting rights in writing or by way of electronic methods and they want to attend in person <b><u>or by way of virtual communication</u></b>, they shall exercise voting rights referred to in the preceding paragraph shall be revoked in the same manner as the exercise of voting rights two days prior to the commencement of the shareholders' meeting; if the revocation is overdue, the voting rights exercised in writing or electronic form shall prevail. If the voting rights are exercised in writing or electronic form and a proxy is appointed to attend the shareholders' meeting through a power of attorney, the voting rights exercised by the proxy shall prevail.<br/> (Paragraph 5, 6, and 7 omitted)<br/> Vote counting for proposals or elections of a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting. In addition, 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 a record made of the vote.<br/> <b><u>When the Company convenes a virtual shareholders' meeting, and after the chairman announces the meeting, shareholders who attend should vote on various proposals and elections through the video conferencing platform. The voting process should be completed before the chairman announces the end of the voting. If the voting is delayed, it will be deemed as abstention.</u></b><br/> <b><u>If the shareholders' meeting is convened through video conferencing, the vote shall be counted in one go after the chairman announces the end of the voting, and the voting and election results shall be announced.</u></b><br/> <b><u>When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting via video conference in accordance with Article 6 decide to</u></b></p> | <p>Article 17<br/>(Paragraph 1, 2, and 3 omitted)<br/> In case a shareholder who has exercised his/her voting right in writing or by way of electronic transmission intends to attend the shareholders' meeting in person or via video conference, he/she shall, at least two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his/her voting right, deliver a separate declaration of intention to rescind his/her previous declaration of intention made in exercising the voting right under the preceding paragraph. In the absence of a timely rescission of the previous declaration of intention, the voting right exercised in writing or by way of electronic transmission shall prevail. In case a shareholder has exercised his/her voting right in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting on his/her behalf, then the voting right exercised by the authorized proxy for the said shareholder shall prevail.<br/> (Paragraph 5, 6, and 7 omitted)<br/> Vote counting for proposals or elections of a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting. In addition, 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 a record made of the vote.</p> | <p>I. In order to specify if a shareholder wishes to attend a shareholders' meeting by video after exercising their voting rights in writing or electronic form, they should first revoke it in the same way as exercising their voting rights. Therefore, Paragraph 4 is amended.</p> <p>II. If a virtual shareholders' meeting is convened, in order to provide sufficient voting time for shareholders attending through video, voting on various original proposals can be conducted from the time the chairman announces the meeting until the end of voting. The vote counting operation must be a one-time go to cooperate with the voting time for shareholders attending through video Therefore, paragraphs 9 and 10 are added.</p> <p>III. Shareholders who attend the video assisted shareholders' meeting have completed the registration to attend the physical shareholders' meeting in person. If they wish to attend the physical shareholders' meeting in person, they should cancel the registration in the same way as the registration two days before the shareholders' meeting. If the registration is cancelled after the deadline, they can only attend the shareholders' meeting through video. Therefore, Paragraph 11 is added.</p> <p>IV. With reference to the provisions of the Ministry of Economic Affairs' document No. 10102420740 of February 24, 2001 and the interpretation of the document No. 1010414350 of May 3, 2001, shareholders who exercise their voting rights electronically and have not withdrawn their declaration of will may neither propose amendments to the</p> |

| Provision After Amendment   | Current Provision | Explanation   |
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| <p><u>attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting via video conference.</u></p> <p><u>When shareholders exercise voting rights by writing or electronic transmission, unless they have withdrawn the declaration of intent and attended the shareholders' meeting via video conference, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>   |                   | <p>original proposal nor exercise their voting rights again, but they can still attend the shareholders' meeting on the day of the shareholders' meeting and can put forward temporary motions on the spot. In addition, they may exercise their voting rights. Considering that both written and electronic voting are one of the ways for shareholders to exercise their rights, and based on the principle of fair treatment, written voting should also follow the standard spirit of the previous electronic voting to protect shareholders' rights and interests. Therefore, it is clearly stipulated in Paragraph 12 that shareholders who exercise their voting rights in written or electronic form may still register to participate in the shareholders' meeting by video even if their declaration of will has not been revoked. However, except for temporary motions that can be proposed and voting rights exercised, no voting shall be convened on the original motion or amendments to the original motion, and no amendments to the original motion shall be proposed.</p> |
| <p>Article 19<br/><u>(Disclosure of Information at Virtual Meetings)</u><br/><u>In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election of various proposals immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue for at least 15 minutes after the Chairman has announced the meeting adjourned.</u></p>   |                   | <p>I. Additional article.<br/>II. In order to enable shareholders attending the virtual shareholders' meeting to be immediately informed of the voting status and election results of various proposals, and to regulate sufficient information disclosure time, therefore this article is established.</p>   |
| <p>Article 20<br/><u>(Location of the Chairman and Secretary of Virtual Shareholders' Meetings)</u><br/><u>When the Company convenes a virtual shareholders' meeting, both the Chairman and secretary shall be in the same location, and the Chairman shall declare the address of their location when the meeting is called to order.</u></p>  |                   | <p>I. Additional article.<br/>II. When the shareholders' meeting is convened through video conferencing and there is no physical meeting, the chairman and secretary should be at the same location in China. In addition, to make shareholders aware of the chairman's location, the chairman should announce the address of his location during the meeting, which is therefore added.</p>  |
| <p>Article 21<br/><u>(Handling of Disconnection)</u><br/><u>In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u><br/><u>In the event of a virtual shareholders' meeting, when declaring the meeting open, the Chairman shall also declare, unless, under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the Chairman has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on</u></p> |                   | <p>I. Additional article.<br/>II. In order to reduce communication problems in video conferencing, taking into account foreign practices, connection testing may be provided before the conference and relevant services may be provided in real-time before and during the conference to assist in handling technical communication issues. Paragraph 1 is therefore added. III. When the Company convenes a shareholders' meeting through video conferencing, the chairman shall announce at the meeting that if there are obstacles to the video conferencing platform or participation through video conferencing due to natural disasters, incidents, or other force majeure events that cannot be eliminated for more than 30 minutes, the meeting shall be convened or resumed within five days, and the provisions of Article 182 of the Company Law requiring a resolution of the shareholders' meeting shall not apply.</p>   |

| Provision After Amendment  | Current Provision | Explanation   |
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| <p><u>another date within five days, in which case Article 182 of the Company Act shall not apply. In the event that a meeting is to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to attend the original shareholders' meeting via video conference shall not attend the postponed or resumed meeting. In the event that a meeting is postponed or resumed, according to Paragraph 2, if shareholders who registered to attend the original shareholders' meeting via video conference and signed in during the original meeting but did not attend the postponed or resumed meeting, the number of shares they hold and voting and election rights already exercised during the original shareholders' meeting shall be counted in the total number of shares, voting rights, and election rights in the postponed or resumed meeting. During a postponed or resumed session of a shareholders' meeting convened under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced or a list of elected directors and supervisors. When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in Paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting via video conference, still meets the minimum legal requirement for shareholders' meetings, then the shareholders' meeting shall continue, and not postponement or resumption thereof under Paragraph 2 is required. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting via video conference shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting. When postponing or resuming a meeting according to Paragraph 2, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or periods set forth under Article 12, second half, and Article 13, Paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under Paragraph 2.</u></p> |                   | <p>Therefore, the second paragraph shall be added. Any individual intentional or negligent act by a company, video conference platform, shareholder, requester, or entrusted agent that causes an inability to convene or participate in a video conference does not fall within the scope of this article.</p> <p>III. When the second paragraph of the company requires a postponement or continuation of the meeting, in accordance with Article 44-20, Paragraph 2 of the Standards for the Handling of Stock Affairs of Public Companies, shareholders (including requesters and entrusted agents) who have not registered to participate in the original shareholders' meeting via video shall not participate in the postponement or continuation of the meeting. Therefore, they shall cooperate in the addition of the third paragraph. For those who hold a video assisted shareholders' meeting, the shareholders who originally participated in the physical shareholders' meeting may continue to participate in the postponed or resumed meeting through physical means and provide explanations.</p> <p>IV. When our company is required to postpone or resume the meeting in accordance with the provisions of Paragraph 2, and in accordance with Article 44-20, Paragraph 3 of the Standards for the Handling of Stock Affairs of Public Companies, if shareholders (including requesters and entrusted agents) who have registered to participate in the original shareholders' meeting through video conferencing and have completed the registration have not participated in the postponed or resumed meeting, the number of shares present at the original shareholders' meeting, the voting rights exercised, and the voting rights exercised, The total number of shares, voting rights, and voting rights of shareholders attending the postponed or resumed meeting should be included, thus cooperating with the addition of paragraph 4.</p> <p>V. When a shareholders' meeting needs to be postponed or resumed due to communication barriers, and a proposal that has completed the voting and counting of votes at the previous meeting and announced the voting results or the list of elected directors and supervisors may be considered as having completed the resolution, there is no need to discuss and resolve again to reduce the meeting time and cost of the resumed meeting. Therefore, Paragraph 5 is established.</p> <p>VI. Considering that both physical and virtual meetings are convened, if there are obstacles to the virtual meeting platform or attendance through video due to force majeure, and the total number of attending shares still reaches the statutory quota for shareholders' meetings after deducting the number of attending shares</p> |



| Provision After Amendment   | Current Provision   | Explanation  |
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|   |   | <p>through video, the shareholders' meeting should continue and there is no need to postpone or continue the meeting in accordance with the provisions of Paragraph 2, Therefore, Paragraph 6 is established.</p> <p>VII. When Paragraph 2 of the Company requires the continuation of the meeting without the need for postponement, in accordance with Paragraph 5, Article 44-20 of the Standards for the Handling of Stock Affairs of Public Companies, shareholders (including requestors and proxies) who participate in the shareholders' meeting via video shall be counted in the total number of shares of the attending shareholders. However, all proposals for the shareholders' meeting shall be deemed as waivers, and therefore, they shall cooperate in the amendment of Paragraph 7.</p> <p>VIII. Considering that the postponement or continuation of the shareholders' meeting due to the previous suspension of the inquiry is actually the same as the original shareholders' meeting, there is no need to re-handle the pre-establishment procedures related to the shareholders' meeting in accordance with Paragraph 7, Article 44-20, of the Standards for the Handling of Stock Affairs of Public Companies due to the postponement or continuation of the shareholders' meeting. Therefore, Paragraph 8 is established.</p> <p>IX. In addition, when the virtual shareholders' meeting has been postponed, matters that need to be announced and disclosed on the day of the shareholders' meeting, such as the exercise of power of attorney rules in the latter paragraph of Article 12 and Paragraph 3 of Article 13, as well as Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Standards for the Handling of Stock Affairs of Public Companies, must still be disclosed to shareholders on the day of the postponed or resumed meeting. Therefore, the ninth item is established.</p> |
| <p><b>Article 22</b><br/><b><u>(Handling digital divide)</u></b><br/><b><u>When the Company convenes a virtual shareholders' meeting, it shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting.</u></b></p> |   | <p>I. Addition</p> <p>II. When a company holds a virtual shareholders' meeting, considering the potential obstacles for the shareholders who attend the meeting, appropriate alternative measures should be provided, such as exercising voting rights in writing or providing the necessary equipment for shareholders to rent.</p>   |
| <p><b>Article 23</b><br/><b>These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.</b></p>  | <p>Article 19<br/>These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.</p>  | <p>The order of provisions is adjusted according to the amendments.</p>  |
| <p>Article 24<br/>These Rules of Procedures were amended on June 9, 2015.<br/>These Rules of Procedures were amended on June 12, 2019.<br/>These Rules of Procedures were amended on June 10, 2020.</p>   | <p>Article 24<br/>These Rules of Procedures were amended on June 9, 2015.<br/>These Rules of Procedures were amended on June 12, 2019.<br/>These Rules of Procedures were amended on June 10, 2020.</p> | <p>Date of New Amendment</p>   |

| Provision After Amendment   | Current Provision                                       | Explanation |
|---|---|-------------|
| These Rules of Procedures were amended on July 20, 2021.<br><u>These Rules of Procedures were amended on June 7, 2023</u> | These Rules of Procedures were amended on July 20, 2021 |             |

Resolution:

**Proposal 3. (proposed by the Board of Directors)**

Proposal: Proposal for amendment to the “Articles of Incorporation” of the Company, submitted for discussion.

Explanation:

I. In response to the possibility of convening virtual shareholder meetings and to fulfill the company's international business and operational needs, it is proposed to amend some provisions of the Company's "Articles of Association".

II. Please refer to Appendix VI (P.86- P.91) for the full content of the Procedures before amendment.

| Provision After Amendment   | Current Provision  | Explanation   |
|---|--|---|
| Article 1:<br>The Company shall be incorporated under the Company Act and its name shall be Wonderful Hi-Tech Co., Ltd.<br><u>(The English name of this Company is WONDERFUL HI-TECH CO., LTD.)</u>   | Article 1:<br>The Company shall be incorporated under the Company Act and its name shall be Wonderful Hi-Tech Co., Ltd.  | The English name of the Company is added for international business.  |
| Article 5:<br>The total capital of the Company shall be NT\$ <u>3,000,000,000</u> , divided into <u>300,000,000</u> shares, at a par value of NT\$10 per share, and for the unissued shares, the Broad of Directors is authorized to perform share issuance at discrete times depending upon the needs.   | Article 5:<br>The total capital of the Company shall be NT\$ 2,000,000,000, divided into 200,000,000 shares, at a par value of NT\$10 per share, and for the unissued shares, the Broad of Directors is authorized to perform share issuance at discrete times depending upon the needs.   |   |
| Article 11<br>For the shareholders’ meetings of the Company, an ordinary shareholders’ meeting is convened once per year, and it is convened by the board of directors according to the Company Acts within six months after the close of each fiscal year. An extraordinary shareholders’ meeting may be convened whenever necessary according to laws.<br><u>The shareholders' meeting may be convened virtually or by other means announced by the central competent authority.</u><br><u>The shareholders who attend a virtual meeting shall be deemed as attending in person.</u><br><u>Regulations governing the qualifications, operating procedures and other matters for compliance separately in the preceding two paragraphs shall be prescribed by the competent authority in charge of securities affairs.</u> | Article 11<br>For the shareholders’ meetings of the Company, an ordinary shareholders’ meeting is convened once per year, and it is convened by the board of directors according to the Company Acts within six months after the close of each fiscal year. An extraordinary shareholders’ meeting may be convened whenever necessary according to laws. | Additional shareholders’ meetings shall be informed by way of virtual meetings or by electronic transmission. |
| Article 12<br>The Company shall notify the shareholders <u>by way of electronic method or virtual meetings</u> at least thirty (30) days prior to the convening date of the general shareholders’ meeting or at least fifteen (15) days prior to the convening date of a special shareholders’ meeting.   | Article 12<br>All shareholders shall be informed of the date, location and meeting proposals thirty days before the convention of an ordinary shareholders’ meeting, and fifteen days before the convention of an extraordinary shareholders’ meeting.   | Additional shareholders’ meetings shall be informed by way of virtual meetings or by electronic transmission. |
| Article 14  | Article 14   |   |

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| <p>Resolutions at a shareholders' meeting, unless otherwise specified in relevant laws, shall be adopted by a majority of the shareholders present in person, who represent more than half of the total number of the Company's outstanding shares, and shall be executed based on the majority of the voting rights of the attending shareholders.</p> <p><u>When a shareholders' meeting is convened and the shareholders exercise the voting power by way of electronic transmission, the shareholders who exercise voting rights electronically are deemed to have personally attended the shareholders' meeting.</u></p> <p><u>However, in case of the temporary motion of the shareholders' meeting and the amendment of the original motion, the shareholders who exercise voting rights electronically shall be deemed as a waiver.</u></p> <p>At the time of a vote, when the chairperson inquires for any objections from the attending shareholders but no objection is raised, then the proposal is deemed to be approved, and its effect shall be identical to the approval through voting.</p> | <p>Resolutions at a shareholders' meeting, unless otherwise specified in relevant laws, shall be adopted by a majority of the shareholders present in person, who represent more than half of the total number of the Company's outstanding shares, and shall be executed based on the majority of the voting rights of the attending shareholders.</p> <p>At the time of a vote, when the chairperson inquires for any objections from the attending shareholders but no objection is raised, then the proposal is deemed to be approved, and its effect shall be identical to the approval through voting.</p> | <p>Pursuant to the provisions set forth in Article 177-1 of the Company Act, a shareholder who exercises his/her voting right at a shareholders meeting by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person.</p> |
| <p>Article 29<br/>         Preceding paragraphs omitted<br/>         The 30th amendment was made on June 16, 2016.<br/>         The 31st amendment was made on June 14, 2017.<br/>         The 32nd amendment was made on June 12, 2019.<br/>         The 33rd amendment was made on June 10, 2020.<br/> <u>The 34th amendment was made on June 7, 2023.</u></p>   | <p>Article 29<br/>         Preceding paragraphs omitted<br/>         The 30th amendment was made on June 16, 2016.<br/>         The 31st amendment was made on June 14, 2017.<br/>         The 32nd amendment was made on June 12, 2019.<br/>         The 33rd amendment was made on June 10, 2020.</p>  | <p>Date of New Amendment</p>   |

Resolution:

## Srven. Extraordinary Motions

## Eight. Meeting Adjourned

**Wonderful Hi-Tech Co., Ltd.**

**Rules of Procedure for Board of Directors' Meetings**

- Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to the Regulations Governing Procedure for board of directors Meetings of Public Companies.
- Article 2 With regard to the rules of procedures of the board of directors' meeting (the "board meetings") of the Company, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements, unless otherwise specified by the laws or the Articles of Incorporation, shall be handled in accordance with the provisions of these Rules.
- Article 3 The board meetings of the Company shall be convened at least once quarterly, and shall be specified in the rules of procedures of board meetings.  
During the convention of board of directors' Meeting, notices indicating the reasons of the convention shall be delivered to all directors seven days in advance; provided that in case of emergencies, such meeting may be convened at any time, and notice may be made via facsimile or email method.  
The matters mentioned in Paragraph 1, Article 12 of these Rules shall be listed in the reasons for convening the meeting and shall not be proposed as temporary motions.
- Article 4 The board of directors of the Company designates the Chairman's Office to be the responsible unit for board meetings.  
The responsible unit for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.  
A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.
- Article 5 When a board meeting is held, an attendance book shall be provided for signing in by attending directors.  
Directors shall attend board meetings in person. A director unable to attend in person may appoint another director as a proxy to attend the meeting on his/her behalf according to the Articles of Incorporation of the Company. Meeting attendance via the method of video conference shall be deemed to attend the meeting in person; however, the sign-in book shall be transmitted via facsimile in lieu of signing in.  
When a director appoints a proxy to attend a board meeting, it is required to issue a power of attorney for each time of appointment of a proxy, and the scope of authorization with respect to the reasons for convening the meeting shall be stated.  
A proxy described in the preceding two paragraphs shall only accept the power of attorney from one person only.
- Article 6 Regarding the venue time of convention of a board meeting of the Company, it shall be held at a location of the Company and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.
- Article 7 Board meetings shall be convened and chaired by the chairman of the board. However, the first meeting of each term of the board of directors' meetings shall be called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting, and such director calling the meeting shall act as the chair of the meeting. If there are two or more directors so entitled to call the meeting, they shall choose one person by

and from among themselves to do so.

For a board meeting held by a majority of directors of the board in accordance with the provisions prescribed in Paragraph 4 of Article 203 or Paragraph 3 of Article 203-1 of the Company Act, the directors shall elect one director to act as the chair of the Board meeting. In case where the chairman is on leave or cannot exercise his or her power for any cause, the Vice chairman shall act as a proxy thereof. If there is no vice chairman or the vice chairman is also on leave or cannot exercise his or her power due to reasons, the chairman may appoint a director to act as a proxy thereof. In case where the chairman fails to appoint a proxy, the directors shall elect one person from among themselves to act as the proxy.

Article 8

During the convention of a board meeting of the Company, the Chairman's Office shall prepare relevant documents to the attending directors for review and reference at any time. To enhance the supervision of the Company on the business of subsidiaries, non-director personnel of relevant departments or personnel of subsidiaries may be informed to attend a board meeting depending upon the needs of the meeting agenda in order to report on the current business conditions of the Company and to respond to inquiries raised by directors, thereby assisting directors to understand the current status of the Company and making appropriate resolutions. When it is considered necessary, certified public accountant (CPA), legal counsel or other professionals may also be invited to attend a board meeting and to provide explanations as references to the board of directors; however, they shall leave the meeting during discussion or voting process.

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

The terms "all directors" described in the preceding paragraph and Subparagraph 2 of Paragraph 2 of Article 16 shall be counted as the actual number of directors currently holding those positions.

Article 9

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

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation, and the provision of the preceding paragraph shall not be applied.

Where a board meeting is held via the method of video conference, the audio and video documentation of the meeting shall constitute a part of the meeting minutes and shall be preserved permanently.

Article 10

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

I. Reporting Items:

- (1) Minutes of the last meeting and action taken.
- (2) Important financial and business matters.
- (3) Internal audit activities.
- (4) Other important matters to be reported.

II. Discussion Items:

- (1) Items for continued discussion from the last meeting.
- (2) Predefined items for discussion at the present meeting.

III. Extraordinary motions.

Article 11

A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding paragraph, except that the consents of a majority of the attending directors are obtained.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Paragraph 5 of Article 8 shall be applied mutatis mutandis.

Article 12

The following matters shall be proposed in a board meeting of the Company for discussion:

- I. Business plan of the Company.
- II. Annual financial statements and financial statements of the second quarter requiring audit by CPAs.
- III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
- IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, an extension of monetary loans to others, or endorsements or guarantees for others.
- V. The offering, issuance, or private placement of any equity-type securities.
- VI. If the board of directors does not have managing directors, the election or discharge of the chairman.
- VII. Appointment or discharge of a financial, accounting, or internal audit officer.
- VIII. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
- IX. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be submitted to a board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" described in Paragraph 8 of the preceding paragraph refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" refers to an individual donation, or cumulative donations within one year to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than one percent of net operating revenue or five percent of paid-in capital as stated in the financial report for the most recent year certified by CPA.

The term "within one year" described in the preceding paragraph refers to a period of one year calculated retroactively from the date on which the current board meeting is convened. Amounts already submitted to and passed by a resolution of the board are excluded from the calculation.

For foreign companies whose stock has no par value or a par value other than NTD10, the "5 percent of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5 percent of shareholder equity.

At least one independent director shall attend the meeting in person. For the matters required to be approved by resolutions of a board meeting described in Paragraph 1, all

independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, such independent director shall appoint another independent director to attend the meeting as a proxy thereof. If an independent director objects to or expresses reservations about a specific matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason, a written opinion shall be issued in advance, and such matter shall also be recorded in the board meeting minutes.

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

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

- I. A show of hands or a vote by voting machine.
- II. A roll call vote.
- III. A vote by ballot.

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

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

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

Voting results shall be made known on-site immediately and recorded in writing.

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

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

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

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

- I. The meeting session (or year) and the time and place of the meeting.
- II. The name of the chair.
- III. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.

- IV. The names and titles of those attending the meeting as non-voting participants.
- V. The name of the minute taker.
- VI. The matters reported at the meeting.
- VII. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in Paragraph 1 of Article 15, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Paragraph 2 of Article 12.
- VIII. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in Paragraph 1 of Article 15, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
- IX. Other matters required to be recorded.  
 The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System (MOPS) designated by the Financial Supervisory Commission, within two days from the date of the meeting:
  - (1) Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
  - (2) Where the Company has established the audit committee, a resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the Company.
 The attendance book constitutes part of the minutes for each board meeting and shall be preserved permanently.  
 The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within twenty days after the meeting. The minutes shall be deemed important company records and appropriately preserved during the existence of the Company.  
 The meeting minutes described in Paragraph 1 may be produced and distributed in electronic form.

Article 17

Except for matters that must be submitted to the board of directors of the Company for discussion under Paragraph 1 of Article 12, when the board of directors is in recess, the board of directors of the Company may authorize the chairman to exercise the authority of the board according to the articles of incorporation. The content of the authorization is as follows:

- I. Approval of various important contracts.
- II. Approval of real estate mortgage loan and other loans.
- III. Approval of the purchase and disposition of general properties and real properties of the Company.
- IV. Designation of directors and supervisors of re-invested companies.
- V. Approval of capital increase or decrease, cash dividend distribution base date, share distribution and subscription base date, dividend distribution ratio change, etc.



Article 18 These Rules of Procedure shall be adopted by the approval of the meeting of the board of directors and shall be reported to the shareholders' meeting. For future amendments to these Rules of Procedure, the board of directors is authorized to resolve such amendments.

Article 19 These Rules of Procedures were established on December 14, 2006.  
These Rules of Procedures were amended on June 8, 2010.  
These Rules of Procedures were amended in 2012 and provided for expert's opinions and as reference of the board of directors. December 20.  
These Rules of Procedures were amended in 2017 and provided for expert's opinions and as reference of the board of directors. December 20.  
These Rules of Procedures were amended in 2019 and provided for expert's opinions and as reference of the board of directors. March 22.  
These Rules of Procedures were amended on March 19, 2020.  
These Rules of Procedures were amended on August 12, 2020.  
These Rules of Procedures were amended on September 6, 2022.

## Wonderful Hi-Tech Co., Ltd.

## Procedures for Transferring Repurchased Shares to Employees

- Article 1 To encourage employees and to improve the cohesion of employees, the Company has established the Procedures for Transferring Repurchased Shares to Employees according to Subparagraph 1 of Paragraph 1 of Article 28-2 of the Securities and Exchange Act and the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies announced by FSC, Executive Yuan and relevant regulations. The Company's repurchase of shares for transferring to employees, in addition to compliance with relevant laws, is handled according to the aforementioned regulations.
- Article 2 The present shares transferred to the employees are common shares, and the rights and obligations, unless otherwise specified in relevant laws and these Procedures, shall be the same as those of other outstanding common shares.
- Article 3 The shares presently repurchased may be, according to the provisions of these Procedures, transferred to employees all at once or at discrete times within five years from the share repurchase date.
- Article 4 Official employees on the job for one full year before the subscription base date or official employees with special contributions to the Company and approved by the chairman (including official employees of domestic and overseas subsidiaries of the Company and an investee with more than 50% of the voting shares held directly or indirectly by the Company), may be entitled to the subscription qualification according to the subscription amount specified in Article 5 of these Procedures.
- Article 5 **5.1** The number of subscribable shares of employees: The number of subscribable shares is calculated according to the job rank, seniority and performance evaluation standard specified in the "Procedures for Employee Share Subscription" of the Company, the actual subscription qualifications and quantity shall be determined by the board of directors rather than the chairman.  
**5.2** The applicable situations for transfer to managerial officers and non-managerial officers are as follows:
- | Item                           | Compensation Committee | Audit Committee | Board of Directors |
|--------------------------------|------------------------|-----------------|--------------------|
| Managerial officers            | √                      |                 | √                  |
| <u>Non-managerial officers</u> |                        | <u>√</u>        | <u>√</u>           |
- Article 6 Operation procedure for transferring presently repurchased shares to employees:
1. Repurchase shares of the Company according to the resolution, announcement and declaration of the board of directors and perform the repurchase within the execution deadline.
  2. The board of directors establishes and announces the operation matters of the employee subscription base date, standard for the number of subscribable shares, subscription payment period, rights and limitations according to these Procedures.
  3. Statistically count the actual number of subscription payments and subscribed shares, and perform share transfer registration.

- Article 7 For the presently repurchased shares for transferring to employees, the average price of the actual repurchase shall be the transfer price. However, prior to the transfer, in case where the number of common shares issued by the Company is increased, adjustments may be made according to the increased ratio of the issued shares. If the repurchased shares are to be transferred to employees at a price lower than the average price of the actual repurchase, it shall be reported to the most recent shareholders' meeting before the transfer, and the shareholders' meeting shall be attended by shareholders representing more than half of the total number of issued shares and the consents of attending shareholders representing more than two-thirds of the voting rights shall be obtained. In addition, the matters specified in Article 10-1 of the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" shall be explained in the reason of convention of such shareholders' meeting, in order to execute the transfer of repurchased shares.
- Article 8 After the presently repurchased shares are transferred to employees and transfer registration is completed, unless otherwise specified, the rights and obligations shall be the same as those of the original shares.
- Article 9 For the transfer of repurchased shares to employees, according to Article 167-3 of the Company Act, employees shall only transfer such shares after one full year from the share delivery date.
- Article 10 These Procedures shall become effective after the approval of the board of directors through resolution, and the chairman is authorized for the implementation. The same requirements shall be applied to amendments to these Procedures.
- Article 11 These Procedures shall be reported to the shareholders' meeting, and the same requirement shall be applied to amendments to these Procedures.

## Appendix III

### 2022 Financial Statements and Independent Auditor's Report

Independent Auditors' Report

(2023) Cai-Shen-Bao-Zi No. 22004788

To the Board of Directors and Shareholders of Wonderful Hi-Tech Co., Ltd.

#### Opinion

We have audited the accompanying consolidated financial statements of Wonderful Hi-Tech Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets for the years ended December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for January 1 to December 31, 2022 and 2021, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for January 1 to December 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee Interpretations (IFRIC), and Standard Interpretations Committee Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China (R.O.C.).

#### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements of Financial Institutions by Certified Public Accountants and auditing standards generally accepted in the Republic of China (R.O.C.). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the Group in accordance with the Code of Ethics of R.O.C. and perform other obligations of such

Code. In view of the audit result concluded by our independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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 Group for the year 2022. 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.

Key audit matters for the Group's consolidated financial statements for the year 2022 are stated as follows:

#### **Existence of New Top 10 Sales Accounts Revenue**

##### Description

For description of the accounting policy and accounting item for income recognition, please refer to Notes 4(32) and 6(19) of the consolidated financial statements.

The Group's main business refers to the manufacturing, purchase and sales, and import/export of various types of wires and cables. The Group's customers include well-known international companies having long-term and stable cooperation relationship with the Group. In addition, to secure the market share, the Group continues to develop new customers. The comparison with the list of top 10 sales customers in 2022 and 2021 indicates that there have been changes to the increase/decrease of sales amount of the main customers in the current period from the amounts in the same period of last year, such that a portion of the customers in the top 10 main sales customers becoming the new top 10 sales customers in the current period, thus having positive impact on the increase of the consolidated operating revenue. We consider that for the new top 10 main sales customers, the issue of whether relevant sales transactions exist has material impact on the consolidated financial statements. Accordingly, the existence of the new top 10 sales account revenue of the Group is listed as one of the key audit matters.

##### Corresponding Audit Procedures

We summarize the audit procedures executed in the following:

1. Evaluate and test the execution of sales transaction internal system and actual process, including the credit extension evaluation of the new top 10 sales accounts.
2. Review the relevant industrial background information of the new top 10 sales accounts.
3. Obtain the operating revenue transaction statement of the new top 10 sales accounts of the current period, and randomly test relevant certificates of the customer orders, shipping orders and payment slips, in order to verify the existence of transactions.

## **Inventory Valuation**

### Description

For the description of the accounting policy, accounting estimation and assumption of inventory and allowance for inventory write-down, please refer to Notes 4(13), 5(2) and 6(5).

The main business of the Group refers to the manufacturing, purchase and sales, and import/export of various types of wires and cables. The inventory is measured based on the cost and net realizable value whichever is lower. In addition, the usable condition of individual old and obsolete inventory is further identified, in order to recognize the inventory write-down. Since there are a lot of competitors from the Mainland China, and the raw material price fluctuation is great, the product price is likely to be affected or the product sales may not be as expected. Furthermore, the allowance of inventory write-down of individual identification of old and obsolete inventories involves the subjective judgment of the management. Accordingly, we consider that the accounting estimation has material impact on the inventory valuation, and it is listed as one of the key audit matters.

### Corresponding Audit Procedures

We summarize the audit procedures executed in the following:

1. Understand the company operation and the nature of industry. Assess the policy adopted for the allowance for inventory write-down.
2. Obtain the obsolete inventory statement individually identified by the management. Review relevant documents and verify account records.

3. Randomly examine whether the basis of net realizable value is consistent with the policy established by the Company, and review whether the calculation of the net realizable value of individual inventory material number is correct.

### **Other Matters - Relevant audits by other independent auditors**

For some of the subsidiaries and investees under equity method listed in the Group's consolidated financial statements, their financial statements were not audited by our representatives, but was audited by other independent auditors. Accordingly, regarding our opinion on the aforementioned consolidated financial statements, relevant amounts listed in the financial statements of these companies were based on the audit report by other independent auditors. As of December 31, 2022 and 2021, the total asset balances (including investments under the equity method) for the aforementioned companies were NT\$913,814 thousand and NT\$819,626 thousand respectively, accounting for 14% and 13% of the total consolidated assets respectively. The net operating income for January 1 to December 31, 2022 and 2021 were NT\$1,369,595 thousand and NT\$1,188,235 thousand respectively, accounting for 15% and 16% of the consolidated net operating income respectively.

### **Other Matters – Parent Company Only Financial Statements**

Wonderful Hi-Tech Co., Ltd. (the "Company") has prepared the parent company only financial statements for the years ended December 31, 2022 and 2021, to which we have also issued an independent auditor's report with unqualified opinion along with the section of other matters and provided for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed by the Financial Supervisory Commission of the R.O.C., and for necessary 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, the responsibilities of the

management include 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 the audit committee, are responsible for overseeing the Group's financial reporting process.

### **Auditor's 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. The term of "reasonable assurance" refers to the high level of assurance. Nevertheless, the audit performed according to the Generally Accepted Auditing Standards of R.O.C. cannot guarantee the discovery of material misstatements in the financial statements. Misstatements can arise from fraud or error, Misstatements 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 the consolidated financial statements.

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

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of the Group.



3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of the Group have significant uncertainty, and provide a conclusion thereto. 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 auditors' report. Nevertheless, future events or circumstances may cause the Group to have no ability for continuous operation.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, 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 for the financial information of individual entities of the Group and provide opinion on the consolidated financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the Group.

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 the governance units with statements that we have complied with relevant independence declaration specified in the Code of Ethics for Professional Accountants of R.O.C. that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's 2022 consolidated financial statements 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.

PwC Taiwan

Po-Chuan Lin

Certified Public Accountant

Shu-Chiung Chang

Former Securities and Futures Commission, Ministry of  
Finance

Approval Certificate Document No.:

Jin-Guan-Zheng-Shen-Zi No. 1100350706

Financial Supervisory Commission

Approval Certificate Document No.:

Jin-Guan-Zheng-Shen-Zi No. 0990042602

March 17, 2023

Wonderful Hi-Tech Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2022 and 2021

Unit: NT\$ thousand

|                           | Assets  | Note        | December 31, 2022   |            | December 31, 2021   |            |
|---------------------------|---|-------------|---------------------|------------|---------------------|------------|
|                           |   |             | Amount              | %          | Amount              | %          |
| <b>Current assets</b>     |   |             |                     |            |                     |            |
| 1100                      | Cash and cash equivalents   | 6(1)        | \$ 717,008          | 12         | \$ 504,568          | 8          |
| 1110                      | Financial assets measured at fair value through profit or loss - current        | 6(2)        | 8,758               | -          | 10,898              | -          |
| 1150                      | Notes receivable, net   | 6(4)        | 106,776             | 2          | 106,439             | 2          |
| 1170                      | Accounts receivable, net  | 6(4)        | 1,491,009           | 24         | 1,728,069           | 27         |
| 1180                      | Accounts receivable from related parties, net                                   | 7           | 22,645              | -          | 44,019              | 1          |
| 1200                      | Other receivables   |             | 70,158              | 1          | 152,011             | 2          |
| 1210                      | Other receivables - related Party   | 7           | 421                 | -          | 412                 | -          |
| 130X                      | Inventory   | 6(5)        | 1,659,575           | 26         | 1,803,329           | 28         |
| 1410                      | Prepayments   |             | 28,848              | 1          | 62,546              | 1          |
| 1476                      | Other financial assets - current  | 8           | 85,239              | 1          | 13,608              | -          |
| 1479                      | Other current assets - others   |             | 13,543              | -          | 2,054               | -          |
| 11XX                      | <b>Total current assets</b>   |             | <u>4,203,980</u>    | <u>67</u>  | <u>4,427,953</u>    | <u>69</u>  |
| <b>Non-current assets</b> |   |             |                     |            |                     |            |
| 1517                      | Financial assets at fair value through other comprehensive income - non-current | 6(3)        | 64,921              | 1          | 30,961              | -          |
| 1550                      | Investment accounted for under the equity method                                | 6(6), and 8 | 291,268             | 5          | 343,228             | 5          |
| 1600                      | Property, plant and equipment   | 6(7) and 8  | 1,177,505           | 19         | 1,048,570           | 16         |
| 1755                      | Right-of-use assets   | 6(8) and 7  | 184,605             | 3          | 185,095             | 3          |
| 1760                      | Investment property, net  | 6(9) and 8  | 158,319             | 2          | 154,441             | 2          |
| 1780                      | Intangible assets   | 6(10)       | 162,145             | 3          | 170,861             | 3          |
| 1840                      | Deferred income tax assets  | 6(25)       | 35,598              | -          | 52,800              | 1          |
| 1990                      | Other non-current assets - others   |             | 29,118              | -          | 42,411              | 1          |
| 15XX                      | <b>Total non-current assets</b>   |             | <u>2,103,479</u>    | <u>33</u>  | <u>2,028,367</u>    | <u>31</u>  |
| 1XXX                      | <b>Total assets</b>   |             | <u>\$ 6,307,459</u> | <u>100</u> | <u>\$ 6,456,320</u> | <u>100</u> |

(Continued)

Wonderful Hi-Tech Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2022 and 2021

Unit: NT\$ thousand

| Liabilities and Equity  |   | Note  | December 31, 2022   |            | December 31, 2021   |            |
|---|---|-------|---------------------|------------|---------------------|------------|
|   |   |       | Amount              | %          | Amount              | %          |
| <b>Current liabilities</b>                                      |   |       |                     |            |                     |            |
| 2100  | Short-term borrowings   | 6(12) | \$ 1,078,476        | 17         | \$ 2,339,578        | 36         |
| 2120  | Financial liabilities measured at fair value through profit or loss - current | 6(2)  | 2,256               | -          | -                   | -          |
| 2170  | Accounts payable  |       | 462,850             | 7          | 805,711             | 13         |
| 2180  | Accounts payable - related party  | 7     | 43,553              | 1          | 67,378              | 1          |
| 2200  | Other payables  |       | 288,890             | 5          | 257,654             | 4          |
| 2220  | Other accounts payable - related party  | 7     | 12,062              | -          | 23,112              | -          |
| 2230  | Current income tax liabilities  |       | 108,578             | 2          | 26,199              | 1          |
| 2280  | Lease liabilities - current   | 7     | 36,060              | -          | 28,030              | 1          |
| 2320  | Current portion of long-term borrowings                                       | 6(13) | 42,076              | 1          | 23,464              | -          |
| 2399  | Other current liabilities - others  |       | 9,758               | -          | 12,523              | -          |
| 21XX  | <b>Total current liabilities</b>  |       | <u>2,084,559</u>    | <u>33</u>  | <u>3,583,649</u>    | <u>56</u>  |
| <b>Non-current liabilities</b>                                  |   |       |                     |            |                     |            |
| 2530  | Bonds payable   | 6(11) | 762,578             | 12         | 61,022              | 1          |
| 2540  | Long-term borrowings  | 6(13) | 79,320              | 1          | 25,667              | -          |
| 2570  | Deferred income tax liabilities   | 6(25) | 182,393             | 3          | 132,931             | 2          |
| 2580  | Lease liabilities - non-current   | 7     | 99,099              | 2          | 109,122             | 2          |
| 2640  | Net defined benefit liabilities - non-current                                 | 6(14) | 61,915              | 1          | 82,153              | 1          |
| 2670  | Other non-current liabilities - others  |       | 3,290               | -          | 3,535               | -          |
| 25XX  | <b>Total non-current liabilities</b>  |       | <u>1,188,595</u>    | <u>19</u>  | <u>414,430</u>      | <u>6</u>   |
| 2XXX  | <b>Total liabilities</b>  |       | <u>3,273,154</u>    | <u>52</u>  | <u>3,998,079</u>    | <u>62</u>  |
| <b>Equity</b>   |   |       |                     |            |                     |            |
| <b>Equity attributable to owners of parent company</b>          |   |       |                     |            |                     |            |
| Share capital   |   |       |                     |            |                     |            |
| 3110  | Common share capital  | 6(16) | 1,616,652           | 26         | 1,591,048           | 25         |
| Capital surplus   |   |       |                     |            |                     |            |
| 3200  | Capital surplus   | 6(17) | 383,677             | 5          | 258,139             | 3          |
| Retained earnings   |   |       |                     |            |                     |            |
| 3310  | Statutory reserves  | 6(18) | 91,626              | 2          | 70,060              | 1          |
| 3320  | Special reserves  |       | 169,203             | 3          | 172,622             | 3          |
| 3350  | Undistributed earnings  |       | 491,831             | 8          | 235,606             | 4          |
| Other equity  |   |       |                     |            |                     |            |
| 3400  | Other equity  |       | ( 21,611)           | ( 1)       | ( 75,389)           | ( 1)       |
| 3500  | Treasury shares   | 6(16) | ( 128,532)          | ( 2)       | ( 156,301)          | ( 3)       |
| 31XX  | <b>Total equity attributable to the owners of the parent company</b>          |       | <u>2,602,846</u>    | <u>41</u>  | <u>2,095,785</u>    | <u>32</u>  |
| 36XX  | <b>Non-controlling interests</b>  |       | <u>431,459</u>      | <u>7</u>   | <u>362,456</u>      | <u>6</u>   |
| 3XXX  | <b>Total equity</b>   |       | <u>3,034,305</u>    | <u>48</u>  | <u>2,458,241</u>    | <u>38</u>  |
| Significant Contingent Liabilities and Unrecognized Commitments |   |       |                     |            |                     |            |
| Material subsequent events                                      |   |       |                     |            |                     |            |
| 3X2X  | <b>Total liabilities and equities</b>   |       | <u>\$ 6,307,459</u> | <u>100</u> | <u>\$ 6,456,320</u> | <u>100</u> |

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ming-Lieh Chang

Managerial Officer: Cheng-Po Chang

Accounting Officer: Yu-Hsiu Hsu

Wonderful Hi-Tech Co., Ltd. and Subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand  
(Except for earnings per share in NT\$)

| Item  | Note               | 2022              |              | 2021              |             |
|---|--------------------|-------------------|--------------|-------------------|-------------|
|   |                    | Amount            | %            | Amount            | %           |
| 4000 Operating revenue  | 6(19) and 7        | \$ 9,028,285      | 100          | \$ 7,538,001      | 100         |
| 5000 Operating costs  | 6(5) (24)<br>and 7 | ( 7,450,220)      | ( 82)        | ( 6,454,818)      | ( 86)       |
| 5900 Gross profit   |                    | <u>1,578,065</u>  | <u>18</u>    | <u>1,083,183</u>  | <u>14</u>   |
| Operating expenses  | 6(24)              |                   |              |                   |             |
| 6100 Selling expenses   |                    | ( 448,712)        | ( 5)         | ( 406,925)        | ( 5)        |
| 6200 Administrative expenses  |                    | ( 368,263)        | ( 4)         | ( 276,140)        | ( 4)        |
| 6300 Research and development expenses  |                    | ( 47,230)         | ( 1)         | ( 38,950)         | -           |
| 6450 Expected credit impairment losses  |                    | ( 5,555)          | -            | ( 1,808)          | -           |
| 6000 Total operating expenses   |                    | <u>( 869,760)</u> | <u>( 10)</u> | <u>( 723,823)</u> | <u>( 9)</u> |
| 6900 Operating profit   |                    | <u>708,305</u>    | <u>8</u>     | <u>359,360</u>    | <u>5</u>    |
| Non-operating income and expenses   |                    |                   |              |                   |             |
| 7100 Interest income  | 6(20)              | 4,628             | -            | 522               | -           |
| 7010 Other income   | 6(21) and 7        | 23,627            | -            | 25,564            | -           |
| 7020 Other gains and losses   | 6(22)              | 99,859            | 1            | 42,080            | 1           |
| 7050 Finance costs  | 6(23) and 7        | ( 61,266)         | ( 1)         | ( 47,100)         | ( 1)        |
| 7060 Share of profits and losses of affiliated enterprises and joint ventures using the equity method | 6(6)               | ( 24,726)         | -            | ( 11,587)         | -           |
| 7000 Total non-operating incomes and expenses   |                    | <u>42,122</u>     | <u>-</u>     | <u>( 9,479)</u>   | <u>-</u>    |
| 7900 <b>Net income before tax</b>   |                    | <u>750,427</u>    | <u>8</u>     | <u>368,839</u>    | <u>5</u>    |
| 7950 Income tax expense   | 6(25)              | ( 212,357)        | ( 2)         | ( 99,147)         | ( 2)        |
| 8200 <b>Net income for the period</b>   |                    | <u>\$ 538,070</u> | <u>6</u>     | <u>\$ 269,692</u> | <u>3</u>    |

(Continued)

Wonderful Hi-Tech Co., Ltd. and Subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand  
(Except for earnings per share in NT\$)

| Item   | Note  | 2022   |                   | 2021     |                    |          |
|--|---|--------|-------------------|----------|--------------------|----------|
|  |   | Amount | %                 | Amount   | %                  |          |
| <b>Other comprehensive profit and loss (net)</b>                     |   |        |                   |          |                    |          |
| <b>Items not reclassified subsequently to profit or loss</b>         |   |        |                   |          |                    |          |
| 8311   | Remeasurement of defined benefit programs   | 6(14)  | \$ 11,630         | -        | (\$ 11,500)        | -        |
| 8316   | Unrealized equity instrument profit or loss measured at fair value through other comprehensive income   | 6(3)   | 13,249            | -        | 14,535             | -        |
| 8320   | Share of other comprehensive income of affiliated enterprises and joint ventures accounted for using equity method - Items not to be reclassified into profit or loss |        | ( 27,587)         | -        | 50,002             | 1        |
| 8349   | Income taxes related to the items not re-classified   | 6(25)  | ( 2,326)          | -        | 2,300              | -        |
| <b>Items that may be reclassified subsequently to profit or loss</b> |   |        |                   |          |                    |          |
| 8361   | Exchange differences on translation of the financial statements of foreign operations   |        | 129,173           | 1        | ( 93,256)          | ( 1)     |
| 8370   | Share of other comprehensive income of affiliated enterprises and joint ventures accounted for using equity method - Items may be reclassified into profit or loss    |        | 2,381             | -        | ( 1,881)           | -        |
| 8399   | Income tax related to items may be reclassified into profit or loss   | 6(25)  | ( 20,944)         | -        | 14,397             | -        |
| 8300   | <b>Other comprehensive profit and loss (net)</b>  |        | <u>\$ 105,576</u> | <u>1</u> | <u>(\$ 25,403)</u> | <u>-</u> |
| 8500   | <b>Total comprehensive income for this period</b>   |        | <u>\$ 643,646</u> | <u>7</u> | <u>\$ 244,289</u>  | <u>3</u> |
| Net income attributable to:  |   |        |                   |          |                    |          |
| 8610   | owners of the parent company  |        | \$ 465,854        | 5        | \$ 224,760         | 2        |
| 8620   | Non-controlling interests   |        | 72,216            | 1        | 44,932             | 1        |
|  |   |        | <u>\$ 538,070</u> | <u>6</u> | <u>\$ 269,692</u>  | <u>3</u> |
| Total comprehensive income attributable to:                          |   |        |                   |          |                    |          |
| 8710   | owners of the parent company  |        | \$ 542,817        | 6        | \$ 219,079         | 3        |
| 8720   | Non-controlling interests   |        | 100,829           | 1        | 25,210             | -        |
|  |   |        | <u>\$ 643,646</u> | <u>7</u> | <u>\$ 244,289</u>  | <u>3</u> |
| Earnings per share 6(26)   |   |        |                   |          |                    |          |
| 9750   | Basic earnings per share  |        | <u>\$ 3.04</u>    |          | <u>\$ 1.68</u>     |          |
| 9850   | Diluted earnings per share  |        | <u>\$ 3.03</u>    |          | <u>\$ 1.42</u>     |          |

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ming-Lieh Chang

Managerial Officer: Cheng-Po Chang

Accounting Officer: Yu-Hsiu Hsu

Wonderful Hi-Tech Co., Ltd. and Subsidiaries  
Consolidated Statement of Changes in Equity  
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

|  | Note       | Equity attributable to owners of parent company |                 |                    |                  |                        |   |  |                 |              |                           |              |
|--|------------|---|-----------------|--------------------|------------------|------------------------|---|--|-----------------|--------------|---------------------------|--------------|
|  |            | Retained earnings                               |                 |                    |                  |                        | Other equity  |  |                 |              |                           |              |
|  |            | Common share capital                            | Capital surplus | Statutory reserves | Special reserves | Undistributed earnings | Exchange differences on translation of the financial statements of foreign operations | Unrealized financial assets profit or loss measured at fair value through other comprehensive income | Treasury shares | Total        | Non-controlling interests | Total        |
| <b>2021</b>  |            |   |                 |                    |                  |                        |   |  |                 |              |                           |              |
| Balance as of January 1, 2021  |            | \$ 1,403,685                                    | \$ 16,858       | \$ 56,417          | \$ 127,574       | \$ 210,761             | (\$ 61,313 )  | (\$ 17,495 )   | (\$ 130,484 )   | \$ 1,606,003 | \$ 347,824                | \$ 1,953,827 |
| Net income for the period  |            | -   | -               | -                  | -                | 224,760                | -   | -  | -               | 224,760      | 44,932                    | 269,692      |
| Other comprehensive income/loss of the period  | 6(3)       | -   | -               | -                  | -                | ( 9,100 )              | ( 57,590 )  | 61,009   | -               | ( 5,681 )    | ( 19,722 )                | ( 25,403 )   |
| Total comprehensive income for this period   |            | -   | -               | -                  | -                | 215,660                | ( 57,590 )  | 61,009   | -               | 219,079      | 25,210                    | 244,289      |
| 2020 Appropriation and distribution of retained earnings:  | 6(18)      |   |                 |                    |                  |                        |   |  |                 |              |                           |              |
| Statutory reserves   |            | -   | -               | 13,643             | -                | ( 13,643 )             | -   | -  | -               | -            | -                         | -            |
| Special reserves   |            | -   | -               | -                  | 45,048           | ( 45,048 )             | -   | -  | -               | -            | -                         | -            |
| Cash dividends   |            | -   | -               | -                  | -                | ( 132,124 )            | -   | -  | ( 132,124 )     | -            | ( 132,124 )               | -            |
| Issuance of convertible bonds  | 6(11)(17)  | -   | 36,094          | -                  | -                | -                      | -   | -  | -               | 36,094       | -                         | 36,094       |
| Conversion of convertible bonds  | 6(11) (17) | 95,363  | 101,079         | -                  | -                | -                      | -   | -  | -               | 196,442      | -                         | 196,442      |
| Changes in equity ownership of subsidiaries  | 6(17)      | -   | 1,491           | -                  | -                | -                      | -   | -  | -               | 1,491        | ( 1,491 )                 | -            |
| Cash capital increase  | 6(16)      | 92,000  | 99,360          | -                  | -                | -                      | -   | -  | -               | 191,360      | -                         | 191,360      |
| Share-based payment transaction  | 6(15)      | -   | 3,257           | -                  | -                | -                      | -   | -  | -               | 3,257        | -                         | 3,257        |
| Repurchase of treasury shares  | 6(17)      | -   | -               | -                  | -                | -                      | -   | -  | ( 25,817 )      | ( 25,817 )   | -                         | ( 25,817 )   |
| Decrease in non-controlling interests  |            | -   | -               | -                  | -                | -                      | -   | -  | -               | -            | ( 9,087 )                 | ( 9,087 )    |
| Balance as of December 31, 2021  |            | \$ 1,591,048                                    | \$ 258,139      | \$ 70,060          | \$ 172,622       | \$ 235,606             | (\$ 118,903 )   | \$ 43,514  | (\$ 156,301 )   | \$ 2,095,785 | \$ 362,456                | \$ 2,458,241 |
| <b>2022</b>  |            |   |                 |                    |                  |                        |   |  |                 |              |                           |              |
| Balance as of January 1, 2022  |            | \$ 1,591,048                                    | \$ 258,139      | \$ 70,060          | \$ 172,622       | \$ 235,606             | (\$ 118,903 )   | \$ 43,514  | (\$ 156,301 )   | \$ 2,095,785 | \$ 362,456                | \$ 2,458,241 |
| Net income for the period  |            | -   | -               | -                  | -                | 465,854                | -   | -  | -               | 465,854      | 72,216                    | 538,070      |
| Other comprehensive income/loss of the period  | 6(3)       | -   | -               | -                  | -                | 8,885                  | 84,445  | ( 16,367 )   | -               | 76,963       | 28,613                    | 105,576      |
| Total comprehensive income for this period   |            | -   | -               | -                  | -                | 474,739                | 84,445  | ( 16,367 )   | -               | 542,817      | 100,829                   | 643,646      |
| 2021 Appropriation and distribution of retained earnings:  | 6(18)      |   |                 |                    |                  |                        |   |  |                 |              |                           |              |
| Statutory reserves   |            | -   | -               | 21,566             | -                | ( 21,566 )             | -   | -  | -               | -            | -                         | -            |
| Special reserves   |            | -   | -               | -                  | ( 3,419 )        | 3,419                  | -   | -  | -               | -            | -                         | -            |
| Cash dividends   |            | -   | -               | -                  | -                | ( 214,667 )            | -   | -  | ( 214,667 )     | -            | ( 214,667 )               | -            |
| Issuance of convertible bonds  | 6(11)(17)  | -   | 65,027          | -                  | -                | -                      | -   | -  | -               | 65,027       | -                         | 65,027       |
| Conversion of convertible bonds  | 6(11)(17)  | 25,604  | 28,908          | -                  | -                | -                      | -   | -  | -               | 54,512       | -                         | 54,512       |
| treasury stock transfer employee   | 6(16)      | -   | ( 4,459 )       | -                  | -                | -                      | -   | -  | 27,769          | 23,310       | -                         | 23,310       |
| Disposal of investments by the equity method   |            | -   | -               | -                  | -                | 2,090                  | -   | ( 2,090 )  | -               | -            | -                         | -            |
| Investment companies by the equity method dispose of equity instrument shares measured through fair value in other cases and profit and loss cases |            | -   | -               | -                  | -                | 12,210                 | -   | ( 12,210 )   | -               | -            | -                         | -            |
| Difference between actual price of subsidiary equity acquired and the book value   | 6(17)(27)  | -   | 4,816           | -                  | -                | -                      | -   | -  | -               | 4,816        | ( 15,611 )                | ( 10,795 )   |
| Net change in affiliated enterprises and joint ventures accounted for under equity method  | 6(17)      | -   | 10,450          | -                  | -                | -                      | -   | -  | -               | 10,450       | -                         | 10,450       |
| Changes in equity ownership of subsidiaries  | 6(17)      | -   | 2,854           | -                  | -                | -                      | -   | -  | -               | 2,854        | ( 2,854 )                 | -            |
| Decrease in non-controlling interests  |            | -   | -               | -                  | -                | -                      | -   | -  | -               | -            | ( 13,361 )                | ( 13,361 )   |
| Share-based payment transaction  | 6(15)      | -   | 17,942          | -                  | -                | -                      | -   | -  | -               | 17,942       | -                         | 17,942       |
| Balance as of December 31, 2022  |            | \$ 1,616,652                                    | \$ 383,677      | \$ 91,626          | \$ 169,203       | \$ 491,831             | (\$ 34,458 )  | \$ 12,847  | (\$ 128,532 )   | \$ 2,602,846 | \$ 431,459                | \$ 3,034,305 |

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.  
Managerial Officer: Cheng-Po Chang

Accounting Officer: Yu-Hsiu Hsu

Chairman: Ming-Lieh Chang

Wonderful Hi-Tech Co., Ltd. and Subsidiaries  
Consolidated Statement of Cash Flow  
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

|  | <u>Note</u> | <u>January 1 to<br/>December 31, 2022</u> | <u>January 1 to<br/>December 31, 2021</u> |
|--|-------------|---|---|
| <u>Cash flows from operating activities</u>  |             |   |   |
| Net income before income tax   |             | \$ 750,427                                | \$ 368,839                                |
| Adjustments  |             |   |   |
| Income/expenses items  |             |   |   |
| Amortization expenses  | 6(10)(24)   | 15,927                                    | 14,943                                    |
| Depreciation expenses  | 6(7)(8)(24) | 170,257                                   | 133,460                                   |
| Expected credit impairment losses  |             | 5,555                                     | 1,808                                     |
| Interest income  | 6(20)       | ( 4,628 )                                 | ( 522 )                                   |
| Dividend income  | 6(21)       | ( 612 )                                   | ( 102 )                                   |
| Interest expenses  | 6(23)       | 61,266                                    | 47,100                                    |
| Gains on disposal of property, plant and equipment   | 6(22)       | ( 2,066 )                                 | ( 2,646 )                                 |
| Net gain on financial assets and liabilities at fair value through profit or loss                | 6(2) (22)   | 12,113                                    | ( 29,646 )                                |
| Losses from disposals of investments   | 6(22)       | ( 11,611 )                                | -   |
| Investment real estate fair value adjustment benefits  | 6(9)(22)    | ( 3,878 )                                 | -   |
| Share of profits and losses of affiliated enterprises and joint ventures using the equity method | 6(6)        | 24,726                                    | 11,587                                    |
| Share-based payments   | 6(15)       | 17,942                                    | 3,257                                     |
| Change in assets/liabilities relating to operating activities                                    |             |   |   |
| Net changes in assets relating to operating activities   |             |   |   |
| Financial assets at fair value through profit or loss  |             | 33,110                                    | 2,624                                     |
| Notes and accounts receivable  |             | 235,016                                   | ( 639,196 )                               |
| Accounts receivable - related party  |             | 21,376                                    | 990                                       |
| Other receivables  |             | 83,140                                    | ( 100,457 )                               |
| Other receivables - related Party  |             | 287                                       | 1,795                                     |
| Inventory  |             | 143,754                                   | ( 586,242 )                               |
| Prepayments  |             | 33,698                                    | 9,537                                     |
| Other current assets   |             | ( 8,107 )                                 | 1,984                                     |
| Net changes in liabilities relating to operations  |             |   |   |
| Financial liabilities measured at fair value through profit or loss                              |             | ( 27,165 )                                | ( 6,941 )                                 |
| Accounts payable   |             | ( 342,861 )                               | 335,043                                   |
| Accounts payable - related party   |             | ( 23,825 )                                | 19,226                                    |
| Other payables   |             | 15,928                                    | 33,604                                    |
| Other payables - related party   |             | ( 11,434 )                                | 22,737                                    |
| Other current liabilities  |             | ( 2,765 )                                 | ( 3,799 )                                 |
| Other non-current liabilities  |             | ( 245 )                                   | ( 2,078 )                                 |
| Cash inflow (outflow) from operating activities  |             | 1,185,275                                 | ( 363,095 )                               |
| Interest received  |             | 3,337                                     | 619                                       |
| Dividends received   |             | 2,394                                     | 102                                       |
| Interests paid   |             | ( 42,046 )                                | ( 30,270 )                                |
| Income taxes paid  |             | ( 100,158 )                               | ( 59,303 )                                |
| Net cash inflow (outflow) from operating activities  |             | <u>1,048,802</u>                          | <u>( 451,947 )</u>                        |

(Continued)



Wonderful Hi-Tech Co., Ltd. and Subsidiaries  
Consolidated Statement of Cash Flow  
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

|  | <u>Note</u> | <u>January 1 to<br/>December 31, 2022</u> | <u>January 1 to<br/>December 31, 2021</u> |
|--|-------------|---|---|
| <u>Cash flows from investing activities</u>                                      |             |   |   |
| Decrease (increase) in other financial assets                                    |             | ( \$ 71,631 )                             | ( \$ 5,546 )                              |
| Acquisition of financial assets at fair value through other comprehensive income |             | ( 19,380 )                                | -   |
| Acquisition of investments by equity method                                      |             | ( 5,135 )                                 | ( 17,608 )                                |
| Proceeds from disposal of investments by equity method                           | 6(6)        | 27,494                                    | -   |
| Acquisition of property, plant and equipment                                     | 6(28)       | ( 199,281 )                               | ( 315,050 )                               |
| Proceeds from disposal of property, plant and equipment                          |             | 4,065                                     | 7,234                                     |
| Acquisition of Intangible assets   | 6(10)       | ( 6,532 )                                 | ( 3,679 )                                 |
| Disposal of investment under equity method                                       |             | ( 3,382 )                                 | -   |
| Decrease (increase) in other non-current assets                                  |             | 124                                       | 8,619                                     |
| Net cash outflow from investment activities                                      |             | ( 273,658 )                               | ( 326,030 )                               |
| <u>Cash flows from financing activities</u>                                      |             |   |   |
| Increase in short-term borrowings  |             | ( 1,261,102 )                             | 810,658                                   |
| Increase in long-term borrowings   |             | 138,415                                   | 136,080                                   |
| Repayments of long-term borrowings   |             | ( 66,150 )                                | ( 337,529 )                               |
| Payments for buy-back of ordinary shares   | 6(16)       | -   | ( 25,817 )                                |
| treasury stock transfer employee   | 6(16)       | 23,310                                    |   |
| Repaid principal of lease liabilities  |             | ( 32,246 )                                | ( 19,763 )                                |
| Issuance of bonds  |             | 804,593                                   | 314,990                                   |
| Cash dividends paid  | 6(18)       | ( 214,667 )                               | ( 132,124 )                               |
| Changes in non-controlling interests   | 6(27)       | ( 10,795 )                                | ( 5,270 )                                 |
| Cash capital increase  | 6(16)       | -   | 191,360                                   |
| Payment of cash dividends to non-controlling interests                           |             | ( 5,220 )                                 | -   |
| Net cash inflow from financing activities  |             | ( 623,862 )                               | 932,585                                   |
| Exchange rate effects  |             | 61,158                                    | ( 83,645 )                                |
| Increase in cash and cash equivalents for the period                             |             | 212,440                                   | 70,963                                    |
| Balance of cash and cash equivalents at beginning of period                      |             | 504,568                                   | 433,605                                   |
| Balance of cash and cash equivalents at end of period                            |             | \$ 717,008                                | \$ 504,568                                |

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ming-Lieh Chang

Managerial Officer: Cheng-Po Chang

Accounting Officer: Yu-Hsiu Hsu

## Independent Auditors' Report

(2023) Cai-Shen-Bao-Zi No. 22004432

To the Board of Directors and Shareholders of Wonderful Hi-Tech Co., Ltd.

### **Opinion**

We have audited the accompanying parent company only financial statements of Wonderful Hi-Tech Co., Ltd. (the "Company"), which comprise the parent company only balance sheets for the years ended December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for January 1 to December 31, 2022 and 2021, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for January 1 to December 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee Interpretations (IFRIC), and Standard Interpretations Committee Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China (R.O.C.).

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements of Financial Institutions by Certified Public Accountants and auditing standards generally accepted in the Republic of China (R.O.C.). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. In view of the audit result concluded by our independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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 parent company only financial statements of the Company for the year 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's consolidated financial statements for the year 2022 are stated as follows:

### **Existence of New Top 10 Sales Accounts Revenue**

#### Description

For description of the accounting policy and accounting Item for income recognition, please refer to Notes 4 (30) and 6(17) of the parent company only financial statements.

The Company's main business refers to the manufacturing, sales and purchase of various types of wires and cables. The Company's customers include well-known international companies having long-term and stable cooperation relationship with the Company. In addition, to secure the market share, the Company continues to develop new customers. The comparison with the list of top 10 sales customers in 2022 and 2021 indicates that there have been changes to the increase/decrease of sales amount of the main customers in the current period from the amounts in the same period of last year, such that a portion of the customers in the top 10 main sales customers becoming the new top 10 sales customers in the current period, thus having positive impact on the increase of the consolidated operating revenue. We consider that for the new top 10 main sales customers, the issue of whether relevant sales transactions exist has material impact on the parent company only financial statements. Accordingly, the existence of the new top 10 sales account revenue of the Company is listed as one of the key audit matters.

#### Corresponding Audit Procedures

We summarize the audit procedures executed in the following:

1. Evaluate and test the execution of sales transaction internal system and actual process, including the credit extension evaluation of the new top 10 sales accounts.
2. Review the relevant industrial background information of the new top 10 sales accounts.
3. Obtain the operating revenue transaction statement of the new top 10 sales accounts of the current period, and randomly test relevant certificates of the customer orders, shipping orders and payment slips, in order to verify the existence of transactions.

## **Inventory Valuation**

### Description

For the description of the accounting policy, accounting estimation and assumption of inventory and allowance for inventory write-down, please refer to Notes 4(12), 5(2) and 6(5).

The main business of the Company refers to the manufacturing, processing, purchase and sales, and import/export of various types of wires and cables. The inventory is measured based on the cost and net realizable value whichever is lower. In addition, the usable condition of individual old and obsolete inventory is further identified, in order to recognize the inventory write-down. Since there are a lot of competitors from the Mainland China, and the raw material price fluctuation is great, the product price is likely to be affected or the product sales may not be as expected. Furthermore, the allowance of inventory write-down of individual identification of old and obsolete inventories involves the subjective judgment of the management. Accordingly, we consider that the accounting estimation has material impact on the inventory valuation, and it is listed as one of the key audit matters.

### Corresponding Audit Procedures

We summarize the audit procedures executed in the following:

1. Understand the company operation and the nature of industry. Assess the policy adopted for the allowance for inventory write-down.
2. Obtain the obsolete inventory statement individually identified by the management. Review relevant documents and verify account records.
3. Randomly examine whether the basis of net realizable value is consistent with the policy

established by the Company, and review whether the calculation of the net realizable value of individual inventory material number is correct.

### **Other Matters - Relevant audits by other independent auditors**

For some of the investees under equity method listed in the Company's parent company only financial statements, their financial statements were not audited by our representatives, but was audited by other independent auditors. Accordingly, regarding the our opinion on the aforementioned parent company only financial statements, relevant amount listed in financial statements of such company was based on the audit report by other independent auditors. As of December 31, 2022 and 2021, the investments under equity method for the aforementioned companies were NT\$595,494 thousand and NT\$506,663 thousand respectively, accounted for 14% and 12% of the total assets respectively. The compressive income for January 1 to December 31, 2022 and 2021 were NT\$106,420 thousand and NT\$74,267 thousand respectively, accounted for 20% and 34% of the comprehensive income respectively.

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

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

In preparing the parent company only financial statements, the responsibilities of the management include 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the parent company only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only 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 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. Misstatements 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 parent company only financial statements.

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

7. Identify and assess the risks of material misstatement of the parent company only 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.
8. Obtain a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of the Company.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
10. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of the Company have

significant uncertainty, and provide conclusion thereto. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. Nevertheless, future events or circumstances may cause the Company to have no ability for continuous operation.

11. Evaluate the overall presentation, structure and content of the parent company only financial statements, including relevant notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of the Company and provide opinion on the parent company only financial statements. We handle the guidance, supervision and execution of the audit on the Company and are responsible for preparing the opinion for the Company.

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 the governance units with statements that we have complied with relevant independence declaration specified in the Code of Ethics for Professional Accountants of R.O.C. that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Company's 2021 parent company only financial statements 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.

PwC Taiwan

Po-Chuan Lin

Certified Public Accountant

Shu-Chiung Chang

Former Securities and Futures Commission, Ministry of  
Finance

Approval Certificate Document No.:

Jin-Guan-Zheng-Shen-Zi No. 1100350706

Financial Supervisory Commission

Approval Certificate Document No.:

Jin-Guan-Zheng-Shen-Zi No. 0990042602

March 17, 2023



Wonderful Hi-Tech Co., Ltd.  
Parent Company Only Balance Sheet  
December 31, 2022 and 2021

Unit: NT\$ thousand

|                           | Assets  | Note       | December 31, 2022   |            | December 31, 2021   |            |
|---------------------------|---|------------|---------------------|------------|---------------------|------------|
|                           |   |            | Amount              | %          | Amount              | %          |
| <b>Current assets</b>     |   |            |                     |            |                     |            |
| 1100                      | Cash and cash equivalents   | 6(1)       | \$ 242,409          | 6          | \$ 238,084          | 6          |
| 1110                      | Financial assets measured at fair value through profit or loss - current        | 6(2)       | 8,758               | -          | 10,898              | -          |
| 1150                      | Notes receivable, net   | 6(4)       | 35,199              | 1          | 40,431              | 1          |
| 1170                      | Accounts receivable, net  | 6(4)       | 511,496             | 12         | 734,326             | 17         |
| 1180                      | Accounts receivable from related parties, net                                   | 7          | 421,994             | 10         | 513,347             | 12         |
| 1200                      | Other receivables   |            | 10,337              | -          | 13,333              | -          |
| 1210                      | Other receivables - related Party   | 7          | 16,571              | -          | 57,111              | 1          |
| 130X                      | Inventory   | 6(5)       | 455,036             | 10         | 416,103             | 10         |
| 1410                      | Prepayments   |            | 6,620               | -          | 12,956              | -          |
| 1476                      | Other financial assets - current  | 8          | 8,000               | -          | 8,000               | -          |
| 1479                      | Other current assets - others   |            | 344                 | -          | 306                 | -          |
| 11XX                      | <b>Total current assets</b>   |            | <u>1,716,764</u>    | <u>39</u>  | <u>2,044,895</u>    | <u>47</u>  |
| <b>Non-current assets</b> |   |            |                     |            |                     |            |
| 1517                      | Financial assets at fair value through other comprehensive income - non-current | 6(3)       | 37,433              | 1          | 12,256              | -          |
| 1550                      | Investment accounted for under the equity method                                | 6(6) and 8 | 2,173,826           | 49         | 1,806,245           | 42         |
| 1600                      | Property, plant and equipment   | 6(7) and 8 | 211,089             | 5          | 228,808             | 5          |
| 1755                      | Right-of-use assets   | 6(8)       | 24,674              | 1          | 26,106              | 1          |
| 1760                      | Investment property, net  | 6(9) and 8 | 188,525             | 4          | 184,647             | 4          |
| 1780                      | Intangible assets   |            | 592                 | -          | 972                 | -          |
| 1840                      | Deferred income tax assets  | 6(23)      | 25,320              | 1          | 43,487              | 1          |
| 1990                      | Other non-current assets - others   |            | 15,252              | -          | 11,223              | -          |
| 15XX                      | <b>Total non-current assets</b>   |            | <u>2,676,711</u>    | <u>61</u>  | <u>2,313,744</u>    | <u>53</u>  |
| 1XXX                      | <b>Total assets</b>   |            | <u>\$ 4,393,475</u> | <u>100</u> | <u>\$ 4,358,639</u> | <u>100</u> |

(Continued)

Wonderful Hi-Tech Co., Ltd.  
Parent Company Only Balance Sheet  
December 31, 2022 and 2021

Unit: NT\$ thousand

| Liabilities and Equity  |   | Note  | December 31, 2022   |            | December 31, 2021   |            |
|---|---|-------|---------------------|------------|---------------------|------------|
|   |   |       | Amount              | %          | Amount              | %          |
| <b>Current liabilities</b>                                      |   |       |                     |            |                     |            |
| 2100  | Short-term borrowings                         | 6(11) | \$ 130,000          | 3          | \$ 980,926          | 23         |
| 2170  | Accounts payable                              |       | 268,183             | 6          | 354,116             | 8          |
| 2180  | Accounts payable - related party              | 7     | 175,959             | 4          | 517,223             | 12         |
| 2200  | Other payables                                |       | 149,454             | 4          | 121,478             | 3          |
| 2220  | Other accounts payable - related party        | 7     | 6,248               | -          | 4,309               | -          |
| 2230  | Current income tax liabilities                |       | 60,216              | 1          | 17,900              | -          |
| 2280  | Lease liabilities - current                   |       | 6,922               | -          | 5,561               | -          |
| 2399  | Other current liabilities - others            |       | 5,969               | -          | 9,833               | -          |
| 21XX  | <b>Total current liabilities</b>              |       | <u>802,951</u>      | <u>18</u>  | <u>2,011,346</u>    | <u>46</u>  |
| <b>Non-current liabilities</b>                                  |   |       |                     |            |                     |            |
| 2530  | Bonds payable                                 | 6(10) | 762,578             | 17         | 61,022              | 2          |
| 2570  | Deferred income tax liabilities               | 6(23) | 151,260             | -          | 99,530              | 2          |
| 2580  | Lease liabilities - non-current               |       | 18,403              | 1          | 21,115              | 1          |
| 2640  | Net defined benefit liabilities – non-current | 6(12) | 32,071              | 1          | 58,277              | 1          |
| 2670  | Other non-current liabilities - others        | 6(6)  | 23,366              | -          | 11,564              | -          |
| 25XX  | <b>Total non-current liabilities</b>          |       | <u>987,678</u>      | <u>23</u>  | <u>251,508</u>      | <u>6</u>   |
| 2XXX  | <b>Total liabilities</b>                      |       | <u>1,790,629</u>    | <u>41</u>  | <u>2,262,854</u>    | <u>52</u>  |
| <b>Equity</b>   |   |       |                     |            |                     |            |
| Share capital   |   |       |                     |            |                     |            |
| 3110  | Common share capital                          | 6(14) | 1,616,652           | 37         | 1,591,048           | 37         |
| Capital surplus   |   |       |                     |            |                     |            |
| 3200  | Capital surplus                               | 6(15) | 383,677             | 9          | 258,139             | 5          |
| Retained earnings   |   |       |                     |            |                     |            |
| 3310  | Statutory reserves                            | 6(16) | 91,626              | 2          | 70,060              | 2          |
| 3320  | Special reserves                              |       | 169,203             | 4          | 172,622             | 4          |
| 3350  | Undistributed earnings                        |       | 491,831             | 11         | 235,606             | 6          |
| Other equity  |   |       |                     |            |                     |            |
| 3400  | Other equity                                  |       | ( 21,611)           | ( 1)       | ( 75,389)           | ( 2)       |
| 3500  | Treasury shares                               | 6(14) | ( 128,532)          | ( 3)       | ( 156,301)          | ( 4)       |
| 3XXX  | <b>Total equity</b>                           |       | <u>2,602,846</u>    | <u>59</u>  | <u>2,095,785</u>    | <u>48</u>  |
| Significant Contingent Liabilities and Unrecognized Commitments |   |       |                     |            |                     |            |
| Material subsequent events                                      |   |       |                     |            |                     |            |
| 3X2X  | <b>Total liabilities and equities</b>         | 11    | <u>\$ 4,393,475</u> | <u>100</u> | <u>\$ 4,358,639</u> | <u>100</u> |

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ming-Lieh Chang

Managerial Officer: Cheng-Po Chang

Accounting Officer: Yu-Hsiu Hsu

Wonderful Hi-Tech Co., Ltd.  
Parent Company Only Statement of Comprehensive Income  
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand  
(Except for earnings per share in NT\$)

| Item  | Note              | 2022         |       | 2021         |       |
|---|-------------------|--------------|-------|--------------|-------|
|   |                   | Amount       | %     | Amount       | %     |
| 4000 Operating revenue  | 6(17) and 7       | \$ 4,098,856 | 100   | \$ 3,720,507 | 100   |
| 5000 Operating costs  | 6(5)(22)<br>and 7 | ( 3,488,259) | ( 85) | ( 3,344,995) | ( 90) |
| Gross profit  |                   | 610,597      | 15    | 375,512      | 10    |
| 5910 Unrealized gain from sale  |                   | ( 44,415)    | ( 1)  | ( 25,044)    | ( 1)  |
| 5920 Realized gain from sale  |                   | 25,045       | -     | 18,327       | 1     |
| 5950 Gross Profit   |                   | 591,227      | 14    | 368,795      | 10    |
| Operating expenses  | 6(22) and 7       |              |       |              |       |
| 6100 Selling expenses   |                   | ( 159,893)   | ( 4)  | ( 116,555)   | ( 3)  |
| 6200 Administrative expenses  |                   | ( 157,245)   | ( 4)  | ( 101,461)   | ( 3)  |
| 6300 Research and development expenses  |                   | ( 29,852)    | -     | ( 22,935)    | ( 1)  |
| 6450 Expected credit impairment losses  |                   | 3,151        | -     | ( 3,632)     | -     |
| 6000 Total operating expenses   |                   | ( 343,839)   | ( 8)  | ( 244,583)   | ( 7)  |
| 6900 Operating profit   |                   | 247,388      | 6     | 124,212      | 3     |
| Non-operating income and expenses   |                   |              |       |              |       |
| 7100 Interest income  | 6(18) and 7       | 1,855        | -     | 789          | -     |
| 7010 Other income   | 6(19) and 7       | 12,271       | -     | 12,391       | -     |
| 7020 Other gains and losses   | 6(20) and 7       | 82,697       | 2     | 26,878       | 1     |
| 7050 Finance costs  | 6(21)             | ( 16,310)    | -     | ( 13,644)    | -     |
| 7070 Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method | 6(6)              | 243,767      | 6     | 122,994      | 3     |
| 7000 Total non-operating incomes and expenses   |                   | 324,280      | 8     | 149,408      | 4     |
| 7900 <b>Net income before tax</b>   |                   | 571,668      | 14    | 273,620      | 7     |
| 7950 Income tax expense   | 6(23)             | ( 105,814)   | ( 3)  | ( 48,860)    | ( 1)  |
| 8200 <b>Net income for the period</b>   |                   | \$ 465,854   | 11    | \$ 224,760   | 6     |

(Continued)

Wonderful Hi-Tech Co., Ltd.  
Parent Company Only Statement of Comprehensive Income  
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand  
(Except for earnings per share in NT\$)

| Item   | Note  | 2022   |                   | 2021      |                   |          |
|--|---|--------|-------------------|-----------|-------------------|----------|
|  |   | Amount | %                 | Amount    | %                 |          |
| <b>Other comprehensive profit and loss (net)</b>                     |   |        |                   |           |                   |          |
| <b>Items not reclassified subsequently to profit or loss</b>         |   |        |                   |           |                   |          |
| 8311   | Remeasurement of defined benefit programs   | 6(12)  | \$ 9,400          | -         | (\$ 11,500)       | -        |
| 8316   | Unrealized equity instrument profit or loss measured at fair value through other comprehensive income   | 6(3)   | 5,797             | -         | 1,601             | -        |
| 8330   | Share of other comprehensive income of affiliated enterprises and joint ventures accounted for using equity method - Items not to be reclassified into profit or loss |        | ( 20,799)         | -         | 59,508            | 2        |
| 8349   | Income taxes related to the items not re-classified   | 6(23)  | ( 1,880)          | -         | 2,300             |          |
| <b>Items that may be reclassified subsequently to profit or loss</b> |   |        |                   |           |                   |          |
| 8361   | Exchange differences on translation of the financial statements of foreign operations   |        | 103,008           | 3         | ( 70,106)         | ( 2)     |
| 8380   | Share of other comprehensive income of associates and joint ventures accounted for using equity method- Items may be reclassified into profit or loss                 |        | 2,381             | -         | ( 1,881)          | -        |
| 8399   | Income tax related to items may be reclassified into profit or loss   | 6(23)  | ( 20,944)         | ( 1)      | 14,397            | -        |
| 8300   | <b>Other comprehensive profit and loss (net)</b>  |        | <u>\$ 76,963</u>  | <u>2</u>  | <u>(\$ 5,681)</u> | <u>-</u> |
| 8500   | <b>Total comprehensive income for this period</b>   |        | <u>\$ 542,817</u> | <u>13</u> | <u>\$ 219,079</u> | <u>6</u> |
| Net income attributable to:  |   |        |                   |           |                   |          |
| Earnings per share   |   |        |                   |           |                   |          |
| 9750   | Basic earnings per share  | 6(24)  | \$ 3.04           | \$ 1.68   |                   |          |
| 9850   | Diluted earnings per share  |        | \$ 3.03           | \$ 1.42   |                   |          |

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ming-Lieh Chang

Managerial Officer: Cheng-Po Chang

Accounting Officer: Yu-Hsiu Hsu

Wonderful Hi-Tech Co., Ltd.  
Parent Company Only Statement of Changes in Equity  
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

|  | Note       | Equity attributable to owners of parent company |                 |                    |                  |                        |   |  |                 | Total        |
|--|------------|---|-----------------|--------------------|------------------|------------------------|---|--|-----------------|--------------|
|  |            | Retained earnings                               |                 |                    |                  |                        | Other equity  |  |                 |              |
|  |            | Common share capital                            | Capital surplus | Statutory reserves | Special reserves | Undistributed earnings | Exchange differences on translation of the financial statements of foreign operations | Unrealized financial assets profit or loss measured at fair value through other comprehensive income | Treasury shares |              |
| <b>2021</b>  |            |   |                 |                    |                  |                        |   |  |                 |              |
| Balance as of January 1, 2021  |            | \$ 1,403,685                                    | \$ 16,858       | \$ 56,417          | \$ 127,574       | \$ 210,761             | ( \$ 61,313 )   | ( \$ 17,495 )  | ( \$ 130,484 )  | \$ 1,606,003 |
| Net income for the period  |            | -   | -               | -                  | -                | 224,760                | -   | -  | -               | 224,760      |
| Other comprehensive income/loss of the period  | 6(3)       | -   | -               | -                  | -                | ( 9,100 )              | ( 57,590 )  | 61,009   | -               | ( 5,681 )    |
| Total comprehensive income for this period   |            | -   | -               | -                  | -                | 215,660                | ( 57,590 )  | 61,009   | -               | 219,079      |
| 2020 Appropriation and distribution of retained earnings:  | 6(16)      |   |                 |                    |                  |                        |   |  |                 |              |
| Statutory reserves   |            | -   | -               | 13,643             | -                | ( 13,643 )             | -   | -  | -               | -            |
| Special reserves   |            | -   | -               | -                  | 45,048           | ( 45,048 )             | -   | -  | -               | -            |
| Cash dividends   |            | -   | -               | -                  | -                | ( 132,124 )            | -   | -  | -               | ( 132,124 )  |
| Issuance of convertible bonds  | 6(10) (15) | -   | 36,094          | -                  | -                | -                      | -   | -  | -               | 36,094       |
| Conversion of convertible bonds  | 6(10) (15) | 95,363  | 101,079         | -                  | -                | -                      | -   | -  | -               | 196,442      |
| Changes in equity ownership of subsidiaries  | 6(15)      | -   | 1,491           | -                  | -                | -                      | -   | -  | -               | 1,491        |
| Cash capital increase  | 6(14)      | 92,000  | 99,360          | -                  | -                | -                      | -   | -  | -               | 191,360      |
| Share-based payment transaction  | 6(13)      | -   | 3,257           | -                  | -                | -                      | -   | -  | -               | 3,257        |
| Repurchase of treasury shares  | 6(14)      | -   | -               | -                  | -                | -                      | -   | -  | ( 25,817 )      | ( 25,817 )   |
| Balance as of December 31, 2021  |            | \$ 1,591,048                                    | \$ 258,139      | \$ 70,060          | \$ 172,622       | \$ 235,606             | ( \$ 118,903 )  | \$ 43,514  | ( \$ 156,301 )  | \$ 2,095,785 |
| <b>2022</b>  |            |   |                 |                    |                  |                        |   |  |                 |              |
| Balance as of January 1, 2022  |            | \$ 1,591,048                                    | \$ 258,139      | \$ 70,060          | \$ 172,622       | \$ 235,606             | ( \$ 118,903 )  | \$ 43,514  | ( \$ 156,301 )  | \$ 2,095,785 |
| Net income for the period  |            | -   | -               | -                  | -                | 465,854                | -   | -  | -               | 465,854      |
| Other comprehensive income/loss of the period  | 6(3)       | -   | -               | -                  | -                | 8,885                  | 84,445  | ( 16,367 )   | -               | 76,963       |
| Total comprehensive income for this period   |            | -   | -               | -                  | -                | 474,739                | 84,445  | ( 16,367 )   | -               | 542,817      |
| 2021 Appropriation and distribution of retained earnings:  | 6(16)      |   |                 |                    |                  |                        |   |  |                 |              |
| Statutory reserves   |            | -   | -               | 21,566             | -                | ( 21,566 )             | -   | -  | -               | -            |
| Special reserves   |            | -   | -               | -                  | ( 3,419 )        | 3,419                  | -   | -  | -               | -            |
| Cash dividends   |            | -   | -               | -                  | -                | ( 214,667 )            | -   | -  | -               | ( 214,667 )  |
| Issuance of convertible bonds  | 6(10)(15)  | -   | 65,027          | -                  | -                | -                      | -   | -  | -               | 65,027       |
| Conversion of convertible bonds  | 6(10)(15)  | 25,604  | 28,908          | -                  | -                | -                      | -   | -  | -               | 54,512       |
| treasury stock transfer employee   | 6(14)      | -   | ( 4,459 )       | -                  | -                | -                      | -   | -  | 27,769          | 23,310       |
| Disposal of investments by the equity method   |            | -   | -               | -                  | -                | 2,090                  | -   | ( 2,090 )  | -               | -            |
| Investment companies by the equity method dispose of equity instrument shares measured through fair value in other cases and profit and loss cases |            | -   | -               | -                  | -                | 12,210                 | -   | ( 12,210 )   | -               | -            |
| Difference between actual price of subsidiary equity acquired and the book value   | 6(15)      | -   | 4,816           | -                  | -                | -                      | -   | -  | -               | 4,816        |
| Net change in affiliated enterprises and joint ventures accounted for under equity method  | 6(15)      | -   | 10,450          | -                  | -                | -                      | -   | -  | -               | 10,450       |
| Changes in equity ownership of subsidiaries  | 6(15)      | -   | 2,854           | -                  | -                | -                      | -   | -  | -               | 2,854        |
| Share-based payment transaction  | 6(13)      | -   | 17,942          | -                  | -                | -                      | -   | -  | -               | 17,942       |
| Balance as of December 31, 2022  |            | \$ 1,616,652                                    | \$ 383,677      | \$ 91,626          | \$ 169,203       | \$ 491,831             | ( \$ 34,458 )   | \$ 12,847  | ( \$ 128,532 )  | \$ 2,602,846 |

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ming-Lieh Chang

Managerial Officer: Cheng-Po Chang

Accounting Officer: Yu-Hsiu Hsu

Wonderful Hi-Tech Co., Ltd.  
Parent Company Only Statement of Cash Flows  
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

|  | <u>Note</u> | <u>January 1 to<br/>December 31, 2022</u> | <u>January 1 to<br/>December 31, 2021</u> |
|--|-------------|---|---|
| <b><u>Cash flows from operating activities</u></b>   |             |   |   |
| Net income before income tax   |             | \$ 571,668                                | \$ 273,620                                |
| Adjustments  |             |   |   |
| Income/expense items   |             |   |   |
| Unrealized gain from sale  |             | 44,415                                    | 25,044                                    |
| Realized gain from sale  |             | ( 25,045 )                                | ( 18,327 )                                |
| Depreciation expenses  | 6(22)       | 43,102                                    | 37,136                                    |
| Amortization expenses  | 6(22)       | 1,503                                     | 3,493                                     |
| Expected credit impairment losses  |             | ( 3,151 )                                 | 3,632                                     |
| Interest income  | 6(18)       | ( 1,855 )                                 | 789                                       |
| Dividend income  | 6(19)       | ( 612 )                                   | 102                                       |
| Interest expenses  | 6(21)       | 16,310                                    | 13,644                                    |
| Net gain on financial assets and liabilities at fair value through profit or loss                        | 6(2)(20)    | 19,100                                    | ( 28,051 )                                |
| Gains on disposal of property, plant and equipment   | 6(20)       | ( 600 )                                   | ( 785 )                                   |
| Gains on disposal of investments by equity method  | 6(20)       | ( 11,661 )                                |   |
| Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method | 6(6)        | ( 243,767 )                               | ( 122,994 )                               |
| Investment real estate fair value adjustment benefits  | 6(20)       | ( 3,878 )                                 | -   |
| Share-based payments   | 6(13)       | 17,942                                    | 3,257                                     |
| Change in assets/liabilities relating to operating activities  |             |   |   |
| Net changes in assets relating to operating activities   |             |   |   |
| Financial assets at fair value through profit or loss  |             | ( 3,299 )                                 | 1,029                                     |
| Notes and accounts receivable  |             | 230,922                                   | ( 442,493 )                               |
| Accounts receivable - related party  |             | 91,353                                    | ( 290,254 )                               |
| Other receivables  |             | 3,542                                     | ( 4,366 )                                 |
| Other receivables - related Party  |             | ( 765 )                                   | 12,071                                    |
| Inventory  |             | ( 38,933 )                                | ( 95,928 )                                |
| Prepayments  |             | 6,336                                     | 1,077                                     |
| Other current assets   |             | ( 38 )                                    | 9   |
| Net changes in liabilities relating to operating activities  |             |   |   |
| Financial liabilities measured at fair value through profit or loss                                      |             | -   | ( 4,302 )                                 |
| Accounts payable (including related party)   |             | ( 403,754 )                               | 553,665                                   |
| Other payables   |             | 27,457                                    | 54,591                                    |
| Other payables - related party   |             | 1,939                                     | 2,368                                     |
| Other current liabilities  |             | ( 1,985 )                                 | 1,267                                     |
| Accrued pension liabilities  |             | ( 18,687 )                                | ( 2,964 )                                 |
| Cash inflow (outflow) from operating activities  |             | 317,559                                   | ( 25,452 )                                |
| Interests received   |             | 1,909                                     | 886                                       |
| Dividends received   |             | 19,866                                    | 22,868                                    |
| Interest paid  |             | ( 13,655 )                                | ( 11,853 )                                |
| Income taxes paid  |             | ( 16,950 )                                | ( 598 )                                   |
| Net cash inflow (outflow) from operating activities  |             | <u>308,729</u>                            | <u>( 14,149 )</u>                         |

(Continued)

Wonderful Hi-Tech Co., Ltd.  
Parent Company Only Statement of Cash Flows  
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

|  | <u>Note</u> | <u>January 1 to<br/>December 31, 2022</u> | <u>January 1 to<br/>December 31, 2021</u> |
|--|-------------|---|---|
| <u>Cash flows from investing activities</u>                                      |             |   |   |
| Acquisition of financial assets at fair value through other comprehensive income |             | ( \$ 19,380 )                             | \$ -                                      |
| Decrease (increase) in financing funds receivable                                |             | 41,520                                    | ( 14,654 )                                |
| Acquisition of investments by equity method                                      |             | ( 87,471 )                                | ( 106,124 )                               |
| Proceeds from disposal of investments by equity method                           | 6(6)        | 27,494                                    |   |
| Acquisition of property, plant, and equipment                                    | 6(25)       | ( 19,941 )                                | ( 21,819 )                                |
| Proceeds from disposal of property, plant and equipment                          |             | 1,250                                     | 6,804                                     |
| Acquisition of intangible assets   |             |   | ( 2,557 )                                 |
| Increase in other non-current assets   |             | ( 3,576 )                                 | ( 44,416 )                                |
| Net cash outflow from investing activities                                       |             | ( 60,104 )                                | ( 182,766 )                               |
| <u>Cash flows from financing activities</u>                                      |             |   |   |
| Increase (decrease) in short-term borrowings                                     | 6(26)       | ( 850,926 )                               | 201,089                                   |
| Repayments of long-term borrowings   | 6(26)       | -   | ( 220,000 )                               |
| Payments buyback of treasury shares  | 6(14)       |   | ( 25,817 )                                |
| treasury stock transfer employee   | 6(14)       | 23,310                                    |   |
| Repayment of the principal portion of lease liabilities                          | 6(26)       | ( 6,610 )                                 | ( 5,421 )                                 |
| Cash dividends paid  | 6(16)       | ( 214,667 )                               | ( 132,124 )                               |
| Issuance of corporate bonds  | 6(26)       | 804,593                                   | 314,990                                   |
| Cash capital increase  | 6(14)       | -   | 191,360                                   |
| Net cash inflow (outflow) from financing activities                              |             | ( 244,300 )                               | 324,077                                   |
| Net increase in cash and cash equivalents  |             | 4,325                                     | 127,162                                   |
| Cash and cash equivalents at the beginning of the period                         |             | 238,084                                   | 110,922                                   |
| Cash and cash equivalents at the end of the period                               |             | <u>\$ 242,409</u>                         | <u>\$ 238,084</u>                         |

The accompanying notes are an integral part of the parent company only financial statements. Please refer to them altogether.

Chairman: Ming-Lieh Chang

Managerial Officer: Cheng-Po Chang

Accounting Officer: Yu-Hsiu Hsu

## Appendix IV

### Wonderful Hi-Tech Co., Ltd. Procedures for Acquisition and Disposal of Assets

#### Article 1

##### Purpose

The Company establishes these Procedures to enhance the asset management and to implement the purpose of information disclosure.

#### Article 2

##### Legal basis

- I. These Procedures are stipulated according to Article 36-1 of the Securities and Exchange Act and relevant requirements specified in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" (referred to as the "Regulations") of Financial Supervisory Commission (referred to as the "FSC").

#### Article 3

##### Scope of Assets

- I. 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.
- II. Real property (including land, houses and buildings, investment property, land use right and construction enterprise inventory) and equipment.
- III. Memberships.
- IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other major assets.

#### Article 4

##### Definition of Terms

- I. 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.
- II. Assets acquired or disposed of through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed of through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to the transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under Article 156-3 of the Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports



by Securities Issuers.

- IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or another date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
- VIII. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- IX. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

## **Article 5**

### **Appraisal Report and Opinion**

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

- I. 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 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.
- II. May not be a related party or de facto related party of any party to the transaction.
- III. 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:

- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- II. 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.
- III. 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.

- IV. 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 6**

### **Establishment of Disposition Procedures**

These Procedures shall be approved by more than half of all members of the audit committee and also approved by the board of directors through resolution, followed by submission to a shareholders' meeting for approval. The same requirement shall be applicable to the amendments thereof. Where the acquisition or disposal of assets of the Company is required to be approved by the board of directors according to these Procedures or other laws and regulations, if any director expresses dissent and it is contained in the minutes or a written statement, the Company shall also submit the director's dissenting opinion to the audit committee.

- I. When the Company submits the procedures for the acquisition or disposal of assets and the transaction of acquisition or disposal of assets to the board of directors for discussion according to the provision of the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors' meeting.
- II. For transactions of material assets or derivatives, the consent of one-half or more of all members of the audit committee shall be obtained, and shall be submitted to the board of directors for resolution.
- III. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.
- IV. The terms "all audit committee members" described in Subparagraph 2 and "all directors" described in Subparagraph 3 shall be counted as the actual number of persons currently holding those positions.

## **Article 7**

The total amount of real property and its right-of-use assets for non-operating use acquired by the Company shall not exceed the net equity value of the Company; the total amount of securities shall not exceed the net equity value of the Company, and the investment in individual securities shall not exceed 35% of the net equity value; provided that such restrictions are not applicable to professional investment and the holding company invested by the Company.

## **Article 8**

### **Acquisition or Disposal of Securities Investment**

- I. Assessment and operating procedures  
The purchase and sale of long and short term securities of the Company shall be handled according to the Regulations Governing Long and Short Term Investments and the internal control system investment cycle operation of the Company.
- II. Procedures for determining transaction terms and authority delegation
  - (I) For securities acquired or disposed at a centralized securities exchange market or OTC venue, the investment or financial unit shall make a determination according to the market price, and shall also obtain approval from all necessary levels according to the "Approval Authority Regulations" of the Company. When a transaction amount exceeds 10% of the net worth of the Company or NT\$50 million, it shall be reported to the board of directors, and the board meeting shall be attended by more than half of all directors and the consents of a majority of attending directors shall be obtained to execute such trading. The same requirements shall be applied to the situation where separate and

consecutive times of trading with one identical counterparty are made within one year and the accumulated transaction amount reaches the aforementioned limit standard.

(II) For securities acquired or disposed at a non-centralized securities exchange market or OTC venue, before the occurrence date, it is necessary to obtain the financial statements of the most recent period of the subject company certified or reviewed by CPA as the reference for evaluating the transaction price along with the consideration of its earnings per share, profitability and future development potential, etc., and long and short term securities unrealized gain or loss analysis report shall be submitted, and the approval from necessary levels shall be obtained according to the "Approval Authority Regulations" of the Company. For transaction amounts exceeding 10% of the net worth of the Company or NT\$50 million, it shall be reported to the board of directors.

(III) Acquisition of non-operating securities

It shall not exceed the net equity value of the Company; provided that such restriction is not applicable to professional investment and the holding company invested by the Company.

### III. Executing Unit

When the Company invests in long and short term securities, it shall be submitted for approval according to the delegation of authority described in the preceding paragraph, following which the investment or financial unit shall be responsible for the execution thereof.

### IV. Obtaining Expert Opinion

When the transaction amount of the acquisition or disposal of securities reaches 20% 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 ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.

## Article 9

### Acquisition or Disposal Property, Equipment or Right-of-use Assets Thereof

#### I. Assessment and operating procedures

The acquisition or disposal of real properties, or equipment or right-of-use assets thereof shall be handled according to the procedures specified in the internal control system fixed asset cycle of the Company.

#### II. Procedures for determining transaction terms and authority delegation

(I) For the acquisition or disposal of real property, the announced current value, assessed value and actual transaction price of nearby real properties shall be considered, in order to determine the transaction terms and price. In addition, approval from all necessary levels shall be obtained according to the "Approval Authority Regulations" of the Company. When a transaction amount exceeds 10% of the net worth of the Company or NT\$50 million, it shall be reported to the board of directors in advance, and the board meeting shall be attended by more than half of all directors and the consents of a majority of attending directors shall be obtained to execute such trading. The same requirements shall be applied to the situation where separate and consecutive times of trading with one identical counterparty are made within one year and the accumulated transaction amount reaches the aforementioned limit standard.

(II) For acquisition or disposal of equipment or right-of-use assets thereof, the price inquiry, comparison and negotiation or tender method must be adopted, and approval from all necessary levels shall be obtained according to the "Approval Authority Regulations" of the Company. For transaction amounts exceeding 10% of the net worth of the Company or NT\$50 million, it shall be reported to the board of directors.

- (III) The total amount of non-operating real property acquired shall not exceed the net equity value of the Company.
- (IV) Where the acquisition or disposal of real property, equipment or right-of-use assets thereof involves matters described in Article 185 of the Company Act, it shall be approved by the board of directors.

III. Executing Unit

When the Company acquires or disposes of real properties or equipment, it is necessary to proceed with the report for approval according to the delegation of authority described in the preceding paragraph, followed which the use unit and management department shall be responsible for the execution thereof.

IV. Appraisal report of real property, equipment or right-of-use assets thereof

In acquiring or disposing of real property, equipment or right-of-use assets thereof where the transaction amount reaches 20% of the Company's paid-in capital or NTD 300 million or more, the company, 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 held 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:

- (I) 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; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- (II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (III) 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:
  - 1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
  - 2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
- (IV) No more than 3 months may elapse 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 elapsed, an opinion may still be issued by the original professional appraiser.

**Article 10**

**Acquisition or Disposal of Intangible Assets or Right-of-use Assets Thereof or Memberships**

I. Assessment and operating procedures

The acquisition or disposal of intangible assets or right-of-use assets thereof or memberships shall be handled according to the internal control system fixed asset cycle procedures of the Company.

II. Procedures for determining transaction terms and degree of authority delegation

- (I) For the acquisition or disposal of intangible assets or right-of-use assets thereof, the expert's assessment report or market fair price shall be considered to determine the transaction terms and price, in order to prepare the analysis report, and approval from all necessary levels shall be obtained according to the "Approval Authority Regulations" of the Company. For transaction amounts exceeding 10% of the net worth of the Company or NT\$50 million, it shall be reported to the board of directors.

(II) For the acquisition or disposal of memberships, the market fair price shall be considered, in order to determine the transaction terms and price, and an analysis report shall be prepared. In addition, approval from all necessary levels shall be obtained according to the "Approval Authority Regulations" of the Company. When a transaction amount exceeds 10% of the net worth of the Company or NT\$50 million, it shall be reported to the board of directors in advance, and the board meeting shall be attended by more than half of all directors and the consents of a majority of attending directors shall be obtained to execute such trading. The same requirements shall be applied to the situation where separate and consecutive times of trading with one identical counterparty are made within one year and the accumulated transaction amount reaches the aforementioned limit standard.

III. Executing Unit

When the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships, it is necessary to proceed with the report for approval according to the delegation of authority described in the preceding paragraph, followed which the use unit shall be responsible for the execution thereof.

IV. Expert assessment opinion report for intangible assets or right-of-use assets thereof or memberships

(I) Where the transaction amount of acquisition or disposal of intangible assets or right-of-use assets thereof of the Company reaches the standard for announcement according to these Procedures, a legitimate and professional appraisal institution shall be retained to issue a valid report.

(II) Where the transaction amount of acquisition or disposal of membership of the Company reaches the standard for announcement according to these Procedures, a legitimate and professional appraisal institution shall be retained to issue a valid report.

(III) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NTD 300 million or more, except in transactions with a government agency, the Company shall engage a CPA 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.

**Article 11**

The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Paragraph 1 of Article 16, and the term "within the preceding year" described 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 according to these Procedures need not be counted toward the transaction amount.

**Article 12**

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.

**Article 13**

Related party transactions

I. 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 according to Articles 11 and this Article, if the transaction amount reaches 10% 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 according to Articles 8 to 11.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 11.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the

substance of the relationship shall also be considered.

II. Assessment and operating procedures

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% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by more than one-half of all members of the Audit Committee and have been submitted to the board of directors for resolution with approval (Subparagraphs 3 and 4 of Articles 6 are applied mutatis mutandis):

- (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (II) The reason for choosing the related party as a transaction counterparty.
- (III) 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 Paragraph 3 of this Article.
- (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- (V) Monthly cash flow forecasts for the year commencing from the anticipated month of the signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds' utilization.
- (VI) An appraisal report from a professional appraiser or a CPA's opinion was obtained in compliance with the preceding paragraph.
- (VII) The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 1 of Article 16 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 agreed upon by the audit committee and 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 between the Company and its subsidiaries or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, the board of directors may authorize the Chairman, according to the approval authority regulations of the Company, to decide such matters when the transaction is within the following 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.

III. Assessment of Reasonableness of Transaction Costs

- (I) The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
  1. Necessary interest in funding and the cost required to be borne by the buyer according to the laws are further added to the related party transaction price. The "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% 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 transaction counterparties.

- (II) 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 the preceding paragraph.
- (III) The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.
- (IV) Where the Company acquires real property or right-of-use assets thereof from a related party in accordance with Subparagraphs (1) and (2) of Paragraph 3 of this Article, if the results of appraisals are uniformly lower than the transaction price, then such matter shall be handled in compliance with Subparagraph (6) of Paragraph 3 of this Article. However, where the following circumstances exist, 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, this restriction shall not apply:
  - 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:
    - (1) Where undeveloped land is appraised in accordance with the means in the preceding paragraph, 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.
    - (2) 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 sale or leasing practices.
  - 2. The terms of the transaction are similar to the terms of closure deals involving neighboring or closely valued parcels of land of similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refer 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; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; the term "within the preceding year" refers to one year preceding the date of occurrence of the acquisition of the real property or the right-of-use assets thereof.
- (V) When the Company acquires real property or right-of-use assets thereof from a related party, it shall also comply with Subparagraph (6) of Paragraph 3 of this Article if there is other evidence indicating that the acquisition was not an arm's length transaction.
- (VI) 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 Subparagraphs (1) and (2) of Paragraph 3 of this Article are uniformly lower than the transaction price, the following steps shall be taken:
  - 1. The Company shall set aside a special reserve in accordance with Paragraph I of Article 41 of the Act against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital

increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Paragraph I of Article 41 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.

2. Independent directors shall comply with Article 218 of the Company Act. Where the audit committee has been established in accordance with the Securities and Exchange Act, the preceding part of this Item shall apply mutatis mutandis to the independent director members of the audit committee.
3. The handling status of the preceding two items shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on a decline in the 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 FSC has given its consent.

(VII) Other Matters

Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraph 2 of this article, and relevant transaction cost reasonableness assessment described in Subparagraphs (1), (2) and (3) of Paragraph 3 of this article do not apply:

- (1) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
- (2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
- (3) The real property is acquired through the signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
- (4) 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.

**Article 14**

Acquisition or disposal of derivatives.

To effectively reduce risks caused by exchange rate and interest rate fluctuation, and to effectively control the future cash flows, to increase the competitiveness of the Company, all derivative transactions of the Company are managed properly.

I. Transaction principles and directives

(I) Transaction type

The derivatives traded by the Company refer to transaction contracts (such as forward contracts, options contracts, futures, interest rate or exchange rate, swap contracts, and hybrid contracts formed as a combination of the aforementioned commodities etc.), whose value is derived from commodities of asset, interest rate, exchange rate, index or other benefits, etc. They are also classified into those for trading purpose and non-trading purpose:

1. For trading purpose: It refers to the purpose of holding or occurrence of derivatives is to gain transaction price difference, including proprietary and other transaction activities measured at fair value and recognized as current profit or loss.



2. For non-trading purpose: It refers to engagement of transaction activities for purposes other than the ones described above.

(II) Operating (Hedging) Strategy

The derivative transactions performed by the Company shall be for the purpose of hedging and investment. For transaction commodities of the purpose of hedging, the ones for hedging risks arising from the business operation of the Company shall be selected and used. For transaction counterparties, banks with excellent credit ratings having business dealings with the Company routinely shall be selected as much as possible. The currency held shall satisfy the foreign currency needs of actual import and export transactions of the Company. Prior to the foreign currency operation, the overall internal offset shall be performed in advance, and the net position shall be used as the operation basis to clearly define the operation transaction type, thereby reducing the overall foreign exchange risk of the Company and saving foreign exchange operation costs. Other transactions for investment purposes shall be assessed carefully and shall be submitted to the board of directors for approval before execution.

(III) Delegation of Responsibilities

1. Trading personnel (investment or financial department)
  - (1) Collect market information, determine trend and conduct risk assessment, familiar with financial instruments and relevant regulations, operation skills, and establish operation strategies; in addition, after approval according to the approval authority, use the approval as the basis for trading, and execute the trading, in order to hedge the risk of market price fluctuation.
  - (2) Periodic assessment.
  - (3) Measurement, supervision and control of transaction risk.
2. Settlement personnel: Perform settlement tasks. (Financial unit)
3. Accounting personnel (accounting department)
  - (1) Verify transaction.
  - (2) Provide information on risk exposure.
  - (3) Accounting affairs handling.
  - (4) Perform reporting and public announcement according to the regulations of FSC.
4. Audit personnel (audit department)

Responsible for understanding the appropriateness of derivative trading internal control and auditing the status of trading department's compliance with the operating procedures and whether operators execute trading within the authorized scope, and analyzing the trading cycle, preparing audit report. In addition, in case of material deficiency, report shall be submitted to the board of directors.

(IV) Performance evaluation

1. For those of non-trading purposes, the exchange rate or interest rate of each currency specified during the stipulation of the annual budget of the Company is listed as the performance evaluation target of the annual operation purpose, and such performance is also used as a basis. Evaluation is performed at least once monthly.
2. For those with trading purposes, the actual profit or loss generated is used as the basis for performance evaluation, and the accounting personnel shall periodically prepare valuation reports on the position held.
3. To sufficiently understand and express the valuation risk of trading, the evaluation report described in the preceding Subparagraphs 1 and 2 are submitted to the chairman (vice chairman) as management reference and instructions.

(V) Trading limit

1. Trading purpose: Regardless of the amount, each transaction must be approved according to the approval authority table before execution. For the transaction risk, each transaction shall not

exceed USD500 thousand for the profit and loss evaluation in principle at any time, and it is also used as the stop-loss target.

2. Non-trading purpose: According to the monthly fund demand position of each currency of the Company, and each transaction shall only be executed after approval is obtained according to the approval authority table.

3. 1.2 Approval authority for transaction limits

| Approver      | Daily trading authority | Net accumulated position trading authority |
|---------------|-------------------------|--|
| Chairman      | USD 5 million           | USD 15 million                             |
| Vice Chairman | USD 3 million           | USD 12 million                             |
| President     | USD 1 million           | USD 8 million                              |

(VI) Establishment of contract total amount and loss limit

1. Total contract amount (including those of trading purpose and non-trading purpose): USD 15 million or equivalent NTD.
2. Loss limit of all contracts: 20% of all contracts in USD or equivalent NTD.
3. Loss limit of individual contract: 20% of individual contract in USD or equivalent NTD, and the limit for trading purpose shall not exceed USD 500 thousand.

II. Risk Management Measures

- (I) Credit risk management: Since market is subject to the changes of various factors such that operational risk of derivatives is likely to occur, consequently, for trading counterparties and commodities: they shall be made mainly with domestic and foreign well-known financial institutions in principle. However, where approval is obtained, such restriction may not be applicable.
- (II) Market risk management: It is mainly for hedging transactions, and additional risks are prevented as much as possible.
- (III) Liquidity risk management: To ensure market liquidity, during the selection of financial products, the ones with relatively higher liquidity (i.e. can be squared off in the market at any time) shall be selected in principle.
- (IV) Cash flow risk management: To ensure the stability of the working capital of the Company, the source of funds for the Company to engage in derivatives trading shall be limited to own funds only, and the operating amount shall consider the fund demand anticipated for the cash income/expenditure in the next three months.
- (V) Operational risk management:
  1. It is necessary to comply with the authorization limit, operation procedures and internal control procedures specified by the Company in order to prevent operational risk.
  2. The positions held shall be assessed at least once weekly. However, for hedge trades performed due to business needs, such trades shall be assessed at least twice monthly.
- (VI) Legal risk management: Documents to be signed with financial institutions shall be reviewed by professional personnel of the foreign exchange and legal or legal consultant before executing official signing in order to prevent legal risk.

III. Internal audit system

- (I) Audit unit shall perform regular and irregular audit on relevant records or reports of derivative transactions, and in case of discovery of abnormality, it shall be reported to the board of directors immediately, in order to adopt necessary responsive measures.
- (II) Internal auditors shall periodically understand the appropriateness of the derivatives trading internal control, and shall audit the status of the trading department complying with the procedures for engaging in derivatives trading and analyze the trading cycle in order to prepare audit reports. In case of discovery of a material breach, written notice shall be submitted to the independent directors of the audit committee.
- (III) Internal auditors shall submit the audit report along with the internal audit operation annual audit

plan execution status to the website designated by FSC before the end of February of next year, and shall also report the abnormality improvement status to the website designated by FSC for recordation no later than the end of May of next year.

IV. Periodic assessment method and abnormality handling status

(I) Operating procedures

1. Trading personnel shall fill out the trading application form in advance, indicating the trading name, trading amount, period, purpose of trading for hedging or investment, trading particulars, fee, and transaction counterparty. After approval is obtained according to the approval authority table, the trading can then be executed.
2. After the trading form is received, the verification personnel shall verify the content of trading with the applicant. In case of discovery of any flaws, it shall be clarified and corrected with the trader immediately.
3. After the verification by the verification personnel, the settlement personnel then execute the settlement according to the trading form particulars.
4. The accounting department shall perform account handling according to the settlement voucher and relevant trading certificates.

(II) Accounting treatment method

Except that forward exchanges of the Company are handled according to the International Accounting Standards (IAS) 21, the particulars of other derivatives are registered and handled via the method of monthly calculation of realized and unrealized profit or loss. However, since the royalties paid for contract signing are recorded on the payment day, they are amortized evenly according to the valid period of the contracts.

(III) Supervision and management principles of board of directors

1. A senior supervisor shall be designated to be aware of the supervision and control of derivatives trading risk:
  - (1) Periodically assess whether the risk management measures currently adopted are appropriate and whether matters are handled according to these Procedures and the procedures for engaging in derivatives trading established by the Company.
  - (2) Supervise transactions and profit or loss conditions. In case of discovery of any abnormality, necessary responsive measures shall be adopted, and shall report to the board of directors immediately. Where independent directors have been established, the board of directors' meeting shall be attended by the independent directors and opinions shall be provided.
2. Periodically assess whether the performance of the derivatives trading complies with the predefined management strategies and whether the risk borne is within the acceptable range of the Company.

(IV) Other Matters

1. When the Company engages in derivative trading, where relevant personnel are authorized according to the requirements of the procedures for derivative trading, it is necessary to report to the most recent board of directors' meeting after such trading.
2. The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated shall be recorded in detail in the log book.

**Article 15**

Procedures for merger, demerger, acquisition or transfer of shares

I. Assessment and operating procedures

- (I) To conduct merger, demerger, acquisition or transfer of shares, the Company is recommended to appoint attorney, CPA and securities underwriter to jointly establish the statutory procedure and predefined schedule, and organize project team to execute according to the statutory procedure. In

addition, prior to convening the board of directors to resolve the matter, the Company 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 discussion and approval. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of the Company's merger with 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.

- (II) The Company participates in a merger, demerger or acquisition 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 during the sending of the shareholders' meeting notices 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. In addition, 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 lack of a quorum, insufficient votes, or other legal restrictions, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

## II. Other matters requiring attention

- (I) Date of board of directors' meeting: The Company participating in a merger, demerger, or acquisition shall convene a board of directors' meeting and a shareholders' meeting on the same day to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC, Executive Yuan, is notified in advance of extraordinary circumstances and grants consent thereto. In addition, the Company participating in a transfer of shares shall call a board of directors' meeting on the day of the transaction, unless another act provides otherwise or due to special reasons, **the** FSC shall be notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for five 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 the 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 the board of directors meetings.
- (II) Non-disclosure undertaking: All personnel of the Company participating in or privy to the plan for the merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not 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 the merger, demerger,

- acquisition, or transfer of shares.
- (III) Establishment and alternation principle for share exchange ratio and acquisition price: The share exchange ratio or acquisition price shall not be altered arbitrarily in principle, and the contract shall specify terms/conditions permitting alternation; provided that when the alternation has been publicly disclosed, then such restriction shall not be applied. The criteria permitted for the alternation of share exchange ratio or acquisition price are as follows:
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.
- (IV) Required content of contract: The contract for participation by a company in a merger, demerger, acquisition, or of shares shall comply with the regulations of Article 317-1 of the Company Act and Article 22 of Business Mergers And Acquisitions Act, and shall also record the following:
1. Rights and obligations of participating company
  2. Handling of breach of contract.
  3. 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.
  4. 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.
  5. The manner of handling changes in the number of participating entities or companies.
  6. Preliminary progress schedule for plan execution, and anticipated completion date.
  7. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.
- (V) When there is a change in the number of companies participating in a merger, demerger, acquisition or transfer of share: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- (VI) 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 Subparagraphs (1), (2), and (5) of Paragraph 2 of this Article and relevant regulations thereof.

## **Article 16**

### **Public Disclosure of Information**

- I. Required announcement and report items and standards for announcement and report:
- (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% or more of paid-in capital, 10% or more of the Company's total assets, or NTD 300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or 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 the procedures established.
  - (IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
    - 1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
    - 2. 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 or more.
  - (VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NTD 300 million; provided, this shall not apply to the following circumstances:
    - 1. Trading of domestic government bonds.
    - 2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
    - 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.The amount of transactions described in the preceding paragraph shall be calculated as follows:
    - 1. The amount of any individual transaction.
    - 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
    - 3. 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.
    - 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.The "within the preceding year" described in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced need not be counted toward the transaction amount.
- II. Time-limit for public announcement and report

- (I) Where the public announcements specified in the subparagraphs of this article are required and the transaction amount reaches the standard for public announcement and report with respect to the Company's acquisition or disposal of assets, a public announcement and report shall be made within two days counting inclusively from the date of occurrence of the event.
  - (II) When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within two days counting inclusively 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 Subparagraph 1 of Paragraph 2 of Article 15 to the FSC for recordation.
  - (III) 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 so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding paragraph.
- III. Procedures for public announcement and report
- (I) The Company shall publicly announce and report relevant information on the FSC designated website.
  - (II) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
  - (III) When the Company at the time of public announcement makes an error or omission in an item required by these Procedures to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowledge of such error or omission.
  - (IV) The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for five years except where another act provides otherwise.
  - (V) Where any of the following circumstances occurs after the Company has already publicly announced and reported in accordance with the requirements, a public report of relevant information shall be made within two days counting inclusively from the date of occurrence of the event:
    - 1. Change, termination, or rescission of a contract signed in regard to the original transaction.
    - 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
    - 3. Change to the originally publicly announced and reported information.

#### **Article 17**

Subsidiary of the Company shall proceed according to the following requirements:

- I. The real property and right-of-use assets thereof or securities for non-operating use acquired by a subsidiary of the Company shall not exceed the net equity value of the subsidiary, and the investment in an individual securities shall not exceed 35% of the net equity value of the subsidiary; provided that such restrictions are not applicable to an investee specialized in investment.
- II. A subsidiary shall also establish and execute its "Procedures for Acquisition and Disposal of Assets" according to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", and the establishment of such procedures shall be approved by the board of directors of the subsidiary. The same requirements shall be applied to amendments thereof.
- III. Information required to be publicly announced and reported in accordance with the provisions of Article 16 on acquisitions and disposals of assets by the Company's subsidiary that is not itself a domestic public company shall be reported by the Company.
- IV. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred

to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Paragraph 1 of Article 16.

**Article 18**

For requirements related to the calculation of 10% of total assets described in these Procedures, the total assets stated in the most recent parent company-only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

**Article 19**

Where an employee of the Company handling acquisition or disposal of assets violates the requirements of these Procedures, according to relevant work rules of the Company, a penalty shall be imposed on such employee depending upon the severity of his/her violation.

**Article 20**

These Procedures shall be approved by the shareholders' meeting for promulgation and implementation. The same requirements shall also be applied to amendments to these Procedures.

**Article 21**

These Procedures were established on June 15, 2002.

The 1st amendment was made on June 18, 2003.

The 2nd amendment was made on June 17, 2005.

The 3rd amendment was made on June 13, 2007.

The 4th amendment was made on June 12, 2012.

The 5th amendment was made on June 11, 2014.

The 6th amendment was made on June 14, 2017.

The 7th amendment was made on June 14, 2018

The 8th amendment was made on June 12, 2019.

The 9th amendment was made on July 20, 2021.



**Wonderful Hi-Tech Co., Ltd.**

**Rules of Procedure for Shareholders' Meeting**

- I. To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" jointly established by Taiwan Stock Exchange Corporation and Taipei Exchange.
- II. The rules of procedures for shareholders' meeting of the Company, except as otherwise provided by law, regulation or the articles of incorporation, shall be as provided in these Rules.
- III. Unless otherwise provided by law or regulation, the shareholders' meetings of the Company shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of Directors, and upload them to the Market Observation Post System (MOPS) thirty days before the date of an ordinary shareholders meeting or fifteen days before the date of an extraordinary shareholders meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS twenty-one days before the date of the regular shareholders' meeting or fifteen days before the date of the special shareholders' meeting.

In addition, fifteen days prior to the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in the electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Paragraph 1 of Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where the re-election of all directors, as well as their inauguration date, is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of the issued shares may submit to the Company a proposal for discussion at a general shareholders' meeting. The number of items so proposed is limited only to one, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances described in Subparagraph

4 of Paragraph 1 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Shareholders may submit suggestive proposals for urging the Company to promote public interests or fulfill its social responsibilities, provided that the procedure shall comply with relevant provisions of Article 172-1 of the Company Act, and the number of items so proposed shall be limited to one only, and no proposal containing more than one item shall be included in the meeting agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce that the receipt of shareholders' proposals, acceptance method in writing or in electronic method, location and the time period for accepting submission; the period for accepting submission of shareholder proposals shall not be less than ten days.

Shareholder-submitted proposals are limited to 300 words, and for a proposal containing more than 300 words, such proposal is not be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting, the board of directors shall explain the reasons for exclusion of any shareholders' proposals not included in the agenda.

- IV. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The opinions of independent directors shall be considered sufficiently for the meeting venue and time.
- V. If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the managing directors or 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 the chair.

It is advisable that shareholders' meetings convened by the board of directors be chaired by the chairman in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

Where 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. Where there are two or more such convening parties, they shall mutually select a chair from among themselves.

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.

- VI. 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 and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
- The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.
- When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- VII. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.
- The recorded materials of the preceding paragraph shall be retained for at least 1 year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- VIII. For the attendance of a shareholders' meeting, the number of shares shall be used as the calculation basis. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
- The chair shall call the meeting to order at the appointed meeting time, and shall also announce information related to the number of shares having no voting rights and the number of shares represented by the attending shareholders.
- 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 one 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, the chair shall declare the meeting adjourned.
- If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.
- 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.

- IX. Where a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without 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.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

- X. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules of the preceding paragraph or exceeds the scope of the agenda item, the chair may terminate the speech.

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.

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.

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

- XI. For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail; unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the

proxy shall prevail.

- XII. Voting at a shareholders' meeting shall be calculated based on the number of shares. With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

- XIII. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within twenty days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

- XIV. On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

- XV. The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and the number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

XVI. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the shareholders' meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

XVII. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means,

the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means

will be deemed to have attended the shareholders' meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting;

it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to the original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting.

When duplicate declarations of intent are delivered, the one received earliest shall prevail; except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person,

a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two business days before the date of the shareholders' meeting.

If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting,

the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

When a proposal comes to a vote, if no shareholder voices an objection following an inquiry by the chair, the proposal will be deemed to be approved, and it shall have the same effect as that reached through voting.

When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and may decide the order in which they will be put to a vote.

When anyone among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall have the identity of shareholders of the Company.

Vote counting for proposals or elections of a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting. In addition, 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 a record made of the vote.

XVIII. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands. The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) assist to maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

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

XX. These Rules of Procedures were amended on June 9, 2015.

These Rules of Procedures were amended on June 12, 2019.

These Rules of Procedures were amended on June 10, 2020.

These Rules of Procedures were amended on July 20, 2021.

**Wonderful Hi-Tech Co., Ltd.**

**Articles of Incorporation**

**Chapter 1 General Rules**

Article 1: The Company shall be incorporated under the Company Act and its name shall be Wonderful Hi-Tech Co., Ltd.

Article 2: The scope of business of the Company shall be as follows:

1. CC01020 Electric Wires and Cables Manufacturing.
2. F113020 Wholesale of Electrical Appliances.
3. F213010 Retail Sale of Electrical Appliances.
4. F119010 Wholesale of Electronic Materials.
5. F219010 Retail Sale of Electronic Materials.
6. F401010 International Trade.
7. F401030 Manufacturing Output.
8. CC01080 Electronic Parts and Components Manufacturing.
9. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company may provide mutual guarantees to related enterprises for business needs.

Article 3: The location of the Company is registered in Zhongli District, Taoyuan City, and when it is considered necessary, the Company may establish branch offices at other appropriate locations. The establishment, abolishment or change thereof shall be handled according to the resolution of the board of directors.

Article 4: Deleted.

**Chapter 2 Shares**

Article 5: The total capital of the Company shall be NT\$ 2,000,000,000, divided into 200,000,000 shares, at a par value of NT\$10 per share, and for the unissued shares, the Board of Directors is authorized to perform share issuance at discrete times depending upon the needs.

Article 5-1: The Company may, according to the request of the Taiwan Depository & Clearing Corporation, consolidate to replace and issue relatively large par value shares.

Article 6: When the Company is a shareholder of limited liability in other companies, and the total amount of all investments may not be subject to the restriction prescribed in Article 13 of the Company Act.

Article 7: The shares of the Company shall be in registered form, shall be signed or sealed by the director representing the Company, and shall be issued after certification by the competent authority or its approved issuance registration institution. The Company may be exempted from the printing of share certificates for share issuance; however, the shares of the Company shall be registered with a centralized securities depository enterprise.

Article 8: Shareholders of the Company performing shareholder services of share transfer, pledge setting and cancellation, reporting of loss, inheritance, gift and chop loss, change or address change, etc., unless the laws specify otherwise, shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies"



announced by the competent authority.

Article 9: In the present repurchase of shares for transferring to employees, the actual repurchase average price shall be the transfer price; however, prior to the transfer, in case where the common shares issued by the Company is increased, an adjustment may be made according to the increase ratio of the issued shares. Where the shares are to be transferred to employees at prices lower than the actual repurchase average price, prior such transfer, the Company shall make a proposal in the latest shareholders' meeting attended by shareholders representing a majority of the total issued shares and the consents of shareholders representing more than two-thirds of the total voting rights shall be obtained, and the following shall be listed and explained in the reason of convention of a shareholders' meeting, which shall not be proposed in an extraordinary motion:

- I. Transfer price established, discount ratio, calculation basis and reasonableness.
- II. Number of shares of transfer, purpose and reasonableness.
- II. Qualification of subscribing employees and number of subscribable shares.
- IV. Effect on shareholders' equity:
  - (I) Expensable amount, and dilution of the company's earnings per share.
  - (II) Explanation on the financial burden of transferring shares to employees at a price lower than the actual repurchase share price may have on the Company.

The cumulative number of shares approved by the previous shareholders' meeting and transferred to employees described in the preceding paragraph shall not exceed 5% of the total number of shares issued by the Company, and the number of cumulative shares subscribed on one single subscribing employee shall not exceed 0.5% of the total number of shares issued by the Company.

Article 10: Deleted.

### **Chapter 3 Shareholders' Meeting**

Article 11: For the shareholders' meetings of the Company, an ordinary shareholders' meeting is convened once per year, and it is convened by the board of directors according to the laws within six months after the close of each fiscal year. An extraordinary shareholders' meeting may be convened whenever necessary according to laws.

Article 12: All shareholders shall be informed of the date, location and meeting proposals thirty days before the convention of an ordinary shareholders' meeting, and fifteen days before the convention of an extraordinary shareholders' meeting.

Article 13: A shareholder of the Company shall have one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.

Article 14: Resolutions at a shareholders' meeting, unless otherwise specified in relevant laws, shall be adopted by a majority of the shareholders present in person, who represent more than half of the total number of the Company's outstanding shares, and shall be executed based on the majority of the voting rights of the attending shareholders. At the time of a vote, when the chairperson inquires for any objections from the attending shareholders but no objection is raised, then the proposal is deemed to be approved, and its effect shall be identical to the approval through voting.

Article 15: Where a shareholder for any reason cannot attend the shareholders' meeting in person, he or she may appoint a proxy to attend a shareholders' meeting on his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power

authorized to the proxy. The regulations for authorizing proxies to attend meetings on behalf of shareholders of the Company shall comply with Article 177 of the Company Act and shall also be handled accordingly to the "Regulations Governing the Administration of Shareholder Services of Public Companies" announced by the competent authority.

Article 16: Shareholders' meetings shall be convened by the board of directors, and the chairman of the board shall be the chairperson of the meeting. In case where the chairman of the board is absent, the vice chairman shall act as the acting chairperson. In case where the vice chairman is also absent, the chairman of the board shall appoint a director to act as a proxy thereof. In case where the chairman fails to appoint a proxy, the directors shall elect one person from among themselves to act as the proxy. For a shareholders' meeting convened by any other person having the convening right, the person having the convening right shall be the chairperson, and if there are two or more persons having the convening right, the chairperson of the meeting shall be elected from among themselves.

#### **Chapter 4 Directors, Audit Committee and Managerial Officer**

Article 17: The Company shall have seven to nine directors, who shall be elected by the shareholders' meeting from the candidate roster. The election shall adopt the candidate nomination system. The board of directors' meeting shall be attended by more than two-thirds of the directors along with the consents of a majority of the attending directors in order to elect one director to act as the chairman of the board and one director to act as the vice chairman among themselves.

The shareholding ratio of all directors of the Company shall comply with the regulations of the competent authority. In the roster of directors described in the preceding paragraph, the number of independent directors shall not be less than two and shall not be less than one-fifth of the total number of directors. The qualification and relevant matters of directors and independent directors shall comply with relevant laws and regulations.

Article 17-1: During the term of office of directors and the employment period of important staff, the Company may purchase liability insurances for these directors and staff with respect to their indemnification liabilities within the scope of their job duties according to the law. The board of directors is authorized to handle the insurance enrollment and determination of important staff with full discretion.

Article 17-2: The Company establishes the audit committee according to Article 14-1 of the Securities and Exchange Act. The original authorities required to be exercised by the supervisors according to the Company Act, Securities and Exchange act as well as other laws shall be exercised by the audit committee. The audit committee shall be composed of the entire number of independent directors, and one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise. The qualification, number of members, term of office, authorities, the rules of procedure for meetings of the audit committee and other requirements shall be handled in accordance with relevant laws and regulations. The board of directors of the Company may further establish other functional committees, and the committee charters are to be stipulated by the board of directors.

Article 18: The term of office of directors shall be three years, and directors may be eligible for re-election. Independent directors and non-independent directors shall be elected at the same time but on separate ballots for the calculation of the quota of electees. When the number of vacancies of directors reaches one-third of the total number of directors, the

board of directors shall convene an extraordinary shareholders' meeting within sixty days to fill the vacancies, and the term of office thereof shall be limited to fulfill the unexpired term of office of the predecessor.

Article 19: During the convention of the board of directors' meeting, notices indicating the reasons for the convention shall be delivered to all directors seven days in advance; provided that in case of emergencies, such meeting may be convened at any time, and notice may be made via facsimile or email method.

Unless otherwise specified in the Company Act, resolutions of a board of directors' meeting shall be executed based on the attendance of a majority of the directors and the consents of more than half of the attending directors. The meeting minutes shall be signed or sealed by the chairperson, and the directors may also appoint another director to attend a board of directors' meeting as a proxy on his/her behalf.

Article 20: Deleted.

Article 21: Deleted.

Article 22: The Company may have one president, and the appointment, dismissal and remuneration thereof shall be handled according to Article 29 of the Company Act.

Article 23: The president of the Company shall manage all matters of the Company follow resolutions of board of directors and instructions of the chairman and according to these Article of Incorporation.

Article 24: When the directors of the Company perform job duties of the Company, regardless of whether the Company is operating at a profit or loss, the Company may pay remuneration, and the board of directors is authorized to determine the remuneration according to their participation level and contribution value to the operation of the Company along with the consideration of the standard adopted in the same industry. When the Company has surplus earnings, remuneration is further distributed according to Article 26 of the Articles of Incorporation of the Company.

### **Chapter 5 Accounting**

Article 25: The fiscal year of the Company shall be January 1 to December 31 of each year. At the end of each fiscal year, the board of directors shall prepare all the following statements and reports for submission to the audit committee for auditing thirty days before the convention of an ordinarily shareholder's meeting. In addition, the audit committee shall also issue report to the ordinarily shareholders' meeting to request for ratification.

I. Business report.

II. Financial statements.

III. Proposal for distribution of earnings or covering of losses.

Article 26: When the Company has a profit for a fiscal year, 2% to 4% of the profit before tax and before the deduction of the distribution of remunerations of employees and directors shall be set aside as the remuneration of employees and no higher than 2% thereof shall be set aside as the remuneration of directors. However, when the Company has accumulated losses, the amount shall be reserved for making up the accumulated losses first.

Article 26-1: After closing of accounts of a fiscal year, where there is a surplus earning, the Company shall pay tax and make up losses for the preceding years first, followed by setting aside a legal reserve of 10% thereof. The remaining surplus is for the distribution of dividends, and if there is a remaining surplus, shareholders' dividends shall be further distributed

according to the resolution of the shareholders' meeting.

Article 26-2: According to the dividend policy of the Company, the factors of profit status, financial plan, future development of the Company and shareholders' interests are comprehensively considered, and the board of directors then establishes the dividend distribution proposal annually according to the law, and the distribution amount shall not be less than 50% of the earnings after tax of the current year, and at least 10% of the cash dividends is distributed among the dividends distributed for the current year.

### **Chapter 6 Supplemental Provisions**

Article 27: The organizational charters and operational rules of the Company shall be further established by the board of directors.

Article 28: Any matter not specified in these Articles of Incorporation shall be handled in accordance with Company Act and relevant laws and regulations.

Article 29: These Articles of Incorporation were established on May 26, 1978.

The 1st amendment was made on May 5, 1979.

The 2nd amendment was made on October 25, 1980.

The 3rd amendment was made on December 28, 1980.

The 4th amendment was made on May 19, 1981.

The 5th amendment was made on October 24, 1983.

The 6th amendment was made on October 15, 1986.

The 7th amendment was made on September 27, 1987.

The 8th amendment was made on October 21, 1988.

The 9th amendment was made on October 1, 1989.

The 10th amendment was made on March 3, 1990.

The 11th amendment was made on August 10, 1990.

The 12th amendment was made on June 18, 1991.

The 13th amendment was made on January 6, 1992.

The 14th amendment was made on June 14, 1992.

The 15th amendment was made on June 13, 1993.

The 16th amendment was made on December 12, 1993.

The 17th amendment was made on June 19, 1994.

The 18th amendment was made on June 18, 1995.

The 19th amendment was made on June 16, 1996.

The 20th amendment was made on May 15, 1998.

The 21st amendment was made on September 23, 1999.

The 22nd amendment was made on May 23, 2000.

The 23rd amendment was made on June 25, 2002.

The 24th amendment was made on June 17, 2005.

The 25th amendment was made on June 13, 2007.

The 26th amendment was made on June 10, 2009.

The 27th amendment was made on June 8, 2010.

The 28th amendment was made on June 12, 2012.

The 29th amendment was made on June 19, 2013.

The 30th amendment was made on June 16, 2016.

The 31st amendment was made on June 14, 2017.

The 32nd amendment was made on June 12, 2019.

The 33rd amendment was made on June 10, 2020.

Wonderful Hi-Tech Co., Ltd.

Chairman Ming-Lieh Chang

## Wonderful Hi-Tech Co., Ltd.

## Shareholdings of All Directors

| Job Title                            | Name            | Start/End date        | Term of office | Number of shares recorded in the shareholders' roster | Ratio % | Remarks |
|--------------------------------------|-----------------|-----------------------|----------------|---|---------|---------|
| Director                             | Ming-Lieh Chang | 2022.06.08~2025.06.07 | 3              | 12,624,911  | 7.81    |         |
| Director                             | Ming-Hua Chang  | 2022.06.08~2025.06.07 | 3              | 1,924,605   | 1.19    |         |
| Director                             | Lung-Chih Chung | 2022.06.08~2025.06.07 | 3              | 348,246   | 0.21    |         |
| Director                             | Cheng-Po Chang  | 2022.06.08~2025.06.07 | 3              | 1,540,443   | 0.95    |         |
| Director                             | Yang Dang Wu    | 2022.06.08~2025.06.07 | 3              | 45,718  | 0.03    |         |
| Independent Director                 | Ching-Feng Sun  | 2022.06.08~2025.06.07 | 3              | 10,000  | 0.01    |         |
| Independent Director                 | Kuei-Sen Huang  | 2022.06.08~2025.06.07 | 3              | 0   | 0       |         |
| Independent Director                 | Chen shih Yang  | 2022.06.08~2025.06.07 | 3              | 0   | 0       |         |
| Independent Director                 | Yang Chun Chi   | 2022.06.08~2025.06.07 | 3              | 0   | 0       |         |
| Total shareholdings of all directors |                 |                       |                | 16,493,923  | 10.20   |         |

- Remarks:
1. The number of shares held disclosed above is up to the book closure date of April 9, 2023 of 2023 general shareholders' meeting. The shareholders' roster of the Company indicates the number of shares held by individual and all directors.
  2. Pursuant to Article 26 of the Securities and Exchange Act and provisions of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of shares required to be held by all directors of the Company shall not be less than 7.5% of the total issued shares, minimum of 10 million shares. The Company has established more than two independent directors; therefore, the shareholding percentage standard of all directors may be further reduced to 80%.
  3. The shareholdings of all directors have reached the statutory shareholding percentage standard.

## **Appendix 8**

### **Remuneration distribution status approved by the board of directors:**

The 2022 net income before tax of the Company is NT\$571,668,244, and the income before subtracting the distribution of remunerations of employees and directors from the net Income before tax is NT\$597,178,731. According to the Articles of Incorporation and the recommendation of the Remuneration Committee, the remuneration of employees in cash of 3% for an amount of NT\$ 17,915,362 and remuneration of directors in cash of 1.5% for an amount of NT\$8,957,681 are proposed for distribution.

## **Appendix 9**

### **Impact of the distribution of bonus shares proposed in the present shareholders' meeting on the business performance of the Company and earnings per share: Not applicable.**

There is no distribution of bonus shares in the current year; therefore, this is not applicable.