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

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**2024 Annual General Shareholders'  
Meeting Handbook**

**June 12, 2024**

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

# Table of Contents

One Meeting Agenda.....	2	
TWO Report Items		
I.    2023 Business Report.....	3	
II.   Audit Committee’s Review Report on the 2023 Financial Statements.....	5	
III.  Report on Executing Repurchase of the Company’s Shares.....	6	
IV.  Report on 2023 Distribution of Remuneration of Employees and Directors.....	7	
THREE Ratification Items		
Proposal 1. Adoption of 2023 Business Report and Financial Statements.....	8	
Proposal 2. Adoption of 2023 Distribution of Earnings.....	8	
FOUR Discussions		
Proposal 1. Discussion on Amendment to “Rules of Procedure for Shareholders Meetings” of the Company.....	10	
FIVE Extraordinary Motions.....		13
SIX Appendix		
I.    Financial Statements and Independent Auditor's Report.....	14	
II.   Rules of Procedure for Shareholders’ Meetings.....	42	
III.  Articles of Incorporation.....	53	
IV.  Number of Shares Held By All Shareholders and Minimum Number of Shares to be Held.....	59	
V.    Remuneration Distribution Status Approved by Board of Directors.....	60	
VI.  Impact of Distribution of Bonus Shares Proposed in Present Shareholders’ Meeting on Business performance of the Company and Earning Per Share .....	60	

## **One. Wonderful Hi-Tech Co., Ltd. 2024 General Shareholders’**

### **Meeting Agenda**

- I. Date and Time: June 12, 2024 (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. 2023 Business Report**
  - 2. Audit Committee’s Review Report on the 2023 Financial Statements**
  - 3. Report on Executing Repurchase of the Company’s Shares.**
  - 4. Report on 2023 Distribution of Remuneration of Employees and Directors.**
- VIII. Ratification Items**
  - Proposal 1 Adoption of 2023 business report and financial statements of the Company.**
  - Proposal 2 Adoption of 2023 Distribution of Earnings.**
- IX. Discussions**
  - Proposal 1 Discussion on Amendment to “Rules of Procedure for Shareholders Meetings” of the Company.**
- X. Extraordinary Motions.**
- XI. Adjournment.**

## TWO.Report Items

### I. 2023 Business Report

- (I) In 2023, although the North American market demonstrated strong economic data performance, the market inventory level was high, and most customers were conservative in their order placements. The whole year's revenue growth was less than expected. The market status for the last year is described in the following:
1. Commercial office and residential markets were affected by the high-interest rate, and the economic performance was weak.
  2. Market demand in China was weak and competition was severe.
  3. The Japanese yen continued to depreciate, and Japanese enterprises preferred local purchases of materials and products.
  4. For other markets in Asia, the consumption willingness decreased due to inflation.
  5. The space industry continues to develop rapidly.

Under such an environment, Wonderful Group continued to strengthen factory integration in terms of product development, production allocation, and resource input, thus maximizing the overall combat power to provide full support for the development of the North American market. Factories in China continued to adjust the operational direction with great effort, and industrial automation and new energy industry demands were developed locally. The two factories in Southeast Asia continued to benefit from the local automotive, home appliance, air conditioning markets and the development of heavy machineries and cables, such that the business performance was maintained. For the North American market, due to the destocking effect of customers, the order placements slowed down, and the whole-year revenue was NT\$6.5 billion at the end. In comparison to the revenue and profit in 2022, this year's revenue and profit both indicated negative growth.

- (II) The 2023 business result report of the Company is as follows:

Unite: NT\$ thousand

Item \ Year	2023	2022	Increase (decrease) %
Operating revenue	6,518,035	9,028,285	(27.80)
Gross profit	960,310	1,578,065	(39.15)
Profit margin %	14.73	17.48	(15.73)
Net income before tax	379,451	750,427	(49.44)

(III) Financial Revenue/Expenditure and Profitability Analysis

Debt ratio (debt/total assets): 47.83%

Current ratio (current assets/current liabilities): 235.38%

Return on shareholders' equity (net profit after tax/average net shareholders equity):  
8.95%

Net profit margin (net profit after tax/net operating revenue): 4.10%

Earnings per share (net profit after tax/weighted average number of issued shares):  
NT\$1.46

(IV) Research and Development Status

The research and development expenses were NT\$45.34 million in 2023. As of Q1 this year, NT\$12.61 million has been invested in R&D. For 2024, Wonderful Group will continue to focus on technology innovation in order to overcome veracious challenges associated with the global economy and geopolitical changes. Through technology innovation and continuous pursuit of certification, we expect to increase our product competitiveness, satisfy customers' diverse demands, and promote the Company's long-term development in the industry at the same time.

Chairman: Ming-Lieh Chang

Managerial Officer: Cheng-Ya Chang

Accounting Officer: Yu-Hsiu Hsu

## **II. Audit Committee's Review Report on the 2023 Financial Statements**

Wonderful Hi-Tech Co., Ltd.

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

The Board of Directors has prepared the 2023 financial statements, business report and the earnings distribution proposal of the Company, among which the 2023 financial statements were audited by PwC Taiwan, by whom an audit report was issued. We have reviewed the aforementioned 2023 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:

2024 Shareholders' Meeting of Wonderful Hi-Tech Co., Ltd.

Audit Committee Convener: Kuei-Sen Huang

March 13, 2024

### III. 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, 2024

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

#### **IV. Report on 2023 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 2023 net income before the Company's tax is NT\$284,790,444, and the income before subtracting the distribution of remunerations of employees and directors from the net income before tax is NT\$301,509,504. According to the Articles of Incorporation and the recommendation of the Remuneration Committee, remuneration of employees in cash of 3.2% for an amount of NT\$9,648,304 and remuneration of directors in cash of 1.6% for an amount of NT\$4,824,152 is proposed for distribution.



### Three.Ratification Items

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

Proposal: Adoption of the 2023 business report and financial statements, proposed for ratification.

Explanation: The Company's 2023 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, 2023 and the Group's financial performance and cash flows for the years ended 2023. Please refer to P.3 and Appendix I (P.14-P.41) for relevant statements and the Independent Auditor's Audit Report.

Resolution:

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

Proposal: The Company's 2023 Distribution of Earnings, proposed for ratification.

Explanation:

- I. For the current year, the Company plans to distribute shareholders' cash dividends at NT\$1.2 per share with the undistributed earnings of NT\$185,012,590.
- II. The proposed earnings distribution table is as follows:

Wonderful Hi-Tech Co., Ltd.

2023

Earnings Distribution Table

	Unit: NT\$
Item	Amount
Undistributed earnings at the beginning of the period	184,725,263
Less: Adjustment to retained earnings for 2023 (Note 1)	20,425,590

Add: Net profit after tax for 2023	224,415,699
Accumulated distributable earnings	429,566,552
Recognized item	
Legal reserve (10%)	24,484,129
Reversal of special reserve (Note 2)	23,508,678
Current distributable earnings	381,573,745
Distribution item	
Shareholders' dividends (NT\$1.2 per share) (Notes 3 and 4)	185,012,590
Ending undistributed earnings reserved	196,561,155

Note 1: It includes the adjustment of benefit plan actuarial benefit according to the actuarial report of NT\$4,519,511, 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\$1,678,023 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\$14,228,056.

Note 2: Including the exchange losses of NT\$18,623,802 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\$4,884,876.

Note 3: This distribution plan was calculated based on the number of outstanding shares minus the number of treasury shares as of March 13, 2024.

Note 4: For the aforementioned earnings, the earnings in 2023 are distributed first in priority, followed by distributing the earnings for 2022.

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: Ming-Lieh Chang

Managerial Officer: Cheng-Ya Chang

Accounting Officer: Yu-Hsiu Hsu

Resolution:

## Four. Discussions

### Proposal 1. **(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. In accordance with the Financial Supervisory Commission (FSC)

Jin-Guan-Zheng-Fa-Zi No. 11203334642 Letter dated March 14, 2023, and according to Tai-Zheng-Zhi-Li-Zi No. 11200041671 Letter of TWSE dated March 17, 2023: For the additional video conferencing method specified for the shareholders' meeting convention, to protect the rights and interests of shareholders participating in a virtual shareholders' meeting and to provide appropriate alternative supporting measure to shareholders having difficulty in participating the shareholders' meeting via video conferencing method, and to also assist their use of connection equipment to participate the shareholder's meeting, parts of the provisions of the "Rules of Procedure for Shareholders' Meetings" of the Company are amended.

II. Please refer to Appendix II. (P.42-P.52) for the full content of the Procedures before amendment.

Provision After Amendment	Current Provision	Explanation
<p>Article 3 Unless otherwise provided by law or regulation, the shareholders' meetings of the Company shall be convened by the board of directors. <b><u>When the Company convenes a virtual shareholders' meeting, unless the Regulations Governing the Administration of Shareholder Services of Public Companies specify others, the articles of incorporation shall describe procedures in detail. The resolution of the board of directors shall be adopted. The virtual shareholders' meeting shall be attended by more than two-thirds of the board directors, and a resolution will be made based on the consent of a majority of the attending directors.</u></b></p> <p>The following is omitted</p>	<p>Article 3 Unless otherwise provided by law or regulation, the shareholders' meetings of the Company shall be convened by the board of directors.</p> <p>The following is omitted</p>	<p>Based on the consideration that when the Company convenes a virtual shareholders' meeting, there is no physical meeting available for shareholders to attend and shareholders may only participate the shareholders' meeting via the video conferencing method such that relatively greater restrictions are imposed on the rights and interests of the shareholders, accordingly, to protect the rights and interests of shareholders, the Company has decided to newly establish the content of Paragraph 2, in order to explicitly specify that when the Company convenes a virtual shareholders' meeting, unless the Regulations Governing the Administration of Shareholder Services of Public Companies specify otherwise, the articles of incorporation shall describe procedures in detail, and the resolution of the board of directors shall be adopted, and the virtual shareholders' meeting of the Company shall be attended by more than two-thirds of the directors of the board and with resolution made based on the consents of a majority of attending directors (i.e., special resolution).</p>
<p>Article 6-1 (Convening virtual shareholders' meetings and particulars to be included in shareholders' meeting notices) To convene a virtual shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice:</p> <p>Sections (1) and (2) are omitted. (III) To convene a virtual shareholders' meeting via video conference, appropriate alternative measures available to shareholders with difficulties in attending the meeting shall be specified. <b><u>Except for the conditions specified in Paragraph 6 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide connection equipment and necessary assistance to shareholders. The period and other relevant precautions for shareholders to submit applications shall be described clearly.</u></b></p>	<p>Article 6-1 (Convening virtual shareholders' meetings and particulars to be included in shareholders' meeting notices) To convene a virtual shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice:</p> <p>Sections (1) and (2) are omitted. (III) To convene a virtual shareholders' meeting via video conference, appropriate alternative measures available to shareholders with difficulties in attending the meeting shall be specified.</p>	<p>I. Based on the consideration that for the convention of a virtual shareholders' meeting, shareholders may only participate in the shareholders' meeting via the video conferencing method, to provide an appropriate alternative to shareholders having difficulty in attending the shareholders' meeting via the video conferencing method and to also assist shareholders in the use of connection equipment to participate the virtual shareholders' meeting, the Company has additionally included the content in the posterior section of Subparagraph 3 to explicitly specify that to convene a virtual shareholders' meeting, the Company shall at least provide connection equipment and place to shareholders participating the meeting and shall also assign relevant personnel to provide necessary assistance to shareholders. Moreover, the notice of shareholders' meeting convention shall also indicate the period when shareholders may submit application and other relevant precautions.</p> <p>II. In addition, based on the consideration</p>

Provision After Amendment	Current Provision	Explanation
		that in case of special conditions described in Paragraph 6 of Article 44-6 of the Regulations Governing the Administration of Shareholder Services of Public Companies stating that a shareholders' meeting may be convened via the video conferencing method by the Company without compliance with the requirements specified in the articles of incorporation within a certain period announced by the Ministry of Economic Affairs due to natural disaster, accident or other force majeure events, since necessary supporting measures still need to be provided depending upon the situation at that time, the exemption clause is additionally included in the content of Subparagraph 3 to explicitly specify that the provision of the posterior section of Subparagraph 3 may be exempted in case of the occurrence of the conditions described in Paragraph 6 of Article 44-9 of said Regulations.
<p>Article 22 (Handling digital divide) 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. <b><u>Except for the conditions specified in Paragraph 6 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide connection equipment and necessary assistance to shareholders. The period and other relevant precautions for shareholders to submit applications shall be described clearly.</u></b></p>	<p>Article 22 (Handling digital divide) 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.</p>	Reason for amendment is the same as the explanation for Article 6-1.
<p>Article 24 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. These Rules of Procedures were amended on June 7, 2023 <b><u>These Rules of Procedures were amended on June 12, 2024</u></b></p>	<p>Article 24 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. These Rules of Procedures were amended on June 7, 2023</p>	Date of New Amendment

Resolution:

**Four. Extraordinary Motions**

**FIVE. Meeting Adjourned**

## Appendix I

### 2023 Financial Statements and Independent Auditor's Report

Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23004667

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, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for January 1 to December 31, 2023 and 2022, 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for January 1 to December 31, 2023 and 2022 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 2023. 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 2023 are stated as follows:

#### **Accuracy of Revenue Recognition**

##### 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 operations face intense competition, and the overall market is impacted by environmental factors, increasing the risk associated with revenue recognition. Therefore, the auditor considers the recognition of sales revenue for the current year as one of the most significant matters under audit for the current year.

##### Corresponding Audit Procedures

We summarize the audit procedures executed in the following:

1. Understand and evaluate the internal controls over revenue recognition and test the effectiveness of internal controls related to sales revenue.
2. Obtain detailed records of annual sales revenue and sample sales revenue transactions and related documents to confirm the appropriateness of revenue recognition.
3. Review post-period significant abnormal sales returns and allowances.



4. Send confirmation letters for accounts receivable to significant transaction counterparts with substantial transaction amounts.

## **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, 2023 and 2022, the total asset balances (including investments under the equity method) for the aforementioned companies were NT\$811,473 thousand and NT\$913,814 thousand respectively, accounting for 14% of the total consolidated assets respectively. The net operating income for January 1 to December 31, 2023 and 2022 were NT\$658,944 thousand and NT\$1,369,595 thousand respectively, accounting for 10% and 15% 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, 2023 and 2022, 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 2023 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 13, 2024

Wonderful Hi-Tech Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2023 and 2022

Unit: NT\$ thousand

	Assets	Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 718,389	13	\$ 717,008	12
1110	Financial assets measured at fair value through profit or loss - current	6(2)	3,259	-	8,758	-
1150	Notes receivable, net	6(4)	79,321	2	106,776	2
1170	Accounts receivable, net	6(4)	1,195,226	21	1,491,009	24
1180	Accounts receivable from related parties, net	7	14,069	-	22,645	-
1200	Other receivables		76,735	1	70,158	1
1210	Other receivables - related Party	7	116	-	421	-
130X	Inventory	6(5)	1,362,906	24	1,659,575	26
1410	Prepayments		33,714	1	28,848	1
1476	Other financial assets - current	8	56,379	1	85,239	1
1479	Other current assets - others		27,111	1	13,543	-
11XX	<b>Total current assets</b>		<u>3,567,225</u>	<u>64</u>	<u>4,203,980</u>	<u>67</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	1,001	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	65,878	1	64,921	1
1550	Investment accounted for under the equity method	6(6), and 8	277,193	5	291,268	5
1600	Property, plant and equipment	6(7) and 8	1,160,512	20	1,177,505	19
1755	Right-of-use assets	6(8) and 7	153,503	3	184,605	3
1760	Investment property, net	6(9) and 8	158,319	3	158,319	2
1780	Intangible assets	6(10)	159,293	3	162,145	3
1840	Deferred income tax assets	6(25)	42,638	1	35,598	-
1990	Other non-current assets - others		30,861	-	29,118	-
15XX	<b>Total non-current assets</b>		<u>2,049,198</u>	<u>36</u>	<u>2,103,479</u>	<u>33</u>
1XXX	<b>Total assets</b>		<u>\$ 5,616,423</u>	<u>100</u>	<u>\$ 6,307,459</u>	<u>100</u>

(Continued)

Wonderful Hi-Tech Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2023 and 2022

Unit: NT\$ thousand

Liabilities and Equity		Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(12)	\$ 713,378	13	\$ 1,078,476	17
2120	Financial liabilities measured at fair value through profit or loss - current	6(2)	-	-	2,256	-
2170	Accounts payable		365,463	7	462,850	7
2180	Accounts payable - related party	7	24,463	-	43,553	1
2200	Other payables		230,344	4	288,890	5
2220	Other accounts payable - related party	7	12,033	-	12,062	-
2230	Current income tax liabilities		71,284	1	108,578	2
2280	Lease liabilities - current	7	37,538	1	36,060	-
2320	Current portion of long-term borrowings	6(13)	45,192	1	42,076	1
2399	Other current liabilities - others		15,837	-	9,758	-
21XX	<b>Total current liabilities</b>		<u>1,515,532</u>	<u>27</u>	<u>2,084,559</u>	<u>33</u>
<b>Non-current liabilities</b>						
2530	Bonds payable	6(11)	771,581	14	762,578	12
2540	Long-term borrowings	6(13)	75,991	1	79,320	1
2570	Deferred income tax liabilities	6(25)	203,330	4	182,393	3
2580	Lease liabilities - non-current	7	70,504	1	99,099	2
2640	Net defined benefit liabilities— non-current	6(14)	45,343	1	61,915	1
2670	Other non-current liabilities - others		4,325	-	3,290	-
25XX	<b>Total non-current liabilities</b>		<u>1,171,074</u>	<u>21</u>	<u>1,188,595</u>	<u>19</u>
2XXX	<b>Total liabilities</b>		<u>2,686,606</u>	<u>48</u>	<u>3,273,154</u>	<u>52</u>
<b>Equity</b>						
<b>Equity attributable to owners of parent company</b>						
Share capital						
3110	Common share capital	6(16)	1,617,912	29	1,616,652	26
Capital surplus						
3200	Capital surplus	6(17)	388,880	6	383,677	5
Retained earnings						
3310	Statutory reserves	6(18)	140,530	3	91,626	2
3320	Special reserves		119,302	2	169,203	3
3350	Undistributed earnings		429,567	8	491,831	8
Other equity						
3400	Other equity		( 45,119)	( 1)	( 21,611)	( 1)
3500	Treasury shares	6(16)	( 128,532)	( 2)	( 128,532)	( 2)
31XX	<b>Total equity attributable to the owners of the parent company</b>		<u>2,522,540</u>	<u>45</u>	<u>2,602,846</u>	<u>41</u>
36XX	<b>Non-controlling interests</b>		<u>407,277</u>	<u>7</u>	<u>431,459</u>	<u>7</u>
3XXX	<b>Total equity</b>		<u>2,929,817</u>	<u>52</u>	<u>3,034,305</u>	<u>48</u>
Significant Contingent Liabilities and Unrecognized Commitments						
Material subsequent events						
3X2X	<b>Total liabilities and equities</b>		<u>\$ 5,616,423</u>	<u>100</u>	<u>\$ 6,307,459</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, 2023 and 2022

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

Item	Note	2023		2022	
		Amount	%	Amount	%
4000 Operating revenue	6(19) and 7	\$ 6,518,035	100	\$ 9,028,285	100
5000 Operating costs	6(5) (24) and 7	( 5,557,725)	( 85)	( 7,450,220)	( 82)
5900 Gross profit		960,310	15	1,578,065	18
Operating expenses	6(24)				
6100 Selling expenses		( 307,003)	( 5)	( 448,712)	( 5)
6200 Administrative expenses		( 268,006)	( 4)	( 368,263)	( 4)
6300 Research and development expenses		( 45,343)	( 1)	( 47,230)	( 1)
6450 Expected credit impairment losses		11,281	-	( 5,555)	-
6000 Total operating expenses		( 609,071)	( 10)	( 869,760)	( 10)
6900 Operating profit		351,239	5	708,305	8
Non-operating income and expenses					
7100 Interest income	6(20)	18,378	-	4,628	-
7010 Other income	6(21) and 7	30,418	1	23,627	-
7020 Other gains and losses	6(22)	59,102	1	99,859	1
7050 Finance costs	6(23) and 7	( 62,485)	( 1)	( 61,266)	( 1)
7060 Share of profits and losses of affiliated enterprises and joint ventures using the equity method	6(6)	( 17,201)	-	( 24,726)	-
7000 Total non-operating incomes and expenses		28,212	1	( 42,122)	-
7900 <b>Net income before tax</b>		379,451	6	750,427	8
7950 Income tax expense	6(25)	( 112,418)	( 2)	( 212,357)	( 2)
8200 <b>Net income for the period</b>		\$ 267,033	4	\$ 538,070	6

(Continued)



Wonderful Hi-Tech Co., Ltd. and Subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to December 31, 2023 and 2022

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

Item	Note	2023		2022		
		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)	\$ 8,391	-	\$ 11,630	-
8316	Unrealized equity instrument profit or loss measured at fair value through other comprehensive income	6(3)	723	-	13,249	-
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		8,938	-	( 27,587)	-
8349	Income taxes related to the items not re-classified	6(25)	( 1,694)	-	( 2,326)	-
<b>Items that may be reclassified subsequently to profit or loss</b>						
8361	Exchange differences on translation of the financial statements of foreign operations		( 25,311)	-	129,173	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		( 1,432)	-	2,381	-
8399	Income tax related to items may be reclassified into profit or loss	6(25)	4,709	-	( 20,944)	-
8300	<b>Other comprehensive profit and loss (net)</b>		<u>(\$ 5,676)</u>	-	<u>\$ 105,576</u>	<u>1</u>
8500	<b>Total comprehensive income for this period</b>		<u>\$ 261,357</u>	<u>4</u>	<u>\$ 643,646</u>	<u>7</u>
Net income attributable to:						
8610	owners of the parent company		\$ 224,416	3	\$ 465,854	5
8620	Non-controlling interests		42,617	1	72,216	1
			<u>\$ 267,033</u>	<u>4</u>	<u>\$ 538,070</u>	<u>6</u>
Total comprehensive income attributable to:						
8710	owners of the parent company		\$ 221,479	3	\$ 542,817	6
8720	Non-controlling interests		39,878	1	100,829	1
			<u>\$ 261,357</u>	<u>4</u>	<u>\$ 643,646</u>	<u>7</u>
Earnings per share 6(26)						
9750	Basic earnings per share		<u>\$ 1.46</u>		<u>\$ 3.04</u>	
9850	Diluted earnings per share		<u>\$ 1.36</u>		<u>\$ 3.03</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, 2023 and 2022

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>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)(17)	-	( 4,459 )	-	-	-	-	-	27,769	23,310	-	23,310
Disposal of investments by the equity method	6(3)	-	-	-	-	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	6(3)	-	-	-	-	-	-	( 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)	-	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
<b>2023</b>												
Balance as of January 1, 2023		\$ 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
Net income for the period		-	-	-	-	224,416	-	-	-	224,416	42,617	267,033
Other comprehensive income/loss of the period	6(3)	-	-	-	-	6,197	( 18,623 )	9,489	-	2,937	( 2,739 )	( 5,676 )
Total comprehensive income for this period		-	-	-	-	230,613	( 18,623 )	9,489	-	221,479	39,878	261,357
2022 Appropriation and distribution of retained earnings:	6(18)											
Statutory reserves		-	-	48,904	-	( 48,904 )	-	-	-	-	-	-
Special reserves		-	-	-	( 49,901 )	49,901	-	-	-	-	-	-
Cash dividends		-	-	-	-	( 308,102 )	-	-	( 308,102 )	-	( 308,102 )	-
Conversion of convertible bonds	6(11)(17)	1,260	2,843	-	-	-	-	-	-	4,103	-	4,103
Disposal of investments by the equity method	6(3)	-	-	-	-	570	-	( 570 )	-	-	-	-
Investment companies by the equity method dispose of equity instrument shares measured through fair value in other cases and profit and loss cases	6(3)	-	-	-	-	-	-	( 13,804 )	-	-	-	-
Difference between actual price of subsidiary equity acquired and the book value	6(17)(27)	-	1,479	-	-	-	-	-	-	1,479	( 50,654 )	( 49,175 )
Net change in affiliated enterprises and joint ventures accounted for under equity method	6(17)	-	881	-	-	-	-	( 146 )	-	735	-	735
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	-	( 13,406 )	( 13,406 )
Balance as of December 31, 2023		\$ 1,617,912	\$ 388,880	\$140,530	\$ 119,302	\$ 429,567	(\$ 53,081 )	\$ 7,962	(\$ 128,532 )	\$ 2,522,540	\$ 407,277	\$ 2,929,817

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, 2023 and 2022

Unit: NT\$ thousand

	<u>Note</u>	<u>January 1 to December 31, 2023</u>	<u>January 1 to December 31, 2022</u>
<u>Cash flows from operating activities</u>			
Net income before income tax		\$ 379,451	\$ 750,427
Adjustments			
Income/expenses items			
Amortization expenses	6(10)(24)	15,974	15,927
Depreciation expenses	6(7)(8)(24)	187,842	170,257
Expected credit impairment losses		( 11,281 )	5,555
Interest income	6(20)	( 18,378 )	( 4,628 )
Dividend income	6(21)	( 647 )	( 612 )
Interest expenses	6(23)	62,485	61,266
Gains on disposal of property, plant and equipment	6(22)	( 38,380 )	( 2,066 )
Net gain on financial assets and liabilities at fair value through profit or loss	6(22)	14,672	12,113
Losses from disposals of investments	6(22)	( 5,089 )	( 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)	17,201	24,726
Share-based payments	6(15)	-	17,942
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		6,862	33,110
Notes receivable		27,455	( 337 )
Accounts receivable		306,746	235,353
Accounts receivable - related party		8,579	21,376
Other receivables		( 7,129 )	83,140
Other receivables - related Party		779	287
Inventory		296,669	143,754
Prepayments		( 4,866 )	33,698
Other current assets		( 13,825 )	( 8,107 )
Net changes in liabilities relating to operations			
Financial liabilities measured at fair value through profit or loss		( 18,327 )	( 27,165 )
Accounts payable		( 97,387 )	( 342,861 )
Accounts payable - related party		( 19,090 )	( 23,825 )
Other payables		( 60,789 )	15,928
Other payables - related party		( 269 )	( 11,434 )
Other current liabilities		6,079	( 2,765 )
Other non-current liabilities		1,035	( 245 )
Cash inflow (outflow) from operating activities		<u>1,036,372</u>	<u>1,185,275</u>
Interest received		18,921	3,337
Dividends received		1,248	2,394
Interests paid		( 42,453 )	( 42,046 )
Income taxes paid		( 132,189 )	( 100,158 )
Net cash inflow (outflow) from operating activities		<u>881,899</u>	<u>1,048,802</u>

(Continued)

Wonderful Hi-Tech Co., Ltd. and Subsidiaries  
Consolidated Statement of Cash Flow  
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

	<u>Note</u>	<u>January 1 to December 31, 2023</u>	<u>January 1 to December 31, 2022</u>
<u>Cash flows from investing activities</u>			
Decrease (increase) in other financial assets		\$ 28,860	( \$ 71,631 )
Acquisition of financial assets at fair value through other comprehensive income		-	( 19,380 )
Acquisition of investments by equity method		-	( 5,135 )
Proceeds from disposal of investments by equity method	6(6)	9,591	27,494
Acquisition of property, plant and equipment	6(28)	( 135,612 )	( 199,281 )
Proceeds from disposal of property, plant and equipment		40,425	4,065
Acquisition of Intangible assets	6(10)	( 13,019 )	( 6,532 )
Acquisition of financial assets at fair value through profit or loss	6(2)	( 1,002 )	-
Decrease (increase) in refundable deposits		257	( 3,382 )
Decrease (increase) in other non-current assets		4,415	124
Net cash outflow from investment activities		( 66,085 )	( 273,658 )
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(29)	( 365,098 )	( 1,261,102 )
Increase in long-term borrowings	6(29)	48,000	138,415
Repayments of long-term borrowings	6(29)	( 48,213 )	( 66,150 )
treasury stock transfer employee	6(16)	-	23,310
Repaid principal of lease liabilities		( 36,525 )	( 32,246 )
Issuance of bonds		-	804,593
Cash dividends paid	6(18)	( 308,102 )	( 214,667 )
Changes in non-controlling interests	6(27)	( 49,175 )	( 10,795 )
Payment of cash dividends to non-controlling interests		( 13,406 )	( 5,220 )
Net cash inflow from financing activities		( 772,519 )	( 623,862 )
Exchange rate effects		( 41,914 )	61,158
Increase in cash and cash equivalents for the period		1,381	212,440
Balance of cash and cash equivalents at beginning of period		717,008	504,568
Balance of cash and cash equivalents at end of period		\$ 718,389	\$ 717,008

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

(2024) Cai-Shen-Bao-Zi No. 23004621

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, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for January 1 to December 31, 2023 and 2022, 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, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for January 1 to December 31, 2023 and 2022 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 parent company only financial statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence 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 parent company only financial statements of the Company for the year 2023. 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 2023 are stated as follows:

### **Accuracy of Revenue Recognition**

#### Description

For description of the accounting policy and accounting Item for income recognition, please refer to Notes 4 (30) and 6(18) of the parent company only financial statements.

The Company's operates faces intense competition, and the overall market is impacted by environmental factors, increasing the risk associated with revenue recognition. Therefore, the auditor considers the recognition of sales revenue for the current year as one of the most significant matters under audit for the current year.

#### Corresponding Audit Procedures

We summarize the audit procedures executed in the following:

1. Understand and evaluate the internal controls over revenue recognition and test the effectiveness of internal controls related to sales revenue.
2. Obtain detailed records of annual sales revenue and sample sales revenue transactions and related documents to confirm the appropriateness of revenue recognition.
3. Review post-period significant abnormal sales returns and allowances.
4. Send confirmation letters for accounts receivable to significant transaction counterparts with substantial transaction amounts.

### **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 company 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, to recognize the inventory write-down. Since there are a lot of competitors, 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 our opinion on the 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, 2023, and 2022, the investments under equity method for the companies were NT\$632,232 thousand and NT\$595,494 thousand respectively, accounted for 15% and 14% of the total assets respectively. The compressive income for January 1 to December 31, 2023, and 2022 were NT\$28,091 thousand and NT\$106,420 thousand respectively, accounted for 13% and 20% of the comprehensive income respectively.

### **Responsibilities of Management and Those Charged with Governance for the Parent 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:

1. 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.
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 Company.
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 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.

5. 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.
6. 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 2023 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 13, 2024

Wonderful Hi-Tech Co., Ltd.  
Parent Company Only Balance Sheet  
December 31, 2023 and 2022

Unit: NT\$ thousand

	Assets	Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 279,891	7	\$ 242,409	6
1110	Financial assets measured at fair value through profit or loss - current	6(2)	3,259	-	8,758	-
1150	Notes receivable, net	6(4)	23,380	1	35,199	1
1170	Accounts receivable, net	6(4)	359,703	9	511,496	12
1180	Accounts receivable from related parties, net	7	342,160	8	421,994	10
1200	Other receivables		5,385	-	10,337	-
1210	Other receivables - related Party	7	17,489	-	16,571	-
130X	Inventory	6(5)	331,994	8	455,036	10
1410	Prepayments		11,603	-	6,620	-
1476	Other financial assets - current	8	8,000	-	8,000	-
1479	Other current assets - others		382	-	344	-
11XX	<b>Total current assets</b>		<u>1,383,246</u>	<u>33</u>	<u>1,716,764</u>	<u>39</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	1,001	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	37,812	1	37,433	1
1550	Investment accounted for under the equity method	6(6) and 8	2,307,750	55	2,173,826	49
1600	Property, plant and equipment	6(7) 、 7(2) and 8	207,154	5	211,089	5
1755	Right-of-use assets	6(8)	17,758	-	24,674	1
1760	Investment property, net	6(9) and 8	188,525	5	188,525	4
1780	Intangible assets		312	-	592	-
1840	Deferred income tax assets	6(24)	34,345	1	25,320	1
1990	Other non-current assets - others		8,027	-	15,252	-
15XX	<b>Total non-current assets</b>		<u>2,802,684</u>	<u>67</u>	<u>2,676,711</u>	<u>61</u>
1XXX	<b>Total assets</b>		<u>\$ 4,185,930</u>	<u>100</u>	<u>\$ 4,393,475</u>	<u>100</u>

(Continued)

Wonderful Hi-Tech Co., Ltd.  
Parent Company Only Balance Sheet  
December 31, 2023 and 2022

Unit: NT\$ thousand

Liabilities and Equity	Note	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(10)	\$ 100,000	2	\$ 130,000	3
2170	Accounts payable		189,359	5	268,183	6
2180	Accounts payable - related party	7	158,588	4	175,959	4
2200	Other payables		109,396	3	149,454	4
2220	Other accounts payable - related party	7	2,188	-	6,248	-
2230	Current income tax liabilities		40,506	1	60,216	1
2280	Lease liabilities - current		6,019	-	6,922	-
2320	Current portion of long-term borrowings	6(12)	12,000	-	-	-
2399	Other current liabilities - others		6,003	-	5,969	-
21XX	<b>Total current liabilities</b>		<u>624,059</u>	<u>15</u>	<u>802,951</u>	<u>18</u>
<b>Non-current liabilities</b>						
2530	Bonds payable	6(11)	771,581	18	762,578	17
2540	Long-term borrowings	6(12)	31,000	1	-	-
2570	Deferred income tax liabilities	6(24)	175,276	4	151,260	4
2580	Lease liabilities - non-current		12,384	1	18,403	-
2640	Net defined benefit liabilities— non-current	6(13)	23,939	1	32,071	1
2650	Credit balance of investments accounted for using equity method	6(6)	24,273	1	22,487	1
2670	Other non-current liabilities - others		878	-	879	-
25XX	<b>Total non-current liabilities</b>		<u>1,039,331</u>	<u>25</u>	<u>987,678</u>	<u>23</u>
2XXX	<b>Total liabilities</b>		<u>1,663,390</u>	<u>40</u>	<u>1,790,629</u>	<u>41</u>
<b>Equity</b>						
Share capital						
3110	Common share capital	6(15)	1,617,912	39	1,616,652	37
Capital surplus						
3200	Capital surplus	6(16)	388,880	9	383,677	9
Retained earnings						
3310	Statutory reserves	6(17)	140,530	3	91,626	2
3320	Special reserves		119,302	3	169,203	4
3350	Undistributed earnings		429,567	10	491,831	11
Other equity						
3400	Other equity		( 45,119)	( 1)	( 21,611)	( 1)
3500	Treasury shares	6(15)	( 128,532)	( 3)	( 128,532)	( 3)
3XXX	<b>Total equity</b>		<u>2,522,540</u>	<u>60</u>	<u>2,602,846</u>	<u>59</u>
Significant Contingent Liabilities and Unrecognized Commitments						
Material subsequent events						
3X2X	<b>Total liabilities and equities</b>		<u>\$ 4,185,930</u>	<u>100</u>	<u>\$ 4,393,475</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, 2023 and 2022

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

Item	Note	2023		2022	
		Amount	%	Amount	%
4000 Operating revenue	6(18) and 7	\$ 2,788,267	100	\$ 4,098,856	100
5000 Operating costs	6(5)(23) and 7	( 2,441,335)	( 88)	( 3,488,259)	( 85)
Gross profit		346,932	12	610,597	15
5910 Unrealized gain from sale		( 55,970)	( 2)	( 44,415)	( 1)
5920 Realized gain from sale		44,415	2	25,045	-
5950 Gross Profit		335,377	12	591,227	14
Operating expenses	6(23) and 7				
6100 Selling expenses		( 69,400)	( 3)	( 159,893)	( 4)
6200 Administrative expenses		( 95,435)	( 3)	( 157,245)	( 4)
6300 Research and development expenses		( 27,865)	( 1)	( 29,852)	-
6450 Expected credit impairment losses		( 653)	-	( 3,151)	-
6000 Total operating expenses		( 193,353)	( 7)	( 343,839)	( 8)
6900 Operating profit		142,024	5	247,388	6
Non-operating income and expenses					
7100 Interest income	6(19) and 7	4,448	-	1,855	-
7010 Other income	6(20) and 7	12,384	1	12,271	-
7020 Other gains and losses	6(21) and 7	( 8,039)	-	82,697	2
7050 Finance costs	6(22)	( 15,859)	( 1)	( 16,310)	-
7070 Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	149,833	5	243,767	6
7000 Total non-operating incomes and expenses		142,767	5	324,280	8
7900 <b>Net income before tax</b>		284,791	10	571,668	14
7950 Income tax expense	6(24)	( 60,375)	( 2)	( 105,814)	( 3)
8200 <b>Net income for the period</b>		\$ 224,416	8	\$ 465,854	11

(Continued)

Wonderful Hi-Tech Co., Ltd.  
Parent Company Only Statement of Comprehensive Income  
January 1 to December 31, 2023 and 2022

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

Item	Note	2023		20221	
		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(13)	\$ 5,650	-	\$ 9,400 --
8316	Unrealized equity instrument profit or loss measured at fair value through other comprehensive income	6(3)	379	-	5,797 --
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		10,787	1 (	20,799) -
8349	Income taxes related to the items not re-classified	6(24)	( 1,130)	- (	1,880) -
<b>Items that may be reclassified subsequently to profit or loss</b>					
8361	Exchange differences on translation of the financial statements of foreign operations		( 21,900)	( 1)	103,008 3
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method- Items may be reclassified into profit or loss		( 1,432)	-	2,381 --
8399	Income tax related to items may be reclassified into profit or loss	6(24)	4,709	-	( 20,944) ( 1)-
8300	<b>Other comprehensive profit and loss (net)</b>		<u>(\$ 2,937)</u>	<u>-</u>	<u>\$ 76,963 2</u>
8500	<b>Total comprehensive income for this period</b>		<u>\$ 221,479</u>	<u>8</u>	<u>\$ 542,817 13</u>
Net income attributable to:					
Earnings per share					
9750	Basic earnings per share	6(25)	\$ 1.46	\$	3.04
9850	Diluted earnings per share		\$ 1.36	\$	3.03

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, 2023 and 2022

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>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
2022 Appropriation and distribution of retained earnings:	6(17)									
Statutory reserves		-	-	21,566	-	( 21,566 )	-	-	-	-
Special reserves		-	-	-	( 3,419 )	3,419	-	-	-	-
Cash dividends		-	-	-	-	( 214,667 )	-	-	-	( 214,667 )
Issuance of convertible bonds	6(11)(16)	-	65,027	-	-	-	-	-	-	65,027
Conversion of convertible bonds	6(11)(16)	25,604	28,908	-	-	-	-	-	-	54,512
treasury stock transfer employee	6(15)(16)	-	( 4,459 )	-	-	-	-	-	27,769	23,310
Disposal of investments by the equity method	6(3)	-	-	-	-	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	6(3)	-	-	-	-	-	-	-	-	-
Difference between actual price of subsidiary equity acquired and the book value	6(16)	-	4,816	-	-	12,210	-	( 12,210 )	-	-
Net change in affiliated enterprises and joint ventures accounted for under equity method	6(16)	-	10,450	-	-	-	-	-	-	10,450
Changes in equity ownership of subsidiaries	6(16)	-	2,854	-	-	-	-	-	-	2,854
Share-based payment transaction	6(14)(16)	-	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
<b>2023</b>										
Balance as of January 1, 2023		\$ 1,616,652	\$ 383,677	\$ 91,626	\$ 169,203	\$ 491,831	( \$ 34,458 )	\$ 12,847	( \$ 128,532 )	\$ 2,602,846
Net income for the period		-	-	-	-	224,416	-	-	-	224,416
Other comprehensive income/loss of the period	6(3)	-	-	-	-	6,197	( 18,623 )	9,489	-	( 2,937 )
Total comprehensive income for this period		-	-	-	-	230,613	( 18,623 )	9,489	-	221,479
2023 Appropriation and distribution of retained earnings:	6(17)									
Statutory reserves		-	-	48,904	-	( 48,904 )	-	-	-	-
Special reserves		-	-	-	( 49,901 )	49,901	-	-	-	-
Cash dividends		-	-	-	-	( 308,102 )	-	-	-	( 308,102 )
Conversion of convertible bonds	6(11)(16)	1,260	2,843	-	-	-	-	-	-	4,103
Disposal of investments by the equity method	6(3)	-	-	-	-	570	-	( 570 )	-	-
Investment companies by the equity method dispose of equity instrument shares measured through fair value in other cases and profit and loss cases	6(3)	-	-	-	-	-	-	-	-	-
Difference between actual price of subsidiary equity acquired and the book value	6(16)	-	1,479	-	-	13,804	-	( 13,804 )	-	-
Net change in affiliated enterprises and joint ventures accounted for under equity method	6(16)	-	881	-	-	( 146 )	-	-	-	735
Balance as of December 31, 2023		\$ 1,617,912	\$ 388,880	\$ 140,530	\$ 119,302	\$ 429,567	( \$ 53,081 )	\$ 7,962	( \$ 128,532 )	\$ 2,522,540

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.  
Parent Company Only Statement of Cash Flows  
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

	Note	January 1 to December 31, 2023	January 1 to December 31, 2022
<u>Cash flows from operating activities</u>			
Net income before income tax		\$ 284,791	\$ 571,668
Adjustments			
Income/expense items			
Unrealized gain from sale		55,970	44,415
Realized gain from sale		( 44,415 )	( 25,045 )
Depreciation expenses	6(23)	45,827	43,102
Amortization expenses	6(23)	1,620	1,503
Expected credit impairment losses		653	( 3,151 )
Interest income	6(19)	( 4,448 )	( 1,855 )
Dividend income	6(20)	( 117 )	( 612 )
Interest expenses	6(22)	15,859	16,310
Net gain on financial assets and liabilities at fair value through profit or loss	6(2)(21)	14,034	19,100
Gains on disposal of property, plant and equipment	6(21)	( 1,056 )	( 600 )
Gains on disposal of investments by equity method	6(21)	( 5,089 )	( 11,661 )
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	( 149,833 )	( 243,767 )
Investment real estate fair value adjustment benefits	6(21)	-	( 3,878 )
Share-based payments	6(14)	-	17,942
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		( 8,571 )	( 3,299 )
Notes and accounts receivable		162,490	230,922
Accounts receivable - related party		79,837	91,353
Other receivables		4,997	3,542
Other receivables - related Party		27	( 765 )
Inventory		123,042	( 38,933 )
Prepayments		( 4,983 )	6,336
Other current assets		( 38 )	( 38 )
Net changes in liabilities relating to operating activities			
Accounts payable (including related party)		( 68,593 )	( 403,754 )
Other payables		( 37,307 )	27,457
Other payables - related party		( 4,060 )	1,939
Other current liabilities		34	( 1,985 )
Accrued pension liabilities		( 2,482 )	( 18,687 )
Cash inflow (outflow) from operating activities		458,189	317,559
Interests received		3,924	1,909
Dividends received		23,970	19,866
Interest paid		( 2,348 )	( 13,655 )
Income taxes paid		( 61,515 )	( 16,950 )
Net cash inflow (outflow) from operating activities		422,220	308,729

(Continued)

Wonderful Hi-Tech Co., Ltd.  
Parent Company Only Statement of Cash Flows  
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

	<u>Note</u>	<u>January 1 to December 31, 2023</u>	<u>January 1 to December 31, 2022</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
Acquisition of investments by equity method		( 59,175 )	( 87,471 )
Proceeds from disposal of investments by equity method	6(6)	9,591	27,494
Acquisition of property, plant, and equipment	6(26)	( 17,636 )	( 19,941 )
Proceeds from disposal of property, plant and equipment		187	1,250
Acquisition of intangible assets			
Decrease (increase) refundable deposits		335	( 1,137 )
Acquisition of financial assets at fair value through profit or loss		( 1,002 )	
Increase in other non-current assets		( 14,644 )	( 2,439 )
Net cash outflow from investing activities		<u>( 82,344 )</u>	<u>( 60,104 )</u>
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term borrowings	6(27)	( 30,000 )	( 850,926 )
Increase of long-term borrowings	6(27)	48,000	-
Repayments of long-term borrowings	6(27)	( 5,000 )	
treasury stock transfer employee	6(15)	-	23,310
Repayment of the principal portion of lease liabilities	6(27)	( 7,292 )	( 6,610 )
Cash dividends paid	6(17)	( 308,102 )	( 214,667 )
Issuance of corporate bonds	6(27)		804,593
Net cash inflow (outflow) from financing activities		<u>( 302,394 )</u>	<u>( 244,300 )</u>
Net increase in cash and cash equivalents		37,482	4,325
Cash and cash equivalents at the beginning of the period		<u>242,409</u>	<u>238,084</u>
Cash and cash equivalents at the end of the period		<u>\$ 279,891</u>	<u>\$ 242,409</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

**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.

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.

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.

The Company shall distribute the Procedures Manual and the supplemental documents described in the above paragraph to the shareholders for reference on the day of the shareholders' meeting in the following ways:

(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.

(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.

(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.

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.

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.

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 attendance registrations for shareholders, solicitors and proxies (hereinafter referred to as "shareholders") 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; 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.

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.

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.

VI-1 (Convening virtual shareholders' meetings and particulars to be included in shareholders' meeting notices)

To convene a virtual shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice:

(I) How shareholders attend the virtual meeting and exercise their rights.

(II) 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:

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.
2. Shareholders who have not registered to attend the original shareholders' meeting via video conference shall not attend the postponed or resumed meeting.
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, 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.
4. Actions to be taken if the outcome of all proposals has been announced and an extraordinary motion has not been carried out.

(III) To convene a virtual shareholders' meeting via video conference, appropriate alternative measures available to shareholders with difficulties in attending the meeting shall be specified.

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.

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.

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.

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.

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, shares checked in on the virtual meeting platform, 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; in the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

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; 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.

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.

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.

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.

- 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.

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.

- 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.

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.

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.

- XIV. The number of shares of the requestors, the number of shares of the proxy, and the number of shares of the shareholders who attend the meeting in writing or by way of electronic methods, 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; 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.

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.

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.

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.

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.

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 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.

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.

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. (Disclosure of Information at Virtual Meetings)

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.

XX. (Location of the Chairman and Secretary of Virtual Shareholders' Meetings)

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.

XXI. (Handling of Disconnection)

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.

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 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.

XXII. (Handling digital divide)

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.

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

XXIV. 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.

These Rules of Procedures were amended on June 7, 2023.

**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.

(The company's English name is 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.
- I. 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.

The company's shareholders' meeting can be held via video conference or other methods announced by the central competent authority.

If a video conference is used, shareholders who participate in the meeting via video conference are deemed to be present in person.

The first two paragraphs stipulate that companies that issue stocks to the public must meet the conditions, operating procedures and other matters that must be complied with. If the securities regulatory authority has other provisions, such provisions shall prevail.

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 electronically or via video.

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.

When the company convenes a shareholders' meeting and uses electronic means to exercise voting rights, shareholders who exercise voting rights electronically will be deemed to have attended the shareholders' meeting in person.

However, the provisional motions and amendments to the original motions of the shareholders' meeting will be deemed to have abstained from voting.

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 unexposed 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.  
The 34th amendment was made on June 7, 2023.

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	11,465,911	7.08	
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	0.22	
Director	Cheng-Po Chang	2022.06.08~2025.06.07	3	840,443	0.52	
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				14,589,205	9.02	

- Remarks:
1. The number of shares held disclosed above is up to the book closure date of April 14, 2024 of 2024 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 5**

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

The 2023 net income before tax of the Company is NT\$284,790,444, and the income before subtracting the distribution of remunerations of employees and directors from the net Income before tax is NT\$301,509,504. According to the Articles of Incorporation and the recommendation of the Remuneration Committee, the remuneration of employees in cash of 3.2% for an amount of NT\$ 9,648,304 and remuneration of directors in cash of 1.6% for an amount of NT\$4,824,152 are proposed for distribution.

## **Appendix 6**

### **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.