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WANSHIH ELECTRONIC CO.,LTD.

Handbook for 2023 Annual Shareholders' Meeting

June 9, 2023

No. 72, Wu Gong 6th Rd., Wu Gu Dist., New Taipei City (1F, Wonderful Building)

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One. Meeting Agenda for 2023 Shareholders' Meeting of Wanshih Elecronic Co., Ltd.

- I. Time: 09:00 a.m., June 9th (Friday) 2023
- II. Location: No. 72, Wukong 6th Rd., Wugu Dist., New Taipei Industrial Park, New Taipei City (Wonderful Building 1F)
- III. Convention Method: Physical shareholders' meeting
- IV. Attendance Registration
- V. Call Meeting to Order
- VI. Chairperson Remarks
- VII. Matters to be Reproted
 - 1. 2022 Business Report.
 - 2. Audit Committee's report on the review of the Company's 2022 final accounts
 - 3. Issuance of the second domestic secured convertible corporate bonds, and the implementation of the health operation plan.
 - 4. The amendment to the Company's "Rules of Procedure for Board of Directors Meetings"

VIII. Matters for Adoption

- Proposal 1. Adoption of the 2022 Business Report and Financial Statements.
- Proposal 2. Adoption of the 2022 Deficit Compensation.

IX. Matters for Discussion

- Proposal 1. Amendment to the Company's "Rules of Procedure for Shareholders' Meetings."
- Proposal 2. Amendments to the Company's "Procedures for the Acquisition or Disposal of Assets."

X. Extempore Motions

XI. Meeting Adjourned

Two. Matters to be Reported

I. 2022 Business Report

In 2022, the COVID-19 pandemic entered its third year, and its impact on the global economy and society showed no signs of abating over time. The Chinese government persisted with its dynamic "zero-COVID" policy while the Russia-Ukraine war remained deadlocked. Europe and the U.S. suffered from inflationary effects, compounded by the persistent weakness of Asian currencies. Moreover, the risk of geopolitical conflicts and outbreaks grew increasingly, exerting a profound influence on global industries and the overall economic situation. During the first half of the year, we made stock preparation aimed at risk management for key customers in response to the high and volatile prices and uncertain sources of raw materials. However, due to fluctuations in market demand, the slow consumption of raw material inventory, and the increasing capital pressure and operational risks, the company's overall operations faced continuous high-pressure challenges throughout the first half of the year. As we entered the second half of the year, the gradual easing of the pandemic and the relaxation of control policies worldwide led to a rise in the company's markets for automotive, medical, and surveillance video, moving from a stable to an upward trend. There was also a sustained increase in demand for photovoltaic energy storage. Nonetheless, the consumer market remained sluggish, with NB products experiencing a severe decline. After successfully addressing the challenges encountered during the factory construction, Wanshih Vietnam commenced mass production by the yearend. Meanwhile, Draco Electronics, LLC. had achieved full-year profitability and was poised for future expansion as demand from new startup customers continued.

(I) 2022 Operating results are as follows:

Unit: NTD Thousands

Item	2022	2	202	1	Increase (decrease)
Item	Amount	Percentage	Amount	Percentage	%
Operating Revenue	1,445,754	86	1,673,707	100	(14)
Gross profit	244,019	15	271,723	16	(5)
Operating expenses	360,368	22	341,082	20	10
Profit (loss) from operations	(116,349)	(7)	(69,359)	(4)	(190)
Profit (loss) before tax	(75,186)	(4)	(40,599)	(2)	(327)

(II) Analysis of receipts, expenditures, and profitability

1. Analysis of receipts and expenditures:

Unit: NTD Thousands

Item	2022	2021	Increase (decrease) amount
Net cash inflow from operating activities	19	47,170	(47,151)
Net cash inflow (outflow) from investing activities	(245,842)	(56,784)	(189,058)
Net cash inflow (outflow) from financing activities	191,803	(12,038)	203,841
Increase/decrease in cash	(43,153)	(28,259)	(14,894)

2. Profitability (%) Analysis

Item	%
Debt to assets ratio (liabilities/total assets)	49.98
Current ratio (current assets/current liabilities)	177.83
Return on equity (after-tax profit/average total equity)	(7.75)
Net profit rate (after-tax profit/net sales)	(4.98)
Earnings per share (after-tax profit/weighted average number of shares issued)	\$(0.91)

(III) Research and development work

The research and development (R&D) expenses for 2022 were \$93 million, a decrease of \$9.95 million as compared to 2021, with R&D expenses accounting for 7% of revenue. The main development direction includes the new product development and the optimization of existing products.

The development of new products encompasses:

A range of items such as electric transportation-related wiring harnesses, wires for high-current automotive applications, ADAS wiring assemblies, high-frequency external wiring harnesses, special specification security products, etc., as well as the integrated SMT modules and whole-vehicle wiring harness design services. The development of new millimeter-wave products includes: Smart cabin and consumer millimeter-wave radar modules and 24GHz and 60GHz radar systems for physiological signal detection and presence sensing.

In addition to new product development and introducing more automated equipment to reduce working hours and labor requirements and to improve production capacity and quality, the main goal for the coming year is to meet the full range of customer needs, driving the company's growth.

(IV) Future prospects

As we look ahead to 2023, we acknowledge the persistent uncertainties in the external environment, compounded by an overall economic downturn. Nonetheless, with the pandemic under control, we anticipate a return to normalcy in our operations. Internally, we will continue to promote organizational optimization and manufacturing efficiency

improvement. Externally, we will focus on industries such as automotive, medical, high-frequency, surveillance video, photovoltaic energy storage, etc., and continue to deepen our involvement in these particularly essential areas.

Based on the five-year strategic map, Wanshih's future strategic development will revolve around various main axes, such as the ongoing promotion of Wanshih's IPO plan in China, new product development at Draco Electronics, LLC., and stable production and capacity expansion of Wanshih Vietnam.

In the midst of a chaotic and changing external environment, we remain committed to developing high-end differentiated markets. Leveraging its technological and quality capabilities, the company aims to attract more niche customers and increase product orders while constantly pushing forward various corporate transformations, upgrades, and development.

The management team would like to thank for your support and encouragement in the past. We look forward to your continuing guidance and advice in the coming year.

The Company will share the results with everyone, based on its past management philosophy and efforts.

We wish you

All the best!

Chairman: Lake Chang



President: Lake Chang



CFO: Vicky Chu



Wanshih Electronic Co., Ltd.

Audit Committee's Review Report

The Board of Directors has submitted the Company's 2022 financial statements, business report, and earnings distribution proposal. Amongst, the 2022 financial statements have been audited by PwC Taiwan, by whom an audit report has been issued accordingly. The aforementioned 2022 financial statements, business report, and proposal for earnings distribution plan have been audited by the Audit Committee and did not find any discrepancy. A report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act; please verify.

To

2023 Shareholders' Meeting of Wanshih Electronic Co., Ltd.

Convener of the Audit Committee: Tu-Tsun Tsai

奏与村

March 17, 2023

III. Report on the Issuance of the Second Domestic Secured Convertible Bond and the Report on the Implementation of the Sound Business Plan

Description:

I. Key points of corporate bond issuance:

The Company's issuance of the second domestic secured convertible bond was approved by Financial Supervisory Commission (FSC) per Letter Jin-Guan-Zheng-Fa-Zi No.1110339560 issued on May 9, 2022 and approved by the TPEx per Letter No. Zheng-Gui-Zhai-Zi-11100056321 issued on June 8, 2022.

The total issuance amount is NT\$200 million, with a face value of NT\$100,000 per bond, and is issued at 116.23% of the face value. The issuance period is three years, starting from June 14, 2022, and will be traded on the over-the-counter market.

Please refer to the table below for details of the bond issuance.

	Туре	The second domestic secured convertible bond	
Issue date		June 14, 2022	
Face value		NT\$100,000	
Place of is	ssue and trading	Issued domestically and listed on the TPEx	
Issue price	2	Issued at 116.23% of the face value	
Total issue	e amount	NT\$200 million	
Coupon ra	ite	0%	
Issuance p	period	Three years Maturity date: June 14, 2025	
Guarantor		CTBC Bank	
Trustee		The Shanghai Commercial & Savings Bank, Ltd.	
Underwrit	eer	CTBC Securities Taiwan Cooperative Securities Tachan Securities	
Terms of repayment		The principal shall be repaid in cash at face value upon maturity, except in cases of conversion by the creditor, early redemption by the Company, early resale by the creditor, or repurchase and cancellation by the Company.	
Outstanding principal as of the publication date of the annual report		NT\$199.9 million	
Terms of r	redemption or early repayment	Please refer to the prospectus of this convertible bond for further information	
Issuance with other rights The amount of common shares in the form of global depositary receipts (ADRs) or other securities that have been converted (exchanged or subscribed) as of the printing date of the annual report Procedures of issuance and conversion (exchange or subscription)		4,651 shares	
		Please refer to the prospectus of this convertible bond for further information	
The procedures of issuance, conversion, exchange or subscription, as well as terms and conditions of issuance, may result in possible dilution of equity interest and affect existing shareholders' equity. Implementation of the capital allocation plans		Completed by the third quarter of 2022	

- II. Implementation and effectiveness of the sound business plan for the corporate bond in 2022:
 - (I) Implementation status:
 - (1)Business expansion:

The Company focused on the automotive, medical, surveillance, and video markets. It gradually transitioned from the stabilization to the ramp-up stage and expanded its operations to include the photovoltaic energy storage market to increase its revenue. Draco Electronics, LLC. was established in the US to meet customer needs with prompt mock-ups and increase the opportunity to connect with foreign customers. This allowed the company to expand its products and precision machining concepts to foreign markets and reach out to high-tech clusters in various industries, thereby expanding its business scope.

(2)Improving productivity:

Ninety percent of the Company's production capacity was located in China. To mitigate uncertain business risks, such as increased production costs resulting from wage increases and power restrictions in the PRC, we established the Wanshih Vietnam plant in 2022 to cope with the rising labor costs in the mainland region.

The Company also continued to promote organizational optimization and manufacturing efficiency improvement, maintain competitive advantages in external markets, implement technology and experience pass-on, enhance product quality and production processes, and increase capacity utilization to boost efficiency.

(3) Capital restructuring:

The Company issued NT\$200 million of convertible bonds in 2022. It was mainly used for repaying bank loans and augmenting working capital, which helped to enhance the financial structure and reduce interest expenses.

(II) Implementation effectiveness:

Unit: NT\$ thousands

	2022	2022	Achieve	ment
Item	Annual	Annual	Annual	Achieving
	Estimated	Actual	Difference	rate
Revenue, net	1,869,307	1,445,754	(423,553)	77%
Operating cost	1,511,579	1,201,735	(309,844)	80%
Gross profit	357,728	244,019	(113,709)	68%
Gross margin %	19%	17%	-2%	88%
Operating	379,436	360,368	(19,068)	95%
expenses	377,430	300,300	(17,000)	75 /0
Profit (loss) from operations	(21,709)	(116,349)	(94,640)	NA
Non-operating				
income and	32,006	41,163	9,157	129%
expenses	32,000	11,103),137	12570
Profit (loss)	10,295	(75,186)	(85,481)	NA
before tax	10,293	(73,180)	(03,481)	INA

Analysis of the variance in achieving the estimated profit and loss for 2022:

- (1) In the first half of the year, the implementation of lockdown measures in China caused a severe impact on import and export operations in the Mainland. It led to a decline in customer demand, shortages in the supply chain, and a one-time recognition of loss, resulting in the total consolidated gross profit and operating profit falling short of the target.
- (2) Although revenue fell short of expectations, however, production capacity resumed to normal, and cost control performance improved from the third quarter. Additionally, the main customers of SMT module products adjusted their processing methods, which helped to limit losses. As a result, the Group's gross margin

- stabilized and rose. Nonetheless, the full-year operating profit still failed to meet the target.
- (3) The primary contributors to the achievement of non-operating income and expenses were the distribution of cash dividends of NT\$11.86 million for Wonderful Hi-Tech stocks, compensation income of NT\$12 million for inventory write-offs, compensation payment of NT\$4 million from customers, and a foreign exchange gain of NT\$4.4 million.
- (4) The cumulative pre-tax profit for the first quarter to the fourth quarter was not achieved.

IV. The Amendment to the Company's "Rules of Procedure for the Board of Directors Meetings."

(1) In accordance with Letter Tai-Zheng-Shang-Zi No. 1110383263 and 0971701351 issued by the TWSE, the Company has amended the articles of the "Rules of Procedure for the Board of Directors Meetings."

(2) The comparison table before and after the amendment is as follows:

(2) The comparison table before and after the amendment is as follows:						
Amended Article	Current Article	Description				
Article 3	Article 3	Considering that the				
Calling a Board of Directors	Calling a Board of Directors	items outlined in				
meeting and meeting notice	meeting and meeting notice	paragraph 1 of Article 12				
The Company's Board of	The Company's Board of	are crucial matters				
Directors shall be convened per	Directors shall be convened per	pertaining to corporate				
quarter.	quarter.	management, it is				
The reasons for calling a board	The reasons for calling a board of	essential to include them				
of directors meeting shall be	directors meeting shall be notified	in the meeting notice to				
notified to each director at least	to each director at least seven	provide the directors				
seven days in advance.	days in advance. However, in	with adequate				
However, in emergency	emergency circumstances, a	information and ample				
circumstances, a meeting may	meeting may be called on shorter	time to evaluate the				
be called on shorter notice.	notice.	proposals before making				
The matters set out in the	The matters set out in the	any decisions. Therefore,				
subparagraphs under Article 12,	subparagraphs under Article 12,	the proviso stated in				
paragraph 1 of the Rules, except	paragraph 1 of the Rules of	paragraph 4 has been				
for a sudden emergency or	Procedure, except for a sudden	removed, and it is now				
justifiable reason , shall be	emergency or justifiable reason,	explicitly stated that the				
specified in the meeting notice	shall be specified in the meeting	matters set out in the				
and may not be raised by an	notice and may not be raised by	subparagraphs under				
extempore motion.	an extempore motion.	paragraph 1 of Article 12				
		shall be specified in the				
		meeting notice and may				
		not be raised by an				
		extempore motion.				
Article 12:	Article 12:	As the discharge and				
Matters shall be discussed by	Matters shall be discussed by the	election of the chairman				
the Board of Directors	Board of Directors	are both significant				
The following matters shall be	The following matters shall be	matters for the company,				
submitted to the Board of	submitted to the Board of	subparagraph 6 has been				
Directors of the Company for	Directors of the Company for	added to specify that in				
discussion:	discussion:	the absence of managing				
Subparagraphs 1 to 5 (omitted)	Subparagraphs 1 to 5 (omitted)	directors on the Board of				
VI. The election or discharge of		Directors, the election or				
the chairman of the Board in the	XXX (TD)	discharge of the				
absence of managing directors	VI. The appointment or discharge	chairman shall be				
on the Board of Directors.	of a financial,, or audit	discussed by the Board.				
VII. The appointment or	officer.	The current				
discharge of a financial,,	VII. A donation to a related party	subparagraphs 6-8 have				
or audit officer.	or a major donation to a non-	been renumbered as				
VIII. A donation to a related	related party	subparagraphs 7-9 for				
party or a major donation to a	VIII. Any matter required by	consistency.				
non-related party	Article 14-3 of the Securities and	According to paragraph 2				
IX. Any matter required by	Exchange Act or any other law,	of Article 208 of the				
Article 14-3 of the Securities	regulation, or bylaw to be	Company Act, the				
and Exchange Act or any other	approved by resolution at a	chairman elected by the				

law, regulation, or bylaw to be Shareholders' Meeting or Board meeting of the managing approved by resolution at a of Directors meeting, or any such directors shall comply Shareholders' Meeting or Board significant matter as may be with the procedures and prescribed by the competent of Directors meeting, or any regulations governing the such significant matter as may authority. election and discharge of The related parties, as mentioned be prescribed by the competent the chairman by the authority. in the preceding subparagraph 7, Board of Directors. The related parties, as refers to the related parties Therefore, the provisions of Article 18 shall apply mentioned in the preceding defined in the Regulations subparagraph 8, refers to the Governing the Preparation of mutatis mutandis and be related parties defined in the Financial Reports by Securities amended accordingly. Regulations Governing the Issuers. Preparation of Financial Reports by Securities Issuers. Article 18: Article 18: The managing directors meeting The managing directors meeting It has been added to The provisions of Article 2, The provisions of Article 2, mutatis mutandis to the paragraph 2 of Article 3, Articles paragraph 2 of Article 3, Articles election or discharge of 4 to 6, Articles 8 to 11, and 4 to 6, Articles 8 to 11, and the chairman of the Articles 13 to the preceding Articles 13 to 16 shall apply Board of Directors if the article shall apply mutatis mutatis mutandis to the procedure Board has managing directors, based on mutandis to the procedure for for meetings of the Company's descriptions 1 and 2 for meetings of the Company's managing directors. However, if a managing directors and the meeting of managing directors is Article 12. provisions of paragraph 4 of scheduled to be convened within Article 3 shall apply mutatis seven days, the notice to each mutandis to the election or managing director may be made discharge of the chairman of the two days in advance. Board of Directors. However, if a meeting of managing directors is scheduled to be convened within seven days, the notice to each managing director may be made two days in advance. Article 19: Supplementary Article 19: Supplementary It is amended in provisions provisions accordance with Letter The establishment and The establishment and Tai-Zheng-Shang-Zi amendment of the Rules of amendment of the Rules of No.0971701351 issued

Procedure shall be subject to the

consent of the Company's Board

and be raised for reporting at the

Shareholders' Meeting.

by the TWSE.

Procedure shall be subject to the

consent of the Company's

reporting at the Shareholders'

amendments may be authorized by a resolution of the Board of

Board and be raised for

Meeting. Any future

Directors.

Three. Matters for Adoption

Proposal 1:

Subject: Adoption of the 2022 Business Report and Financial Statements. (**Proposed by Board of Directors**)

Explanation: The Company's financial statements for 2022 have been audited by PwC Taiwan, who have concluded that the statements fairly present the financial position as of December 31, 2022, and the financial performance and cash flows for 2022 of Wanshih Electronic Co., Ltd. Please refer to P.3 and Appendix I (P. 29 to P. 53) for the related statements.

Resolution:

Proposal 2:

Subject: Adoption of the Proposal for 2022 Deficit Compensation. (Proposed by Board of Directors)

Explanation: (I) The Company's beginning retained earnings in 2022 were NT\$34,094,160, adding adjustment to retained earnings of (NT\$5,872,563) and subtracting the after-tax loss of NT\$66,109,154 for the current period, a deficit yet to be compensated was NT\$37,887,557 at the end of the period.

(II) The proposed deficit compensation table is as follows:

Wanshih Electronic Co., Ltd.

Deficit Compensation Table

	Unit: NT\$
Item	Amount
Unappropriated retained earnings at the	
beginning of the period	34,094,160
Add: Adjustment to retained earnings for	
2022 (note 1)	(5,872,563)
Add: Net loss after tax for 2022	(66,109,154)
Deficit yet to be compensated at the yearend	(37,887,557)

Note 1: It includes an actuarial gain of \$274,101 on the benefit plan due to actuarial report adjustments, income taxes related to components of other comprehensive income and loss (\$54,821), and recognition of changes in ownership interests in subsidiaries of NT(\$6,091,843).

Chairman: Lake Chang



General manager: Lake Chang



CFO: Vicky Chu



Resolution:

Four. Matters for Discussion

Proposal 1

Subject: Amendment to the Company's "Rules of Procedure for Shareholders' Meetings," please proceed to discuss. (**Proposed by Board of Directors**)

Explanation: (I) Pursuant to Letter No. Zheng-Guei-Jian-Tze-11100543771 issued by the TPEx on March 11, 2022, certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings" have been amended in response to the addition of video conference as a mean of convening Shareholders' Meetings.

(II) The comparison table before and after the amendments is as follows. Please refer to Appendix II (P.54-P.59) for the articles before the amendments.

Appendix II (P.54-P.59) for the articles before the amendments.					
Amended Article	Current Article	Description			
Article 3	Article 3	Following the issuance			
Unless otherwise provided by law	Unless otherwise provided by	of Notice Tai-Zheng-			
or regulation, the Company's	law or regulation, the Company's	Jhih-Li-Zi			
shareholders' meetings shall be	shareholders' meetings shall be	No.1110004250 by the			
convened by the board of	convened by the board of	TWSE on March 8,			
directors.	directors.	2022, which announced			
Any change in the method of		the amendment to the			
convening the Company's		"Rules of Procedure for			
Shareholders' Meeting shall		Shareholders' Meetings			
be resolved by the Board of		of OO Company" and			
Directors and to be done no		the accompanying			
later than the issuance of the		example, the Company			
Shareholders' Meeting		has amended the			
notice.		relevant content for			
Paragraph 3 (omitted)	Paragraph 3 (omitted)	holding of Shareholder			
The meeting agenda	The meeting agenda handbook	Meetings via video			
handbook and	and supplemental materials of	conference.			
supplemental materials of	the current Shareholders'				
the current Shareholders'	Meeting shall be prepared for the				
Meeting shall be prepared	shareholders to review at any				
for the shareholders to	time and displayed at the				
review at any time and	Company and its designated				
displayed at the Company	stock affairs agency 15 days				
and its designated stock	before the scheduled				
affairs agency 15 days	shareholders' meeting. It shall				
before the scheduled	also be distributed on-site at the				
Shareholders' Meeting.	Shareholders' Meeting.				
The meeting agenda handbook					
and supplemental materials					
referred to in the preceding					
paragraph shall be made available					
to shareholders on the day of the					
Shareholders' Meeting by the					
Company in the following					

Amended Article	Current Article	Description
manner:	Current Atticle	Description
(I) When holding a physical		
Shareholders' Meeting, materials		
shall be distributed on-site at the		
Shareholders' Meeting.		
(II) When holding a hybrid		
Shareholders' Meeting, materials		
shall be distributed on-site at the		
Shareholders' Meeting and		
transmitted to the video		
conferencing platform as an		
electronic file.		
(III) When holding a virtual-only		
Shareholders' Meeting, materials		
shall be transmitted to the video		
conferencing platform as an		
electronic file.		
The reasons for convening a	The reasons for convening a	
Shareholders' Meeting shall be	shareholders' meeting shall be	
specified in the meeting notice	specified in the meeting notice	
and public announcement. With	and public announcement. With	
the addressee's consent, the	the consent of the addressee, the	
meeting notice may be given in	meeting notice may be given in	
electronic form.	electronic form.	
(Omitted)	(Omitted)	
Article 4		Following the issuance
Paragraphs 1 to 3 (omitted)		of Notice Tai-Zheng-
Upon delivery of the proxy to the		Jhih-Li-Zi
Company, in case the shareholder		No.1110004250 by the
issuing the said proxy wishes to		TWSE on March 8,
attend the Shareholders' Meeting		2022, which announced
via video conference, the		the amendment to the
shareholder shall issue a proxy		"Rules of Procedure for
rescission notice in writing to the		Shareholders' Meetings
		of OO Company" and
Company two days prior to the scheduled date of the		
		the accompanying
Shareholders' Meeting. In the		example, the Company
absence of a timely rescission, the		has amended the
voting power exercised by the		relevant content for
authorized proxy agent at the		holding of Shareholder
meeting shall prevail.		Meetings via video
		conference.
Article 5	Article 5	
The location for convening a	The location for convening a	Following the issuance
Shareholders' Meeting shall either	Shareholders' Meeting shall	of Notice Tai-Zheng-
be the Company's premises or a	either be the Company's premises	Jhih-Li-Zi
place that is convenient for all	or a place that is convenient for	No.1110004250 by the

	Amended Article	Current Article	Description
	shareholders and suitable for the	all shareholders and suitable for	TWSE on March 8,
	purpose of holding the meeting.	the purpose of holding the	2022, which announced
	The meeting shall commence no	meeting. The meeting shall	the amendment to the
	earlier than 9:00 a.m. and no later	commence no earlier than 9:00	"Rules of Procedure for
	than 3:00 p.m. In determining the	a.m. and no later than 3:00 p.m.	Shareholders' Meetings
	venue and timing of the meeting, due regard shall be given to the	In determining the venue and	of OO Company" and
	opinions of independent directors.	timing of the meeting, due regard shall be given to the opinions of	the accompanying example, the Company
	When the Company holds a	independent directors.	has amended the
	virtual-only Shareholders'	maependent directors.	relevant content for
	Meeting, it is not subject to the		holding of Shareholder
	restriction on the venue of the		Meetings via video
	preceding paragraph.		conference.
	Article 6	Article 6	
	In the Shareholders' Meeting	In the Shareholders' Meeting	Following the issuance
	notice, the Company shall specify	notice, the Company shall	of Notice Tai-Zheng-
	the time and place for accepting	specify the time and place for	Jhih-Li-Zi
	the registration of shareholders,	accepting shareholders'	No.1110004250 by the
	proxy solicitors, or proxy agents (hereinafter referred to as	registration and other matters for attention.	TWSE on March 8, 2022, which announced
	shareholders) and other matters	attention.	the amendment to the
	for attention.		"Rules of Procedure for
	The time for accepting	The time during which	Shareholders' Meetings
	shareholders' registration in the	shareholder attendance	of OO Company" and
	preceding paragraph shall be	registrations will be accepted, as	the accompanying
	processed at least 30 minutes	stated in the preceding	example, the Company
	before the commencement of the	paragraph, shall be at least 30	has amended the
	meeting. The registration counter	minutes prior to the time the	relevant content for
	shall be clearly indicated and	meeting commences. The place	holding of Shareholder
	staffed by adequate and	at which attendance registrations	Meetings via video
	competent personnel to handle the	are accepted shall be clearly	conference.
	check-in. For a virtual	marked and a sufficient number	
	Shareholders' Meeting,	of suitable personnel assigned to	
	registration shall be accepted on	handle the registrations.	
	the video conferencing platform 30 minutes before the		
	commencement of the meeting.	Shareholders or their proxy	
	Shareholders who have completed	agents (hereinafter referred to as	
	registration are deemed as	shareholders) are required to	
	attending the Shareholders'	attend Shareholders' Meetings	
	Meeting in person.	with attendance cards, sign-in	
	Shareholders are required to	cards, or other attendance	
	attend Shareholders' Meetings	certificates. The Company shall	
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not arbitrarily require additional

proof of attendance other than

with attendance cards, sign-in

cards, or other attendance

A 1 1 A 4: 1	C (A)	D '.'
Amended Article	Current Article	Description
certificates. The Company shall	the document relied upon by	
not arbitrarily require additional	shareholders to attend. In case of	
proof of attendance other than the	solicited proxies, the solicitor	
document relied upon by	shall also bring their	
shareholders to attend. In case of	identification documents for	
solicited proxies, the solicitor	verification purposes.	
shall also bring their		
identification documents for		
verification purposes.		
Dayagraphs A to 6 (amitted)		
Paragraphs 4 to 6 (omitted)		
For Shareholders' Meetings held		
via video conference,		
shareholders who wish to attend		
by means of video conference		
shall register with the Company		
two days before the meeting.		
For Shareholders' Meetings held		
via video conference, the		
Company shall upload the		
meeting agenda handbook, annual		
report, and other relevant		
materials to the video		
conferencing platform of the		
Shareholders' Meeting at least 30		
minutes before the meeting starts		
and continue to disclose them		
until the end of the meeting.		
Article 6-1		I. Newly added Article.
(Convening of a virtual		II. Following the
Shareholders' Meeting and matters		issuance of Notice
to be specified in the meeting		Tai-Zheng-Jhih-Li-Zi
notice)		No.1110004250 by the
		TWSE on March 8,
When the Company convenes a		2022, which announced
virtual-only Shareholders' Meeting,		the amendment to the
it shall specify		"Rules of Procedure for
		Shareholders' Meetings
the following matters in the		of OO Company" and
meeting notice:		the accompanying
(I) The means for shareholders to		example, the Company
take part in the video conference		has amended the
and exercise their rights.		relevant content for
		holding of Shareholder
(II) In the event of natural		Meetings via video
disasters, unforeseen events, or		conference.
other force majeure circumstances		

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Amended Article	Current Article	Description
that result in any disruptions to the		
video conferencing platform or		
participation via video conference,		
measures to be taken shall include		
at least the following particulars:		
1. If the above disruptions persist		
and cannot be resolved, resulting in		
the need to postpone or reconvene		
the meeting, the time and date for		
the postponed or reconvened		
assembly shall be determined.		
2 Sharahaldara who did not		
2. Shareholders who did not		
register to take part in the original		
scheduled Shareholders' Meeting		
via video conference may not take part via video conference in the		
-		
postponed or reconvened meeting.		
3. When convening a hybrid		
Shareholders' Meeting, if the		
virtual meeting cannot proceed, and		
the total number of shares		
represented at the meeting, after		
deducting those represented by		
shareholders attending the meeting		
via video conference, meets the		
legal quorum required for holding a		
Shareholders' Meeting, the meeting		
shall continue in session. For		
shareholders who take part via		
video conference, their shares		
represented shall be counted toward		
the total shares represented by the		
attending shareholders and shall be		
deemed to have abstained from		
voting on all motions at that		
meeting.		
_		
4. Measures to be taken where		
the outcome of all motions have		
been announced and extempore		
motions have not been proceeded		
with.		
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Amended Article	Current Article	Description
(III) When convening a virtual-only		
Shareholders' Meeting, it shall		
specify appropriate alternative		
measures made available to		
shareholders who have		
difficulty taking part in the		
Shareholders' Meeting via		
video conference.		
Article 8	Article 8	
Paragraphs 1 to 2 (omitted)	Paragraphs 1 to 2 (omitted)	Following the issuance
For Shareholders' Meetings		of Notice Tai-Zheng-
held via video conference, the		Jhih-Li-Zi
Company shall keep records of		No.1110004250 by the
information on matters including		TWSE on March 8,
shareholder enrollment,		2022, which announced
registration, sign-in, inquiry,		the amendment to the
voting, and vote counting results		"Rules of Procedure for
and shall make uninterrupted audio		Shareholders' Meetings
and video recordings of the entire		of OO Company" and
virtual meeting.		the accompanying
The information and audio-		example, the Company
visual recordings mentioned in the		has amended the
preceding paragraph shall be		relevant content for
properly preserved by the Company		holding of Shareholder
throughout its entire existence.		Meetings via video
Additionally, copies of the audio		conference.
and video recordings shall be		
provided to the designated parties		
responsible for managing video		
conference affairs for safekeeping.		
eomerence arrans for surekeeping.		
Article 9	Article 9	
Attendance at Shareholders'	Attendance at Shareholders'	Following the issuance
Meetings shall be calculated on the	Meetings shall be calculated on	of Notice Tai-Zheng-
basis of shares, and the number of	the basis of shares, and the	Jhih-Li-Zi
shares represented is calculated	number of shares represented is	No.1110004250 by the
based on the number of shares	calculated based on the number	TWSE on March 8,
reported in the signature book or	of shares reported in the	2022, which
the sign-in card submitted and the	signature book or the sign-in card	announced the
video conferencing platform, plus	submitted, plus the number of	amendment to the
the number of shares exercising the	shares exercising the voting	"Rules of Procedure
voting rights in writing or by	rights in writing or by electronic	for Shareholders'
electronic means.	means.	Meetings of OO
The chair shall call the meeting to	The chair shall call the meeting	Company" and the
order immediately at the time	to order immediately at the time	accompanying
scheduled for the meeting and	scheduled for the meeting and	example, the Company
announce the number of non-voting	disclose relevant information,	has amended the

rights shares, the number of shares represented, etc. However, if shareholders present denot represent a majority of the total issued shares, the chair may announce a postponement of the meeting time, provided that only two postponements may be made, with a total postponement time not exceeding one hour. If the quorum is still not met after two postponements and there are not enough shareholders representing more than one-third of the total issued shares, the chair shall declare the meeting shall also enourend. For Shareholders' Meetings hald via video conference, the Company shall also announce the failure to convene the meeting platform. If the quorum is still not met after two postponements as referred to in the preceding paragraph and there are not enough shareholders' representing more than one-third of the total issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders who wish to attend by means of video conference, shareholders' Meetings held via video conference, shareholders who wish to attend by means of video conference, shareholders who wish to attend by means of video conference, shareholders who wish to attend by means of video conference shall re-register with the Company in accordance with Article 6. Paragraph 5 (omitted) Article 11 Paragraphs 1 to 6 (omitted) Following the six and the number of shares represented. However, if sharcholders present to don trepresent a majority of the total issued shares, the chair may announce a postponement of the meeting gitme, provided that only two postponements may be made, with a total postponement is may be made, with a total postponement is may be made, with a total postponement and there are not enough sharcholders representing more than one-third of the total issued shares, the chair shall declare the meeting as failed to be convened. If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares,	Amended Article	Current Article	Description
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Company in accordance with Article 6. Paragraph 5 (omitted) Article 11 Paragraphs 1 to 6 (omitted)	_		
Article 6. Paragraph 5 (omitted) Article 11 Paragraphs 1 to 6 (omitted)	_		
Paragraph 5 (omitted)Paragraph 5 (omitted)Article 11Article 11Paragraphs 1 to 6 (omitted)Paragraphs 1 to 6 (omitted)Following the issuance			
Article 11 Article 11 Paragraphs 1 to 6 (omitted) Paragraphs 1 to 6 (omitted) Following the issuance		Paragraph 5 (omitted)	
		`	
	Paragraphs 1 to 6 (omitted)	Paragraphs 1 to 6 (omitted)	Following the issuance
Snarenoiders wno participate of Notice Iai-Zheng-	Shareholders who participate		of Notice Tai-Zheng-

		<u> </u>
Amended Article	Current Article	Description
in a virtual-only Shareholders'		Jhih-Li-Zi
Meeting via video conference may		No.1110004250 by the
submit questions using the text		TWSE on March 8,
feature on the video conferencing		2022, which announced
platform from the chair calling the		the amendment to the
meeting to order until the		"Rules of Procedure for
adjournment. For each motion,		Shareholders' Meetings
shareholders may submit up to two		of OO Company" and
questions, and each question is		the accompanying
limited to 200 words, not		example, the Company
applicable to the provisions		has amended the
outlined in paragraphs 1 to 5.		relevant content for
		holding of Shareholder
		Meetings via video
		conference.
Article 13	Article 13	
Paragraphs 1 to 3 (omitted)	Paragraphs 1 to 3 (omitted)	
If shareholders who have	After a shareholder has	Following the issuance
exercised their voting rights in	exercised voting rights by	of Notice Tai-Zheng-
writing or by means of electronic	correspondence or electronic	Jhih-Li-Zi
transmission wish to attend the	means, in the event the	No.1110004250 by the
Shareholders' Meeting in person or	shareholder intends to attend the	TWSE on March 8,
via video conference instead, they	shareholders' meeting in person,	2022, which announced
shall first revoke their voting rights	a declaration of intent to retract	the amendment to the
exercised under the preceding	the voting rights already	"Rules of Procedure for
paragraph in the same manner	exercised under the preceding	Shareholders' Meetings
previously used in exercising their	paragraph shall be made known	of OO Company" and
voting rights two days prior to the	to the Company, by the same	the accompanying
Shareholders' Meeting. In the	means by which the voting rights	example, the Company
absence of a timely revocation, the	were exercised, two business	has amended the
voting rights exercised in writing or	days before the date of the	relevant content for
by means of electronic transmission	shareholders' meeting. If the	holding of Shareholder
shall prevail. When a shareholder	notice of retraction is submitted	Meetings via video
has exercised voting rights by	after that time, the voting rights	conference.
correspondence or electronic means	already exercised by	
and by appointing a proxy to attend	correspondence or electronic	
a shareholders' meeting, the voting	means shall prevail. When a	
rights exercised by the proxy in the	shareholder has exercised voting	
meeting shall prevail.	rights by correspondence or	
mooning shari provaii.	electronic means and by	
	appointing a proxy to attend a	
	shareholders' meeting, the voting	
	rights exercised by the proxy in	
	the meeting shall prevail.	
	the meeting shan prevail.	
Paragraphs 5 to 8 (omitted)	Paragraphs 5 to 8 (omitted)	
Shareholders who take part in	Taragraphic 5 to 6 (offitted)	
Shareholders who take part III		

Amended Article	Current Article	Description
the Company's virtual-only		_ 222123011
Shareholders' Meeting via video		
conference shall cast votes on		
motions and elections through the		
video conferencing platform after		
the chair called the meeting to		
order and shall complete the casting		
of their votes before the chair		
announces the close of voting, or		
will be deemed to have abstained		
from voting.		
For Shareholders' Meetings		
held via video conference, votes		
shall be counted at once after the		
chair announces the close of voting,		
and voting and election outcomes		
shall be announced immediately.		
In the event of a hybrid		
Shareholders' Meeting convened by		
the Company, if shareholders, who		
have registered to take part via		
video conference under Article 6,		
wish to attend the physical		
Shareholders' Meeting in person,		
they shall revoke the registration in		
the same manner previously used to		
register two days prior to the		
Shareholders' Meeting. In the		
absence of a timely revocation,		
they may take part in the		
Shareholders' Meeting only by		
means of video conferencing.		
If shareholders have exercised		
voting rights in writing or by		
electronic means without revoking		
their declaration of intention and		
participate in the Shareholders'		
Meeting by videoconference, they		
may not, except for extempore		
motions, further exercise any		
voting rights on the original		
motions or propose any		
amendments to the original motions		
or exercise voting rights on		
amendments to the original		
motions.		

Amended Article	Current Article	Description
Article 15	Article 15	Bescription
Paragraphs 1 to 3 (omitted)	Paragraphs 1 to 3 (omitted)	
For Shareholders' Meetings	Turugrupiis T to 3 (emitteu)	Following the issuance
held via video conference, the		of Notice Tai-Zheng-
meeting minutes shall not only		Jhih-Li-Zi
include the matters required to be		No.1110004250 by the
recorded as per the previous		TWSE on March 8,
provision but also the start and end		2022, which announced
time of the meeting, the method of		the amendment to the
convening the meeting, the names		"Rules of Procedure for
of the chair and the minutes taker,		Shareholders' Meetings
the measures to be taken in the		of OO Company" and
event of natural disasters,		the accompanying
unforeseen events, or other force		example, the Company
majeure circumstances that result in		has amended the
any disruptions to the video		relevant content for
conferencing platform or		holding of Shareholder
participation via video conference,		Meetings via video
as well as the outcome of the		conference.
handling of such disruptions.		
When convening a virtual-		
only Shareholders' Meeting, in		
addition to complying with the		
requirements in the preceding		
paragraph, the Company shall		
specify in the meeting minutes the		
alternative measures made		
available to shareholders who have		
difficulty taking part in the		
Shareholders' Meeting via video		
conference.		
Article 16	Article 16	
On the day of the	On the day of the	Following the issuance
Shareholders' Meeting, the	Shareholders' Meeting, the	of Notice Tai-Zheng-
Company shall compile a statistical	Company shall compile a	Jhih-Li-Zi
table in the prescribed format that	statistical table in the prescribed	No.1110004250 by the
includes the number of shares	format that includes the number	TWSE on March 8,
obtained through solicitation, the	of shares obtained by the proxy	2022, which announced
number of shares represented by	solicitor through solicitation and	the amendment to the
the proxy agent, and the number of	the number of shares represented	"Rules of Procedure for
shares attended by shareholders in	by the proxy agent and shall	Shareholders' Meetings
writing or electronic means, and	make an explicit disclosure of the	of OO Company" and
shall make an explicit disclosure of	same at the meeting venue.	the accompanying
the same at the meeting venue. For		example, the Company
Shareholders' Meetings held via		has amended the
video conference, the Company		relevant content for
shall upload the aforesaid		holding of Shareholder

Amended Article	Current Article	Description
	Current Article	Description Mactings via vides
information to the video		Meetings via video
conferencing platform of the		conference.
Shareholders' Meeting at least 30		
minutes before the start of the		
meeting and remain disclosed until		
the end of the meeting.	10	
In the event of a virtual-only	If matters put to a resolution	
Shareholders' Meeting convened by	at a shareholders' meeting	
the Company, the total number of	constitute material information	
shares represented by attending	under applicable laws or	
shareholders shall be disclosed on	regulations or under Taiwan	
the video conferencing platform	Stock Exchange Corporation (or	
when the meeting is called to order.	Taipei Exchange Market)	
The same shall apply in cases	regulations, the Company shall	
where the total number of shares	upload the content of such	
and voting rights represented by	resolution to the MOPS within	
attending shareholders are	the prescribed time period.	
recalculated during the meeting.		
If matters put to a resolution at		
a shareholders' meeting constitute		
material information under		
applicable laws or regulations or		
under Taiwan Stock Exchange		
Corporation (or Taipei Exchange		
Market) regulations, the Company		
shall upload the content of such		
resolution to the MOPS within the		
prescribed time period.		
Article 19		I. Newly added Article.
(Disclosure of information in		II. Following the
<u>video conference</u>)		issuance of Notice Tai-
For Shareholders' Meetings held		Zheng-Jhih-Li-Zi
via video conference, the		No.1110004250 by the
Company shall disclose the		TWSE on March 8,
voting and election outcomes of		2022, which
each motion on the video		announced the
conferencing platform of the		amendment to the
Shareholders' Meeting		"Rules of Procedure
immediately after the close of		for Shareholders'
voting in accordance with the		Meetings of OO
regulations and shall continue to		Company" and the
do so for at least 15 minutes after		accompanying
the adjournment called by the		example, the Company
<u>chair.</u>		has amended the
		relevant content for
		holding of Shareholder
		Meetings via video

Amended Article	Current Article	Description
		conference.
Article 20 (Location of the chair and minutes taker of a virtual shareholders' meeting) When the Company holds a virtual-only Shareholders' Meeting, the meeting chair and minutes taker shall be present at the same location within the country, and the chair shall announce the address of the said at the start of the meeting.		I. Newly added Article. II. Following the issuance of Notice Tai-Zheng-Jhih-Li-Zi No.1110004250 by the TWSE on March 8, 2022, which announced the amendment to the "Rules of Procedure for Shareholders' Meetings of OO Company" and the accompanying example, the Company has amended the relevant content for holding of Shareholder Meetings via video conference.
Article 21 (Handling of network disconnection) For Shareholders' Meetings held via video conference, the meeting shall be postponed or reconvened within five days if there are any disruptions to the video conferencing platform or participation via video conference due to natural disasters, unforeseen events, or other force majeure circumstances that last for more than thirty minutes before the adjournment called by the chair, and Article 182 of the Company Act shall not apply. In the event of a postponement or reconvene of the meeting under the preceding paragraph, shareholders who did not register to take part in the original scheduled Shareholders' Meeting via video conference may not take part via video conference in the postponed or reconvened meeting. In the event of a postponed or		I. Newly added Article. II. Following the issuance of Notice Tai-Zheng-Jhih-Li-Zi No.1110004250 by the TWSE on March 8, 2022, which announced the amendment to the "Rules of Procedure for Shareholders' Meetings of OO Company" and the accompanying example, the Company has amended the relevant content for holding of Shareholder Meetings via video conference.

Amended Article	Current Article	Description
reconvened meeting, as described		•
in paragraph 1, for shareholders		
who registered for and completed		
the sign-in to participate via video		
conference in the originally		
scheduled meeting but who do not		
take part in the postponed or		
reconvened meeting, their number		
of shares represented, exercised		
voting rights and election rights at		
the original Shareholders' Meeting		
shall be counted toward the total		
number of shares, number of		
voting rights, and number of		
election rights of shareholders		
represented at the postponed or		
reconvened meeting.		
In the event of a postponed or		
reconvened Shareholders'		
Meeting, as described in		
paragraph 1, there is no need for		
redundant discussion or resolution		
on motions that have already been		
voted on, counted, and announced		
as the voting results or the list of		
elected directors.		
In the event of a hybrid		
Shareholders' Meeting convened		
by the Company, if the video		
conference cannot proceed, and		
the total number of shares		
represented at the meeting, after		
deducting those represented by		
shareholders attending the		
meeting via video conference, still		
meets the legal quorum required		
for holding a Shareholders'		
Meeting, the meeting shall		
continue without being postponed		
or reconvened as specified in		
paragraph 1.		
If the meeting is to proceed as		
outlined in the preceding		
paragraph, shareholders who take		
part via video conference will		
have their represented shares		
counted towards the total shares	. 25	

Amended Article	Current Article	Description
represented by the attending		•
shareholders. However, they shall		
be deemed as having abstained		
from voting on all motions during		
the meeting.		
In case of a postponement or		
reconvening of the meeting as per		
paragraph 1, the Company shall		
comply with the provisions stated		
in Article 44-20, paragraph 7 of		
the Regulations Governing the		
Administration of Shareholder		
Services of Public Companies,		
and carry out the relevant		
preparatory work following the		
original Shareholders' Meeting		
date and the provisions listed.		
With respect to the periods		
specified in the latter part of		
Article 12, and Article 13,		
paragraph 3, of Rules 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 conduct the		
postponed or reconvened meeting		
date as per paragraph 1.		
Article 22		I. Newly added Article
(Handling of the digital divide)		II. Following the
When the Company holds a		issuance of Notice Tai-
virtual-only Shareholders' Meeting,		Zheng-Jhih-Li-Zi
appropriate alternative measures		No.1110004250 by the
shall be provided for shareholders		TWSE on March 8,
who have difficulty participating in		2022, which announced
the meeting via video conference.		the amendment to the
<u> </u>		"Rules of Procedure for
_		Shareholders' Meetings
-		of OO Company" and
		the accompanying
		example, the Company
		has amended the
	- 26-	relevant content for

Amended Article	Current Article	Description	
		holding of Shareholder Meetings via video conference.	
Article 23 The Rules shall take effect upon approval by the Shareholders' Meeting, and the same shall apply to amendments.	Article 19 The Rules shall take effect upon approval by the Shareholders' Meeting, and the same shall apply to amendments.	It is to adjust the order of articles to align with the newly added provisions.	

Resolution:

Proposal 2

Subject: Amendment to the Company's "Procedures for the Acquisition or Disposal of Assets." Please proceed to discuss. (**Proposed by Board of Directors**)

Description: (I) According to Article 7 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," it is required to specify the total amount of real property and right-of-use assets thereof or securities acquired by the company and each subsidiary for non-business use and limits on individual securities. Therefore, relevant provisions of the Company's "Procedures for the Acquisition or Disposal of Assets" have been amended.

(II) The comparison table before and after the amendments is as follows. Please refer to Appendix III (P.60-P.84) for the articles before the amendments.

Amended Article			Current Article	Description
Artic	cle 5	Art	icle 5	
Max	imum Amount for Investment on Real	Max	ximum Amount for Investment on	According to
Esta	te and Securities for Non-Business	Rea	ll Estate and Securities for Non-	Article 7 of the
Purp	oose	Bus	siness Purpose	"Regulations
The	maximum amount for the Company	The	e maximum amount for the Company	Governing the
and	its subsidiaries to acquire the aforesaid	and	its subsidiaries to acquire the	Acquisition and
asset	ts individually is set up as follows:	afoi	resaid assets individually is set up as	Disposal of
I.	The total amount of real property and	foll	ows:	Assets by Public
	right-of-use assets thereof for non-	I.	The total amount of real property	Companies," it is
	business use shall not exceed the		for non-business use shall not	required to
	Company's equity net worth.		exceed 100% of the net worth.	specify the total
II.	The total amount of investments in	II.	The total amount of investments in	amount of real
	securities shall not exceed the		securities shall not exceed 100% of	property and
	Company's equity net worth.		the net worth.	right-of-use
III.	The amount of investment in	III.	The amount of investment in	assets thereof or
	individual securities shall not exceed		individual securities shall not	securities
	50% of the Company's equity net		exceed 50% of the net worth.	acquired by the
	worth.			company and
				each subsidiary
				for non-business
				use and limits on
				individual
				securities, which
				shall be amended
				accordingly.

Resolution:

V. Extempore Motions

Six. Meeting Adjourned

Appendix 1. Consolidated and Parent Company Only Financial Statements and Independent Auditors' Report

Independent Auditors' Report (112) Cai-Shen-Bao-Zi No. 22004911

To the Board of Directors of Wanshih Electronic Co., Ltd.:

Review Opinion

We have audited the consolidated balance sheet of Wanshih Electronic Co., Ltd. and its subsidiaries (hereinafter referred to as "the Group") as of Dec. 31, 2022 and 2021, as well as the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and notes to the consolidated financial statements (including a summary of significant accounting policies) for Jan.1 to Dec. 31, 2022 and 2021.

In our opinion, based on our audits and other auditors' reports (please refer to the Other Matters paragraph), we believe that the above consolidated financial statements have been prepared in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the international Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission in all material respects, and present fairly the Group's consolidated financial position as of Dec. 31, 2022 and 2021, and its consolidated financial performance and consolidated cash flows for the period from Jan. 1 to Dec. 31, 2022 and 2021.

Basis for Opinion

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

Key Audit Matters

In our professional judgment, key audit matters refers to the most significant items in our audit of the Group's 2022 consolidated financial statements. 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 2022 consolidated financial statements are as follows:

Inventory Valuation

Description

For further details on the uncertainty of accounting policies, accounting estimates, and assumptions related to inventory valuation, as well as explanations of account items, please refer to Notes 4(14), 5(2), and 6(5) in the consolidated financial statements.

The Group is engaged in the sale of electronic parts and components, computer and peripheral products, and the production and sale of mini coaxial cable assemblies. As the products are affected by market demand changes and production technology updates, the product prices may be vulnerable to fluctuations or unsatisfactory product sales, which may affect the estimated net realizable value of the inventory valuation.

The Group adjusts its inventory in response to its market and development strategy. Since electronic cables and antennae are the main sales items, the related inventory amounts are significant. The management evaluates inventories based on the lower of cost or net realizable value. Given that such process involves subjective judgment, we believe that this accounting estimate has a significant effect on the inventory valuation, so we have listed it as one of the key audit matters for the year.

How our audit addressed the matter

The key audit procedures performed by us are described below:

- 1. Assessing the policy of allowance for inventory impairment with the understanding of the Group's operations and the nature of the industry.
- 2. Testing the price basis of net realizable value was consistent with the policy set by Group, and randomly checking the correctness of net realizable value for each inventory item.
- 3. Checking the management's details of outdated inventories as well as relevant documentary evidence.

Existence for incorporating the revenues of newly listed top ten sales customers

Description

For further details on the accounting policies for revenue recognition and explanations of account items related to operating revenue, please refer to Notes 4(27) and 6(21) in the consolidated financial statements.

The Group primarily engages in the sale of electronic parts and components, computers and peripheral products, as well as the production and sale of mini coaxial cable assemblies. As product orders are easily affected by the customer's project cycle, thus the Group needs to make efforts to explore new markets and undertake new project orders. As a result, the top ten sales customers may change each year. Comparing the top ten sales customers for 2022 and 2021, the newly added top ten sales customers in the current year had a material impact on the consolidated operating revenue. With that, we have listed the existence for incorporating the revenues of Group's newly listed top ten sales customers as one of the key audit matters.

How our audit addressed the matter

The key audit procedures performed by us are described below:

- 1. Evaluating and testing internal control processes for sales transactions during the financial statement period were conducted in compliance with the internal control system established by the Group.
- 2. Viewing the relevant industry background information of newly listed top ten sales customers.
- 3. Obtaining and sampling relevant vouchers for the transactions involving operating revenue of the newly listed top ten sales customers.

Other Matters - The previous financial statements were audited by other auditors.

The financial statements of certain subsidiaries and investees accounted for using the equity method that are included in the consolidated financial statements of the Group have not been audited by us, but by other auditors. Therefore, our opinion expressed herein on the above consolidated financial statements relates to amounts included in the financial statements are solely based on the audit reports of other auditors. As of December 31, 2022 and 2021, the aforesaid company had total assets (including investments accounted for using the equity method) of NT\$8,757 thousand and NT\$8,368 thousand, respectively, representing 1% and 0% of the consolidated total assets. Net operating revenues for the period from January 1 to December 31, 2022 and 2021 were NT\$1,329 thousand and NT\$143 thousand, respectively, both accounting for 0% of the total consolidated net operating revenues.

Others Matters - Parent company-only financial report

Wanshih Electronic Co., Ltd. has prepared the parent company-only financial report for 2022 and 2021, which have been audited by our accountant and have received an unqualified opinion and the other matters paragraph in the audit report for reference.

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

The responsibility of management is to prepare consolidated financial statements that present fairly in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the international Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission, and to maintain necessary internal controls related to the preparation of consolidated financial statements to ensure that the consolidated financial statements do not contain material misstatements resulting from fraud or error.

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

Those charged with governance (including 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 auditor's report that includes our opinion. Reasonable assurance refers to a high level of assurance, but the audit conducted in accordance with the Standards on Auditing (TWSA) cannot guarantee the detection of material misstatements in the consolidated financial statements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these

consolidated financial statements.

We have exercised professional judgment and maintained professional skepticism when conducting audits in accordance with the Standards on Auditing (TWSA). We have also performed the following tasks:

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

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 have also provided the governing body with a declaration that the personnel in this CPA firm, subject to the independent norms, have followed the independence rules specified in the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and communicated any relationships and other matters that may be deemed to impair our independence (including relevant preventive measures) to the governing body.

From the matters communicated with the governing body, we have determined the key audit matters for the audit of the Group's 2022 consolidated financial statements. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Po-Chuan Lin

Certified Public Accountant
Shu-Chiung Chang

Financial Supervisory Commission (FSC)

Approval No.: Jin-Guan-Zheng-Shen-Zi No.1100350706 The previous Approval No. issued by FSC, Executive Yuan Approval No.: Jin-Guan-Zheng-Shen-Zi No.0990042602

March 17, 2023



Unit: NTD Thousands

			December 31, 2022			December 31, 2021		
	Assets	Note	Amount		%	Amou	Amount	
	Current asset	· -				-		
1100	Cash and cash equivalents	6(1)	\$	247,892	14	\$	291,045	17
1110	Financial assets at fair value through	6(2)	Ψ		11	Ψ	271,013	1,
1136	profit or loss - current Current financial assets at amortized	6(3) and 8		7,072	-		-	-
1150	cost	,		64,493	4		23,058	1
1150	Notes receivable, net	6(4)		13,888	1		9,114	1
1170	Accounts receivable, net	6(4)		436,819	25		460,225	26
1180	Receivables from related parties, net	7		10,022	1		40,845	2
1200	Other receivables	7		10,096	1		16,000	1
1220	Income tax assets for the period			2	_		486	-
130X	Inventories	6(5)		249,821	14		242,730	14
1410	Prepayments			10,178	1		9,656	1
1479	Other current assets - others			,	1		,	1
11XX	Total current asset			7,678			7,956	
	Non-current asset			1,057,961	61		1,101,115	63
1517	Financial assets at fair value through	6(6) and 8						
1317	other comprehensive income or loss -	0(0) and 8						
1550	non-current Investments accounted for using	6(7)		285,216	17		276,007	16
1330	equity method	6(7)		-	_		27	_
1600	Property, Plant and Equipment	6(8)(12) and 8		266,739	15		281,537	16
1755	Right-of-use assets	6(9) and 8		44,314	3		34,088	2
1780	Intangible asset	6(11)		4,145	_		2,203	_
1840	Deferred income tax assets	6(27)		46,223	3		41,778	3
1930	Long-term notes receivable and				3		41,776	3
1990	payments Other non-current assets - others			8,400	-		-	-
				8,522	1		6,574	
15XX	Total non-current asset			663,559	39	-	642,214	37
1XXX	Total assets		\$	1,721,520	100	\$	1,743,329	100

(Continued)



			Γ	December 31, 2022	2	December 31, 2021				
	Liabilities and Equity	Note		Amount	%	Amount	%			
Curr	ent liability									
2100 She	ort-term loans	6(13)	\$	270,240	16	\$ 269,828	15			
2150 No	otes payable			-	-	1,800	-			
2170 Ac	counts payable			146,174	9	168,278	10			
	counts payable - related parties	7		22,535	1	46,842	3			
2200 Otl	her payables	6(14) and 7		138,453	8	167,067	10			
	come tax payable for the period			=	-	2,512	-			
	ase liabilities - current	7		13,206	1	10,284	1			
2320 Lo	ng-term liabilities, current	6(16)								
	rtion			-	-	1,550	-			
	her current liabilities - others			4,315		1,939				
21XX	Total current liabilities			594,923	35	670,100	39			
non-c	current liabilities									
2530 Bo	onds payable	6(15)		189,923	11	=	-			
	ng-term loans	6(16)		=	-	8,450	-			
	ferred income tax liabilities	6(27)		47,595	3	46,680	3			
	on-current lease liabilities	7		23,971	1	16,258	1			
	t defined benefit liability -	6(17)								
	n-current			3,945		4,805				
	Total non-current liabilities			265,434	15	76,193	4			
2XXX	Total liabilities			860,357	50	746,293	43			
Equit	ty attributable to									
share	eholders of the parent									
Share	e capital	6(18)								
3110 Co	mmon share			725,799	42	725,799	41			
	tional paid-in capital	6(19)								
	lditional paid-in capital			51,654	3	12,129	1			
	ned earnings	6(20)								
	gal capital reserve			3,150	-	2,304	-			
	ecial capital reserve			-	-	30,201	2			
	eficit yet to be compensated)									
	nappropriated earnings		(37,887) (2)	11,998	1			
	equities									
	her equities		(334)		110,490	6			
	Total equity attributable to									
	shareholders of the parent			742,382	43	892,921	51			
	controlling interest	4(3)		118,781	7	104,115	6			
	Total Equity			861,163	50	997,036	57			
3X2X To	tal Liabilities and Equity		\$	1,721,520	100	\$ 1,743,329	100			

The accompanying notes are an integral part of the consolidated financial statements, please refer.







Wanshih Electronic Co. Fid. and Subsidiaries Consolidated Statements of Comprehensive Income January 1 to December 3, 2022 and 2021

Unit: NTD Thousands (Except for losses per share in NTD)

				2022			2021	
	Item	Note		Amount	%		Amount	%
4000	Operating Revenue	6(21) and 7	\$	1,445,754	100	\$	1,673,707	100
5000	Operating cost	6(5)(26)						
		and 7	(1,201,735) (83)	(1,401,984) (84)
5900	Gross profit		`	244,019	17	-	271,723	16
	Operating expenses	6(26) and 7						
6100	Selling expenses	,	(119,440) (8)	(95,808) (6)
6200	General and administrative		`	, , ,	,	`	, , ,	
	expenses		(148,461) (10)	(142,243) (8)
6300	Research & development		`	, , ,	,	`	, , ,	
	expenses		(93,005) (7)	(102,956) (6)
6450	Expected credit gains (losses)		ì	538	-	(75)	
6000	Total operating expenses		(360,368) (25)		341,082) (20)
6900	Operating loss		(116,349) (8)		69,359) (4)
	Non-operating income and expens	e				`		
7100	Interest income	6(22)		2,164	-		1,979	-
7010	Other income	6(23) and 7		50,728	4		37,397	2
7020	Other gain and loss	6(24)	(876)	-	(2,633)	-
7050	Financial costs	6(25) and 7	Ì	10,826) (1)	(7,337) (1)
7060	Share of profit or loss of	6(7)	`	, , ,		`	, , ,	
	associates and joint ventures							
	accounted for using equity							
	method		(27)	-	(646)	-
7000	Total non-operating income		-			-		
	and expenditure			41,163	3		28,760	1
7900	Loss before tax		(75,186) (5)	(40,599) (3)
7950	Income tax benefit (expense)	6(27)	`	3,148		(7,238)	
8200	Net loss for the period		(\$	72,038) (5)	(\$	47,837) (3)

(Continued)



Unit: NTD Thousands (Except for losses per share in NTD)

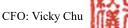
				2022		2021					
	Item	Note		Amount	%	Amount	%				
	Other comprehensive income for the year, net of income tax										
	Items that are not reclassified to										
	profit or loss										
8311	Remeasurements of defined	6(17)									
0311	benefit plans	0(17)	\$	274	_	\$ 478	_				
8316	Unrealized valuation	6(6)	Ψ	27.		Ψ 170					
	gains/losses on investments in										
	equity instruments at fair value										
	through other comprehensive										
	income or loss		(112,593)	(8)	192,523	11				
8349	Income tax expense related to	6(27)									
	items that are not reclassified		(<u>55</u>)		96)					
8310	Total items that are not										
	reclassified to profit or loss		(112,374)	(8)	192,905	11				
	Items that may be reclassified										
	subsequently to profit or loss										
8361	Exchange differences arising on										
0200	translation of foreign operations	((25)		6,924	1 (7,862)	-				
8399	Income tax expense related to	6(27)									
	items that may be reclassified		(441)		1 100					
9260	subsequently Total items that may be reclassified			441)		1,180					
8360	subsequently to profit or loss			6,483	1 (6,682)	_				
8300	Other comprehensive income for			0,105		0,002)					
0500	the year, net of income tax		(\$	105,891)	(7)	\$ 186,223	11				
8500	Total comprehensive income in		(+	100,001		Ψ 100,220					
0200	the current period		(\$	177,929)	(12)	\$ 138,386	8				
	Net income (loss) attributable to:		4			+					
8610	owners of the parent company		(\$	66,109)	(5) (\$ 39,031)	(2)				
8620	non-controlling interest		(5,929)	- (8,806)	$\begin{pmatrix} & - \\ & 1 \end{pmatrix}$				
	Total		(\$	72,038)	$\overline{(5)}$	\$ 47,837)	$(\overline{3})$				
	Total comprehensive income				` `	<u>, , , , , , , , , , , , , , , , , , , </u>					
	attributable to:										
8710	owners of the parent company		(\$	176,714)	(12)	\$ 149,152	9				
8720	non-controlling interest		(1,215)	-´ (10,766)	(1)				
	Total		(\$	177,929)	$\overline{(12)}$	\$ 138,386	8				
	Losses per share	6(28)	1			·					
9750	Basic losses per share	* *	(\$		0.91) (\$	0.54)				

The notes to the consolidated financial statements attached hereto form an integral part of this consolidated financial report. Please refer to them accordingly.



Chairman: Lake Chang

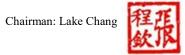






					Equity a	attributable to sharel	nolders of the parent					
		·	Additional pa	id-in capital		Retained earning	S	Other o	equities			
	Note	Common share	Common share Share issued at premium	Warrants	Legal capital reserve	Special capital reserve	Unappropriated earnings (deficit yet to be compensated)	Exchange differences arising on translation of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Total	non-controlling interest	Total Equity
2021 Balance, January 1, 2021 Net loss for the period Other comprehensive income recognized for the period Total comprehensive income in the current period Appropriation and distribution of the 2020 earnings:	6(6) 6(20)	\$ 725,799 - - -	\$ 12,129 - - -	\$ - - - -	<u> </u>	<u>s -</u>	\$ 36,042 (39,031)	(\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	\$ 7,806 	\$ 743,769 (39,031) 188,183 149,152	\$ 127,105 (8,806) (1,960) (10,766)	\$ 870,874 (47,837) 186,223 138,386
Provision of legal reserve Provision of special reserve Disposal of equity instruments at fair value through other	. ,		-	-	2,304	30,201	(2,304) (30,201)	-	-	-		-
comprehensive income or loss Change in non-controlling interest Balance, December 31, 2021 2022		\$ 725,799	\$ 12,129	<u>-</u> <u>-</u>	\$ 2,304	\$ 30,201	\$ 11,998	(\$ 42,729)	(47,110) \$ 153,219	\$ 892,921	(12,224) \$ 104,115	(12,224) \$ 997,036
Balance as of January 1, 2022 Net loss for the period Other comprehensive income recognized for the period Total comprehensive income in the current period Appropriation and distribution of the 2021 earnings:	6(6) 6(20)	\$ 725,799	\$ 12,129 - - -	\$ - - -	\$ 2,304	\$ 30,201	$ \begin{array}{c c} \$ & 11,998 \\ \hline (& 66,109 \\ \hline & 219 \\ \hline (& 65,890 \\ \end{array}) $	(\$ 42,729) 	\$ 153,219 (112,593) (112,593)	\$ 892,921 (66,109) (110,605) (176,714)	$\begin{array}{c} & 104,115 \\ \hline (& 5,929 \\ & 4,714 \\ \hline (& 1,215 \\ \end{array})$	\$\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
Provision of legal reserve Reversal of special reserve Cash dividends Issuance of convertible bonds Recognition of changes in ownership interests in	6(15) 6(29)	- - -	- - -	39,525	846 - - -	(30,201)	(846) 30,201 (7,258)	- - - -	:	7,258) 39,525		(7,258) 39,525
subsidiaries Change in non-controlling interest Balance as of December 31, 2022	6(30)	\$ 725,799	\$ 12,129	\$ 39,525	\$ 3,150	\$ -	(6,092)	(\$ 40,960)	\$ 40,626	(6,092)	6,092 9,789 \$ 118,781	9,789 \$ 861,163

The notes to the consolidated financial statements attached hereto form an integral part of this consolidated financial report. Please refer to them accordingly.







	Note		ary 1, 2022 ember 31,		the Years Ended ember 31,
Cash Flow from Operating Activities					
Loss before tax for the year		(\$	75,186)	(\$	40,599)
Adjustments for		(+	,,	(+	,,
Adjustments to reconcile profit (loss)					
Depreciation expense	6(26)		86,575		89,004
Expected credit (gains) losses	. ,	(538)		75
Financial asset losses at fair value through profit or loss	6(2)(24)	·	400		_
Interest expense	6(25)		10,826		7,337
Interest income	6(22)	(2,164)	(1,979)
Dividend income	6(23)	(11,864)	(8,029)
Share of loss of associates accounted for using	6(7)		,,		-, ,
equity method	· /		27		646
Losses (gains) on disposal and scrapping of	6(24)				
property, plant, and equipment	,		805	(918)
Impairment losses on property, plant, and	6(12)			•	ŕ
equipment	(24)		3,869		-
Gains on disposal of investments	6(24)	(5,045)		-
Write off gain on accounts payable	6(23)	(53)	(570)
Changes in operating assets and liabilities:					
Changes in operating assets, net					
Financial assets at fair value through profit or					
loss		(6,612)		-
Notes receivable		(4,774)		5,278
Accounts receivable			28,484		56,889
Receivables from related parties			30,823		7,804
Other receivables			17,383	(9,157)
Inventories			6,438		71,417
Prepayments		(522)		4,612
Other current assets - others			628		7,292
Long-term notes receivable and payments		(8,400)		-
Changes in operating liabilities, net		,	1.000		1 000
Notes payable		(1,800)	(1,800
Accounts payable		(24,267)	(110,041)
Accounts payable - related parties		(24,307)	(2,310
Other payables		(24,253)	(25,271)
Other payables - related parties Other current liabilities - others			1,492	(3,890) 4,589)
Net defined benefit liability - non-current		(586)		1,493)
Cash generated from (used by) operating		((1,493
activities		(2,621)		47,928
Interest received		(2,164		1,979
Dividend received			11,864		8,029
Interest paid		(8,491)	(9,106)
Income tax refunded		(495	(684
Income tax paid		(3,392)	(2,344)
Net cash inflow from operating activities		\	19	<u> </u>	47,170
The cash milew from operating activities			17		17,170

(Continued)



	Note		ember 31,		the Years Ended ember 31,
Cash Flow from Investing Activities		<i>(</i> d	41 425)	<i>(</i> ¢	1(222)
Acquisition of financial assets at amortized cost Acquisition of financial assets at fair value		(\$	41,435)	(3	16,233)
through other comprehensive income or loss		(121,802)	(33,440)
Disposal of financial assets at fair value	6(6)				07.707
through other comprehensive income or loss			- 1 1 <i>61</i>		87,787
Cash inflows generated from a merger Acquisition of subsidiaries (net of cash			1,164		-
acquired)			_	(3,828)
Acquisition of property, plant and equipment	6(31)	(88,063)	(94,192)
Disposal of property, plant and equipment	6(31)		6,030		1,516
Decrease (increase) in other non-current assets		()	1,736)		1,606
Net cash used in investing activities		(245,842)	(56,784)
Cash Flow from Financing Activities	((22)				
Net increase (decrease) in short-term	6(32)	(2 101)		50.001
borrowings Issuance of corporate bonds	6(22)	(2,181)		58,981
Proceeds from long-term bank loans	6(32) 6(32)		226,423		7,500
Repayments of long-term borrowings	6(32)	(10,000)		7,500
Repayment of the principal portion of lease	6(32)	(10,000)		
liabilities	,	(15,181)	(11,967)
Prepayment of long-term notes and accounts	6(32)				
payable to related parties			-	(52,206)
Distribution of cash dividends	6(20)	(7,258)	,	-
Change in non-controlling interest				(14,346)
Net cash inflows (outflows) from financing activities			191,803	(12.029.)
Foreign exchange adjustments			191,803		12,038) 6,607)
NET DECREASE IN CASH AND CASH			10,007	(0,007
EQUIVALENTS		(43,153)	(28,259)
CASH AND CASH EQUIVALENTS,			-,,		-, ,
BEGINNING OF YEAR			291,045		319,304
CASH AND CASH EQUIVALENTS, END OF					
YEAR		\$	247,892	\$	291,045

The notes to the consolidated financial statements attached hereto form an integral part of this consolidated financial report.

Please refer to them accordingly.





Managerial officer: Lake Chang







Independent Auditors' Report

(112) Cai-Shen-Bao-Zi No. 22004481

To the Board of Directors of Wanshih Electronic Co., Ltd.:

Review Opinion

We have audited the parent company-only balance sheet of Wanshih Electronic Co., Ltd. as of December 31, 2022 and 2021, as well as the parent company-only statement of comprehensive income, parent company-only statement of changes in equity, parent company-only statement of cash flows, and notes to the parent company-only financial statements (including a summary of significant accounting policies) for January 1 to December 31, 2022 and 2021. In our opinion, based on our audits and other auditors' reports (please refer to the Other Matters paragraph), we believe that the above parent company-only financial statements have been prepared in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material respects, and present fairly the parent company-only financial position of Wanshih Electronic Co., Ltd. as of December 31, 2022 and 2021, as well as its parent company-only financial performance and parent company-only cash flows for the period from January 1 to December 31, 2022 and 2021.

Basis for Opinion

We have conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing (TWSA) 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. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the R.O.C. and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

In our professional judgment, key audit matters refer to the most significant items in our audit of the 2022 parent company-only financial statements of Wanshih Electronic Co., Ltd. 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 2022 parent company-only financial statements of Wanshih Electronic Co., Ltd. are as follows:

Inventory Valuation

Description

For further details on the uncertainty of accounting policies, accounting estimates, and assumptions related to inventory valuation, as well as explanations of account items, please refer to Notes 4(11), 5(2), and 6(4) in the parent company-only financial statements.

Wanshih Electronic Co., Ltd. primarily engages in the sale of electronic parts and components, computers and peripheral products, as well as the production and sale of mini coaxial cable assemblies. Due to fluctuations in market demand and advancements in production technology, the prices of goods may be subject to volatility, or destocking may not be as expected, which could potentially impact the estimated net realizable value of inventory valuation.

The Company adjusts its inventory in response to its market and development strategy. Since electronic cables and antennae are the main sales items, the related inventory amounts are significant. The management evaluates inventories based on the lower of cost or net realizable value. Given that such process involves subjective judgment, we believe that this accounting estimate has a significant effect on the inventory valuation, so we have listed it as one of the key audit matters for the year.

How our audit addressed the matter

This matter covers Wanshih Electronic Co., Ltd. and certain of its subsidiaries (recorded as investments accounted for using the equity method). We performed the following audit procedures in respect of the above key audit matter:

- 1. Assessing the policy of allowance for inventory impairment with the understanding of the Company's operations and the nature of the industry.
- 2. Testing the price basis of net realizable value was consistent with the policy set by Company, and randomly checking the correctness of net realizable value for each inventory item.
- 3. Checking the management's details of outdated inventories as well as relevant documentary evidence.

Existence for incorporating the revenues of newly listed top ten sales customers

Description

For further details on the accounting policies for revenue recognition and explanations of account items related to operating revenue, please refer to Notes 4(22) and 6(15) in the parent company-only financial statements.

Wanshih Electronic Co., Ltd. and its subsidiaries (listed as investments accounted for using the equity method) primarily engage in the sale of electronic parts and components, computers and peripheral products, as well as the production and sale of mini coaxial cable assemblies. As product orders are easily affected by the customer's project cycle, thus the Group needs to make efforts to explore new markets and undertake new project orders. As a result, the top ten sales customers may change each year. Comparing the top ten sales customers for 2022 and 2021, the newly added top ten sales customers in the current year had a material impact on the operating revenue of the parent company-only and its subsidiaries. With that, we have listed the existence for incorporating the revenues of Company's newly listed top ten sales customers as one of the key audit matters.

How our audit addressed the matter

This matter covers Wanshih Electronic Co., Ltd. and certain of its subsidiaries (recorded as investments accounted for using the equity method). We performed the following audit procedures in respect of the above key audit matter:

- 1. For the assessment and testing of the financial statements, the internal control procedures of sales transactions are based on the Company's internal control system.
- 2. Viewing the relevant industry background information of newly listed top ten sales customers.
- 3. Obtaining and sampling relevant vouchers for the transactions involving operating revenue of the newly listed top ten sales customers.

Other Matters - Reference to other CPAs' audits

The financial statements of certain investees accounted for using the equity method that are included in the parent company only financial statements of the Company have not been audited by us, but by other auditors. Therefore, our opinion on the parent company-only financial statements mentioned above, regarding the amounts stated in the financial statements of such

companies, is based on the audit reports of other CPAs. As of December 31, 2022 and 2021, the investments accounted for using the equity method and credit balance (listed in other non-current liabilities) of the aforesaid company were NT\$5,474 thousand, NT\$4,427 thousand, and NT\$8,876 thousand, respectively, representing 0%, 0%, and 2% of the total assets and liabilities correspondingly. The comprehensive income recognized by the aforesaid company for the period from January 1 to December 31, 2022 and 2021 was NT\$6,015 thousand and NT\$(4,776) thousand, respectively, both accounting for (3%) of the total comprehensive income.

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

The responsibility of management is to prepare parent company-only financial statements that present fairly in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain necessary internal controls related to the preparation of parent company-only financial statements to ensure that the parent company-only financial statements do not contain material misstatements resulting from fraud or error.

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

Those charged with governance (including 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 auditor's report that includes our opinion. Reasonable assurance refers to a high level of assurance, but the audit conducted in accordance with the Standards on Auditing (TWSA) cannot guarantee the detection of material misstatements in the parent company-only financial statements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

We have exercised professional judgment and maintained professional skepticism when conducting audits in accordance with the Standards on Auditing (TWSA). We also:

1. Identify and evaluate the risks of material misstatement that may arise from fraud or error in the parent company-only financial statements, design and implement appropriate countermeasures for the risks identified, and gather sufficient and appropriate audit evidence as the basis of audit opinions. As fraud may involve collusion, forgery, intentional

- omissions, false statements, or overriding internal control, the risk of failing to detect material misstatement resulting from fraud is higher than that of error.
- 2. Obtain a necessary understanding of the internal control relevant to the audit in order to design an appropriate audit procedure under the circumstances, but our objective is not to express an opinion on the effectiveness of Wanshih Electronic Co., Ltd.'s internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the propriety of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit.

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

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

Based on the matters communicated with the governing body, we have determined the key audit matters for the audit of the 2022 parent company-only financial statements of Wanshih Electronic Co., Ltd. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Po-Chuan Lin

Certified Public Accountant

Shu-Chiung Chang

Financial Supervisory Commission (FSC)

Approval No.: Jin-Guan-Zheng-Shen-Zi No.1100350706 The previous Approval No. issued by FSC, Executive Yuan Approval No.: Jin-Guan-Zheng-Shen-Zi No.0990042602

林杨全

March 17, 2023



				ecember 31, 2022	!		December 31, 2021	1
	Assets	Note		Amount	%		Amount	%
	Current asset							
1100	Cash and cash equivalents	6(1)	\$	53,524	4	\$	86,293	7
1110	Financial assets at fair value through	6(2)	Ψ		•	Ψ	00,273	,
1136	profit or loss - current Current financial assets at amortized	8th		460	-		-	-
	cost			314	-		313	-
1150	Notes receivable, net	6(3)		838	-		53	-
1170	Accounts receivable, net	6(3)		211,999	17		212,228	17
1180	Receivables from related parties, net	7		11,164	1		37,044	3
1200	Other receivables			2,400	_		5,381	_
1210	Other receivables from related parties	7		51,724	4		50,074	4
1220	Income tax assets for the period			2	7		30,074	
130X	Inventories	6(4)		32,496	3		43,951	4
1479	Other current assets - others			5,305	3		3,752	7
11XX	Total current asset					-	439,089	25
	Non-current asset			370,226			439,089	35
1517	Financial assets at fair value through	6(5) and 8						
	other comprehensive income or loss -			205.217	23		277,007	22
1550	non-current Investments accounted for using	6(6)		285,216	23		276,007	22
1,600	equity method	((7)		482,816	38		461,291	36
1600	Property, Plant and Equipment	6(7)		46,094	4		30,965	2
1755	Right-of-use assets	6(8) and 7		13,314	1		19,921	2
1840	Deferred income tax assets	6(21)		46,223	4		41,778	3
1930	Long-term notes receivable and payments			8,400	1			
1990	Other non-current assets - others				1		2.246	-
15XX	Total non-current asset			5,227			2,246	
1XXX	Total assets			887,290	<u>71</u>		832,208	65
	TOWN MODELS		\$	1,257,516	100	\$	1,271,297	100

(Continued)



			De	ecember 31, 2022		December 31, 202	21
	Liabilities and Equity	Note		Amount	%	Amount	%
	Current liability						
2100	Short-term loans	6(9)	\$	65,000	5	\$ 89,098	7
2150	Notes payable	. ,		-	-	1,800	_
2170	Accounts payable			18,902	1	17,360	1
2180	Accounts payable - related parties	7		124,841	10	146,486	12
2200	Other payables	7		49,927	4	38,609	3
2230	Income tax payable for the period			-	-	2,512	_
2280	Lease liabilities - current	7		6,834	1	6,795	1
2300	Other current liabilities			1,046	-	1,400	-
21XX	Total current liabilities			266,550	21	304,060	24
	non-current liabilities						
2530	Bonds payable	6(10)		189,923	15	-	_
2570	Deferred income tax liabilities	6(21)		47,595	4	46,680	4
2580	Non-current lease liabilities	7		7,121	1	13,955	1
2640	Net defined benefit liability -	6(11)					
	non-current			3,945	-	4,805	-
2670	Other non-current liabilities -	6(6)					
	others			-	-	8,876	1
25XX	Total non-current liabilities			248,584	20	74,316	6
2XXX	Total liabilities			515,134	41	378,376	30
	Equity						
	Share capital	6(12)					
3110	Common share			725,799	58	725,799	57
	Additional paid-in capital	6(13)					
3200	Additional paid-in capital			51,654	4	12,129	1
	Retained earnings	6(14)					
3310	Legal capital reserve			3,150	-	2,304	-
3320	Special capital reserve			-	-	30,201	2
3350	(Deficit yet to be compensated)						
	Unappropriated earnings		(37,887) (3)	11,998	1
	Other equities						
3400	Other equities		(334)		110,490	9
3XXX	1 2			742,382	59	892,921	70
	Significant Contingent Liabilities	IX.					
	and Unrecognized Contract						
	Commitments						
3X2X	Total Liabilities and Equity		\$	1,257,516	100	\$ 1,271,297	100

The notes to the parent company-only financial statements attached hereto form an integral part of this parent company-only financial report.

Please refer to them accordingly.







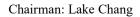


Unit: NTD Thousands (Except for losses per share in NTD)

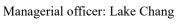
				2022						
	Item	Note	<u> </u>	Amount		%		Amount		%
4000	Operating Revenue	6(15) and 7	\$	725,119		100	\$	765,003		100
5000	Operating cost	6(4)(20) and								
		7	(605,224)	(83)	(630,226)	(82)
5900	Gross profit			119,895		17		134,777		18
5920	Realized profit on sales			-				1,792	_	
5950	Net operating margin			119,895	_	17		136,569	_	18
	Operating expenses	6(20) and 7								
6100	Selling expenses		(47,231)		7)	(38,982)		5)
6200	General and administrative expenses		(53,682)		8)	(47,924)		7)
6300	Research & development expenses		(60,393)	(8)	(55,386)	(7)
6450	Expected credit losses		<u></u>	2,069)			<u></u>	423)	_	-
6000	Total operating expenses		(163,375)	(_	23)	(142,715)	(_	19)
6900	Operating loss		(43,480)	(<u>6</u>)	(6,146)	(<u>1</u>)
	Non-operating income and expense									
7100	Interest income	6(16) and 7		1,162		-		768		-
7010	Other income	6(17) and 7		19,033		3		18,989		3
7020	Other gain and loss	6(18)		11,038		1	(1,228)		-
7050	Financial costs	6(19) and 7	(3,496)		-	(1,323)		-
7070	Share of profit or loss of subsidiaries,	6(6)								
	associates and joint ventures accounted				,		,	4= 0=0		
	for using equity method		(54,637)	(<u>8</u>)	(45,059)	(6)
7000	Total non-operating income and			•	,		,			
	expenditure		(26,900)	(_	4)	(27,853)	(_	3)
7900	Loss before tax		(70,380)	(10)	(33,999)	(4)
7950	Income tax benefit (expense)	6(21)	-	4,271	_	1	(5,032)	(_	1)
8200	Net loss for the period		(\$	66,109)	(_	9)	(\$	39,031)	(_	5)
	Other comprehensive income									
	Items that are not reclassified to profit or									
	loss									
8311	Remeasurements of defined benefit plans	` /	\$	274		-	\$	478		-
8316	Unrealized valuation gains/losses on	6(5)								
	investments in equity instruments at fair									
	value through other comprehensive									
	income or loss		(112,593)	(15)		192,523		25
8349	Income tax expense related to items that	6(21)					,			
	are not reclassified		(55)	_		(96)	_	
8310	Total items that are not reclassified to		,	110.07.0	,	1.5)		100.005		2.5
	profit or loss		(112,374)	(_	<u>15</u>)		192,905		25
	Items that may be reclassified									
0261	subsequently to profit or loss									
8361	Exchange differences arising on			2.210			,	5.002)		
8399	translation of foreign operations	((21)		2,210		-	(5,902)		-
8399	Income tax expense related to items that	0(21)	(441)				1 100		
0260	may be reclassified subsequently			441)	_			1,180		
8360	Total items that may be reclassified			1.760			,	4.722)		
0200	subsequently to profit or loss		-	1,769	_			4,722)		
8300	Other comprehensive income for the		(6	110 (05)	,	1.5)	¢.	100 102		25
0.500	year, net of income tax		(\$	110,605)	_	15)	2	188,183	_	25
8500	Total comprehensive income in the		(6	15050	,	2.0	Φ.	140 155		20
	current period		(\$	176,714)	_	24)	\$	149,152	_	20
	Losses per share	6(22)								_
9750	Basic losses per share		(\$			0.91)	(\$			0.54)

The notes to the parent company-only financial statements attached hereto form an integral part of this parent company-only financial report.

Please refer to them accordingly.











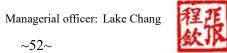




				A	Additional pa	aid-in o	capital			Retai	ned earning	s			Other e	quitie	S		
	Note	_ Con	nmon share	com	uance of mon share remium	W	√arrants		gal capital reserve	_	cial capital reserve	earnii ye	opropriated ngs (deficit et to be pensated)	diff ari trans fo	change Ferences sing on slation of oreign erations	on at thro	ralized gain or loss financial assets fair value bugh other prehensive ncome		tal Equity_
<u>2021</u>																			
Balance, January 1, 2021		\$	725,799	\$	12,129	\$		\$		\$		\$	36,042	(\$	38,007)	\$	7,806	\$	743,769
Net loss for the period Other comprehensive income recognized for the period	6(5)(6)		-		-		-		-		-	(39,031) 382	(4,722)		192,523	(39,031) 188,183
Total comprehensive income in the current period	0(3)(0)	_						_				(38,649)	$\overline{}$	4,722)		192,523	_	149,152
Appropriations of earnings in 2020:	6(14)																		
Provision of legal reserve			-		-		-		2,304		<u>-</u>	(2,304)		-		-		-
Provision of special reserve	((5)		-		-		-		-		30,201	(30,201)		-		-		-
Disposal of equity instruments at fair value through other comprehensive income or loss	0(3)		_		_		_		_		_		47,110		_	(47,110)		_
Balance, December 31, 2021		\$	725,799	\$	12,129	\$		\$	2,304	\$	30,201	\$	11,998	(\$	42,729)	\$	153,219	\$	892,921
2022		_				_								<u> </u>				_	
Balance as of January 1, 2022		\$	725,799	\$	12,129	\$		\$	2,304	\$	30,201	\$	11,998	(\$	42,729)	\$	153,219	\$	892,921
Net loss for the period	6(5)(6)		-		-		-		-		-	(66,109)		-	,	-	(66,109)
Other comprehensive income recognized for the period Total comprehensive income in the current period	6(5)(6)				-							_	219 65,890)		1,769 1,769	-	112,593) 112,593)	-	110,605) 176,714)
Appropriation and distribution of the 2021 earnings:	6(14)		<u>-</u>								 _		03,890		1,709	_	112,393	_	170,714
Provision of legal reserve	0(11)		_		_		-		846		-	(846)		-		-		-
Reversal of special reserve			-		-		-		-	(30,201)		30,201		-		-		-
Cash dividends	((10)		-		-		20.525		-		-	(7,258)		-		-	(7,258)
Issuance of convertible bonds Recognition of changes in ownership interests in	6(10)		-		-		39,525		-		-		-		-		-		39,525
subsidiaries			_		-		_		-		_	(6,092)		_		_	(6,092)
Balance as of December 31, 2022		\$	725,799	\$	12,129	\$	39,525	\$	3,150	\$		(\$	37,887)	(\$	40,960)	\$	40,626	\$	742,382

The notes to the parent company-only financial statements attached hereto form an integral part of this parent company-only financial report. Please refer to them accordingly.







	Note		ry 1, 2022 mber 31,		Years Ended ember 31,
Cash Flow from Operating Activities		<i>(</i> •	70.200)	(e	22.000 \
Loss before tax for the year		(\$	70,380)	(\$	33,999)
Adjustments for Adjustments to reconcile profit (loss)					
Depreciation expense	6(20)		15,037		15,151
Expected credit losses	0(20)		2,069		423
Financial asset losses at fair value through profit or loss	6(2)(18)		400		
Interest expense	6(19)		3,496		1,323
Interest income	6(16)	(1,162)	(768)
Dividend income	6(17)	(11,864)	Ì	8,029)
Share of loss of subsidiaries accounted for using equity	6(6)	`	, ,		, ,
method	. /		54,637		45,059
Loss on disposal and obsolescence of property, plant and	6(18)				
equipment			49		-
Realized profit on sales			-	(1,792)
Changes in operating assets and liabilities:					
Changes in operating assets, net					
Notes receivable		(785)		827
Accounts receivable		(1,840)	(14,839)
Receivables from related parties			25,880	,	12,068
Other receivables		,	2,981	(1,889)
Other receivables from related parties		(6,619)	(1,934)
Inventories		(12,316		7,619
Other current assets - others		(1,553)		7,108
Long-term notes receivable and payments		(8,400)		-
Changes in operating liabilities, net Notes payable		(1,800)		1,800
Accounts payable		(1,542	(21,806)
Accounts payable - related parties		(21,645	(21,792)
Other payables		(11,347		3,999)
Other current liabilities		(354)		333)
Net defined benefit liability - non-current		(586)	(1,493)
Cash inflows (outflows) generated from operations			2,766		21,295)
Interest received			1,463	(214
Dividend received			11,864		24,397
Interest paid		(1,360)	(1,299)
Income tax refunded		Ì	-	•	8
Income tax paid		(2,269)	(1,637)
Net cash inflow from operating activities			12,464		388
Cash Flow from Investing Activities					
Acquisition of financial assets at amortized cost		(1)	(2)
Decrease (increase) in financing receivables - related parties			4,668	(42,074)
Acquisition of financial assets at fair value through other					
comprehensive income or loss		(121,802)	(33,440)
Disposal of financial assets at fair value through other	6(5)				
comprehensive income or loss		,	- 00.020	,	87,787
Acquisition of investments accounted for using equity method	6(6)	(88,920)	(4,500)
Refund of capital reduction of investees accounted for using the					14705
equity method	6(7)	(24.606.)	(14,705 10,892)
Acquisition of property, plant and equipment Disposal of property, plant and equipment	6(7)	(24,696) 227	(10,892)
Disposar of property, plant and equipment Decrease (increase) in other non-current assets		(2,981)		588
Net cash inflows (outflow) from investing activities		<u> </u>	233,505)		12.172
Cash Flow from Financing Activities			233,303		12,172
Net increase (decrease) in short-term borrowings	6(23)	(24,098)		6,098
Issuance of corporate bonds	6(23)	(226,423		0,076
Repayment of the principal portion of lease liabilities	6(23)	(6,795)	(7,035)
Distribution of cash dividends	6(14)	(7,258	(7,033)
Net cash inflows (outflows) from financing activities	~(* ')	\	188,272	(937)
NET INCREASE (DECREASE) IN CASH AND CASH			100,272	\	
EQUIVALENTS		(32,769)		11,623
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		`	86,293		74,670
CASH AND CASH EQUIVALENTS, END OF YEAR		\$	53,524	\$	86,293
,			,	<u> </u>	,

The accompanying notes are an integral part of the parent company only financial statements, please refer.







Managerial officer: Lake Chang

Appendix II. Rules of Procedure for Shareholders' Meetings (before amendment)

Wanshih Electronic Co., Ltd.

Rules and Procedures of shareholders' Meeting

- Article 1: To establish a sound governance system for the Company's Shareholders' Meetings, improve supervisory function, and strengthen management capability, these Rules are stipulated pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies for compliance.
- Article 2: The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3: Convening shareholders' meetings and shareholders' meeting notices Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors.

Thirty days before convening the Annual Shareholders' Meeting or 15 days before a special Shareholders' Meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, and explanatory materials relating to proposals for adoption, matters for deliberation, election or dismissal of directors, and other matters on the Shareholders' Meeting agenda, and upload them to the Market Observation Post System (MOPS).

This Company shall also prepare an electronic file of the Shareholders' Meeting agenda handbook and supplemental materials and transmit them to the MOPS no later than 21 days prior to the Annual Shareholders' Meeting date or no later than 15 days prior to the special Shareholders' Meeting date.

The meeting agenda handbook and supplemental materials of the current Shareholders' Meeting shall be prepared for the shareholders to review at any time and displayed at the Company and its designated stock affairs agency 15 days before the scheduled Shareholders' Meeting. It shall also be distributed on-site at the Shareholders' Meeting. The reasons for convening a Shareholders' Meeting shall be specified in the meeting notice and public announcement. With the addressee's consent, the meeting notice may be given in electronic form.

Matters pertaining to the election or discharge of directors, the amendment to the Articles of Incorporation, capital reduction, application for the approval of ceasing its status as a public company, permission for competing with the company by directors, capitalization of earnings, capitalization of capital reserves, company dissolution, merger, split-up, or matters set out in Article 185, paragraph 1 of the Company Act shall be listed in the meeting notice as well as the main contents thereof, and shall not be brought up as extempore motions.

Where the meeting notice of Shareholders' Meeting has stated that the general re-election of directors will take place, including the date of taking office, after the completion of the re-election in said meeting, such appointment date shall not be changed by any extempore motion or other means during the same meeting.

A shareholder holding 1% or more of the total issued shares may submit proposals for the agenda of the Annual Shareholders' Meeting in writing to the Company.

The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. However, where the shareholder proposal aims to urge a company to enhance public interest or fulfill its social responsibility, the Board of Directors may still include it as an agenda item. In addition, if the shareholder proposal falls under any of the scenarios specified in Article 172-1, paragraph 4 of the Company Act, the Board of Directors may exclude it from the agenda.

Prior to the book closure date for convening the Annual Shareholders' Meeting, the Company shall announce the acceptance of shareholder proposals, the methods of submission in writing or electronic transmission, the location of submission, and the period of acceptance. The acceptance period shall not be less than ten days. Shareholder proposals are limited to 300 words, and any proposal exceeding 300 words shall not be included in the agenda. The proposing shareholder is required to attend the Annual Shareholders' Meeting in person or through a proxy and shall take part in the discussion of such proposal.

Prior to the notice date of a Shareholders' Meeting, the Company shall inform the proposing shareholder of the proposal screening results and include the proposals that comply with the provisions of this Article in the meeting notice.

With regard to the shareholder proposals not included in the agenda, the Board of Directors shall explain the reasons for its exclusion at the Shareholders' Meeting.

Article 4: Shareholders may issue a proxy printed by the Company at each Shareholders' Meeting, stating the scope of authorization and the proxy agent to attend the Shareholders' Meeting. A shareholder may only execute one proxy and appoint one proxy agent only, and shall serve such a written proxy to the Company no later than five days prior to the Shareholders' Meeting date. In the event of duplicate proxies, the one delivered first shall prevail.

Provided that this rule shall not apply if a declaration is made to revoke the previous proxy.

Upon delivery of the proxy to the Company, in case the shareholder issuing the said proxy wishes to attend the Shareholders' Meeting in person or exercise voting rights in writing or by means of electronic transmission, the shareholder shall issue a proxy rescission notice in writing to the Company two days prior to the scheduled date of the Shareholders' Meeting. In the absence of a timely rescission, the voting power exercised by the authorized proxy agent at the meeting shall prevail.

- Article 5: The location for convening a Shareholders' Meeting shall either be the Company's premises or a place that is convenient for all shareholders and suitable for the purpose of holding the meeting. The meeting shall commence no earlier than 9:00 a.m. and no later than 3:00 p.m. In determining the venue and timing of the meeting, due regard shall be given to the opinions of independent directors.
- Article 6: In the Shareholders' Meeting notice, the Company shall specify the time and place for accepting shareholders' registration and other matters for attention.

 The time for accepting shareholders' registration in the preceding paragraph shall be processed at least 30 minutes before the commencement of the meeting. The registration counter shall be clearly indicated and staffed by adequate and competent personnel to handle the check-in.

Shareholders or their proxy agents (hereinafter referred to as shareholders) are required to attend Shareholders' Meetings with attendance cards, sign-in cards, or other attendance certificates. The Company shall not arbitrarily require additional proof of attendance other than the document relied upon by shareholders to attend. In case of solicited proxies, the solicitor shall also bring their identification documents for verification purposes.

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 handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, an additional ballot 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 the Shareholders' Meeting as a proxy agent, only one representative may be designated to attend.

Article 7: If a Shareholders' Meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman. When the chairman is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairman shall do so in place of the chairperson, or, if there is no vice chairman or the vice chairman also is on leave or for any reason is unable to act, by a managing director designated by the chairman, or, if there is no managing director, by a director designated thereby, or, if the chairman does not make such a designation, by a managing director or director elected by and from among themselves.

The acting chair referred to in the preceding paragraph shall be a managing director or a director who has held that position for six months or more and understands the company's financial and business conditions.

The same shall be true for a representative of a juristic person director that serves as chair. It is advisable that Shareholders' Meetings convened by the Board of Directors be presided by the chairman in person and attended by a majority of the directors, and at least one representative of each functional committee member. The attendance shall be recorded in the Shareholders' Meeting minutes.

If a Shareholders' Meeting is convened by a person having the convening right other than the Board of Directors, the convener shall act as the chair of that meeting. In case of two or more persons entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.

The Company may designate appointed attorneys, CPAs, or related persons to attend a Shareholders' Meeting as nonvoting participants.

Article 8: The Company shall make an uninterrupted audio and video recording of the entire process of shareholders' registration, meeting, voting, and vote counting from the time of accepting shareholders' registration.

The recorded materials of the preceding paragraph shall be retained for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording be retained until the conclusion of the litigation.

Article 9: Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares represented is calculated based on the number of shares reported in the signature book or the sign-in card submitted, plus the number of shares exercising the voting rights in writing or by electronic means.

The chair shall call the meeting to order immediately at the time scheduled for the meeting and disclose relevant information, such as the number of non-voting rights and the number of shares represented.

However, if shareholders present do not represent a majority of the total issued shares, the chair may announce a postponement of the meeting time, provided that only two postponements may be made, with a total postponement time not exceeding one hour. If the quorum is still not met after two postponements and there are not enough shareholders representing more than one-third of the total issued shares, the chair shall declare the meeting as failed to be convened.

If the quorum is still not met after two postponements as referred to in the preceding paragraph and there are not enough shareholders representing more than one-third of the total issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution, and another Shareholders' Meeting shall be convened within one month. Prior to the end of the current meeting, if the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution to the Shareholders' Meeting for voting according to Article 174 of the Company Act.

Article 10: If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. All relevant motions (including extempore motions and amendments to the original motion) shall be voted on a case by case basis. The

meeting shall proceed following the scheduled agenda and not be changed without a resolution of the Shareholders' Meeting.

If the meeting of shareholders is convened by an authorized person other than the board of directors, the provision referred to above is applicable.

The chair may not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda as set out in the preceding two paragraphs (including extempore motions) without a resolution. If the chair violates the rules of procedure and declares the meeting adjourned, 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 a majority agreement 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 amendments or extempore motions put forward by the shareholders; when the chair believes that a matter has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and arrange an adequate time for voting.

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the speech keynote, the shareholder account number (or attendance card number), and the account name. The chair shall determine the order of the speech.

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 speech content does not correspond to the subject given on the speaker's slip, the speech content shall prevail.

Except with the chair's consent, a shareholder may not speak more than twice for the same proposal, and a single speech may not exceed five minutes. However, the chair may stop shareholders from speaking if they violate the rules or goes beyond the agenda scope. Attending shareholders' may not interfere with the speaking shareholders' without the Chairman's consent and the speaking shareholders'.

The Chairman will have the violating shareholders' stopped. When a juristic person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one representative may be allowed to speak on the same proposal.

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

Article 12: Voting at a shareholders' meeting shall be calculated based the number of shares. In passing a resolution at a Shareholders' Meeting, the shares held by a shareholder with no voting rights shall not be counted in the total number of issued shares.

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the Company's interest, shall not vote nor exercise the voting right on behalf of another 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'. Except for a trust enterprise or a stock affairs agency approved by the competent authority, if one person is entrusted by two or more shareholders at the same time, the voting rights represented by the proxy shall not exceed 3% of the total voting rights of the issued shares. Any excess voting rights beyond this limit shall not be counted.

Article 13: A shareholder shall be entitled to one voting right per share, except for those who are restricted or do not have voting rights as specified in Article 179, paragraph 2 of the Company Act.

When convening a Shareholders' Meeting, the Company shall adopt electronic means and allow for exercising voting rights in writing. If voting rights are exercised in writing or electronically, the exercise method shall be specified in the meeting notice.

A shareholder exercising voting rights by correspondence or electronic means will be

deemed to have attended the meeting in person. However, with regards to extempore motions and amendments to the original proposals during the said Shareholders' Meeting, it shall be deemed as having abstained from voting. Therefore, the Company should avoid proposing extempore motions and amendments to the original proposals.

For those who exercise their voting rights in writing or electronically in the preceding paragraph, their declaration of intention shall be delivered to the company two days prior to the Shareholders' Meeting. In the event of duplicate declarations, the one delivered first shall prevail.

Provided that this rule shall not apply if a rescission is made to revoke the previous declaration of intent.

If shareholders who have exercised their voting rights in writing or by means of electronic transmission wish to attend the Shareholders' Meeting in person, they shall first revoke their voting rights exercised under the preceding paragraph in the same manner previously used in exercising their voting rights two days prior to the Shareholders' Meeting. In the absence of a timely revocation, the voting rights exercised in writing or by means of electronic transmission shall prevail.

If a shareholder has exercised the voting rights in writing or through electronic transmission and also authorized a proxy agent to attend the Shareholders' Meeting, then the voting rights exercised by the proxy agent shall prevail.

Unless otherwise specified in the Company Act and the Company's Articles of Incorporation, the passing of a resolution shall be approved by a majority of the attending shareholders.

During voting, if the Chairperson solicits and receives no dissents, the motion is deemed passed, with equivalent force as if it is passed by voting.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. However, if one of the motions has been approved, the others shall be deemed overruled, and no further vote is required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The vote-counting process for voting or electing proposals at the Shareholders' Meeting shall be conducted publicly at the meeting venue. Immediately after completing vote counting, the voting results, including the statistical tallies of the numbers of votes, shall be announced on the spot and recorded accordingly.

- Article 14: When there is a director election during the Shareholders' Meeting, it shall be carried out in accordance with the relevant election rules set by the Company. The election outcomes shall be announced on the spot, including the list of elected directors and their numbers of elected votes.
 - The ballots for the election matters referred to in the preceding paragraph shall be sealed and signed by the scrutineers and kept properly for at least one year.
 - If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- Article 15: The resolutions of the Shareholders' Meeting shall be recorded in minutes, signed or sealed by the chair, and distributed to all shareholders within 20 days after 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, venue, the chair's name, the resolution method, and summary of the proceedings, and voting results (including the statistical tallies of the numbers of votes). In the event of a director election, the number of votes received by each candidate shall be disclosed.

The minutes shall be retained for the duration of the existence of the Company.

- Article 16: On the day of the Shareholders' Meeting, the Company shall compile a statistical table in the prescribed format that includes the number of shares obtained by the proxy solicitor through solicitation and the number of shares represented by the proxy agents and shall make an explicit disclosure of the same at the meeting venue.

 If matters put to a resolution at a Shareholders' Meeting constitute material information subject to the regulations of laws or regulations of the Taiwan Stock Exchange Corporation (the Taipei Exchange), the Company shall transmit the content to the MOPS within the prescribed time period.
- Article 17: Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When pickets or security personnel assist in maintaining order at the meeting venue, they shall wear an identification card or armband bearing the word "picket."

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.

If the shareholder violates the rules of procedures, defies the chair's correction, obstructs the meeting proceedings, and fails to comply after being stopped, the chair may direct the pickets or security personnel to escort the shareholder out of the venue.

- Article 18: During the meeting, the chair may determine the time for announcing a break. In the event of force majeure, the chair may rule to temporarily suspend the meeting and proclaim the time for resuming the meeting as appropriate.

 Before the conclusion of the agenda (including extempore motions) scheduled by the
 - Shareholders' Meeting, if the meeting venue is no longer available for continued use at that time, the Shareholders' Meeting may pass a resolution to find another venue to resume the meeting.
 - 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.
- Article 19: These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix III. Procedures for the Acquisition or Disposal of Assets (before amendment)

Wanshih Electronic Co., Ltd.

Procedures for the Acquisition or Disposal of Assets

Article 1 Purpose

To protect assets and implement the information disclosure, a public company acquiring and disposing of assets shall be required to comply with these Procedures.

Article 2 Legal basis

These Procedures are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act") and the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" ("the Regulations") issued by the Financial Supervisory Commission, Executive Yuan.

Article 3 The term "assets" as used in these Procedures includes the following

- I. Securities: including stocks, government bonds, corporate bonds, financial bonds, securities representing an interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, asset-backed securities, and other investments.
- II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- III. Memberships.
- IV. Intangible assets: Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other major assets.

Article 4 Terms used in these Procedures are defined as follows:

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable assets; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- IV. Professional appraiser: Refers to a real property appraiser or another person duly authorized by law to engage in the value appraisal of real property or equipment.
- V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Mainland China area investment: Refers to investments engaged in the mainland China area approved by the Investment Commission, Ministry of Economic Affairs following the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. "Latest Financial Statements" used herein means the financial statements of the Company audited or examined by a certified public accountant which has been disclosed in accordance with applicable regulation before the subject acquisition or disposal of assets.

Article 5 Investment quota for non-business real property and securities

The maximum amount for the Company and its subsidiaries to acquire the aforesaid assets individually is set up as follows:

- I. The total amount of real estate of the Company for nonbusiness use shall not exceed 100% of the Company's net worth.
- II. The total amount of investment in securities shall not exceed 100% of the Company's net worth.
- III. The amount of investment of the Company in each individual security shall not exceed 50% of the Company's net worth.
- Article 6 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:
 - 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
 - 2. May not be a related party or de facto related party of any party to the transaction.
 - 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.
 - When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:
 - 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
 - 2. When conducting a case, they shall appropriately plan and execute adequate working procedures in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusions shall be fully and accurately specified in the case working papers.

- 3. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data, parameters, and information used as the issuance basis for the appraisal report or the opinion.
- 4. A statement shall be issued attesting to the professional competence and independence of the personnel involved, the evaluation of the appropriateness, reasonableness, and accuracy of the information used, and compliance with applicable laws and regulations.
- Article 7 Where assets are acquired or disposed of through court auction procedures, the evidentiary documentation issued by the court may be used as a substitute for the appraisal report or CPA's opinion.

Article 8 Procedures for acquisition or disposal of real property or other fixed assets

- I. Evaluation and Operational Procedures The acquisition or disposal of real property and other fixed assets of the Company shall follow the fixed asset cycle outlined in the Company's internal control system.
- II. Procedures to Determine Transaction Terms and Approval Limits
 - (I) In acquiring or disposing real property, the Board of Directors shall discuss and determine the transaction terms and price based on the current value published and assessed value of the property, as well as the prices of neighboring properties sold, and present an analysis report to the chairman of the Board. Transactions of NT\$100 million or less shall be approved by the chairman of the Board and ratified at the next Board meeting; transactions over NT\$100 million shall be approved by the Board of Directors in advance.
 - (II) The acquisition or disposition of other fixed assets shall be determined in any of the following methods: by inquiring quotations, collecting and comparing quotations, negotiating prices, or through a bid process. Transactions of NT\$100 million (inclusive) or less shall follow the approval hierarchy pursuant to the authorization rules; transactions more than NT\$100 million shall be approved by the Board of Directors in advance.
 - (III) With respect to the Company's acquisition or disposal of assets that are subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each Audit Committee's member. Where the position of independent director has been created, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Where an audit committee has been established, any transaction involving major assets or derivatives shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.
- III. Execution Units

When acquiring or disposing of real property or other fixed assets, the Company shall seek approval from the preceding approval of authority first and then execute the transaction with the responsible user department and management department.

IV. Appraisal Report

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- (I) Where due to special circumstances, there is a need to use a limited price, specific price, or special price as a reference basis for the transaction price, the transaction shall first be approved by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- (II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (1) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
 - (2) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
- (IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided where the assessed present value for the same period is applicable and has not exceeded six months, an opinion may still be issued by the original professional appraiser.

Article 9 Procedures for acquisition or disposal of securities investments

- I. Evaluation and Operational Procedures
 The purchase and sale of long-term and short-term securities of the Company shall follow the investment cycle outlined in the Company's internal control system.
- II. Procedures to Determine Transaction Terms and Approval Limits
 - (I) The securities trading on a centralized exchange market or an over-the-counter market shall be determined by the responsible unit based on market conditions and approved at each level in accordance with the Company's "Regulations Governing the Approval of Authorities."

 Transactions of NT\$50 million or less shall be approved by the chairman of the Board; and reported in the next Board meeting. Transactions more than NT\$100 million shall be approved by resolution of the Board of Directors in advance. The same applies to the accumulated transaction amount with the same counterparty in successive transactions within one year reaching the aforementioned standard.
 - (II) In making purchases or sales of securities that are not traded on a centralized market or over-the-counter market, the Company shall obtain the most recent

financial statements of the issuing company certified or reviewed by an auditor prior to the transaction in evaluating the transaction price. The Company shall consider the net value per share, profitability, and future development potential, and submit an analysis report on the unrealized gain or loss on the long- and short-term securities, which shall be approved by the Company at each level in accordance with the "Regulations Governing the Approval of Authorities". Transactions of NT\$50 million or less shall be approved by the chairman of the Board; and reported in the next Board meeting. Transactions more than NT\$100 million shall be approved by the resolution of the Board of Directors in advance.

(III) With respect to the Company's acquisition or disposal of assets that are subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each Audit Committee's member. Where the position of independent director has been created, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

III. Execution Units

After the transaction has been approved, the Company's investment securities shall be executed by the finance department.

IV. CPA's Opinion

When the Company acquiring or disposing of securities, if the dollar amount of the transaction is 20% of the company's paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.

Article 10 Procedures for acquisition or disposal of intangible assets, right-of-use assets, or memberships

I. Evaluation and Operational Procedures

The acquisition or disposal of intangible assets, right-of-use assets, or memberships of the Company shall follow the procedures for fixed asset cycle outlined in the Company's internal control system.

II. Procedures to Determine Transaction Terms and Approval Limits

With respect to the Company's acquisition or disposal of assets that are subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each Audit Committee's member. Where the position of independent director has been created, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

III. Execution Units

When acquiring or disposing of intangible assets, right-of-use assets, or memberships, the Company shall seek approval from the approval of authority first and then execute

the transaction with the responsible user department and finance or management department.

IV. Expert Opinion of Acquisition or Disposal of Intangible Assets, Right-of-Use Assets or Memberships

Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reach 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

The calculation of the transaction amounts shall be done in accordance with Article 16, Paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 11 (Void)

Article 12 Procedures for related party transactions

- I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to handling the procedures for acquisition or disposal of assets in accordance with Article 8 and ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of Article 8. The calculation of the transaction amount shall be made in accordance with the provisions of Article 11. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
- II. Evaluation and Operational Procedures
 - When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and resolved by the board of directors:
 - (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 - (2) The reason for choosing the related party as a transaction counterparty.
 - (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the predetermined transaction terms in accordance with paragraph III, subparagraphs (I) and (IV) of this Article.
 - (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.

- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of the signing of the contract and evaluation of the necessity of the transaction and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the Article 8.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may delegate the Chairman of the Board to decide such matters in accordance with in accordance with Article 8, Paragraph 2, Subparagraph 2, and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:

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

Where the position of independent director has been created, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an audit committee has been established in accordance with the provisions of the Act, the matters for which preceding paragraph requires resolution by the board of directors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution.

The Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10% or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders' meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company, its parent, its subsidiaries or between its subsidiaries.

The calculation of this transaction amount shall be processed according to Article 16, paragraph I, and the term "within one year" refers to one year retroactively from the date of this transaction. Items that have been approved by the Audit Committee and resolved by the Board of Directors and Shareholders' Meeting in accordance with these Procedures need not be counted toward the transaction amount.

III. Evaluate the reasonableness of the transaction costs

- (I) The Company acquiring real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
 - (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

- (2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- (II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- (III) The Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the Subparagraphs (1) and (2) of Paragraph 3 of this article shall also engage a CPA to check the appraisal and render a specific opinion.
- (IV) When the results of the Company's appraisal conducted in accordance with Subparagraphs (1) and (2) of Paragraph 3 of this article are uniformly lower than the transaction price, the matter shall be handled in compliance with Subparagraph (5) of Paragraph 3 of this article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
 - 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, while structures are by adding a reasonable construction profit to the related party's construction cost, the total of which exceeds the actual transaction price. The "reasonable construction profit" shall be deemed the average gross margin of the related party's construction division over the most recent three years or the gross margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - 2. Where the Company, acquiring real property or obtaining real property right-of-use assets through leasing from a related party, provides evidence that the terms of its transaction are comparable to those of other non-related party transactions in the neighboring areas within one year and are similar in size.
 - Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refer to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by

- unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
- (V) Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the Subparagraphs (1) and (2) of Paragraph 3 of this article are uniformly lower than the transaction price, the following steps shall be taken: In addition, the Company and the public company whose investments in the Company are accounted for using the equity method and that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on the decline in the market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
 - (1) The Company shall, in accordance with Article 41, paragraph 1 of the Securities and Exchange Act, set aside a special reserve for the difference between the transaction price and the appraised cost of real property or right-of-use assets. This reserve may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
 - (2) Audit Committee shall comply with Article 218 of the Company Act.
 - (3) Actions taken pursuant to items (1) and (2) of this subparagraph (V) of paragraph III shall be reported to a Shareholders Meeting, and the detailed transaction content shall be disclosed in the annual report and any investment prospectus.
- (VI) Where the Company acquires real property or right-of-use assets from a related party and meets any following circumstances, the acquisition process shall comply with the evaluation and operating procedures stipulated in paragraphs I and II of this Article. The evaluation requirements for the reasonableness of transaction costs specified in paragraph III, subparagraphs (I), (II) and (III) of this Article shall be applicable.
 - (1) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - (2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - (3) The real property is acquired through signing a joint development contract with a related party, or by commissioning a related party to construct real property on self-possessed land or on leased land.
 - (4) The real property right-of-use assets for business use are acquired by the Company and subsidiaries, or by the subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.
- (VII) When the Company acquires real property from a related party, it shall also comply with subparagraph (V) of paragraph III if there is other evidence indicating that the acquisition was not an arm's length transaction.

Article 13 Procedures for acquisition or disposal of claims of financial institutions
In principle, the Company does not participate in transactions involving the acquisition or disposal of claims of financial institutions. However, should there be a desire to engage in such transactions in the future, the evaluation and operational procedures shall only be established upon the approval of the Board of Directors.

Article 14 Procedures for acquisition or disposal of derivatives

- I. Trading principles and strategies
 - (I) Types of derivatives

The derivatives that the Company engages in refer to trading contracts whose value is derived from assets, interest rates, exchange rates, indices, or other interests (such as forward contracts, options, futures, interest rate or exchange rate, swaps, as well as hybrid contracts consisting of the above contracts). These Procedures shall also apply to bond margin transaction; provided that it may not apply to callable bond transaction.

(II) Operating or hedging strategies

Financial derivatives are mainly used for hedging purpose and the selection of instruments shall correlate or associate with the business operation. In order to reduce the overall currency exposures and hedging cost, the currency of the position held shall be the same as the one used for business activities, and the position of the currency (account receivable and payable in foreign currency) shall be balanced. Other transactions for specific purposes must be carefully evaluated and submitted to the board of directors for approval before proceeding.

(III) Segregation of duties

- 1. Financial Department
 - (1) Transaction Staffs
 - (a) The transaction staffs shall be in charge of the draw up of the strategy regarding the overall financial commodity transactions of the Company.
 - (b) Traders shall periodically calculate their positions every two weeks, collect market information, assess trends and risks, and formulate trading strategies. Upon approval from the decision-making authority, these strategies will serve as the basis for engaging in transactions.
 - (c) The transaction staff shall execute the transaction pursuant to the authorized discretion and the current strategy.
 - (d) In the event of significant changes in the financial market, where traders determine that the established strategies are no longer applicable, they may promptly submit an assessment report and propose new strategies. Upon approval from the president, these strategies shall serve as the basis for engaging in transactions.
 - (2) Accounting Staff
 - (a) Execute confirmation of transactions.
 - (b) Review and check whether the transactions are conducted pursuant to the authorized discretion and the current strategy.
 - (c) Conduct monthly evaluations and submit said evaluations to President.
 - (d) Handle accounting issues.
 - (e) Conduct the report and disclosure procedure in accordance with the regulations promulgated by FSC.
 - (3) Delivery Staffs: Execution of the delivery matters.
 - (4)Approval authority of financial derivatives
 - (a) Approval authority for hedging transactions:

Authorized	Authorized	Authorized Quantum for
Person	Quantum	Net Accumulated
		Position
President	Up to US\$ 5 million	Up to US\$ 10 million (inclusive)
	(inclusive)	
Chairman	US\$5 million or	US\$10 million or more
	more	

- (b) Other transactions for specific purposes must be approved by the Board of Directors before proceeding.
- (c) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each Audit Committee's member. Where the position of independent director has been created, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Where an audit committee has been established, the derivatives stipulated in this Article shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

2. Audit Department

The audit department is responsible for understanding the adequacy of internal controls on derivative trading and verifying the trading department's compliance with operating procedures. It shall also analyze the trading cycle and prepare audit reports, and report to the Board of Directors in case of material deficiencies.

(IV) Performance evaluation

- 1. Hedging transaction
- (1) The performance evaluation is based on the exchange rate cost and the profit or loss generated from the engagement in derivatives trading recorded in the company's books.
- (2) To fully comprehend and express the valuation risk of transactions, the Company adopts a monthly settlement method to evaluate profit and loss.
- (3) The finance department shall provide the president with an evaluation of foreign exchange positions, along with an analysis of foreign exchange market trends and market analysis, for management reference and guidance.
- 2. Performance evaluation of specific purpose transactions shall be based on the realized profit or loss. Additionally, the accounting staff shall prepare periodic position reports for the management's review.

(V) Determination of total contract amount and loss limit

- 1. Total contract amount
 - (1) Amount for hedging transaction
 Financial Department shall control the overall position of the Company in order to hedge the transaction risk. The monetary amount of hedging transaction shall not exceed two-thirds of the overall net position of the Company. If it exceeds this amount, it shall be submitted to the President for approval, but the amount shall not exceed the total exposure.
 - (2) Specific Purpose Transactions
 According to the market forecast, the finance department may prepare strategies as necessary and submit them to the President and Chairman for approval before proceeding. The maximum amount of contracts for the Company's net accumulated position for specific purpose transactions is US\$1 million. Any amount that exceeds the above is subject to the approval of the Board of Directors and can only be approved in accordance with policy.
- 2. Maximum monetary amount of loss
 - (1) The loss-stop point for hedging transactions shall be fixed with a maximum amount not exceeding 20% of the contract amount. If the loss amount exceeds 20% of the transaction amount, the loss shall be reported to the President immediately and the Board of Directors to discuss necessary countermeasures.
 - (2) For specific purpose contracts, a loss-stop point should be fixed to avoid excessive losses after the position is established. The loss-stop point shall be fixed with a maximum amount not exceeding 50% of the contract amount. If the loss amount exceeds 20% of the transaction amount, the loss shall be reported to the President immediately and the Board of Directors to discuss necessary countermeasures.
 - (3) The loss for an individual contract shall not exceed 20% of the contract amount.
 - (4) The maximum annual loss amount for the Company's specific purpose transaction is US\$1 million.

II. Measures of risk management

(I) Credit Risk Management

As the market is subject to various factors that can result in operational risks of derivatives, the following principles are adopted for market risk management:

- 1. Transaction counterparty: Mainly renowned domestic and foreign financial institutions
- 2. Transaction commodity: Limited to commodities offered by renowned domestic and foreign financial institutions
- 3. Transaction amount: Except for those approved by the president, the amount of open position with the same counterparty shall not exceed 10% of the total authorization.
- (II) Market Risk Control:

The transaction market is primarily the open currency market provided by the banks, excluding the option market.

(III) Liquidity Risk Control:

To ensure market liquidity, financial products with high liquidity (i.e., can be squared off in the market at any time) are prioritized in selection. Financial institutions entrusted with transactions must have sufficient information and the capability to trade in any market whenever necessary.

(IV) Cash-Flow Risk Control:

To maintain stable turnover of the working capital of the Company, the source of the capital for derivative transaction shall be self-funded, and the transaction shall take the capital needs for the coming three months into consideration.

(V) Operating Risk Control

- 1. To comply with the authorized amount, procedures and internal audit processes.
- 2. Different personnel shall be assigned for trading, confirmation and settlement.
- 3. Personnel in charge of risk evaluation, monitoring and controlling shall not be in same department as those described in the preceding paragraph, and reporting shall be made to the board of directors or the management who is not responsible for trading or determination of position.
- 4. The open position of derivative transaction shall be evaluated at least on a weekly basis, except for hedging transactions for business purposes, which shall be evaluated at least twice a month, and the evaluation report shall be sent to the senior executive officer authorized by the Board of Directors.

(VI) Financial Instrument Risk Control

Internal traders shall possess comprehensive and accurate knowledge of financial products and require banks to fully disclose risks to avoid the risk of misusing financial products.

(VII) Legal Risk Control

Any documents with financial institutions can only be signed after reviewing by the foreign exchange and legal affair departments or legal counsels to avoid legal risk.

III. Internal Audit

- (I) Internal auditor shall be aware of the adequacy of the derivative transaction on a periodic basis and should issue monthly audit report based on the compliance of the derivative transaction. Shall there be any material violation; a written notice shall be sent to the audit committee.
- (II) Internal auditor shall file the auditing report and the implementing status of annual auditing plans of internal audits to the designated website of the Financial Supervisory Commission of the Executive Yuan before the end of February of next year and also shall report the improvement situation for any abnormal affairs to the designated website of the Financial Supervisory Commission of the Executive Yuan before the end of May of next year.

IV. Periodic evaluation method

- (I) The board of directors shall authorize the management to monitor and review the compliance of the derivative transaction with internal procedures periodically. If any abnormity detected in the market value evaluation report, the board of directors shall be informed immediately and responsive actions shall also be taken accordingly.
- (II) The open position of derivative transaction shall be evaluated at least on a weekly basis, except for hedging transactions for business purposes, which shall be evaluated at least twice a month, and the evaluation report shall be sent to the senior executive officer authorized by the Board of Directors.
- V. Principles of monitoring and managing of the Board of Directors when engaging in derivative transactions
 - (I) The board of directors shall assign the management to constantly monitor and control the risks of derivative transaction with the following principles:
 - (1) To conduct periodic review and check if the risk management measures are adequate and in compliance with this guideline and the procedures established by the Company for engaging in derivative transactions.

- (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where the Company has independent directors, an independent director shall be present at the meeting and express an opinion.
- (II) Periodically evaluate whether derivatives trading performance is in line with established business strategy and whether the risk undertaken is within the corporate tolerance
- (III) After authorizing relevant personnel to handle derivative trading in accordance with its procedures for engaging in derivatives trading, the Company shall promptly report to the next Board of Directors meeting.
- (IV) When the Company engages in derivative transactions, the Company shall establish a reference book to record details of the type and amount of derivative transactions, the approval date by the Board of Directors, and the matters that should be carefully evaluated in accordance with the provisions of Subparagraph (2) of Paragraph 4 and Subparagraphs (1) and (2) of Paragraph 5 of this Article in the reference book for examination.

Article 15 Procedures for handling mergers, demergers, acquisitions, or transfer of shares

- I. Evaluation and Operational Procedures
 - (I) In the event of a merger, demerger, acquisition, or transfer of shares, the Company is encouraged to engage an attorney, CPA, and underwriter to discuss the estimated timetable together for legal procedures and organize a project team to ensure compliance with legal procedures.
 - Prior to convening the Board of Directors to resolve the matter, the company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and approval. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100% of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100% of the respective subsidiaries' issued shares or authorized capital.
 - (II) When the Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders' detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to in Subparagraph (1) of Paragraph 1 of the this Article when sending shareholders' notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders' meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.
- II. Other Important Information

(I) Board of Directors Meeting Dates:

A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the authority in charge of securities is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the authority in charge of securities is notified in advance of extraordinary circumstances and grants consent.

(II) Confidentiality:

Prior to the transaction becomes public, every person that is involved in or know of the merger, demerger, acquisition, or share transfer plan of the Company shall sign a written confidentiality agreement to undertake that he/she will not disclose details of the plan to any other party, and will not trade, in his/her own name or in a nominee account, any shares or equity securities issued by the companies involved in the merger, spin-off, acquisition, or transfer of shares.

- (III) Principles of setting and adjusting share exchange ratio and acquisition price:
 Prior to convening the Board of Directors each company involved in the merger,
 demerger, acquisition, or transfer of shares shall engage CPA, attorney, or
 securities underwriters to give opinions on the fairness of the exchange ratio,
 acquisition price, or distribution to the shareholders' in cash or in kind. The
 proposal shall then be submitted to the shareholders' meeting for approval.
 Generally, the share exchange ratio and acquisition price may not be arbitrarily
 altered unless clauses specifying conditions where adjustment is permitted are
 included in the contracts and have been disclosed to the public. The conditions are
 as follows:
 - 1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 - 2. An action, such as a disposal of major assets, that affects the company's financial operations.
 - 3. An event, such as a major disaster or major change in technology, that affects shareholders' equity or share price.
 - 4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, repurchase of treasury stock.
 - 5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - 6. Other terms/conditions that may be changed as stipulated in the contract and have been publicly disclosed.
- (IV) Mandatory clauses in the transaction contracts: Except as otherwise provided in Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, a merger, demerger, acquisition, or share transfer contract shall include the following:
 - 1. Handling of breach of contract.
 - 2. Principles for the handling of equity-type securities previously issued or treasury stock previously repurchased by any company that is extinguished in a merger or that is demerged.
 - 3. The number of treasury stocks may be repurchased by participating companies under law after the record date for calculating the share exchange ratio and

- 4. the principles for handling thereof.
- 5. The treatment for handling changes in the number of participating entities or companies.
- 6. Expected progress of project implementation and anticipated completion schedule.
- 7. The scheduled date for convening a Shareholders' Meeting and relevant procedures as required by laws and regulations in case the project is overdue and not completed.
- (V) Changes in the number of companies involved in the merger, demerger, acquisition or transfer of shares: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders' meeting to resolve the matter.
- (VI) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company and comply with the provisions governing the dates of the Board of Directors in Subparagraph (1) of Paragraph 2 of the this Article, confidentiality undertaking in Subparagraph (2) of Paragraph 2 of the this Article, and changes in number of companies involved in the merger, demerger, acquisition, or transfer of shares in Subparagraph (5) of Paragraph 2 of the this Article.

(VII) Document Retaining:

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference.

- 1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to the disclosure of the information.
- 2. Dates of material events:
 Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
- 3. Important documents and minutes:
 Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

Article 16 Procedures for information disclosure

I. Disclosure items and standards:

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information in the appropriate format as prescribed by regulations within two days from the date of occurrence on the FSC's designated website:

- (I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more.
 - provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (II) Merger, demerger, acquisition, or transfer of shares.
- (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- (IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - 1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - 2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- (V) Where acquiring real property through arrangements such as commissioning others to build on self-possessed land, commissioning others to build on leased land, joint construction with house divided, joint construction with portion divided, or joint construction and sale in partitions, the transaction counterparty is not a related party, and the estimated transaction amount invested by the company reaches NT \$500 million.
- (VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - 1. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan.
 - 2. Where done by professional investors securities trading on stock exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general financial bonds not involving equity (excluding subordinated bonds) issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange (TPEx).
 - 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

- (1) The amount of any individual transaction.
- (2) The cumulative transaction amount of acquisitions or disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
- (3) The cumulative transaction amount of acquisitions or disposals (cumulative acquisitions or disposals, respectively) of real property or its right-of-use assets thereof within the same development project within the preceding year.
- (4) The cumulative transaction amount of acquisitions or disposals (cumulative acquisitions or disposals, respectively) of the same security within the preceding

year. The term "within the preceding year" referred to in the preceding paragraph is based on the period of one year calculated retroactively from the occurrence date of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.

II. Public announcement and reporting deadline

When the Company acquires or disposes of assets under the Paragraph 1 of this Article and the transaction amount reaches the criteria for announcement and reporting under this Article, the Company shall publicly announce and report within two days from the date of occurrence.

III. Announcement and reporting procedures:

- (I) The Company shall report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations.
- (II) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
- (III) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
- (IV) The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.
- (V) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
 - 1. Change, termination, or rescission of a contract signed in regard to the original transaction.
 - 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - 3. Change to the originally publicly announced and reported information.

Article 17 The Company's subsidiaries shall comply with the following rules:

- I. The subsidiaries shall adopt their own Procedures for the Acquisition and Disposition of Assets according to the Procedures for the Acquisition and Disposition of Assets by Public Companies.
- II. If a subsidiary is not a public company and acquires or disposes of assets that meet the criteria to be publicly announced and reported under the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies", the Company shall also make an announcement and report on behalf of the subsidiary.
- III. According to the announcement and reporting standards of the subsidiaries, the "paid-in capital or total assets of the subsidiary" shall be the paid-in capital or total assets of the Company.

Article 18 Implementation and amendment

Where the position of independent director has been created, when a transaction involving the acquisition or disposal of assets is submitted for discussion to the board of

directors, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. When the Company has set up an audit committee, these procedures shall be approved by the audit committee before being approved by the board of directors and submitted to the shareholders' meeting for approval, and the same applies to amendments.

Article 19 For the calculation of 10% of total assets under the Regulations, the total assets stated in the most recent parent company-only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT\$10-for the calculation of transaction amounts to 20% of paid-in capital under these Regulations, 10% of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

Article 20 Supplementary provisions

Employees of the Company who undertake the acquisition and disposal of assets in violation of these Procedures stipulated herein shall be subject to punishment based on the severity of their actions following the Company's relevant internal control regulations.

Appendix IV: Article of Incorporation

Article of Incorporation of Wanshih Electronic Co., Ltd. Article of Incorporation

Chapter 1 General Provisions

- Article 1: The Company is incorporated pursuant to the provisions of the Company Act under the name of 萬旭電業股份有限公司, and Wanshih Electronic Co., Ltd. in the English language.
- Article 2: The scope of business of the Company shall be as follows:
 - I. (CC01020) Electric Wires and Cables Manufacturing.
 - II. (CC01030) Electrical Appliances and Audiovisual Electronic Products Manufacturing.
 - III. (F113020) Wholesale of Household Appliance.
 - IV. (F213010) Retail Sale of Electrical Appliances.
 - V. (F401010) International Trade.
 - VI. (F113010) Wholesale of Machinery.
 - VII. (F213080) Retail Sale of Other Machinery and Equipment.
 - VIII. (CC01060) Wired Communication Equipment and Apparatus Manufacturing.
 - IX. (CC01070) Telecommunication Equipment and Apparatus Manufacturing.
 - X. (CC01080) Electronics Components Manufacturing.
 - XI. (CC01040) Lighting Equipment Manufacturing.
 - XII. (CC01110) Computer and Peripheral Equipment Manufacturing.
 - XIII. (CA02090) Metal Wire Products Manufacturing.
 - XIV. (ZZ99999) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The Company may provide endorsement and guarantee in accordance with the "Regulations on Endorsement and Guarantee".
- Article 2-2: When the Company becomes a shareholder of limited liability in other companies, the total amount of its investments, may not be subject to the Article 13 of the Company Act, which limits the Company's investments to 40% of its paid-in capital.
- Article 3: The Company has its head office established in New Taipei City, and may establish branches or offices at home and abroad upon the resolution of the board of directors.
- Article 4: Deleted.

Chapter II Shares

- Article 5: The total capital of the Company is NT\$1.5 billion, divided into 150 million shares, with the amount of NT\$10 per share. The board of directors is authorized to issue the unissued shares in installments as necessary. The Company may integrate and exchange to issue the large par value securities upon the request from Taiwan Depository and Clearing Corporation.
- Article 6: The shares issued by the Company are registered stocks, which shall be affixed with the signatures or personal seals of the director representing the Company and shall be duly certified or authenticated by the competent authority or its authorized

issuing registration institution before issuance thereof. The Company may be exempted from printing any share certificate for the shares issued and shall register the issued shares with a centralized securities depositary enterprise.

Article 7: All transfer of stocks, setting and revocation of pledge rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders' of the Company shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies" unless specified otherwise by law and securities regulations.

Article 8: Deleted.
Article 9: Deleted.

Chapter III Shareholders' Meeting

Article 10: There are two types of shareholders' meetings: regular meetings and special meetings. Regular meetings are held once a year, within six months after the end of each fiscal year. Special meetings of shareholders' to be held in accordance with law when necessary. The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 11: The shareholders' meeting is convened by the board of directors, the chairman of the board of directors shall preside the meeting. In case the chairman of the board of directors is absent, the chairman shall designate one director to act on his or her behalf. If no representative is so designated, the representative shall be elected by the directors from among themselves. If a shareholders' meeting is convened by a party other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 12: A notice containing the date, place and proposed matters shall be given to each shareholder 30 days prior to the convening of a regular shareholders' meeting and 15 days prior to the convening of a special shareholders' meeting, or as otherwise required by other relevant laws and regulations.

Article 13: If a shareholder is unable to attend the shareholders' meeting, he/she may appoint a proxy to attend on his/her behalf by signing the power of attorney printed by the Company and stating the scope of powers authorized to the proxy. Except as specified in Article 177 of the Company Act, the attendance of a shareholder's proxy shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.

Article 14: A shareholder shall be entitled to one vote for each share held, except when the shares are deemed non-voting shares under Article 179 of the Company Act.

Article 15: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders' present, who represent more than one-half of the total number of voting shares. However, in the case listed below, the voting rights shall be exercised by a majority of the shareholders' present in person or by proxy with two-thirds of the total outstanding shares.

I. Acquire or merge with other domestic or foreign companies.

II. Dissolution or liquidation, demerger.

Chapter IV Directors, Audit Committee and Managerial Officers

Article 16:

The Company's Board of Directors consists of nine to eleven members, with a term of three years, who shall be elected by the Shareholders' Meeting from a list of candidates and may be eligible for re-election. The candidate nomination system is adopted for the election of directors. The number of independent directors shall not be less than three and shall not be less than one-fifth of the total number of directors stated in the previous paragraph. The qualifications of directors and independent directors and related matters shall be conducted in accordance with the relevant laws and regulations. When the number of directors falls short by one-third of the total number of directors, the Board of Directors shall convene a special shareholders' meeting from the date of occurrence to hold a by-election to fill the vacancies, and the term of office shall be limited to the unexposed term of office of the predecessor. The percentage of total shares to be held by all directors shall be duly subject to the provisions promulgated by the competent authority in charge of securities affairs.

Article 16-1: deleted.

Article 17: The Board of Directors is comprised of directors, and their functional duties are as follows:

- I. Set business guidelines, review business plans and monitor their implementation.
- II. Review the earnings distribution or deficit offsetting.
- III. Propose capital increase/decrease plan.
- IV. Review the amendments to the Articles of Incorporation and approve important external contracts.
- V. Appointing or discharging the Company's President and managerial officers.
- VI. Setting up or dissolving branches.
- VII. Review the budget and final account.
- VIII. Performing other duties authorized by the Company Act or shareholders' meeting.

Article 17-1:

The Company may obtain liability insurance for directors and key executives with respect to liabilities resulting from exercising their duties during their terms of directorship and employment. The Board of Directors is authorized to determine all matters related to insurance coverage and the identification of key executives.

Article 17-2:

The Company sets up the "Audit Committee" pursuant to Article 14-4 of the Securities and Exchange Act. The Audit Committee is responsible to implement the powers of the supervisors under the Company Act, the Securities and Exchange Act and other related regulations. The Audit Committee shall be composed of the entire number of independent directors, one of whom shall be committee convener, and at least one of whom shall have accounting or financial expertise. Matters concerning the qualifications, number, term of office, powers, and functions, Rules of procedure for meetings and other matters of the Audit Committee shall be governed by the relevant regulations. The Company's Board of Directors may establish other functional committees, the charters of which shall be stipulated by the Board of Directors.

- Article 18: The board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board. The chairman shall represent the Company externally.
- Article 19: A board meeting shall, unless otherwise provided for in the Company Act, be convened by the Chairman of the Board of Directors. Unless otherwise provided for in Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In calling a meeting of the board of directors, the meeting date, place and reason for calling the meeting shall be notified to each director no later than 7 days prior to the scheduled meeting date. However, the meeting may be called at any time in case of an emergency. The meeting notice may be may be notified in writing by fax or e-mail instead.
- Article 20: The Chairman of the board of directors shall preside at the board meetings. When the Chairman of the board is on leave or for any reason unable to exercise the powers of the Chairman, the Chairman shall appoint one of the directors to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair. Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place. The proxy may be the appointed proxy of only one person.
- Article 21: Deleted.
- Article 22: The remuneration to directors is determined by the board of directors based on the remuneration standards of the industry.
- Article 23: The Company shall appoint one President. The appointment, termination and compensation policy shall be subject to the Article 29 of the Company Act.
- Article 24: The President shall conduct the business of the Company in accordance with the resolutions adopted by the Board of Directors.

Chapter V Accounting

- Article 25: The fiscal year of the Company commences from January 1 to December 31. The final account should be conducted at the end of each fiscal year.
- Article 26: At the close of each fiscal year, the Board of Directors shall, in accordance with Article 228 of the Company Act, prepare the following statements and records and shall forward the same to the Audit Committee for their auditing not later than the 30th day prior to the meeting date of a general meeting of shareholders'. The Audit Committee shall issue a report and submit it to the general meeting of shareholders' for ratification.
 - I. Business report.
 - II. The financial statements.
 - III. The surplus earning distribution or loss off-setting proposals.
- Article 27: When the Company makes a profit in a year, 2% to 5% of the pre-tax profit before deducting the remuneration to employees and remuneration to directors shall be appropriated as employees' compensation and up to 2% as remuneration to directors. However, the Company should reserve the amount to make up for any

accumulated losses in advance.

The distribution of employees' compensation shall be resolved by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting.

Article 28: Where there are earnings in the final accounts, the company shall first pay taxes, make up for accumulated losses, then set aside 10% of such earnings as a legal reserve. However, when the legal reserve amounts to the Company's authorized capital, this shall not apply. In addition, if there is still a surplus after setting aside or reversing special reserves as required by operational needs and legal regulations, the Board of Directors shall submit an earnings distribution proposal to the Shareholders' Meeting for resolution, together with the accumulated unappropriated earnings from previous years, with the principle that the distribution amount shall not exceed 75% of the after-tax profits for the current year.

The Company's dividend policy is divided into cash dividends and stock dividends, of which cash dividends shall not be less than 10% of the total dividends, except that if the cash dividend per share is less than \$0.10, stock dividends may be paid instead.

Article 29: Deleted.

Article 30: Deleted.

Chapter VI Supplemental Provisions

Article 31: The organizational rules and operating rules of the Company shall be enacted separately.

Article 32: If there is any matter not covered herein, the Company Act shall govern.

Article 33: This Articles of Incorporation was established on May 21, 1987 by consent of all promoters in the promoters' meeting.

The first amendment was made on February 20, 1989.

The second amendment was made on July 20, 1992.

The third amendment was made on November 20, 1993.

The fourth amendment was made on February 25, 1994.

The fifth amendment was made on June 30, 1997.

The sixth amendment was made on March 2, 1998.

The seventh amendment was made on April 15, 1998.

The eighth amendment was made on April 30, 1999.

The ninth amendment was made on March 18, 2000.

The tenth amendment was made on April 21, 2000.

The eleventh amendment was made on June 23, 2000.

The twelfth amendment was made on April 19, 2001.

The thirteenth amendment was made on April 30, 2002.

The fourteenth amendment was made on May 30, 2003.

The fifteenth amendment was made on May 25, 2004.

The sixteen amendment was made on June 21, 2007.

The seventeenth amendment was made on June 13, 2008.

The eighteenth amendment was made on June 9, 2010.

The nineteenth amendment was made on June 10, 2011.

The twentieth amendment was made on June 13, 2013.

The twenty-first amendment was made on June 17, 2014.

The twenty-second amendment was made on June 13, 2016. The twenty-third amendment was made on June 16, 2017. The twenty-forth amendment was made on June 11, 2020. The twenty-fifth amendment was made on October 15, 2020. The 26th amendment was made on July 15, 2021. The 27th amendment was made on June 10, 2022.

Appendix V. Minimum number of shares to be held by directors and supervisors and numbers of shares held by the directors and supervisors individually and by the entire bodies thereof

Wanshih Electronic Co., Ltd. Shareholdings of Directors

Record Date: April 11, 2023

Position	Name	Date elected	Shareholding while elected		Shares currently held	
			Number of	Shareholding	Number of	Shareholding
			Share	ratio (%)	Share	ratio (%)
Chairman	Lake Chang	July 15, 2021	1,230,000	1.69%	1,290,000	1.78%
Director	WONDERFUL HI-TECH CO., LTD. Representative: Ringo Chang	July 15, 2021	18,309,272	25.23%	17,816,272	24.55%
Director	Asahi Communications Co., Ltd. Representative: Kanno Takanobu	July 15, 2021	13,723,175	18.91%	13,723,175	18.91%
Director	Japan Automatic Machine Co., Ltd. Representative: Mizuno Masafumi	July 15, 2021	1,620,262	2.23%	1,620,262	2.23%
Director	Ping-Che Lee	July 15, 2021	23,337	0.03%	23,337	0.03%
Independent Director	Tu-Tsun Tsai	July 15, 2021	0	0.00%	0	0.00%
Independent Director	Jui-Ming Chang	July 15, 2021	0	0.00%	0	0.00%
Independent Director	Chao-Hsiang Cheng	July 15, 2021	0	0.00%	0	0.00%
Independent Director	Cheng Ho Hsiao	July 15, 2021	0	0.00%	0	0.00%
Total			34,906,046		34,473,046	

Remarks:

- 1. The above shareholding refers to the number of shares registered on the shareholders roster as of April 11, 2023, the book closure date for the 2023 Annual Shareholders' Meeting.
- 2. In accordance with Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the number of shares to be held by all directors of the Company shall be 10% of the total number of shares issued; the minimum number of shares shall be 10 million; if the Company has two or more independent directors, the percentage of shares held by all directors may be further reduced to 80%.
- 3. Equity held by the Company's entire directors has reached the statutory percentage of shareholding (the minimum required shareholding of the Company's entire directors by law: 5,806,392 shares, the combined shareholding of all directors as of April 11, 2023: 34,473,046 shares).