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**WANSHIH ELECTRONIC CO.,LTD.**

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# **Handbook for 2025 Annual Shareholders' Meeting**

June 3, 2025

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

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**One. Meeting Agenda for 2025 Shareholders' Meeting of Wanshih  
Electronic Co., Ltd.**

**I. Time: 09:00 a.m., June 3 (Tuesday) 2025**

**II. Location: No. 72, Wukong 6<sup>th</sup> 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 Reported**

**1. 2024 Business Report.**

**2. Audit Committee's report on the review of the Company's 2024 final  
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**VIII. Matters for Adoption**

**Proposal 1. Adoption of the 2024 Business Report and Financial  
Statements.**

**Proposal 2. Adoption of the 2024 Deficit Compensation.**

**IX. Matters for Discussion**

**Proposal 1. The company's capital reserve cash distribution proposal is  
submitted for discussion**

**Proposal 2. Amendment to the Company' s "Articles of  
Incorporation "**

**X. Extempore Motions**

**XI. Meeting Adjourned**

## Two. Matters to be Reported

### I. 2024 Business Report

Geopolitical conflicts continued to extend in 2024, and the war between Ukraine and Russia caused European energy costs to increase by 3% of GDP, causing the European market to lose momentum and slowly decline. The drop in China's real estate has caused people to lose consumer confidence. Coupled with the pressure of the US-China hegemony competition, China's exports have been impeded, which has intensified internal competition. Growth could only rely on electric vehicles, causing car prices to drop by 15%. Destructive competition due to excess capacity resulted in increasing operational pressure. The U.S. election has ended, but the U.S. capital market has been outstanding during this period, forming an economic bubble attributed to inflated assets prices. The harsh reality of the present situation was that Silicon Valley has stopped research and development, and large companies have laid off 10% of their employees. It might take several years to fully recover from the economic bubble with inflated assets around the world. In 2024, the destocking of energy storage customers driven revenue growth, and the launch of new car customer models is the key factor that revenue increased by more than 39% this year. However, intense competition in the China market and price reduction pressure from customers also caused a slight decrease in gross profit margin. Compared with 2023, consolidated revenue increased from 1.12 billion to 1.56 billion, and consolidated profit and loss after-tax has turned from a loss of 51 million to a profit of 10 million.

(I) The Company's 2024 operating results are as follows:

Unit: NTD thousand

Item	2024		2023		Increase (decrease)
	Amount	Percentage	Amount	Percentage	%
Operating Revenue	1,562,098	100	1,123,048	100	39
Gross profit	384,223	24	287,009	26	34
Operating expenses	407,367	26	358,452	32	14
Profit(loss)fromoperations	(23,114)	(2)	(71,443)	(6)	68
Profit (loss) before tax	19,384	1	(56,027)	(5)	135

(II) Analysis of receipts, expenditures, and profitability

1. Analysis of receipts and expenditures:

Unit: NTD thousand

Item	2024	2023	Increase (decrease) amount
Net cash inflow from operating activities	(90,222)	146,814	(237,036)
Net cash inflow (outflow) from investing activities	(28,714)	43,369	(72,083)
Net cash inflow (outflow) from financing activities	102,484	(152,445)	254,929
Increase/decrease in cash	7,835	25,042	(17,207)

2. Profitability (%) Analysis

Item	%
Debt to assets ratio (liabilities/total assets)	38.31
Current ratio (current assets/current liabilities)	210.28
Return on equity (after-tax profit/average total equity)	1.1
Net profit rate (after-tax profit/net sales)	0.7
Earnings per share (after-tax profit/weighted average number of shares issued)	NT\$0.24

### (III) Research and development work

The research and development (R&D) expenses for 2024 were \$100.8 million, an increase of 10.33 million compared to 2023. , with R&D expenses accounting for 6% of total revenue. The main development direction includes the new product development and the optimization of existing products. The development of new products encompasses:

- (1) New Energy and Automotive wiring harness: Development of automotive high voltage cables, ADAS wiring harness, SMT module intergeration and design Service for whole vehicle wiring.
- (2) Energy storage wiring harnesses: Development and design optimization for household photovoltaic storage systems, industrial and commercial large-scale energy storage systems, inverter for energy storage power stations, and connecting wiring harnesses for energy storage battery packs.
- (3)Medical wiring harness: optimization of endoscopic and ultrasonic cables.
- (4)Aerospace wiring harnesses: Low Earth Orbit Satellite and Communications Satellite
- (5) Data Center High Speed Cables

### (IV) Future prospects

Looking ahead to year 2025, under the strongman leadership of US President Donald Trump, the US-China conflict has been escalated, and in order to achieve America first, tariffs will be levied on countries around the world to protect US interests. Faced with the reality that the United States is still a dominant power, all countries around the world can only adapt to US tariffs and foreign policies. The next two years will still be full of uncertainties, and there is no clear signal of recovery in the global economy. The overall economy remain flat and is full of uncertainties. Wansih's business strategy still maintains "conservative advancement" to improve fundamental skills such as organization, talents, technology and other competitive advantages. For market operations in China, we carefully select large-scale customers to avoid the risk of bad debts. In response to fierce competitions, we extend time of payment with suppliers and control the gap between the days of receivables and payables to recover funds. Expand and grow in Vietnam factory revenue and increase non-China revenue by 50% to 300 million. Develop Thailand export market and evaluate the necessity of building self-owned factories in Southeast Asia. Wansih's strategy of steady growth in China and accelerated development in non-China area ensures sustainable development in an uncertain business environment.

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



## II. Audit Committee's Review Report on the 2024 Financial Statements

Wanshih Electronic Co., Ltd.

### Audit Committee's Review Report

The Board of Directors has submitted the Company's 2024 financial statements, business report, and earnings distribution proposal. Amongst, the 2024 financial statements have been audited by PwC Taiwan, by whom an audit report has been issued accordingly. The aforementioned 2024 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

2025 Shareholders' Meeting of Wanshih Electronic Co., Ltd.

Convener of the Audit Committee: Chao-Hsiang Cheng



March 12, 2025

### Three. Matters for Adoption

Proposal 1:

Subject: Adoption of the 2024 Business Report and Financial Statements. **(Proposed by Board of Directors)**

Explanation: The Company's financial statements for 2024 have been audited by PwC Taiwan, who have concluded that the statements fairly present the financial position as of December 31, 2024, and the financial performance and cash flows for 2024 of Wanshih Electronic Co., Ltd. Please refer to P.3 and Appendix I (P. 10 to P. 33) for the related statements.

Resolution:

Proposal 2:

Subject: Adoption of the Proposal for 2024 Deficit Compensation. **(Proposed by Board of Directors)**

Explanation: (I) The Company's beginning Loss Compensation in 2024 were NT\$29,709,047, adding adjustment to retained earnings of NT\$-171,461 and the after-tax Profit of NT\$17,555,177 for the current period, a deficit yet to be compensated was NT\$12,325,331 at the end of the period.

(II) The company intends to offset the loss using a capital reserve of NT\$12,325,331, so the ending balance of the loss to be compensated is NT\$0.

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

**Wanshih Electronic Co., Ltd.**

**2024**

#### Deficit Compensation Table

Item	Unit: NT\$
	Amount
Unappropriated retained earnings at the beginning of the period	(29,709,047)
Add: Adjustment to retained earnings for 2024 (note 1)	(171,461)
Add: Net Profit after tax for 2024	17,555,177
Add: Capital reserve - issuance of premium to offset losses	12,325,331
Deficit yet to be compensated at the yearend	<u>0</u>

Note 1: It includes an actuarial gain of \$(214,327) on the benefit plan due to actuarialreport adjustments, income taxes related to components of other comprehensive income and loss \$42,866.

Chairman: Lake Chang



General manager: Lake Chang



CFO: Vicky Chu



Resolution:

#### **Four. Matters for Discussion**

##### Proposal 1

The company's capital reserve cash distribution proposal is submitted for discussion **(Proposed by Board of Directors)**

- Description: (1) In accordance with Article 241 of the Company Act, the Company is planned to distribute in cash the capital reserve of NT\$16,376,445, the excess of the proceeds received from the issuance of the stock over the stock's par value. (capital reserve generated from the premium on the conversion of convertible bonds), based on the proportion of the shares held by shareholders registered in the shareholder list on the payable date of the capital reserve, at NT\$0.2 per share.
- (2) This proposal will be submitted to the shareholders' meeting for approval and the Chairman of the Board of Directors will be authorized to resolve the ex-dividend date and payable date. If the dividend ratio of the shareholders changes due to an increase or decrease in the number of outstanding shares of the Company, the Chairman of the Board of Directors is authorized to adjust the dividend distribution rate and relevant issues.
- (3) The distribution of cash dividends is rounded down to NT\$1, and the sum of a fractional amount less than NT\$1 is recognized as other income of the Company.

Resolution:



Proposal 2

Amendments to the “Articles of Incorporation”, please discuss. **(Proposed by Board of Directors)**

- Explanation: (1) In accordance with the Financial Supervisory Commission’s Directive No. 1130385442, issued on November 8, 2024, which adds the provisions of Article 14, Paragraph 6 of the Securities and Exchange Act, TWSE/TPEX listed companies are required to stipulate in its Articles of Incorporation that a certain percentage of annual profits should be allocated to adjust salaries or distribute remuneration to grassroots employees, amendments to some provisions of the company’s "Articles of Incorporation “ is to be made.
- (2) In order to comply with Articles 240 and 241 of the Company Act to simplify the procedures for cash dividend distribution, it is planned to stipulate in the Articles of Incorporation to authorize the board of directors to distribute cash dividends by a special resolution and report to the shareholders' meeting.
- (3) The comparison table before and after the amendments is as follows. Please refer to Appendix III (P.44-P.49) for the articles before the amendments.

Amended Article	Current Article	Description
<p>Article 27:  <u>If the Company makes profits during the year and, there is still a balance after made up for the accumulated losses, 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. The aforementioned employee remuneration ratio should include at least 0.5% as grassroots employee remuneration.</u>                      The distribution of employees' compensation <u>and directors' remuneration</u> 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.</p>	<p>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.</p>	<p>According to Article 14, Paragraph 6 of the Securities and Exchange Act, the Company shall stipulate in its Articles of Incorporation that it will adjust salaries or allocate remuneration to grassroots employees based on a certain percentage of surplus profit.</p>

<p>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. <u>The Company authorizes the board of directors to make a special resolution to distribute the dividends and bonuses, legal reserve or capital reserve, in whole or in part, in the form of cash and report to the shareholders' meeting. The provisions of the preceding paragraph that must be resolved by the shareholders' meeting do not apply.</u> The principle that the distribution amount shall not exceed 75% of the after-tax profits for the current year.</p>	<p>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.</p>	<p>In compliance with Articles 240 and 241 of the Company Act to simplify the procedures for cash dividend distribution, the Board of Directors is authorized to distribute cash dividends by a special resolution and report to the shareholders' meeting.</p>
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Resolution:

## V. Extempore Motions

### Six. Meeting Adjourned

## Appendix I.

### **Consolidated and Parent Company Only Financial Statements and Independent Auditors' Report**

Independent Auditors' Report

(114) Cai-Shen-Bao-Zi No. 24005279

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, 2024 and 2023, 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, 2024 and 2023.

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, 2024 and 2024, and its consolidated financial performance and consolidated cash flows for the period from Jan. 1 to Dec. 31, 2024 and 2023.

#### **Basis for Opinion**

We have conducted our audits entrusted 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 2024 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 2024 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**

### 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, sales customers may change each year. With that, we have listed the existence for incorporating the revenues 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. Obtain and sample check relevant documents such as sales revenue transactions for this year's sales targets, confirming that revenue is recognized after the customer has obtained control of the goods and assumed the risks associated with the goods.

### **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, 2024 and 2023, the aforesaid company had total assets (including investments accounted for using the equity method) of NT\$50,401 thousand and NT\$81,060 thousand, respectively, representing 3% and 5% of the consolidated total assets. Net operating revenues for the period from January 1 to December 31, 2024 and 2023 were NT\$1,024 thousand and NT\$3,497 thousand, respectively, both accounting for 0% of the total consolidated net operating revenues.

## **Others Matters - Parent company-only financial report**

Wanshieh Electronic Co., Ltd. has prepared the parent company-only financial report for 2024 and 2023, 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.

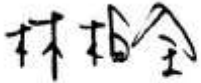

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


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 2024 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  
Chun- Yao Lin 



Financial Supervisory Commission (FSC)  
Approval No.: Jin-Guan-Zheng-Shen-Zi No.1100350706  
Former Securities and Futures Bureau of the Ministry of Finance  
Approval No.: (85)MOF-Security (6) No. 68702

March 12, 2025



  
Wanshih Electronic Co., Ltd. and Subsidiaries  
Consolidated Balance Sheets  
As of December 31, 2024 and 2023

Unit: NTD Thousands

Assets	Note	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
<b>Current liability</b>						
1100	Cash and cash equivalents	六(一)	\$ 280,769	15	\$ 272,934	19
1110	Financial assets at fair value through profit or loss - current	六(二)	25	-	20	-
1136	Current financial assets at amortized cost	六(三)及八	133,645	8	95,719	7
1150	Notes receivable, net	六(四)	113,387	6	19,516	1
1170	Accounts receivable, net	六(四)	486,576	27	299,085	20
1180	Receivables from related parties, net	七	13,536	1	5,174	-
1200	Other receivables	七	4,599	-	5,102	-
1220	Income tax assets for the period		122	-	28	-
130X	Inventories	六(五)	218,900	12	189,198	13
1410	Prepayments		24,281	1	15,561	1
1479	Other current assets - others		12,574	1	6,239	-
11XX	<b>Total current asset</b>		<u>1,288,414</u>	<u>71</u>	<u>908,576</u>	<u>61</u>
<b>Non-current asset</b>						
1517	Financial assets at fair value through other comprehensive income or loss - non-current	六(六)及八	202,354	11	148,299	10
1535	financial assets at amortized cost- Non-current	六(三)及八	-	-	75,088	5
1550	Investments accounted for using equity method	六(七)	7,426	1	4,102	-
1600	Property, Plant and Equipment	六(八)(十二)及八	187,981	11	211,959	14
1755	Right-of-use assets	六(九)、七及八	41,150	2	54,232	4
1780	Intangible asset	六(十一)	2,831	-	4,145	-
1840	Deferred income tax assets	六(二十六)	54,373	3	52,841	4
1930	Long-term notes receivable and payments		3,600	-	6,000	1
1990	Other non-current assets - others		8,965	1	12,908	1
15XX	<b>Total non-current asset</b>		<u>508,680</u>	<u>29</u>	<u>569,484</u>	<u>39</u>
1XXX	<b>Total assets</b>		<u>\$ 1,797,094</u>	<u>100</u>	<u>\$ 1,478,060</u>	<u>100</u>

(Continued)

**Wanshih Electronic Co., Ltd. and Subsidiaries**  
**Consolidated Balance Sheets**  
**As of December 31, 2024 and 2023**

Unit: NTD Thousands


Liabilities and Equity	Note	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
<b>Current liability</b>					
2100	Short-term loans	\$ 146,781	8	\$ 77,886	5
2110	Short-term notes and bills payable	51,208	3		
2150	Notes payable	-	-	626	-
2170	Accounts payable	234,569	13	92,985	6
2180	Accounts payable - related parties	20,468	1	13,945	1
2200	Other payables	125,271	7	94,661	7
2230	Income tax payable for the period	3,468	-	36	-
2280	Lease liabilities - current	9,608	1	14,907	1
2320	Long - term liabilities due within one year	16,541	1	-	-
2399	Other current liabilities - others	4,798	-	18,771	1
21XX	<b>Total current liabilities</b>	<u>612,712</u>	<u>34</u>	<u>313,817</u>	<u>21</u>
<b>non-current liabilities</b>					
2530	Bonds payable	-	-	193,867	13
2570	Deferred income tax liabilities	48,350	3	45,463	3
2580	Non-current lease liabilities	24,814	1	33,932	3
2640	Net defined benefit liability - non-current	2,552	-	3,522	-
25XX	<b>Total non-current liabilities</b>	<u>75,716</u>	<u>4</u>	<u>276,784</u>	<u>19</u>
2XXX	<b>Total liabilities</b>	<u>688,428</u>	<u>38</u>	<u>590,601</u>	<u>40</u>
<b>Equity attributable to shareholders of the parent</b>					
	Share capital				
3110	Common share	811,054	45	725,845	49
	Additional paid-in capital				
3200	Additional paid-in capital	150,907	8	55,302	4
	Retained earnings				
3310	Legal capital reserve	3,150	-	3,150	-
3350	(Deficit yet to be compensated)				
	Unappropriated earnings	(12,325)	(	29,709)	( 2)
	Other equities				
3400	Other equities	(5,004)	-	(26,868)	( 2)
31XX	<b>Total equity attributable to shareholders of the parent</b>	<u>947,782</u>	<u>53</u>	<u>727,720</u>	<u>49</u>
36XX	<b>non-controlling interest</b>	<u>160,884</u>	<u>9</u>	<u>159,739</u>	<u>11</u>
3XXX	<b>Total Equity</b>	<u>1,108,666</u>	<u>62</u>	<u>887,459</u>	<u>60</u>
	Significant Events after the Balance Sheet Date				
3X2X	<b>Total Liabilities and Equity</b>	<u>\$ 1,797,094</u>	<u>100</u>	<u>\$ 1,478,060</u>	<u>100</u>

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

Chairman: Lake Chang

Managerial officer: Lake Chang

CFO: Vicky Chu


  
Wanshih Electronic Co., Ltd. and Subsidiaries  
Consolidated Statements of Comprehensive Income

January 1 to December 31, 2024 and 2023

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

Item	Note	2024		2023	
		Amount	%	Amount	%
4000 Operating Revenue	六(二十)及七	\$ 1,562,098	100	\$ 1,123,048	100
5000 Operating cost	六(五)(二十五) 及七	( 1,177,875)	( 76)	( 836,039)	( 74)
5900 Gross profit		<u>384,223</u>	<u>24</u>	<u>287,009</u>	<u>26</u>
Operating expenses	六(二十五)及七				
6100 Selling expenses		( 149,485)	( 10)	( 126,326)	( 11)
6200 General and administrative expenses		( 156,812)	( 10)	( 144,058)	( 13)
6300 Research & development expenses		( 100,082)	( 6)	( 89,749)	( 8)
6450 Expected credit gains (losses)	十二(二)	<u>988</u>	<u>-</u>	<u>1,681</u>	<u>-</u>
6000 Total operating expenses		( 407,367)	( 26)	( 358,452)	( 32)
6900 Operating loss		( 23,144)	( 2)	( 71,443)	( 6)
Non-operating income and expense					
7100 Interest income	六(二十一)	5,338	-	3,784	-
7010 Other income	六(二十二)及七	24,850	2	36,425	3
7020 Other gain and loss	六(二十三)	28,161	2	( 11,738)	( 1)
7050 Financial costs	六(二十四)及七	( 8,896)	( 1)	( 12,735)	( 1)
7060 Share of profit or loss of associates and joint ventures accounted for using equity method	六(七)	( 6,925)	-	( 320)	-
7000 Total non-operating income and expenditure		<u>42,528</u>	<u>3</u>	<u>15,416</u>	<u>1</u>
7900 Profit(Loss) before tax		19,384	1	( 56,027)	( 5)
7950 Income tax benefit (expense)	六(二十六)	( 8,436)	-	<u>4,796</u>	<u>-</u>
8200 Net profit( loss) for the period		<u>\$ 10,948</u>	<u>1</u>	<u>(\$ 51,231)</u>	<u>( 5)</u>

(Continued)

  
Wanshih Electronic Co., Ltd. and Subsidiaries  
Consolidated Statements of Comprehensive Income

January 1 to December 31, 2024 and 2023

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

Item	Note	2024		2023	
		Amount	%	Amount	%
<b>Other comprehensive income for the year, net of income tax</b>					
<b>Items that are not reclassified to profit or loss</b>					
8311	Remeasurements of defined benefit plans 六(十六)	(\$ 241)	-	\$ 341	-
8316	Unrealized valuation gains/losses on investments in equity instruments at fair value through other comprehensive income or loss 六(六)	17,571	1	36,147	3
8349	Income tax expense related to items that are not reclassified 六(二十六)	43	-	(69)	-
8310	Total items that are not reclassified to profit or loss	17,400	1	36,419	3
<b>Items that may be reclassified subsequently to profit or loss</b>					
8361	Exchange differences arising on translation of foreign operations	13,630	1	(8,384)	-
8370	Share of other comprehensive income of associates and joint ventures recognized using the equity method - items that may be reclassified to profit or loss	(6)	-	(71)	-
8399	Income tax expense related to items that may be reclassified subsequently 六(二十六)	(1,073)	-	1,357	-
8360	Total items that may be reclassified subsequently to profit or loss	12,551	1	(7,098)	-
8300	<b>Other comprehensive income for the year, net of income tax</b>	\$ 29,951	2	\$ 29,321	3
8500	<b>Total comprehensive income in the current period</b>	\$ 40,899	3	(\$ 21,910)	(2)
Net income (loss) attributable to					
8610	owners of the parent company	\$ 17,555	1	(\$ 48,771)	(5)
8620	non-controlling interest	(6,607)	-	(2,460)	-
	Total	\$ 10,948	1	(\$ 51,231)	(5)
Total comprehensive income attributable to:					
8710	owners of the parent company	\$ 39,248	3	(\$ 17,775)	(2)
8720	non-controlling interest	1,651	-	(4,135)	-
	Total	\$ 40,899	3	(\$ 21,910)	(2)
	Basic Earning(losses) per share 六(二十七)				
9750	Basic Earning(losses) per share	\$	0.24	(\$	0.67)

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



Managerial officer: Lake Chang



CFO: Vicky Chu



  
Wanshih Electronic Co., Ltd. and Subsidiaries  
Consolidated Statements of Changes in Equity  
January 1 to December 31, 2024 and 2023

Unit: NTD Thousands

Note	Equity attributable to shareholders of the parent												
	Additional paid-in capital				Retained earnings			Other equities					
	Common share	Share issued at premium	The difference between the actual acquisition or disposal price of subsidiary equity and the book value.	Recognition of changes in ownership interests in subsidiaries	Changes in the equity of investments in associates recognized using the equity method.	Warrants	Legal 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
<u>2023</u>													
Balance as of January 1, 2023	\$725,799	\$ 12,129	\$ -	\$ -	\$ -	\$ 39,525	\$ 3,150	( \$ 37,887)	( 40,960)	\$ 40,626	\$ 742,382	\$ 118,781	\$ 861,163
Net loss for the period	-	-	-	-	-	-	-	( 48,771)	-	-	( 48,771)	( 2,460)	( 51,231)
Other comprehensive income recognized for the period 六(六)	-	-	-	-	-	-	-	272	( 5,423)	36,147	30,996	( 1,675)	29,321
Total comprehensive income in the current period	-	-	-	-	-	-	-	( 48,499)	( 5,423)	36,147	( 17,775)	( 4,135)	( 21,910)
Conversion of convertible bonds 六(十五)	46	68	-	-	-	( 20)	-	-	-	-	94	-	94
The price difference between the actual disposal price of subsidiary equity and the book value. 六(二十八)	-	-	1,442	-	-	-	-	-	-	-	1,442	358	1,800
Recognition of changes in ownership interests in subsidiaries 六(二十八)	-	-	-	2,158	-	-	-	( 581)	-	-	1,577	41,120	42,697
Disposal of equity instruments measured at fair value through other comprehensive income 六(六)	-	-	-	-	-	-	-	57,258	( 57,258)	-	-	-	-
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	3,615	3,615
Balance as of December 31, 2023	\$725,845	\$ 12,197	\$ 1,442	\$ 2,158	\$ -	\$ 39,505	\$ 3,150	( \$ 29,709)	( \$ 46,383)	\$ 19,515	\$ 727,720	\$ 159,739	\$ 887,459
<u>2024</u>													
Balance as of January 1, 2024	\$725,845	\$ 12,197	\$ 1,442	\$ 2,158	\$ -	\$ 39,505	\$ 3,150	( \$ 29,709)	( \$ 46,383)	\$ 19,515	\$ 727,720	\$ 159,739	\$ 887,459
Net Profit (loss) for the period	-	-	-	-	-	-	-	17,555	-	-	17,555	( 6,607)	10,948
Other comprehensive income recognized for the period 六(六)	-	-	-	-	-	-	-	171	4,293	17,571	21,693	8,258	29,951
Total comprehensive income in the current period	-	-	-	-	-	-	-	17,384	4,293	17,571	39,248	1,651	40,899
Conversion of convertible bonds 六(十五)	85,209	131,615	-	-	-	( 36,205)	-	-	-	-	180,619	-	180,619
Changes in the equity of investments in associates recognized using the equity method.	-	-	-	-	195	-	-	-	-	-	195	-	195
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	( 506)	( 506)
Balance as of December 31, 2024	\$811,054	\$ 143,812	\$ 1,442	\$ 2,158	\$ 195	\$ 3,300	\$ 3,150	( \$ 12,325)	( \$ 42,900)	\$ 37,086	\$ 947,782	\$ 160,884	\$ 1,108,666

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



Managerial officer: Lake Chang



CFO: Vicky Chu



  
Wanshah Electronic Co., Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
January 1 to December 31, 2024 and 2023

Unit: NTD Thousands

	Note	January 1, 2024 December 31,	January 1, 2023 December 31,
Cash Flow from Investing Activities			
Loss before tax for the year		\$ 19,384	(\$ 56,027)
Adjustments for			
Adjustments to reconcile profit (loss)			
Depreciation expense	六(二十五)	69,136	79,577
Expected credit (gains) losses		988	( 1,681 )
Financial asset losses at fair value through profit or loss	六(二)(二十三)	( 179 )	440
Interest expense	六(二十四)	8,896	12,735
Interest income	六(二十一)	( 5,338 )	( 3,784 )
Dividend income	六(二十二)	( 5,209 )	( 16,004 )
Share of loss of associates accounted for using equity method	六(七)	6,925	320
Losses (gains) on disposal and scrapping of property, plant, and equipment	六(二十三)	1,399	11,600
Impairment losses on property, plant, and equipment	六(十二) (二十三)	-	841
Gains on disposal of investments	六(二十三)	( 17,326 )	( 20 )
Gain from lease modification		( 1,517 )	-
Write off gain on accounts payable	六(二十二)	( 117 )	( 4,672 )
Changes in operating assets and liabilities:			
Changes in operating assets, net			
Financial assets at fair value through profit or loss			
Notes receivable		( 93,871 )	( 5,628 )
Accounts receivable		( 188,479 )	139,415
Receivables from related parties		( 8,147 )	4,848
Receivables from related parties		( 230 )	315
Inventories		( 29,804 )	63,145
Prepayments		( 8,720 )	( 5,383 )
Other current assets - others		( 6,948 )	1,439
Long-term notes receivable and payments		2,400	2,400
Changes in operating liabilities, net			
Notes payable		( 626 )	626
Notes payable		141,584	( 53,189 )
Accounts payable - related parties		8,444	( 8,509 )
Other payables		31,774	( 38,525 )
Other current liabilities - others		( 13,744 )	14,456
Net defined benefit liability - non-current		( 1,184 )	( 82 )
Cash generated from (used by) operating activities		( 90,509 )	138,572
Interest received		5,271	3,784
Dividend received		5,209	16,004
Interest paid		( 5,382 )	( 8,876 )
Income tax refunded		7	771
Income tax paid		( 4,818 )	( 3,441 )
Net cash inflow(outflows) from operating activities		( 90,222 )	146,814

(Continued)

  
**Wanshih Electronic Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**January 1 to December 31, 2024 and 2023**

Unit: NTD Thousands  
January 1, 2023  
December 31,

	Note	January 1, 2024 December 31,	January 1, 2023 December 31,
<b><u>Cash Flow from Investing Activities</u></b>			
Disposal of Financial assets at fair value through profit or loss		\$ -	\$ 6,612
Acquisition of financial assets at amortized cost		( 133,328 )	( 106,314 )
The redemption of financial assets measured at amortized cost.		170,490	
Acquisition of financial assets at fair value through other comprehensive income or loss		( 36,484 )	( 2,000 )
Disposal of financial assets at fair value through other comprehensive income or loss	六(六)	-	175,064
Acquisition of Investments accounted for using equity method		( 10,000 )	( 4,432 )
Disposal of Investments accounted for using equity method	六(七)	-	20
Acquisition of property, plant and equipment	六(三十)	( 33,618 )	( 34,080 )
Disposal of property, plant and equipment	六(三十)	9,705	12,885
Decrease (increase) in other non-current assets		( 4,521 )	( 4,386 )
Net cash used in investing activities		( 28,714 )	43,369
<b><u>Cash Flow from Financing Activities</u></b>			
Net increase (decrease) in short-term borrowings	六(三十一)	65,901	( 184,405 )
Net increase Short-term notes and bills payable	六(三十)	51,208	-
Repayment of the principal portion of lease liabilities	六(三十一)	( 14,119 )	( 15,955 )
Change in non-controlling interest		( 506 )	47,915
Net cash inflows (outflows) from financing activities		102,484	( 152,445 )
Foreign exchange adjustments		24,287	( 12,696 )
Increase (decrease) in cash and cash equivalents for the period		7,835	25,042
Cash And Cash Equivalents, Beginning Of Year		272,934	247,892
Cash And Cash Equivalents, End Of Year		\$ 280,769	\$ 272,934

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



Managerial officer: Lake Chang



CFO: Vicky Chu



## Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 24004762

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, 2024 and 2023, 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, 2024 and 2023. 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, 2024 and 2023, as well as its parent company-only financial performance and parent company-only cash flows for the period from January 1 to December 31, 2024 and 2023.

### **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 2024 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 2024 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**

### 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(16) 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 sales customers may change each year. 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. Obtain and sample check relevant documents such as sales revenue transactions for this year's sales targets, confirming that revenue is recognized after the customer has obtained control of the goods and assumed the risks associated with the goods.

### **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, 2024 and 2023, the investments accounted for using the equity method of the aforesaid company were NT\$20,256 thousand, NT\$26,770 thousand, each accounts 2% of the total assets correspondingly. The comprehensive income recognized by the aforesaid company for the period from January 1 to December 31, 2024 and 2023 was NT\$(17,829) thousand and NT\$(8,576) thousand, respectively, They respectively accounted for (45% )and 48% 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 2024 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

Chun- Yao Lin



Financial Supervisory Commission (FSC)  
Approval No.: Jin-Guan-Zheng-Shen-Zi No.1100350706  
Former Securities and Futures Bureau of the Ministry of Finance  
Approval No.: (85)MOF-Security (6) No. 68702

March 12, 2025

  
 Wanshin Electronic Co., Ltd.  
 Parent Company Only Balance Sheets  
 As of December 31, 2024 and 2023

Unit: NTD Thousands

Assets	Note	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
<b>Current asset</b>						
1100	Cash and cash equivalents	六(一)	\$ 60,882	5	\$ 70,599	6
1110	Financial assets at fair value through profit or loss - current	六(二)	25	-	20	-
1136	Current financial assets at amortized cost	六(三)及八	40,080	4	317	-
1150	Notes receivable, net	六(四)	57	-	236	-
1170	Accounts receivable, net	六(四)	146,509	12	156,068	14
1180	Receivables from related parties, net	七	14,348	1	8,826	1
1200	Other receivables		2,458	-	2,400	-
1210	Other receivables from related parties	七	10,668	1	13,674	1
1220	Income tax assets for the period		114	-	28	-
130X	Inventories	六(五)	22,817	2	32,886	3
1479	Other current assets - others		9,557	1	6,120	1
11XX	<b>Total current asset</b>		<u>307,515</u>	<u>26</u>	<u>291,174</u>	<u>26</u>
<b>Non-current asset</b>						
1517	Financial assets at fair value through other comprehensive income or loss - non-current	六(六)及八	202,354	17	148,229	13
1535	Current financial assets at amortized cost - non-current	六(三)及八			75,088	7
1550	Investments accounted for using equity method	六(七)	557,164	46	482,865	42
1600	Property, Plant and Equipment	六(八)	36,807	3	44,456	4
1755	Right-of-use assets	六(九)及七	21,021	2	31,325	3
1840	Deferred income tax assets	六(二十二)	54,373	5	52,841	5
1930	Long-term notes receivable and payments		3,600	-	6,000	-
1990	Other non-current assets - others		4,206	1	5,717	-
15XX	<b>Total non-current asset</b>		<u>879,525</u>	<u>74</u>	<u>846,591</u>	<u>74</u>
1XXX	<b>Total assets</b>		<u>\$ 1,187,040</u>	<u>100</u>	<u>\$ 1,137,765</u>	<u>100</u>

(Continued)

  
 Wanshin Electronic Co., Ltd.  
 Parent Company Only Balance Sheets  
 As of December 31, 2024 and 2023

Unit: NTD Thousands

Liabilities and Equity		Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
<b>Current liability</b>						
2100	Short-term loans	六(十)	\$ 14,680	1	\$	
2150	Notes payable			-		626 -
2170	Accounts payable		13,466	1		14,493 1
2180	Accounts payable - related parties	七	86,583	7		87,531 8
2200	Other payables	七	34,514	3		30,229 3
2280	Lease liabilities - current	七	7,340	1		9,146 1
2320	Long - term liabilities due within one year	六(十一)	16,541	2		
2300	Other current liabilities		865	-		2,246 -
21XX	<b>Total current liabilities</b>		<u>173,989</u>	<u>15</u>		<u>144,271</u> <u>13</u>
<b>non-current liabilities</b>						
2530	Bonds payable	六(十一)	-			193,867 17
2570	Deferred income tax liabilities	六(二十二)	48,350	4		45,463 4
2580	Non-current lease liabilities	七	14,367	1		22,922 2
2640	Net defined benefit liability - non-current	六(十二)	2,552	-		3,522 -
25XX	<b>Total non-current liabilities</b>		<u>65,269</u>	<u>5</u>		<u>265,774</u> <u>23</u>
2XXX	<b>Total liabilities</b>		<u>239,258</u>	<u>20</u>		<u>410,045</u> <u>36</u>
<b>Equity</b>						
Share capital		六(十三)				
3110	Common share		811,054	69		725,845 64
Additional paid-in capital		六(十四)				
3200	Additional paid-in capital		150,907	12		55,302 5
Retained earnings		六(十五)				
3310	Legal capital reserve		3,150	-		3,150 -
3350	(Deficit yet to be compensated)					
	Unappropriated earnings		( 12,325)	( 1)		( 29,709) ( 3)
Other equities						
3400	Other equities		( 5,004)	( -)		( 26,868) ( 2)
3XXX	<b>Total Equity</b>		<u>947,782</u>	<u>80</u>		<u>727,720</u> <u>64</u>
<b>Significant Contingent Liabilities and Unrecognized Contract Commitments</b>		九 十一				
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 1,187,040</u>	<u>100</u>		<u>\$ 1,137,765</u> <u>100</u>

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.

Chairman: Lake Chang




Managerial officer: Lake Chang



CFO: Vicky Chu



  
Wanshib Electronic Co., Ltd.  
Parent Company Only Statements of Comprehensive Income  
January 1 to December 31, 2024 and 2023

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

Item	Note	2024		2023	
		Amount	%	Amount	%
4000 Operating Revenue	六(十六)及七	\$ 586,890	100	\$ 617,280	100
5000 Operating cost	六(五)(二十一)及七	( 482,390)	( 82)	( 517,471)	( 84)
5900 Gross profit		104,500	18	99,809	16
Operating expenses	六(二十一)及七				
6100 Selling expenses		( 40,199)	( 7)	( 44,724)	( 7)
6200 General and administrative expenses		( 53,200)	( 9)	( 58,442)	( 10)
6300 Research & development expenses		( 47,374)	( 8)	( 50,300)	( 8)
6450 Expected credit losses	十二(二)	( 326)	-	( 260)	-
6000 Total operating expenses		( 141,099)	( 24)	( 153,206)	( 25)
6900 Operating loss		( 36,599)	( 6)	( 53,397)	( 9)
Non-operating income and expense					
7100 Interest income	六(十七)及七	1,158	-	1,513	-
7010 Other income	六(十八)及七	9,748	2	19,401	3
7020 Other gain and loss	六(十九)	5,673	1	( 2,249)	-
7050 Financial costs	六(二十)及七	( 4,117)	( 1)	( 5,522)	( 1)
7070 Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	六(七)	42,013	7	( 16,750)	( 2)
7000 Total non-operating income and expenditure		54,475	9	( 3,607)	-
7900 <b>Loss before tax</b>		17,876	3	( 57,004)	( 9)
7950 Income tax benefit (expense)	六(二十二)	( 321)	-	8,233	1
<b>8200 Net loss for the period</b>		<u>\$ 17,555</u>	<u>3</u>	<u>(\$ 48,771)</u>	<u>( 8)</u>
<b>Other comprehensive income</b>					
<b>Items that are not reclassified to profit or loss</b>					
8311 Remeasurements of defined benefit plans	六(十二)	(\$ 214)	-	\$ 341	-
8316 Unrealized valuation gains/losses on investments in equity instruments at fair value through other comprehensive income or loss	六(六)	17,571	3	36,147	6
8349 Income tax expense related to items that are not reclassified	六(二十二)	43	-	( 69)	-
8310 Total items that are not reclassified to profit or loss		17,400	3	36,419	6
<b>Items that may be reclassified subsequently to profit or loss</b>					
8361 Exchange differences arising on translation of foreign operations		5,366	1	( 6,780)	( 1)
8399 Income tax expense related to items that may be reclassified subsequently	六(二十二)	( 1,037)	-	1,357	-
8360 Total items that may be reclassified subsequently to profit or loss		4,293	1	( 5,423)	( 1)
8300 <b>Other comprehensive income for the year, net of income tax</b>		<u>\$ 21,693</u>	<u>4</u>	<u>\$ 30,996</u>	<u>5</u>
8500 <b>Total comprehensive income in the current period</b>		<u>\$ 39,248</u>	<u>7</u>	<u>(\$ 17,775)</u>	<u>( 3)</u>
Losses per share	六(二十三)				
9750 Basic losses per share		\$	0.24	(\$	0.67)

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.

Chairman: Lake Chang



Managerial officer: Lake Chang



CFO: Vicky Chu





  
 Wanshi Electronic Co., Ltd.  
 Parent Company Only Statements of Changes in Equity  
 January 1 to December 31, 2024 and 2023

Unit: NTD Thousands

Note	Common share	Additional paid-in capital			Retained earnings			Other Equities		Total Equity	
		Issuance of common share Premium	The difference between the actual acquisition or disposal price of subsidiary equity and the book value.	Recognition of changes in ownership interests in subsidiaries	Changes in the equity of investments in associates recognized using the equity method.	Warrants	Legal 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
<u>2023</u>											
Balance, January 1, 2023	\$ 725,799	\$ 12,129	\$ -	\$ -	\$ -	\$ 39,525	\$ 3,150	(\$ 37,887)	(\$ 40,960)	\$ 40,626	\$ 742,382
Net loss for the period	-	-	-	-	-	-	-	( 48,771)	-	-	( 48,771)
Other comprehensive income recognized for the period 六(六)(七)	-	-	-	-	-	-	-	272	( 5,423)	36,147	30,996
Total comprehensive income in the current period	-	-	-	-	-	-	-	( 48,499)	( 5,423)	36,147	( 17,775)
Conversion of convertible bonds 六(十一)	46	68	-	-	-	( 20)	-	-	-	-	94
The price difference between the actual disposal price of subsidiary equity and the book value.	-	-	1,442	-	-	-	-	-	-	-	1,442
Recognition of changes in ownership interests in subsidiaries 六(六)	-	-	-	2,158	-	-	-	( 581)	-	-	1,577
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	57,258	-	( 57,258)	-
Balance as of December 31, 2023	\$ 725,845	\$ 12,197	\$ 1,442	\$ 2,158	\$ -	\$ 39,505	\$ 3,150	(\$ 29,709)	(\$ 46,383)	\$ 19,515	\$ 727,720
<u>2024</u>											
Balance, January 1, 2024	\$ 725,845	\$ 12,197	\$ 1,442	\$ 2,158	\$ -	\$ 39,505	\$ 3,150	(\$ 29,709)	(\$ 46,383)	\$ 19,515	\$ 727,720
Net Profit for the period	-	-	-	-	-	-	-	17,555	-	-	17,555
Other comprehensive income recognized for the period 六(六)(七)	-	-	-	-	-	-	-	( 171)	4,293	17,571	21,693
Total comprehensive income in the current period	-	-	-	-	-	-	-	17,384	4,293	17,571	39,248
Conversion of convertible bonds 六(十一)	85,209	131,615	-	-	-	( 36,205)	-	-	-	-	186,619
Changes in the equity of investments in associates recognized using the equity method.	-	-	-	-	195	-	-	-	-	-	195
Balance as of December 31, 2024	\$ 811,054	\$ 143,812	\$ 1,442	\$ 2,158	\$ 195	\$ 3,300	\$ 3,150	(\$ 12,325)	(\$ 42,090)	\$ 37,086	\$ 947,782

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.

Chairman: Lake Chang




Managerial officer: Lake Chang

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CFO: Vicky Chu



  
Wanshih Electronic Co., Ltd.  
Parent Company Only Statements of Cash Flows  
January 1 to December 31, 2024 and 2023

Unit: NTD Thousands  
January 1, 2023  
December 31,

Note	January 1, 2024 December 31,	January 1, 2023 December 31,
Cash Flow from Operating Activities		
Profit(Loss) before tax for the year	\$ 17,876	(\$ 57,004)
Adjustments for		
Adjustments to reconcile profit (loss)		
Depreciation expense	六(二十一) 20,720	20,527
Expected credit losses	326	( 260)
Financial asset losses at fair value through profit or loss	六(二)(十九) ( 179 )	440
Interest expense	六(二十) 4,117	5,522
Interest income	六(十七) ( 1,158 )	( 1,513 )
Dividend income	六(十八) ( 5,209 )	( 16,004 )
Share of loss of subsidiaries accounted for using equity method	六(七) ( 42,013 )	16,750
Gain on disposal of property, plant and equipment	六(十九) ( 116 )	-
Gain on disposal of investments	( 971 )	-
Gain on lease modification	( 40 )	-
Changes in operating assets and liabilities:		
Changes in operating assets, net		
Notes receivable	179	602
Receivables from related parties	9,233	56,191
Receivables from related parties	( 5,522 )	2,338
Other receivables	( 58 )	-
Other receivables from related parties	3,006	945
Inventories	10,069	2,124
Other current assets - others	( 3,437 )	( 815 )
Long-term notes receivable and payments	2,400	2,400
Changes in operating liabilities, net		
Notes payable	( 626 )	626
Accounts payable	( 1,027 )	( 4,409 )
Accounts payable - related parties	( 948 )	( 37,310 )
Other payables	2,858	( 19,581 )
Other current liabilities	( 1,381 )	1,198
Net defined benefit liability - non-current	( 1,184 )	( 82 )
Cash inflows (outflows) generated from operations	6,915	( 27,315 )
Interest received	1,158	1,766
Dividend received	7,193	17,895
Interest paid	( 637 )	( 1,600 )
Income tax paid	7	771
Income tax paid	( 89 )	( 26 )
Net cash inflow (outflow) from operating activities	14,547	( 8,509 )
Cash Flow from Investing Activities		
Acquisition of financial assets at amortized cost	( 39,763 )	( 75,091 )
Repayment of financial assets measured at amortized cost upon maturity	75,088	
Decrease (increase) in financing receivables - related parties		36,852
Acquisition of financial assets at fair value through other comprehensive income or loss	( 36,484 )	( 2,000 )
Disposal of financial assets at fair value through other comprehensive income or loss	六(六) -	175,064
Acquisition of investments accounted for using equity method	六(七) ( 27,738 )	( 24,250 )
Disposal of investments accounted for using equity method		1,800
Acquisition of property, plant and equipment	六(八) ( 3,481 )	( 12,570 )
Disposal of property, plant and equipment	1,057	-
Decrease (increase) in other non-current assets	( 1,511 )	( 490 )
Net cash inflows (outflow) from investing activities	( 29,810 )	99,315
Cash Flow from Financing Activities		
Net increase (decrease) in short-term borrowings	六(二十四) 14,680	( 65,000 )
Repayment of the principal portion of lease liabilities	六(二十四) ( 9,134 )	( 8,731 )
Net cash inflows (outflows) from financing activities	5,546	( 73,731 )
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	( 9,717 )	17,075
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	70,599	53,524
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 60,882	\$ 70,599

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

Chairman: Lake Chang



Managerial officer: Lake Chang



CFO: Vicky Chu



## Appendix II.

### Rules of Procedure for Shareholders' Meetings

#### 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.

Unless otherwise provided in Regulations Governing the Administration of Shareholder Services of Public Companies, the Company convenes a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors.

Any change in the method of convening the Company's Shareholders' Meeting shall be resolved by the Board of Directors and will be done no later than the issuance of the Shareholders' Meeting notice.

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.

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 manner:

- (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.

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.

Upon delivery of the proxy to the Company, in case the shareholder issuing the said proxy wishes to attend the Shareholders' Meeting via video conference, 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.  
When the Company holds a virtual-only Shareholders' Meeting, it is not subject to the restriction on the venue of the preceding paragraph.

Article 6: The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed to attend the shareholders meeting in person.

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.

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: (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

When the Company convenes a shareholders' meeting with video conferencing, it shall specify the following matters in the shareholders' meeting notice:

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

(II) Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

1. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  2. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  3. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on the meeting agenda of that shareholders meeting.
  4. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
- (III) To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Except in the circumstances set out in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.

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.

For Shareholders' Meetings held via video conference, the Company shall keep records of information on matters including shareholder enrollment, registration, sign-in, inquiry, voting, and vote counting results and shall make uninterrupted audio and video recordings of the entire virtual meeting.

The information and audio-visual recordings mentioned in the preceding paragraph shall be properly preserved by the Company throughout its entire existence. Additionally, copies of the audio and video recordings shall be provided to the designated parties responsible for managing video conference affairs for safekeeping.

Article 9: Attendance at shareholders meetings shall be calculated based on the number of shares.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

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 not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to 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. In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company in accordance with Article 6.

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.
- Shareholders who participate in a virtual-only Shareholders' Meeting via video conference may submit questions using the text feature on the video conferencing platform from the chair calling the meeting to order until the adjournment. For each motion, shareholders may submit up to two questions, and each question is limited to 200 words, not applicable to the provisions outlined in paragraphs 1 to 5.
- 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.
- After a shareholder has exercised voting rights by correspondence or electronic means, in



the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.

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.

Shareholders who take part in the Company's virtual-only 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.

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.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes. 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: On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event of a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. In the event of a virtual-only Shareholders' Meeting convened by the Company, the total number of shares represented by attending shareholders shall be disclosed on the video conferencing platform when the meeting is called to order. The same shall apply in cases where the total number of shares and voting rights represented by attending shareholders are recalculated during the meeting.

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: (Disclosure of information at virtual meetings)

For Shareholders' Meetings held via video conference, the Company shall disclose the voting and election outcomes of each motion on the video conferencing platform of the Shareholders' Meeting immediately after the close of voting in accordance with the regulations and shall continue to do so for at least 15 minutes after the adjournment called by the chair.

Article 20: (Location of the chair and secretary of virtual-only 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.

Article 21: (Handling of 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 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 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 Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 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: (Handling of digital divide)

When the Company convenes a virtual-only shareholders' meeting, it shall provide appropriate alternative measures to shareholders who have difficulty taking part in a virtual shareholders' meeting.

Except in the circumstances set out in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.

Article 23: 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 : Article of Incorporation(before amendment)

### 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 depository 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-fourth 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 IV :

### 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 5, 2025

Position	Name	Date elected	Shareholding while elected		Shares currently held	
			Number of Share	Shareholding ratio (%)	Number of Share	Shareholding ratio (%)
Chairman	Lake Chang	July 13, 2024	1,330,000	1.839%	1,500,000	1.83%
Director	WONDERFUL HI-TECH CO., LTD. Representative: Ringo Chang	July 13, 2024	17,497,272	24.11%	16,627,272	20.31%
Director	Asahi Communications Co., Ltd. Representative: Kanno Takanobu	July 13, 2024	13,723,175	18.91%	13,611,175	16.62%
Director	Japan Automatic Machine Co., Ltd. Representative: Mizuno Masafumi	July 13, 2024	1,620,262	2.23%	1,620,262	1.98%
Director	Ping-Che Lee	July 13, 2024	23,337	0.03%	12,337	0.02%
Independent Director	Jui-Ming Chang	July 13, 2024	0	0.00%	0	0.00%
Independent Director	Chao-Hsiang Cheng	July 13, 2024	0	0.00%	0	0.00%
Independent Director	Cheng Ho Hsiao	July 13, 2024	0	0.00%	0	0.00%
Independent Director	Shu-Fen Lai	July 13, 2024	0	0.00%	0	0.00%
Total			34,194,046		33,371,046	

#### Remarks:

1. The above shareholding refers to the number of shares registered on the shareholders roster as of April 5, 2025, the book closure date for the 2025 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: 6,550,569 shares, the combined shareholding of all directors as of April 5, 2025: 33,371,046 shares).