



Weikeng Industrial Co., Ltd.

2023 Annual General Meeting Meeting Handbook

Notice to readers

This English-version meeting handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Date and Time of the Meeting : June 14, 2023 at 9:00 a.m.

**Venue of the Meeting : Chin-Chin Garden Restaurant (No.32, Ln. 266,
Sec. 2, Zhishan Rd., Shilin Dist., Taipei City 111, Taiwan)**



Weikeng Industrial Co., Ltd.

**2023 Annual General Meeting
Meeting Procedures**

- I. Announcement of the Commencement of the Meeting
(Report of the number of shares represented by
shareholders present at the meeting)**
- II. Chairman's Remarks**
- III. Reporting Matters**
- IV. Acknowledged Matters**
- V. Discussion Matters**
- VI. Ad Hoc Motions**
- VII. Meeting Adjourned**



Weikeng Industrial Co., Ltd.

2023 Annual General Meeting Meeting Agenda

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III. Reporting Matters

(I) 2022 Business Report & Report to Shareholders

2022 Business Performance

In 2022, the global political and economic situation changed dramatically, including the Russia-Ukraine War, price inflation of major economies, etc., which led to a sharp increase in interest rates by the US Federal Reserve Bank and tightening of monetary policies in European countries. In particular, because the global economic was in recession in the second half of the year, and many countries faced a risk of stagflation, in combination with the decline in demand for terminal electronic products in the post-pandemic era, semiconductor supply chains entered an inventory adjustment period due to the previous over-ordering of downstream manufacturers. However, the application scope of semiconductors has not decreased but is still increasing, so basic demand can be maintained and is supported by emerging application demands. The Group continued to make efforts to serve upstream and downstream manufacturers in the industry chain. Because the Group not only faced continuous pressure from supply chain destocking, but also faced pressure from inflation and financial cost rising after the dividend era of the previous stay-at-home economy and once chip shortage had passed, the Group's consolidated sales revenue and net profit before tax reached approximately NTD 70.2 billion and NTD 2.3 billion in 2022, respectively, representing a decrease of 2.93% and 4.94% year-on-year, respectively, and the gross margin of 7.81% and the operating income margin of 3.88% increased by 0.68% and 0.39% year-on-year, respectively.

Commitment to Sustainable Development

With the 45th anniversary of our establishment, facing the uncertainty of climate change, economic turbulence in 2022, and geopolitical and other factors, Weikeng Group will continue to actively study and improve its sustainable operation, hoping to maintain its business performance and take into account the needs of all stakeholders in this uncertain market. As a member of the semiconductor industry chain, Weikeng hopes to continue to contribute to the Group's resources, work with upstream and downstream partners to jointly build a green and sustainable supply chain for semiconductors, and strive to reduce environmental impacts and comply with social laws and regulations.

In 2022, through the risk management team under the Sustainable Development Committee, the Company began to promote the TCFD project plan. The Company referred to the structure disclosed in the TCFD to strengthen the governance structure of opportunities and risks associated with climate change, hoping to take a deep look at and grasp the opportunities and risks brought to the business by climate change. At the same time, with the trend of global net zero emissions, Weikeng introduced the ISO-14064 Greenhouse Gas Accounting and Verification Standards, and established an internal greenhouse gas accounting and verification team, and will successively establish a complete greenhouse gas accounting and verification management procedure and optimize the organization's internal processes and systems to facilitate the planning of sustainability-related investment and disclosure standards in the mid-long term.

In addition to strengthening the risk management and governance structure of climate change, the Company considers climate change as an important strategy to maintain its economic performance. Because energy conservation and carbon reduction have become the main demand for electronic and electrical products, the Company will continue to pay attention to the potential risks and opportunities of climate change for an enterprise at present and in the future, actively cooperate with the upstream vendors, and understand the demand of downstream manufacturers at the application end, continue

to invest more resources in demand creation for relevant application solutions, such as power management, electric vehicle charging piles, smart grid, wind power generation, solar power generation inverters, etc., all of which are green business opportunities. In recent years, upstream vendors have more actively expanded research and development resources invested in compound/group III semiconductor products. The Company will also continue to invest resources into the automotive/electric vehicle and industrial energy-related markets to develop product solutions with low energy consumption and high power. It is expected that the Company will make its own efforts to develop energy-saving and carbon reduction products to support the development of the green energy industry.

In the past year, more Weikeng colleagues devoted themselves to work related to sustainability and actively participated in public welfare activities, which not only enhanced the centripetal force of the organization and team, but also connected the ESG strength within the organization, so that colleagues can make their own efforts to give back to the community. In addition to the participation of colleagues, the Company continues to sponsor environmental protection issues, education, sports resources, research institutions, etc., to cultivate scientific and technological talents in response to the United Nations Sustainable Development Goals (SDGs). In January 2023, the Board of Directors adopted a revision to the Company's "Directors and Employees (including Executive Officers) Emolument Policy", and established reasonable guidance on the connection between the individual salary and compensation arrangements of directors and employees (including executive officers) and the Company's operation and financial performance, investment in and contribution to sustainable development, and risk management, etc., so as to carry out business with ethical corporate management, corporate governance, and promotion for sustainable development.

The Company is committed to fulfilling its corporate social responsibility and following international trends. In addition to actively addressing the concerns of our stakeholders regarding environmental, social, and corporate governance issues, we furthermore carry out practical risk assessment and undertake countermeasures in order to strengthen the goals of corporate governance and sustainable operations.

2023 Business Outlook

In 2023, the world will still face the risk of stagflation. It is predicted that the overall semiconductor industry will decline slightly, and the problem of destocking in the industry chain will continue. In addition, geopolitical factors and aggravated inflation will adversely affect the demand for terminal electronic products, and the rising of interest rates will lead to an increase in financing costs, etc. However, 2023 will also be the starting year of the "Post-COVID Pandemic Era". Governments of all countries have launched various policies to stimulate consumption, and hope to stir up a rebooting of the economy, so Weikeng will still adhere to stable operation and risk management strengthening as the primary issue in 2023. In the aspect of business development, as geopolitics also promote regionalized division of the supply chain, the Company will review and adjust its strategies of business development, continuously grasp the needs of and provide technical support to vendors and customers, and expects the management team to lead all colleagues to strictly abide by the risk management system, optimize operation and capital efficiency, and adhere to the goals of integrity, sustainable operation, and stable operation under a stable operation mode, to create higher value for all stakeholders.

At present, Weikeng has been franchised many brands of semiconductor components, including many brands of semiconductor integrated device manufacturers (IDMs) or IC design companies, such

as AMD, Amazon, Cypress, Infineon, Lattice, Microchip, Molex, NXP, Sinopower, Vishay, Western Digital, etc. In 2022, the Group obtained new franchises for a total of 9 vendors. In 2023, we will continue to develop and find new products and new application solutions in the semiconductor market, continue to seek new cooperation opportunities for franchises, and in the face of legal restrictions on the supply of products from European and American systems to China, continue to strengthen the product portfolio, expand the product portfolio involved in the supply chain, improve the core competitiveness of the Group, create new customer needs, and expect to assist customers in responding to geopolitical adjustments. At present, in the application fields of industrial electronics, automotive electronics, mobile communications, consumer electronics, computer peripheral equipment, AI/5G, etc., all regional companies affiliated with the Group have the ability to provide customers with competitive spare parts, technical support services, and efficient supply chain management services, so as to achieve a technology connection between the upstream vendors and downstream customers through the Group as an intermediary, and create value with a three-win situation.

1. Annual Business Report for 2022

(1) Implementation Results of the Business Plan

Item	Amount (in thousands of NT\$)	Increase (decrease)%
Sales Revenue	70,281,179	(2.93)
Operating margin	5,489,993	6.34
Operating profit	2,728,183	8.02
Net profit before tax	2,330,154	(4.94)
Net profit after tax	1,699,134	(1.28)

(2) Budget Execution in 2022

In 2022, for the Group's implementation of its operating budget, although the scale of sales revenue was affected by adverse external factors, the achievement rate of sales revenue was still approximately 84%, and the achievement rate of net profit after tax rate was still 95%.

(3) Analysis of Financial Income, Costs, and Profitability

	Item	%
Financial structure	Debt Ratio	72.38
	Long-term Capital to Property, Plant and Equipment Ratio	9,407.12
Solvency	Current Ratio	154.32
	Quick Ratio	76.81
Profitability	Return on Assets	6.77
	Return on Shareholders' Equity	19.75
	Net Profit Margin	2.42
	Basic EPS (in NT\$)	4.03

(4) Research and Development Status

Under the planning and active efforts of the "Marketing Development Division", the Company has successfully represented the product lines of domestic and foreign well-known semiconductor manufacturers, and even successfully maintained or expanded the franchises granted by the upstream vendors after consolidation. In addition to continuing to establish a firm foothold in 3C electronic applications, the "FAE Division" also actively

technically supports IC products from original manufacturers and customers in emerging applications to increase the Company's business territory, provide customers with technical support for product applications, help customers save R&D expenses, shorten time-to-market, and enhance service levels to strengthen the cooperative relationship with original manufacturers and customers.

In the "Solution Division", we are moving into the field of R&D and design, specializing in overall product reference solutions. The semiconductor industry is widely used and its application scheme is continuously updated. In addition to acting as a franchisee for the product lines of domestic and well-known foreign semiconductor manufacturers, the Company will direct the "Marketing Development Division" to take the lead in finding new product lines to be franchised, pay close attention to and evaluate the application and development of a start-up company's products, including the applications and development related to the green economy, timely input the development resources of the "Marketing Development Division", and then introduce the technical support and services created from demand of the "FAE Division".

At this stage, the Group's companies are developing the product solutions for 5G (smartphones, Customer Premise Equipment (CPE), Open Radio Access Network (O-RAN), small cell station, etc.), artificial intelligence/Internet of Things (AIoT), WiFi 6, automotive electronics (including electric vehicles, electric locomotives, charging piles, etc.), consumer electronics (PC, TV, Smartphone), industrial control, Type C-Power Delivery (PD), and various types of power supply applications. At the same time, we also devote various resources to the development of relevant application product solutions for servers/data centers, motor control, battery energy storage management systems, in-vehicle infotainment systems, car radar, tire pressure monitoring systems (TPMS), and human-machine interfaces for Center Information Displays (CID), in order to provide customers with immediate product reference solutions. All of these solutions are now available to customers in succession.

2. Annual Business Plan in 2023

(1) Operating Principles

- ① To prudently face the situation of destocking in the industry chain, actively manage and evaluate the speed of purchasing and sales, carefully prevent the loss of inventory depreciation, strengthen the efficiency of working capital, and enhance control measures for the prevention of dead inventory and improvement measures for the disposal of dead inventory.
- ② To timely grasp the dynamic adjustment of suppliers and customers due to trade policies or geopolitical factors, such as the "China+1" layout of semiconductor application electronics manufacturers. In order to relocate a production base, move, or adjust the production lines according to its plan, the Company must also be able to build transnational and trans-regional capacity and flexibility of strategy establishment, and expand its product portfolio on the premise of compliance with the provisions of the United States' (various countries) import and export laws and regulations.
- ③ In the face of a changing market and uncertainty, to continue to pay attention to the price and demand changes of each item, master the development trends of

application-end technology products, invest appropriate R&D resources, and cooperate with industry partners to continue to create added value and competitiveness.

- ④ To attach importance to the green economy and sustainable development in the long term, continue to provide customers with competitive components, and through technical support services and research and development projects, achieve technological link in the industry chain, support the industry chain to promote the carbon reduction operation mode, and grasp business opportunities from the green energy industry, as well as work with upstream and downstream partners to build a green and sustainable industry chain.
- ⑤ To continue to comply with the risk management system and ethical corporate management best practice principles, strengthen the operational efficiency, pay attention to the needs and feelings of employees, take a stable business model as the principle, analyze the profitability of revenue growth, and take appropriate measures to grasp market opportunities.

(2) Production and Sales Policy

- ① Pricing Strategy: In the face of the high cost environment, to carefully evaluate the product pricing strategy and profit analysis, maintain good communication with the franchising vendors and downstream manufacturers, and through the mechanism of negotiation with customers and on the premise of improving the quality of product services, timely adjust product pricing to ensure the maintenance of the profit of each product line.
- ② New Business Development: To continue to grasp the development trend of "new technology", "green economy", and "regionalization" division of the supply chain, expand business cooperation opportunities, and consolidate customer structure.
- ③ Resilience: In the face of the cross-border movement of upstream and downstream manufacturers among the Asia-Pacific region, North American region, and European region, as well as the adjustment of production line planning made by the customers due to marginalization of trade policies, the Group must strengthen its support, service momentum and resilience, assess its cost-effectiveness, and improve its capability of strategy establishment at any time.
- ④ Compliance with laws and regulations: To pay attention to and implement laws and regulations on the export and import of strategic high-tech products, including whether a transaction or service object is set forth in the control list of the United States' regulatory authority for export, re-export, or transfer.
- ⑤ With the continuous expansion of operation scale and franchises, to prudently review risk and profitability.

(3) Expected sales volume and its basis in 2023

The Company classifies the franchising products into chipsets/special application standard ICs, mixed signals, and discrete components according to product characteristics. In 2023, the external business environment will continue to be affected by the supply chain restructuring derived from disputes of marginalization of trade policies, pressure of the United States Federal Reserve Bank to continue to raise interest rates, shrouded by the global economic inflation,

inventory adjustment of the supply chain faced in the semiconductor market, and the coming of the post-COVID pandemic era. After considering the sales forecast of the semiconductor industry estimated by relevant institutions, the goal and internal business plans set by the upstream vendors, and the 2023 forecast goals for operation and sales, the Company's management team still sets a challenging goal for growth in order to encourage the operation team to continue to create operational value for all the stakeholders.

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

Weikeng Industrial Co., Ltd.

Chairman: HU, CHIU-CHIANG (@Douglas Hu)

General Manager: CHI, TING-FANG (@Stan Chi)

Chief Accountant: HUANG, LI-HSIANG (@Alice Huang)

(II) 2022 Financial Results as reviewed by Audit Committee

Explanation:

- (1) The Company's 2022 annual financial report has been audited and attested by independent auditors of KPMG Taiwan, Mr. Au, Yiu-Kwan and Ms. Kuo, Kuan-Ying, together with the Business Report and Surplus Earnings Distribution Plan for 2022 have been submitted to the Audit Committee for verification and prepared a written review report as the following.

Weikeng Industrial Co., Ltd.

2022 Review Report of Audit Committee

The Board of Directors has prepared this Company's 2022 financial statements (including individual financial statements and consolidated financial statements), business report, and the surplus earnings distribution plan; with respect to the financial statements have been audited by independent auditors of KPMG Taiwan, Mr. Au, Yiu-Kwan and Ms. Kuo, Kuan-Ying, who have submitted an audit report. The aforementioned statements, plan and report have been reviewed by the Audit Committee and no irregularities were found. We hereby report as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Kindly verify.

To: Weikeng Industrial Co., Ltd., 2023 Annual General Meeting

Convener of Audit Committee : Tsai, Yu-Ping

Date: April 28, 2023

- (2) Report on the communication between members of the Audit Committee and the head of internal audit: After checking the 2022 audit report, there were no major internal control deficiencies and abnormal matters.

① The supervisor of the internal audit office of the Company reports to independent directors on the execution process and conclusions of internal audits by e-mail or telephone from time to time, and attends Audit Committee to perform audit work reports and other matters.

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

③ The communication situation in 2022 was as the attached:

Year	Frequency of Communication (Number of Times)	Way of Communication	Remark
2022	6	Head of Internal Audit Attended Audit Committee	No non-independent directors and management were present at the time.
	2	Symposium between accountants and	

		members of the audit committee	
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(III) Report on the financial and business matters between the Company and its related parties in 2022

Explanation: The actual financial and business transactions between the Company and its related parties (all 100% owned subsidiaries) in 2022 were as follows (including purchase and sale transactions, acquisition of right-of-use assets, making of endorsements/guarantees, and loaning of funds), which were all handled in accordance with the “Rules Governing Financial and Business Matters Between the Company and its Related Parties” stipulated by the Company, and there were no non-arm’s length transactions or improper transfer of benefits.

Transaction Parties	Purchase Goods	Sales Goods	Acquisition of Right-of-Use Assets		Ending Balance of Endorsements/Guarantees	Ending Balance of Loaning of Funds
			Original Cost of Acquisition	Ending Balance		
Weikeng International Co., Ltd. (WKI)	227,415	226,998	39,820	24,334	8,099,063	-
Weikeng Technology Pte Ltd. (WTP)	3,618	132,735	-	-	936,655	-
Weikeng International (Shanghai) Co., Ltd. (WKS)	-	735	-	-	1,556,052	-
Weikeng Technology Co., Ltd. (WKZ)	-	553	-	-	-	-

- (1) Since the Group's business scope covers Greater China and Southeast Asia, the purchase and sale of goods to 100% owned subsidiaries is to meet the cross-regional needs of customers, and the inter-group companies conduct goods dispatch transactions, and whose prices are based on the purchase, plus, cost. Pricing is not significantly different from general suppliers or customers; the accounts payable and accounts receivable arising from the purchase and sale of goods respectively are based on the balance of OA 30 days of mutual offset, and the payment or collection is made 30~60 days after the arrival or shipment of the goods.
- (2) The Company's main downstream customers are all major 3C electronic product manufacturers (including OEM/ODM/OBM factories) in Taiwan, and their production bases are mainly in China. Therefore, in addition to building a logistics service base in Taiwan, the Company must also advance to a region closer to the customer to set up a logistics service base to speed up delivery logistics efficiency, and based on the requirements of diversifying logistics risks and controlling the cash outflow of goods import business tax, the overall planning is coordinated by the Parent Company (i.e., the Company) of the Group, then WKI, an important subsidiary of the Company in Hong Kong, first leases and then sub-leases the Company to acquire the right-of-use real estate for business use. This is a general and regular business activity, and the rental price conditions of the sub-lease are compared with those of WKI and the original lessor, and there is no

abnormality.

- (3) The Company's group operating strategy is to continue to expand, integrate and strengthen the sales capabilities of each subsidiary's product line portfolio. With the steady growth of the performance of each subsidiary, the demand for working capital in addition to considering timely financing in the capital market, also requires the funds injection of bank financing, which is endorsed by the Parent Company of the Group (i.e., the Company) for the bank financing of each subsidiary.

(IV) Report on the Company's the implementation of the 5th and 6th domestic unsecured convertible corporate bonds

Explanation:

- (1) The 5th domestic unsecured convertible corporate bonds issued by the Company, because the outstanding balance was less than 10% of the total principal, in accordance with the provisions of Article 18, Paragraph 2 of the terms of issuance and conversion of the convertible corporate bonds, the Company exercised the right of early redemption, set September 1, 2022 as the recovery base date, and terminated the TPEX transaction of this unsecured convertible corporate bonds on September 2, 2022.
- (2) For the 6th domestic unsecured convertible corporate bonds issued by the Company, because the market price has fallen below the issue price, in accordance with the provisions of Article 20 of the terms of issuance and conversion of the convertible corporate bonds, 17 convertible bonds have been successively bought back in the secondary market of TPEX and have been canceled by the Company during November 2022, and as of the shares book closure date for the 2023 Annual General Meeting, the number of convertible corporate bonds in circulation are 19,983.

(V) Report on the remuneration distribution of employees and directors for 2022

Explanation: In accordance with Article 22 of the Articles of Association of the Company, the Company appropriated the remuneration of employees and directors for 2022, of which for employees and directors were NT\$189,923,200 and NT\$47,480,800, respectively. The above remuneration had been resolved by the Board of Directors on March 15, 2023 with no less than two-thirds of directors present, and approved by more than half of directors attending the meeting. Both of which will be paid in cash after this 2023 Annual General Meeting and there will be no difference from the expense appropriated in the financial statements of 2022.

(VI) Report on the Cash Dividends of the 2022 Surplus Earnings Distribution Plan

Explanation:

- (1) The Company's 2022 surplus earnings distribution plan will be fully distributed in cash dividends, totaling NT\$1,312,988,000, which has been resolved by the Audit Committee and Board of Directors with no less than two-thirds of directors present, and approved by more than half of directors attending the meeting on April 28, 2023. Board of Directors authorized the Chairman to set the ex-dividend date, the date of distribution, and other related matters, which information will be announced to shareholders thereafter.
- (2) As of the shares book closure date for the 2023 Annual General Meeting, the total issued and outstanding ordinary shares are 423,543,164 shares and the proposed declared cash dividend is NT\$3.1 per share. The cash dividends on the issued and outstanding ordinary shares are distributed pro rata and are rounded down to the nearest whole number. The fractional balance of dividends less than NT\$ 1 will be summed up and recognized as other income of the Company's employee welfare committee.

(3) Where the total number of issued and outstanding shares of the Company subsequently changes and the aforesaid cash dividends distributed to each ordinary share needs to be adjusted pursuant to actual number of the issued and outstanding ordinary shares on the ex-dividend date, the Chairman of the Board of Directors of the Company is authorized to handle it in full authority according to the actual situation, and which information will be announced to shareholders thereafter.

(VII) **Report on the amendment of some articles to the Company's " Rules and Procedures of Board of Directors Meeting "**

Explanation: In accordance with the amendments to the relevant laws and regulations promulgated by the competent authority, some articles of the Company's " Rules and Procedures of Board of Directors Meeting " have been amended, which has been approved by the Board of Directors on September 28, 2022.

The Comparison Table of Amendment to Some Articles of Rules and Procedures of Board of Directors Meeting		
Amended Article	Current Article	Reason of Amendment
<p>Article 3. The board meeting of the Company shall be convened at least once every quarter. A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients. All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting, <u>and none of those matters shall not be raised by an extempore motion.</u></p>	<p>Article 3. The board meeting of the Company shall be convened at least once every quarter. A notice of the reasons for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients. All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.</p>	<p>To cooperate with the competent authority to make amendments.</p>
<p>Article 12. The matters listed below as they relate to the Company shall be raised for discussion at a board meeting: (1) The Company's business plan. (2) Annual financial report and financial report for the second quarter that requires a certified public accountant (CPA) to audit and attest. (3) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.</p>	<p>Article 12. The matters listed below as they relate to the Company shall be raised for discussion at a board meeting: (1) The Company's business plan. (2) Annual financial report and financial report for the second quarter that requires a certified public accountant (CPA) to audit and attest. (3) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.</p>	<p>To cooperate with the competent authority to make amendments.</p>

The Comparison Table of Amendment to Some Articles of Rules and Procedures of Board of Directors Meeting		
Amended Article	Current Article	Reason of Amendment
<p>(4) Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p> <p>(5) The offering, issuance, or private placement of equity-type securities.</p> <p>(6) <u>The appointment or dismissal of the chairman of the board.</u></p> <p>(7) The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>(8) A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>(9) Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, shall be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph (8) of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	<p>(4) Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p> <p>(5) The offering, issuance, or private placement of equity-type securities.</p> <p>(6) The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>(7) A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>(8) Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, shall be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuer. (Omitted below)</p>	

(VIII) Report on the results of individual performance assessments of directors and executive officers, as well as the correlation and rationality between the contents and amounts of their individual remuneration and performance assessment results.

Explanation: The Company's emoluments (salary and remuneration) policy covers directors, executive officers and employees:

1. Remuneration to directors including directors' remuneration and business execution fees

- (1) The Company pays the remuneration of directors, including the remuneration appropriated by the Company's Articles of Association and business execution fees (only the attendance fee for attending the meeting). The total appropriated amount of directors' remuneration shall be set at a maximum of 2.5% of the net profit before tax stated in the articles of association of the Company. However, if the Company still has accumulated losses, it shall first be offset against any deficit.

- (2) The 2022 director's remuneration totaling NT\$47,480 thousand has been approved by the Remuneration Committee and the Board of Directors on March 15, 2023, and after reporting to the 2023 Annual General Meeting of Shareholders, directors' remuneration will be paid accordingly according to Articles 1 to 4 of the Company's "Rules for Remuneration Management of Directors and Executive Managers" and the Emolument Policy approved by the Board of Directors.
 - (3) For the performance evaluation of the Board of Directors and director members, please refer to the Company's 2022 Annual Report.
2. Emoluments paid to executive officers are divided into fixed salary and variable remuneration.
- (1) The fixed salary includes base pay, duty allowance and meal allowance, which are determined by the following factors such as education, experience, skills, degree of responsibility for risk decision-making, contribution to the Company, the typical pay levels adopted by peer companies, and professional job conditions for participating in sustainability. The annual salary adjustment is carried out in accordance with the Company's operating conditions, the domestic economic growth rate, price index, the salary adjustment status of the industry, the personal performance appraisal (including related efforts in sustainability), and the Company's annual budget target.
 - (2) The variable remuneration includes business performance incentive, year-end bonus and employee (including executive officer) remuneration.
 - ① Business performance incentives are mainly paid to business and technical application engineers, and which are paid based on product operating performance and personal performance, sustainable development should also be considered in conjunction with business opportunity acquisition and performance creation, such as digital transformation, green and energy saving, carbon reduction, etc.
 - ② The year-end bonus for employees and executive officers is the amount of accumulated reserves appropriated in the accounting entry in advance on a monthly basis based on the achievement rate of the budget profit target; prior to the distribution of the above mentioned bonus, the top management must first complete a comprehensive assessment of employees and executive officers, including personal performance appraisal (including related efforts in sustainability), education, experience, skills, degree of responsibility for risk decision-making, contribution to the Company under ethical corporate management, the typical pay levels adopted by peer companies, responsibility for promoting sustainability and its performance contribution, etc., , and then according to the approved distribution plan, distribute the foresaid bonus to employees and executive officers. However, the distribution plan of year-end bonus belongs to executive officers must first be approved by the resolution of the Remuneration Committee and the Board of Directors.
 - ③ Employees (including executive officers) remuneration is the total appropriated amount in accordance with the Company's Articles of Association, which amount is first approved by the resolution of the Remuneration Committee and the Board of Directors and reported to the shareholders' meeting; the procedures for the distribution of remuneration to employees and executive officers are the same as described in the preceding subparagraph ②.
 - (3) Appropriation of employees (including executive officers) remuneration
 - ① In accordance with the Articles of Association of the Company, the earning in the Company's annual final accounts if any shall first be offset against any

deficit, then, 6% to 10% of net profit before tax (before deducting remuneration to employees, executive officers, and directors) will be distributed as employees (including executive officers) remuneration. Employees and executive officers who are entitled to receive the above mentioned remuneration, in share or cash, include the employees of the subsidiaries of the Company who meet certain specific requirements.

② The total remuneration of employees (including executive officers) for 2022 is approximately NT\$189,923 thousand, which has been approved by the Remuneration Committee and the Board of Directors on March 15, 2023. The payment will be made in cash, it will be submitted to the 2023 Annual General Meeting of Shareholder for reporting and will be distributed based on the performance appraisal of employees (including executive officers), but the payment to executive officers is subject to the approval of the Remuneration Committee and the Board of Directors.

3. Principles of relevance, rationality and avoidance of interests

The emoluments of directors and employees (including executive officers) must not only comply with relevant laws and regulations to attract outstanding talents, but also take into account the rationality of the relationship between personal performance and company financial performance, related efforts in sustainability and contribution, and risk management. The decision on the emoluments of directors and executive officers should not deviate significantly from the Company's financial performance, and should not lead them to engage in behaviors that exceed the Company's risk appetite in pursuit of emoluments; in addition, the principle of interest avoidance must be paid attention to in the procedure of approving personal salary and remuneration.

IV. Acknowledged Matters

Agenda 1. Acknowledgement on the 2022 Business Report and the Financial Statements, including individual financial statements and consolidated financial statements. (Proposed by the Board of Directors)

Explanation:

1. The independent auditors of KPMG Taiwan, Mr. Au, Yiu-Kwan and Ms. Kuo, Kuan-Ying, have completed the auditing and attesting procedures of the Company's 2022 financial reports, including individual and consolidated statements, and submitted an audit report.
2. The Board of Directors of the Company had resolved to approve the 2022 financial reports and business report on April 28, 2023, respectively and submitted those reports to the Audit Committee for verification and a written review report was prepared as the (II) of Reporting Matters.
3. Please refer to Appendix I for the Independent Auditors' Report、Balance Sheets, Statements of Comprehensive Income, Statements of changes in Equity, and Statements of Cash Flows.
4. Acknowledgement is respectfully requested.

RESOLVED :

Agenda 2. Acknowledgement on the 2022 Surplus Earnings Distribution Plan. (Proposed by the Board of Directors)

Explanation:

1. The Company proposed the Surplus Earnings Distribution Plan for 2022 pursuant to Articles of Association of the Company, that plan as the below has been approved by the resolution of Audit Committee and Board of Directors of the Company through discussion on April 28, 2023.
2. Acknowledgement is respectfully requested.

Weikeng Industrial Co., Ltd
2022 Surplus Earnings Distribution Plan

Expressed in NT\$

Net Income after Tax in 2022	1,699,134,049	
Plus: Remeasurements of Defined Benefit Plans	24,762,400	
Sub-Total		1,723,896,449
Less : 10% Legal Reserve		(172,389,645)
Plus: Reverse of Special Reserve		454,583,030
Total Distributable Earnings in 2022		2,006,089,834
Plus: Beginning Undistributed Surplus Earnings		184,739,247
Surplus Earnings Available for Distribution		2,190,829,081
Distribution Items:		
Cash Dividends on Ordinary Shares		1,312,988,000
Ending Undistributed Surplus Earnings		877,841,081
Chairman : Hu, Chiu-Chiang President : Chi, Ting-Fang Accounting Manager: Huang, Li-Hsiang		

RESOLVED :

V. Discussion Matters

Agenda 1. Discussion on the Amendment of Some Provisions of the Company’s “Articles of Incorporation”

Explanation:

1. In order to comply with the amendments to the laws and the actual operational needs, some of the articles of the Company’s Articles of Incorporation will be amended as below. Please refer to the comparison table of some amendments to the Company’s Articles of Incorporation.
2. Approval is respectfully requested.

Weikeng Industrial Co., Ltd.

The Comparison Table of Some Amendments to Articles of Incorporation

Article Item	Current Article	Amended Article	Reason of Amendment
Article 22-1	<p>The earning in the company’s annual final accounts if any shall first be used to pay income tax and offset prior years’ deficits, if any, and then set aside legal reserve, and special reserve is set aside or reversed in accordance with laws or regulations. The remaining balance of the current year is the distributable retained earnings of the current year. The above distributable retained earnings, if any and the accumulated retained earnings in prior years together is the distributable dividends for shareholders. The aforementioned distribution is proposed by the Board of Directors.</p> <p>In accordance with the Company Act, where the aforementioned distributable retained earnings or capital reserve and legal reserve are distributed by issuing new shares which shall be proposed by the Board of Directors and submitted to the shareholders' meeting for resolution; however, where the Company authorizes the distributable dividends, legal reserve, or capital reserve may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be</p>	<p>The earnings in the Company’s annual final accounts if any, <u>when distributing surplus earnings, the Company shall first estimate and reserve the taxes and dues to be paid, the losses to be covered, and the legal reserve and special reserve to be set aside or the special reserve to be reversed according to laws or regulations, and then the remaining balance shall be the distributable surplus earnings for the current year; the Board of Directors may combine the undistributed surplus earnings of the previous period to prepare a proposal of surplus earnings distribution.</u></p> <p>In accordance with the Company Act, where the aforementioned <u>surplus earnings distribution</u> or capital reserve and legal reserve are distributed by issuing new shares which shall be proposed by the Board of Directors and submitted to the shareholders' meeting for resolution; however, where the Company authorizes the distributable dividends, legal reserve, or capital reserve may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders’</p>	<p>In cooperation with the Financial-Supervisory-Securities-Corporate-1090150022, and the method of setting aside special reserve is clearly stipulated in the dividend policy specified in the Company's articles of association.</p>

Article Item	Current Article	Amended Article	Reason of Amendment
	<p>submitted to the shareholders' meeting.</p> <p>The Board of Directors of the Company shall determine the proportionality between stock dividends and cash dividends among shareholders' dividends in consideration of the Company's enterprise profitability status, future capital expenditure plans, operational enlargement plans, capital planning, cash flow requirements, legal systems, and the level of dilution on earnings per share. The distribution proposal for shareholders' dividends shall be adopted by Board of Directors and submitted to the shareholders' meeting for resolution and distribution. The contemplated distribution amount shall not be less than 50% of the Company's distributable retained earnings of the current year, and moreover, cash dividend distributed shall represent no less than 20% of the total amount of shareholders' dividends.</p>	<p>meeting.</p> <p>The Board of Directors of the Company shall determine the proportionality between stock dividends and cash dividends among shareholders' dividends in consideration of the Company's enterprise profitability status, future capital expenditure plans, operational enlargement plans, capital planning, cash flow requirements, legal systems, and the level of dilution on earnings per share. The distribution proposal for shareholders' dividends shall be adopted by Board of Directors and submitted to the shareholders' meeting for resolution and distribution. The contemplated distribution amount shall not be less than 50% of the Company's distributable <u>surplus earnings of the current year</u>, and moreover, cash dividend distributed shall represent no less than 20% of the total amount of shareholders' dividends. <u>Setting aside of the special reserve referred to in the preceding paragraph shall be carried out in the manners listed below:</u> <u>With respect to the book net amount of other deductions from equity for the period in which it arises, an equivalent amount of special reserve shall be allocated from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period. If there remains any insufficiency, it shall be allocated from the undistributed earnings of the previous period.</u> <u>With respect to the cumulative net amount of other deductions from equity in a preceding period(s),</u></p>	

Article Item	Current Article	Amended Article	Reason of Amendment
		<u>allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period. If there remains any insufficiency, allocate it from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.</u>	
Article 24	<p>These Articles of Association were established on 31 December 1976. The first amendment was made on 13 December 1980. The second amendment was made on 20 January 1981. The third amendment was made on 11 June 1981. The fourth amendment was made on 11 September 1981. The fifth amendment was made on 11 February 1982. The sixth amendment was made on 15 September 1982. The seventh amendment was made on 21 January 1983. The eighth amendment was made on 13 January 1984. The ninth amendment was made on 26 December 1985. The tenth amendment was made on 23 July 1986. The eleventh amendment was made on 16 April 1988. The twelfth amendment was made on 5 October 1988. The thirteenth amendment was made on 24 November 1989. The fourteenth amendment was made on 20 July 1992. The fifteenth amendment was made on 12 June 1993. The sixteenth amendment was made on 8 July 1993. The seventeenth amendment was made on 14 April 1993. The eighteenth amendment was made on 26 September 1994. The nineteenth amendment was made on 15 June 1996. The twentieth amendment was</p>	<p>These Articles of Association were established on 31 December 1976. The first amendment was made on 13 December 1980. The second amendment was made on 20 January 1981. The third amendment was made on 11 June 1981. The fourth amendment was made on 11 September 1981. The fifth amendment was made on 11 February 1982. The sixth amendment was made on 15 September 1982. The seventh amendment was made on 21 January 1983. The eighth amendment was made on 13 January 1984. The ninth amendment was made on 26 December 1985. The tenth amendment was made on 23 July 1986. The eleventh amendment was made on 16 April 1988. The twelfth amendment was made on 5 October 1988. The thirteenth amendment was made on 24 November 1989. The fourteenth amendment was made on 20 July 1992. The fifteenth amendment was made on 12 June 1993. The sixteenth amendment was made on 8 July 1993. The seventeenth amendment was made on 14 April 1993. The eighteenth amendment was made on 26 September 1994. The nineteenth amendment was made on 15 June 1996. The twentieth amendment was</p>	Amendment date added.

Article Item	Current Article	Amended Article	Reason of Amendment
	<p>made on 26 June 1997. The twenty-first amendment was made on 14 November 1997. The twenty-second amendment was made on 22 April 1998. The twenty-third amendment was made on 1 September 1998. The twenty-fourth amendment was made on 31 August 1999. The twenty-fifth amendment was made on 20 April 2000. The twenty-sixth amendment was made on 9 October 2000. The twenty-seventh amendment was made on 7 May 2001. The twenty-eighth amendment was made on 21 June 2002. The twenty-ninth amendment was made on 5 June 2003. The thirtieth amendment was made on 15 June 2004. The thirty-first amendment was made on 14 June 2005. The thirty-second amendment was made on 14 June 2006. The thirty-third amendment was made on 13 June 2008. The thirty-fourth amendment was made on 19 June 2009. The thirty-fifth amendment was made on 18 June 2010. The thirty-sixth amendment was made on 22 June 2012. The thirty-seventh amendment was made on 20 June 2013. The thirty-eighth amendment was made on 17 June 2015. The thirty-ninth amendment was made on 17 June 2016. The fortieth amendment was made on 15 June 2017. The forty-first amendment was made on 13 June 2018. The forty-second amendment was made on 20 June, 2019. The forty-third amended was made on 17 June, 2020. The forty-fourth amended was made on 20 July, 2021.</p>	<p>made on 26 June 1997. The twenty-first amendment was made on 14 November 1997. The twenty-second amendment was made on 22 April 1998. The twenty-third amendment was made on 1 September 1998. The twenty-fourth amendment was made on 31 August 1999. The twenty-fifth amendment was made on 20 April 2000. The twenty-sixth amendment was made on 9 October 2000. The twenty-seventh amendment was made on 7 May 2001. The twenty-eighth amendment was made on 21 June 2002. The twenty-ninth amendment was made on 5 June 2003. The thirtieth amendment was made on 15 June 2004. The thirty-first amendment was made on 14 June 2005. The thirty-second amendment was made on 14 June 2006. The thirty-third amendment was made on 13 June 2008. The thirty-fourth amendment was made on 19 June 2009. The thirty-fifth amendment was made on 18 June 2010. The thirty-sixth amendment was made on 22 June 2012. The thirty-seventh amendment was made on 20 June 2013. The thirty-eighth amendment was made on 17 June 2015. The thirty-ninth amendment was made on 17 June 2016. The fortieth amendment was made on 15 June 2017. The forty-first amendment was made on 13 June 2018. The forty-second amendment was made on 20 June, 2019. The forty-third amended was made on 17 June, 2020. The forty-fourth amended was made on 20 July, 2021. The forty-fifth amended was made on 16 June, 2022. <u>The forty-sixth amended was made on 14 June, 2023.</u></p>	

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



安侯建業聯合會計師事務所
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Independent Auditors' Report

To the Board of Directors of Weikeng Industrial Co., Ltd.:

Opinion

We have audited the financial statements of Weikeng Industrial Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the auditors' report as follows:

1. Recognition of Operating Revenue

Please refer to note (4)(m) “Revenue recognition” for accounting policies with respect to recognizing revenue, and to note (6)(s) “Revenue from contracts with customers” for explanatory notes about revenue.

Description of key audit matters:

Weikeng Industrial Co., Ltd. is a listed company. The Company is a distributor for the sale of electronic components and computer peripheral equipment. Operating revenue is one of the significant items in the financial statements, and the amounts and changes of operating revenue may affect the users' understanding of the entire financial statements. Therefore, the testing over revenue recognition is considered a key matter in our audits.



How the matter was addressed in our audits:

Our main audit procedures for the aforementioned key audit matters include testing the Company's controls surrounding revenue recognition in the order-to-cash transaction cycle, including reconciliations between the general ledger and sales system; performing the detailed test of relevant vouchers, as well as assessing whether the Company's timing on revenue recognition and the amounts recognized are in accordance with related standards.

2. Valuation of Inventories

Please refer to note (4)(g) "Inventories" for accounting policies with respect to valuating inventories, to note (5) "Valuation of inventories" for accounting estimates and uncertainties of affairs for inventory valuation; and to note (6)(f) "Inventories" for explanatory notes about inventories and related expenses.

Description of key audit matters:

The Company is a distributor for the sale of electronic components and computer peripheral equipment. Due to the horizontal competition in the industry and constant advancement of related technologies, the price of end electronic products are volatile, and thus, affects the price of electronic components and computer peripheral equipment. Therefore, the testing over the valuation of inventories is considered a key matter in our audits.

How the matter was addressed in our audits:

Our main audit procedures for the aforementioned key audit matters include testing the related control over the cost operating cycle; evaluating whether the policies for setting aside allowance for inventory valuation and obsolescence losses are in accordance with the Company's policies and related standards; as well as implementing sampling procedures to check the correctness of aging inventory with the consideration related to the impact of COVID-19. In addition, we also examined the inventory aging reports, understood the subsequent sales status of slow-moving inventories; and evaluated the adopted basis of net realizable value to assess the rationality of the management's estimates on the allowance for inventory valuation.

3. The share of profit (loss) of subsidiaries and investments accounted for using equity method

Please refer to note (4)(h) "Investments of subsidiaries" for the accounting policies; note (6)(g) "Investments accounted for using equity method" for explanatory notes about the investments under equity method.

Description of key audit matters:

The subsidiaries, which are recognized under equity method, are distributors for the sale of electronic components and computer peripheral equipment with holding material assets, such as accounts receivable and inventories. Therefore, the share of profit (loss) of subsidiaries and investments accounted for using equity method which is one of the material items in the financial statements is considered a key matter in our audits.

How the matter was addressed in our audits:

Our main audit procedures for the aforementioned key audit matters include understanding the related control over investments accounted for using equity method; testing the changes of the investment under equity method within the year, including the recognition of investments gains (losses) and the share of comprehensive income; as well as assessing whether the Company's recognition of investments are in accordance with the related standards.



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

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

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

Those charged with governance (including Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investments in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

The engagement partners on the audit resulting in this independent auditors' report are Yiu-Kwan Au and Kuan-Ying Kuo.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2023

Notes to Readers

The accompanying Parent Company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such Parent Company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying Parent Company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and Parent Company only financial statements, the Chinese version shall prevail.

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

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2022</u>		<u>December 31, 2021</u>				<u>December 31, 2022</u>		<u>December 31, 2021</u>	
Assets		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Liabilities and Equity					
1100	Cash and cash equivalents (note (6)(a))	\$ 1,390,080	7	1,553,378	9	2100	Short-term borrowings (note (6)(j))	\$ 5,915,021	29	4,911,346	27
1110	Current financial assets at fair value through profit or loss (note (6)(b))	644	-	607	-	2120	Current financial liabilities at fair value through profit or loss (note (6)(b))	784	-	-	-
1170	Notes and accounts receivable, net (notes (6)(d) and (7))	6,563,745	31	6,585,185	37	2130	Current contract liabilities (note (6)(s))	16,410	-	34,902	-
1200	Other receivables (notes (6)(e) and (7))	456,567	2	434,566	2	2170	Accounts payable	1,517,039	7	2,900,255	16
1300	Inventories, net (note (6)(f))	4,511,439	22	3,034,102	17	2200	Other payables (notes (6)(k) and (7))	557,256	3	505,138	3
1470	Prepaid expenses and other current assets	<u>18,060</u>	-	<u>107,722</u>	<u>1</u>	2230	Current tax liabilities	265,308	1	101,863	1
		<u>12,940,535</u>	<u>62</u>	<u>11,715,560</u>	<u>66</u>	2280	Current lease liabilities (note (6)(m))	31,520	-	58,825	-
						2300	Other current liabilities	<u>397,700</u>	<u>2</u>	<u>295,095</u>	<u>2</u>
								<u>8,701,038</u>	<u>42</u>	<u>8,807,424</u>	<u>49</u>
Non-current assets:						Non-current liabilities:					
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	-	-	375	-	2500	Non-current financial liabilities at fair value through profit or loss (note (6)(b))	31,173	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	81,089	-	40,065	-	2530	Bonds payable (note (6)(l))	1,870,309	9	126,336	1
1550	Investments accounted for using equity method, net (note (6)(g))	7,421,717	36	5,624,937	31	2570	Deferred tax liabilities (note (6)(p))	873,504	5	696,744	4
1600	Property, plant and equipment (note (6)(h))	91,831	1	94,045	1	2580	Non-current lease liabilities (note (6)(m))	27,052	-	36,795	-
1755	Right-of-use assets (note (6)(i))	55,414	-	95,094	1	2640	Non-current net defined benefit liabilities (note (6)(o))	79,956	-	122,222	1
1780	Intangible assets	4,371	-	9,012	-	2670	Other non-current liabilities	<u>187</u>	-	<u>187</u>	-
1840	Deferred tax assets (note (6)(p))	144,830	1	210,282	1			<u>2,882,181</u>	<u>14</u>	<u>982,284</u>	<u>6</u>
1900	Other non-current assets	<u>23,050</u>	-	<u>22,826</u>	-			<u>11,583,219</u>	<u>56</u>	<u>9,789,708</u>	<u>55</u>
		<u>7,822,302</u>	<u>38</u>	<u>6,096,636</u>	<u>34</u>						
							Total liabilities				
							Equity (note (6)(q)):				
						3100	Common Stock	<u>4,235,432</u>	<u>20</u>	<u>4,159,342</u>	<u>23</u>
						3200	Capital surplus	<u>1,440,646</u>	<u>7</u>	<u>1,275,927</u>	<u>7</u>
							Retained earnings:				
						3310	Legal reserve	1,132,248	6	960,709	5
						3320	Special reserve	454,583	2	365,705	2
						3350	Unappropriated earnings	<u>1,908,636</u>	<u>9</u>	<u>1,715,388</u>	<u>10</u>
								<u>3,495,467</u>	<u>17</u>	<u>3,041,802</u>	<u>17</u>
							Other equity interest:				
						3410	Exchange differences on translation of foreign financial statements	89,420	-	(373,405)	(2)
						3420	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	<u>(81,347)</u>	-	<u>(81,178)</u>	-
								<u>8,073</u>	-	<u>(454,583)</u>	(2)
								<u>9,179,618</u>	<u>44</u>	<u>8,022,488</u>	<u>45</u>
							Total equity				
							Total liabilities and equity	<u>\$ 20,762,837</u>	<u>100</u>	<u>17,812,196</u>	<u>100</u>
	Total assets	<u>\$ 20,762,837</u>	<u>100</u>	<u>17,812,196</u>	<u>100</u>						

See accompanying notes to financial statements.

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

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100	Net sales revenue (notes (6)(s) and (7))	\$ 28,811,601	100	29,964,915	100
5000	Cost of sales (notes (6)(f) and (7))	<u>26,748,962</u>	<u>93</u>	<u>28,361,656</u>	<u>95</u>
	Gross profit	<u>2,062,639</u>	<u>7</u>	<u>1,603,259</u>	<u>5</u>
	Operating expenses (notes (6)(m), (6)(n), (6)(o), (7) and (12)):				
6100	Selling expenses	844,851	3	822,502	3
6200	Administrative expenses	350,782	1	343,001	1
6450	Expected credit losses (reversal gains) (note (6)(d))	<u>1,561</u>	<u>-</u>	<u>(7,284)</u>	<u>-</u>
		<u>1,197,194</u>	<u>4</u>	<u>1,158,219</u>	<u>4</u>
	Net operating income	<u>865,445</u>	<u>3</u>	<u>445,040</u>	<u>1</u>
	Non-operating income and expenses:				
7100	Interest income	3,473	-	525	-
7010	Other income (notes (6)(n) and (7))	387,179	1	375,504	1
7230	Foreign currency exchange gains, net (note (6)(u))	174,752	1	58,442	-
7235	(Losses) gains on financial assets (liabilities) at fair value through profit or loss, net (note (6)(l))	(6,783)	-	7,921	-
7375	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method (note (6)(g))	920,098	3	1,354,664	5
7050	Financial costs (notes (6)(l) and (6)(m))	(206,824)	(1)	(86,956)	-
7590	Miscellaneous disbursements	<u>(702)</u>	<u>-</u>	<u>(633)</u>	<u>-</u>
		<u>1,271,193</u>	<u>4</u>	<u>1,709,467</u>	<u>6</u>
7900	Profit before tax	2,136,638	7	2,154,507	7
7950	Less: Income tax expenses (note (6)(p))	<u>437,504</u>	<u>1</u>	<u>433,367</u>	<u>1</u>
8200	Profit	<u>1,699,134</u>	<u>6</u>	<u>1,721,140</u>	<u>6</u>
	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (note (6)(o))	30,954	-	(8,145)	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(169)	-	3,099	-
8349	Less: Income tax related to items that will not be reclassified to profit or loss (note (6)(p))	<u>6,191</u>	<u>-</u>	<u>(1,629)</u>	<u>-</u>
		<u>24,594</u>	<u>-</u>	<u>(3,417)</u>	<u>-</u>
8360	Items that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	578,532	2	(114,017)	(1)
8399	Less: Income tax related to items that will be reclassified to profit or loss (note (6)(p))	<u>115,707</u>	<u>-</u>	<u>(22,805)</u>	<u>-</u>
		<u>462,825</u>	<u>2</u>	<u>(91,212)</u>	<u>(1)</u>
	Other comprehensive income, net	<u>487,419</u>	<u>2</u>	<u>(94,629)</u>	<u>(1)</u>
8500	Comprehensive income	<u>\$ 2,186,553</u>	<u>8</u>	<u>1,626,511</u>	<u>5</u>
	Earnings per ordinary share (expressed in New Taiwan dollars): (note (6)(r))				
9750	Basic earnings per share	<u>\$ 4.03</u>		<u>4.54</u>	
9850	Diluted earnings per share	<u>\$ 3.67</u>		<u>4.02</u>	

See accompanying notes to financial statements.

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

Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Common stock	Capital surplus	Retained earnings			Exchange differences on translation of foreign financial statements	Other equity interest	Total equity
			Legal reserve	Special reserve	Unappropriated earnings		Unrealized gains (losses) on financial assets at fair value through other comprehensive income	
Balance at January 1, 2021	\$ 3,677,513	941,349	890,626	229,459	700,837	(282,193)	(83,513)	6,074,078
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	70,083	-	(70,083)	-	-	-
Special reserve appropriated	-	-	-	136,246	(136,246)	-	-	-
Cash dividends	-	-	-	-	(494,508)	-	-	(494,508)
	-	-	70,083	136,246	(700,837)	-	-	(494,508)
Profit for the year ended December 31, 2021	-	-	-	-	1,721,140	-	-	1,721,140
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(6,516)	(91,212)	3,099	(94,629)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,714,624	(91,212)	3,099	1,626,511
Conversion of convertible bonds	481,829	334,578	-	-	-	-	-	816,407
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	764	-	(764)	-
Balance at December 31, 2021	4,159,342	1,275,927	960,709	365,705	1,715,388	(373,405)	(81,178)	8,022,488
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	171,539	-	(171,539)	-	-	-
Special reserve appropriated	-	-	-	88,878	(88,878)	-	-	-
Cash dividends	-	-	-	-	(1,270,232)	-	-	(1,270,232)
	-	-	171,539	88,878	(1,530,649)	-	-	(1,270,232)
Profit for the year ended December 31, 2022	-	-	-	-	1,699,134	-	-	1,699,134
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	24,763	462,825	(169)	487,419
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	1,723,897	462,825	(169)	2,186,553
Issuance of convertible bonds	-	114,313	-	-	-	-	-	114,313
Conversion of convertible bonds	76,090	50,458	-	-	-	-	-	126,548
Others	-	(52)	-	-	-	-	-	(52)
Balance at December 31, 2022	\$ 4,235,432	1,440,646	1,132,248	454,583	1,908,636	89,420	(81,347)	9,179,618

See accompanying notes to financial statements.

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

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,136,638	2,154,507
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	64,132	64,432
Amortization expenses	8,765	8,573
Expected credit losses (reversal gains)	1,561	(7,284)
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	6,783	(7,921)
Interest expenses	206,824	86,956
Interest income	(3,473)	(525)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(920,098)	(1,354,664)
Others	(36)	-
	(635,542)	(1,210,433)
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss	-	11
Decrease (increase) in notes and accounts receivable	19,879	(1,764,493)
(Increase) decrease in other receivable	(22,001)	523,612
Increase in inventories	(1,477,337)	(94,915)
Decrease in prepaid expenses and other current assets	89,662	58,580
	(1,389,797)	(1,277,205)
(Decrease) increase in accounts payable	(1,383,216)	1,461,689
Decrease in other payable	(64)	(443,201)
Increase in contract liabilities and other current liabilities	84,113	77,489
Decrease in net defined benefit liabilities	(11,312)	(6,897)
	(1,310,479)	1,089,080
Total changes in operating assets and liabilities	(2,700,276)	(188,125)
Total adjustments	(3,335,818)	(1,398,558)
Cash flow (used in) from operations	(1,199,180)	755,949
Interest received	3,473	525
Interest paid	(142,689)	(76,855)
Income taxes paid	(153,745)	(40,391)
Net cash flows (used in) from operating activities	(1,492,141)	639,228
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(42,000)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	7,451
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	807	405
Acquisition of investment accounted for using equity method	(298,150)	(277,300)
Acquisition of property, plant and equipment	(1,751)	(2,357)
(Increase) decrease in refundable deposits	(109)	170
Acquisition of intangible assets	(4,124)	(3,686)
Increase in other prepayments	(115)	(277)
Net cash flows used in investing activities	(345,442)	(275,594)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	1,003,675	264,240
Proceeds from issuing bonds	2,000,000	-
Repurchase of bonds	(1,638)	-
Payment of lease liabilities	(57,520)	(59,446)
Cash dividends paid	(1,270,232)	(494,508)
Net cash flows from (used in) financing activities	1,674,285	(289,714)
Net (decrease) increase in cash and cash equivalents	(163,298)	73,920
Cash and cash equivalents at beginning of period	1,553,378	1,479,458
Cash and cash equivalents at end of period	\$ 1,390,080	1,553,378

See accompanying notes to financial statements.

Representation Letter

The entities that are required to be included in the combined financial statements of WEIKENG INDUSTRIAL CO., LTD. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, WEIKENG INDUSTRIAL CO., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: WEIKENG INDUSTRIAL CO., LTD.

Chairman: Chiu-Chiang, Hu

Date: March 15, 2023



安侯建業聯合會計師事務所
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Independent Auditors' Report

To the Board of Directors of Weikeng Industrial Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Weikeng Industrial Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the auditors' report as follows:

1. Recognition of Operating Revenue

Please refer to note (4)(m) “Revenue recognition” for accounting policies with respect to recognizing revenue, and to note (6)(r) “Revenue from contracts with customers” for explanatory notes about revenue.



Description of key audit matters:

Weikeng Industrial Co., Ltd. is a listed company. The Group is a distributor for the sale of electronic components and computer peripheral equipment. Operating revenue is one of the significant items in the consolidated financial statements, and the amounts and changes of operating revenue may affect the users' understanding of the entire financial statements. Therefore, the testing over revenue recognition is considered a key matter in our audits.

How the matter was addressed in our audits:

Our main audit procedures for the aforementioned key audit matters include testing the Group's controls surrounding revenue recognition in the order-to-cash transaction cycle, including reconciliations between the general ledger and sales system; performing the detailed test of relevant vouchers, as well as assessing whether the Group's timing on revenue recognition and the amounts recognized are in accordance with the related standards.

2. Valuation of Inventories

Please refer to note (4)(h) "Inventories" for accounting policies with respect to valuating inventories; note (5) "Valuation of inventories" for accounting estimates and uncertainties of affairs for inventory valuation, and to note (6)(f) "Inventories" for explanatory notes about inventories and related expenses.

Description of key audit matters:

The Group is a distributor for the sale of electronic components and computer peripheral equipment. Due to the horizontal competition in the industry and constant advancement of related technologies, the price of end electronic products are volatile, and thus, affects the price of electronic components and computer peripheral equipment. Therefore, the testing over the valuation of inventories is considered a key matter in our audits.

How the matter was addressed in our audits:

Our main audit procedures for the aforementioned key audit matters include testing the related control over the cost operating cycle; evaluating whether the policies for setting aside allowance for inventory valuation and obsolescence losses are in accordance with the Group's policies and related standards; as well as implementing sampling procedures to check the correctness of aging inventory with the consideration related to the impact of COVID-19. In addition, we also examined the inventory aging reports, understood the subsequent sales status of slow-moving inventories; and evaluated the adopted basis of net realizable value to assess the rationality of the management's estimates on the allowance for inventory valuation.

Other Matter

Weikeng Industrial Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



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

Those charged with governance (including Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on this consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

The engagement partners on the audit resulting in this independent auditors' report are Yiu-Kwan Au and Kuan-Ying Kuo.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

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

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2022		December 31, 2021		Liabilities and Equity		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note (6)(a))	\$ 2,839,507	9	2,266,607	8	2100	Short-term borrowings (note (6)(i))	\$ 14,647,898	44	10,996,048	40
1110	Current financial assets at fair value through profit or loss (note (6)(b))	644	-	607	-	2120	Current financial liabilities at fair value through profit or loss (note (6)(b))	784	-	-	-
1170	Notes and accounts receivable, net (notes (6)(d) and (7))	12,844,427	39	13,548,981	49	2130	Current contract liabilities (note (6)(r))	898,765	3	305,931	1
1200	Other receivables (notes (6)(d) and (6)(e))	366,331	1	376,347	1	2170	Accounts payable	3,560,734	11	5,308,148	19
1300	Inventories, net (note (6)(f))	16,266,457	49	10,286,868	38	2200	Other payables (notes (6)(j) and (7))	1,046,936	3	952,772	4
1470	Prepaid expenses and other current assets	142,755	-	197,132	1	2230	Current tax liabilities	333,254	1	361,274	1
		<u>32,460,121</u>	<u>98</u>	<u>26,676,542</u>	<u>97</u>	2280	Current lease liabilities (note (6)(l))	121,746	-	135,160	1
Non-current assets:						2300	Other current liabilities	423,496	1	318,617	1
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	-	-	375	-			<u>21,033,613</u>	<u>63</u>	<u>18,377,950</u>	<u>67</u>
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	81,089	-	40,065	-	Non-current liabilities:					
1600	Property, plant and equipment (note (6)(g))	129,766	-	133,459	1	2500	Non-current financial liabilities at fair value through profit or loss (note (6)(b))	31,173	-	-	-
1755	Right-of-use assets (note (6)(h))	284,249	1	317,375	1	2530	Bonds payable (note (6)(k))	1,870,309	5	126,336	-
1780	Intangible assets	10,602	-	30,480	-	2570	Deferred tax liabilities (note (6)(o))	874,328	3	697,487	3
1840	Deferred tax assets (note (6)(o))	196,650	1	262,057	1	2580	Non-current lease liabilities (note (6)(l))	171,675	1	188,566	1
1900	Other non-current assets	78,376	-	74,877	-	2640	Non-current net defined benefit liabilities (note (6)(n))	79,956	-	122,222	-
		<u>780,732</u>	<u>2</u>	<u>858,688</u>	<u>3</u>	2670	Other non-current liabilities	181	-	181	-
								<u>3,027,622</u>	<u>9</u>	<u>1,134,792</u>	<u>4</u>
						Total liabilities		<u>24,061,235</u>	<u>72</u>	<u>19,512,742</u>	<u>71</u>
						Equity (note (6)(p)):					
						3100	Common Stock	4,235,432	13	4,159,342	15
						3200	Capital surplus	1,440,646	4	1,275,927	5
						Retained earnings:					
						3310	Legal reserve	1,132,248	4	960,709	4
						3320	Special reserve	454,583	1	365,705	1
						3350	Unappropriated earnings	1,908,636	6	1,715,388	6
								<u>3,495,467</u>	<u>11</u>	<u>3,041,802</u>	<u>11</u>
						Other equity interest:					
						3410	Exchange differences on translation of foreign financial statements	89,420	-	(373,405)	(2)
						3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(81,347)	-	(81,178)	-
								<u>8,073</u>	<u>-</u>	<u>(454,583)</u>	<u>(2)</u>
						Total equity		<u>9,179,618</u>	<u>28</u>	<u>8,022,488</u>	<u>29</u>
Total assets		<u>\$ 33,240,853</u>	<u>100</u>	<u>27,535,230</u>	<u>100</u>	Total liabilities and equity		<u>\$ 33,240,853</u>	<u>100</u>	<u>27,535,230</u>	<u>100</u>

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

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100	Net sales revenue (notes (6)(r) and (7))	\$ 70,281,179	100	72,404,886	100
5000	Cost of sales (note (6)(f))	<u>64,791,186</u>	<u>92</u>	<u>67,242,044</u>	<u>93</u>
	Gross profit	<u>5,489,993</u>	<u>8</u>	<u>5,162,842</u>	<u>7</u>
	Operating expenses (notes (6)(l), (6)(m), (6)(n), (7) and (12)):				
6100	Selling expenses	2,128,553	3	2,019,819	3
6200	Administrative expenses	632,975	1	626,981	1
6450	Expected credit losses (reversal gains) (note (6)(d))	<u>282</u>	<u>-</u>	<u>(9,577)</u>	<u>-</u>
		<u>2,761,810</u>	<u>4</u>	<u>2,637,223</u>	<u>4</u>
	Net operating income	<u>2,728,183</u>	<u>4</u>	<u>2,525,619</u>	<u>3</u>
	Non-operating income and expenses:				
7100	Interest income	7,098	-	3,381	-
7010	Other income (notes (6)(m) and (7))	36,594	-	22,831	-
7230	Foreign currency exchange gains, net (note (6)(t))	14,526	-	61,390	-
7235	(Losses) gains on financial assets (liabilities) at fair value through profit or loss, net (note (6)(k))	(6,783)	-	7,921	-
7050	Finance costs (notes (6)(k) and (6)(l))	(448,796)	(1)	(169,048)	-
7590	Miscellaneous disbursements	<u>(668)</u>	<u>-</u>	<u>(774)</u>	<u>-</u>
		<u>(398,029)</u>	<u>(1)</u>	<u>(74,299)</u>	<u>-</u>
7900	Profit before tax	2,330,154	3	2,451,320	3
7950	Income tax expenses (note (6)(o))	<u>631,020</u>	<u>1</u>	<u>730,180</u>	<u>1</u>
8200	Profit	<u>1,699,134</u>	<u>2</u>	<u>1,721,140</u>	<u>2</u>
	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (note (6)(n))	30,954	-	(8,145)	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(169)	-	3,099	-
8349	Less: Income tax related to items that will not be reclassified to profit or loss (note (6)(o))	<u>6,191</u>	<u>-</u>	<u>(1,629)</u>	<u>-</u>
		<u>24,594</u>	<u>-</u>	<u>(3,417)</u>	<u>-</u>
8360	Items that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	578,532	1	(114,017)	-
8399	Less: Income tax related to items that will be reclassified to profit or loss (note (6)(o))	<u>115,707</u>	<u>-</u>	<u>(22,805)</u>	<u>-</u>
		<u>462,825</u>	<u>1</u>	<u>(91,212)</u>	<u>-</u>
	Other comprehensive income, net	<u>487,419</u>	<u>1</u>	<u>(94,629)</u>	<u>-</u>
8500	Comprehensive income	<u>\$ 2,186,553</u>	<u>3</u>	<u>1,626,511</u>	<u>2</u>
	Earnings per ordinary share (expressed in New Taiwan dollars) (note (6)(q))				
9750	Basic earnings per share	<u>\$ 4.03</u>		<u>4.54</u>	
9850	Diluted earnings per share	<u>\$ 3.67</u>		<u>4.02</u>	

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

Consolidated Statement of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity interest		Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
Balance at January 1, 2021	\$ 3,677,513	941,349	890,626	229,459	700,837	(282,193)	(83,513)	6,074,078
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	70,083	-	(70,083)	-	-	-
Special reserve appropriated	-	-	-	136,246	(136,246)	-	-	-
Cash dividends	-	-	-	-	(494,508)	-	-	(494,508)
	-	-	70,083	136,246	(700,837)	-	-	(494,508)
Profit for the year ended December 31, 2021	-	-	-	-	1,721,140	-	-	1,721,140
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(6,516)	(91,212)	3,099	(94,629)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,714,624	(91,212)	3,099	1,626,511
Conversion of convertible bonds	481,829	334,578	-	-	-	-	-	816,407
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	764	-	(764)	-
Balance at December 31, 2021	4,159,342	1,275,927	960,709	365,705	1,715,388	(373,405)	(81,178)	8,022,488
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	171,539	-	(171,539)	-	-	-
Special reserve appropriated	-	-	-	88,878	(88,878)	-	-	-
Cash dividends	-	-	-	-	(1,270,232)	-	-	(1,270,232)
	-	-	171,539	88,878	(1,530,649)	-	-	(1,270,232)
Profit for the year ended December 31, 2022	-	-	-	-	1,699,134	-	-	1,699,134
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	24,763	462,825	(169)	487,419
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	1,723,897	462,825	(169)	2,186,553
Issuance of convertible bonds	-	114,313	-	-	-	-	-	114,313
Conversion of convertible bonds	76,090	50,458	-	-	-	-	-	126,548
Others	-	(52)	-	-	-	-	-	(52)
Balance at December 31, 2022	\$ 4,235,432	1,440,646	1,132,248	454,583	1,908,636	89,420	(81,347)	9,179,618

See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,330,154	2,451,320
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	165,728	157,550
Amortization expenses	27,987	26,800
Expected credit losses (reversal gains)	282	(9,577)
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	6,783	(7,921)
Interest expenses	448,796	169,048
Interest income	(7,098)	(3,381)
Gain on lease modification	(103)	-
Others	(26)	141
	642,349	332,660
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss	-	11
Decrease (increase) in notes and accounts receivable	704,272	(2,860,381)
Decrease in other receivables	10,016	536,530
Increase in inventories	(5,979,589)	(2,431,112)
Decrease in prepaid expenses and other current assets	54,359	21,869
	(5,210,942)	(4,733,083)
(Decrease) increase in accounts payable	(1,747,414)	1,732,288
Decrease in other payable	(22,782)	(291,325)
Increase in contract liabilities and other current liabilities	697,713	115,692
Decrease in net defined benefit liabilities	(11,312)	(6,897)
	(1,083,795)	1,549,758
Total changes in operating assets and liabilities	(6,294,737)	(3,183,325)
Total adjustments	(5,652,388)	(2,850,665)
Cash flows used in operations	(3,322,234)	(399,345)
Interest received	7,098	3,381
Interest paid	(319,860)	(157,648)
Income taxes paid	(558,412)	(155,052)
Net cash flows used in operating activities	(4,193,408)	(708,664)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(42,000)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	7,451
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	807	405
Acquisition of property, plant and equipment	(7,759)	(12,118)
Disposal of property, plant and equipment	-	282
Increase in refundable deposits	(3,665)	(753)
Acquisition of intangible assets	(6,751)	(6,533)
Increase in other prepayments	166	(558)
Net cash flows used in investing activities	(59,202)	(11,824)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	3,651,850	1,250,733
Proceeds from issuing bonds	2,000,000	-
Repurchase of bonds	(1,638)	-
Payments of lease liabilities	(153,882)	(139,486)
Cash dividends paid	(1,270,232)	(494,508)
Net cash flows from financing activities	4,226,098	616,739
Effect of exchange rate changes on cash and cash equivalents	599,412	(115,984)
Net increase (decrease) in cash and cash equivalents	572,900	(219,733)
Cash and cash equivalents at the beginning of period	2,266,607	2,486,340
Cash and cash equivalents at the end of period	\$ 2,839,507	2,266,607

See accompanying notes to consolidated financial statements.

Appendix II

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

2022/3/25 amended by Board of Directors

2022/6/16 resolved by AGM

- Article 1 The Company's shareholders' meetings, except as otherwise provided by law, shall be carried out according to these Rules.
- Article 2 A "shareholder" referred to in these Rules means the shareholder itself or a proxy designated by such shareholder.
- Article 3 The Company shall specify in its shareholders' meeting notice the time during which the registrations for attendance of shareholders, solicitors, appointed proxies (hereinafter referred to as shareholders) will be accepted, the place to register for attendance, and other matters for attention. Any change in the way the shareholders' meeting is held shall be resolved by the Board of Directors and shall be made at the latest before mailing the shareholders' meeting notice.
- The above-mentioned time for the acceptance of registrations for shareholders' attendance shall be at least 30 minutes prior to the start of the meeting; the registration area shall be clearly marked, and adequate and appropriate personnel shall be assigned to handle the registrations; The acceptance of registrations for shareholders' meetings by video conference should be 30 minutes before the start of the meeting on the video conference platform of the shareholders' meeting. The shareholders who complete the registrations shall be deemed to attend the meeting in person. Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Voting rights represented in the meeting shall be calculated on such basis. Solicitors with proxy forms shall also bring identification documents for verification.
- Article 3.1 The Company shall specify the following in the shareholders' meeting notice if the shareholders' meeting is by video conference:
1. The way shareholders participate in the video conference and exercise their rights.
 2. The handling of obstacles to the video conference platform or video participation due to natural disasters, events or other force majeure circumstances shall include at least the following:
 - (1) The time when the aforementioned obstacles continue and cannot be removed, and the date when the meeting must be postponed or reconvened.
 - (2) Shareholders who have not registered to participate in the original meeting by video conference shall not participate in the postponed or reconvened meeting.
 - (3) If a video-assisted shareholders' meeting cannot be reconvened by video conference, the shareholders' meeting shall continue if the total number of shares present reaches the legal quota for the shareholders' meeting after deducting the number of shares attending the shareholders' meeting by video conference, and the number of shares attending the shareholders' meeting by video conference shall be counted in the total number of shares present for the shareholders' meeting, and shall be deemed abstain from all motions for that shareholders' meeting.
 - (4) In the event that the results of all motions have been announced and no extraordinary motion has been made, or other handling method.
 3. The Company shall convene a shareholders' meeting by video conference and

state the appropriate alternative measures for shareholders who have difficulties participating in the meetings by video conference.

Article 4 The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. The shareholders shall be notified of the tentative resolution and a further shareholders' meeting will be held within one month. If the shareholders' meeting is held by video conference, the shareholders who wish to attend the meeting by video conference shall re-register with the Company in accordance with Article 16. When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 5 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares present shall be calculated based on the number of shares reported in the signature book or the submitted attendance cards and registrations on the video conference platform, plus the number of shares exercising the voting rights by written or electronic means.

Article 6 The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The Company shall not be restricted from holding a video shareholders' meeting on the venue as described above. The meeting chair and the recorder shall be present at the same venue in the country when the Company convenes a shareholders' meeting by video conference, and the meeting chair shall announce the address of such venue at the time the meeting is called to order.

Article 7 If the board of directors convenes a shareholders' meeting, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair. If a shareholders' meeting is convened by a party with the power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 8 If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda (including extraordinary motions), except by a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.

After the meeting is adjourned, shareholders shall not select another chair and continue the meeting in the same address or in any other location.

Article 9 The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

Article 10 The Company shall make an audio or video recording of the proceedings of the shareholders' meeting and such recording shall be maintained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

If a shareholders' meeting is held by video conference, the Company shall keep records of the shareholders' registration, sign-in, attendance, questions, voting, and the Company's vote counting results, and shall make an uninterrupted audio and video recording of the entire video conference.

The Company shall keep the aforementioned information and audio and video recordings throughout the life of the Company period and provide the audio and video recordings to the person appointed to administer the video conference for retention.

Article 11 When speaking, an attending shareholder shall specify the subject of the speech on a speaker's slip, shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 12 Except with the consent of the chair, a shareholder speech may not exceed 5 minutes. An extension of 3 minutes may be granted by the chair.

Article 13 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 14 During discussion of an agenda, the chair may announce the completion of discussion at a proper time. If required, the chair may announce the discussion closed and call for a vote.

Article 15 Unless otherwise provided by law and Articles of Association, the proposal shall be approved by the majority of votes represented by attending shareholders. At the time of voting, the meeting chair or the person designated by the chair should first announce the total number of voting rights of the attending shareholders for each proposal, then the shareholders shall vote on each proposal. On the same day after the meeting, the results of shareholders' approvals, disapprovals and abstentions, shall be entered into the Market Observation Post System.

Article 16 When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting. When a shareholders' meeting is held by video

conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.

If a shareholders' meeting is held by video conference, the Company shall upload the meeting handbook, annual report and other relevant information to the video conference platform at least 30 minutes prior to the meeting and continue to disclose them until the end of the meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

Article 17

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. If the shareholders' meeting is convened by video conference, shareholders participating by video conference may ask questions by text on the video conference platform after the meeting chair calls the meeting to order and before the meeting is adjourned. The number of questions shall not exceed two for each motion, and each time shall be limited to 200 words, and the provisions of Article 11 to Article 3 shall not apply.

If the preceding question does not violate the regulations or is within the scope of the motion, it is appropriate to disclose the question on the video conference platform of the shareholders' meeting for public information.

Article 18

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and made into record.

After the meeting chair calls the Company's shareholders' meeting by video conference to order, the shareholders participating by video conference shall vote on the motions and the elections through the video conference platform, and the voting shall be completed before the meeting chair announces the end of the voting. Any delay shall be deemed as an abstention.

If a shareholders' meeting is convened by video conference, a one-time vote count shall be conducted after the meeting chair announces the close of voting and the voting and election results shall be announced

When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 16 and wish to attend the physical shareholders' meeting in person shall deregister in the same manner as they have registered two days prior to the shareholders' meeting; if they deregister after that time, they can attend the shareholders' meeting by video conference only.

A shareholder who exercises his or her voting rights in writing or by electronic means and does not revoke his or her declaration of intent to attend the shareholders' meeting by video means may not exercise his or her voting rights on the original motion or propose amendments to the original motion or exercise his or her voting rights on amendments to the original motion, except for an extraordinary motion.

Article 19

When a meeting is in progress, the chair may announce a break based on time considerations.

Article 20

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

other proposals will be rejected, and no further voting shall be required.

Article 21

The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 22

Any matter not stipulated in this procedure shall be in accordance with the Company Act, the articles of association of the Company and applicable laws.

If a shareholders' meeting is convened by video conference, the meeting chair shall make the announcement separately when calling the meeting to order. Except in the case of the meeting that does not need to be postponed or reconvened as stipulated in Article 44-20 paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, before the meeting chair announces the adjournment of the meeting, if, due to natural disasters, events or other force majeure circumstances, the video conference platform or participation by video communication is obstructed and lasts for more than 30 minutes, the meeting shall be postponed or reconvened within five days. The provisions of Article 182 of the Company Act shall not apply.

In the event of an adjournment or reconvening of a meeting under the preceding Paragraph, shareholders who have not registered to participate in the original meeting by video means shall not participate in the postponed or reconvened meeting.

For the postponed or reconvened meeting in accordance with the second paragraph, if a shareholder who has registered to attend the original shareholders' meeting by video means and has completed the registration for the meeting, but does not participate in the adjourned or reconvened meeting, the number of shares, voting rights and election rights exercised at the original shareholders' meeting shall be counted in the total number of shares, voting rights and election rights of the shareholders attending the adjourned or reconvened meeting.

If the shareholders' meeting is adjourned or reconvened in accordance with the second paragraph, there is no need to discuss and resolve again if the voting and counting of votes have been completed and the voting results or the list of directors and supervisors elected have been announced.

If the Company holds a video-assisted shareholders' meeting and the video conference cannot be reconvened in accordance with Paragraph 2, the shareholders' meeting shall continue if the total number of shares present, after deducting the number of shares attending the shareholders' meeting by video means, still reaches the legal quota for the shareholders' meeting, without the need to adjourn or reconvene the meeting in accordance with Paragraph 2.

In the event that the meeting should be continued under the preceding Paragraph, the number of shares attending the shareholders' meeting by video means shall be counted in the total number of shares attended, but shall be deemed to have abstained for the purpose of all motions at that meeting.

If the Company adjourns or reconvenes the meeting in accordance with Paragraph 2, the Company shall comply with the provisions set forth in Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shall complete the relevant preliminary work in accordance with the date of the original shareholders' meeting and the provisions of each Article.

In accordance with the latter part of Article 12 and the third Paragraph of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and the period set forth in Paragraph 2 of Article 44-5, Article 45-15 and Paragraph 1 of Article 44-17 of the Regulations Governing the

Administration of Shareholder Services of Public Companies, the Company shall follow the date of the shareholders' meeting for the postponement or reconvening of the meeting as stipulated in Paragraph 2.

When convening a shareholders' meeting by video means, the Company shall provide the appropriate alternative measures for shareholders who have difficulties participating in the meetings by video means.

Article 23

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

Appendix III

Weikeng Industrial Co., Ltd. Articles of Incorporation

Chapter I General

- Article 1. The Company is organized in accordance with the Company Act and is named Weikeng Industrial Co., Ltd.
- Article 2. The Company operates the following business:
- (1) CB01020 Business machine manufacturing business.
 - (2) CC01060 Wired telecommunications machine and equipment manufacturing business.
 - (3) CC01070 Wireless telecommunications machine and equipment manufacturing business.
 - (4) CC01080 Electronic parts and components manufacturing business.
 - (5) CC01110 Computer and peripheral equipment manufacturing business.
 - (6) CC01120 Information storage media manufacturing and reproduction business.
 - (7) E605010 Computer equipment installation business.
 - (8) E701030 Telecommunications control emission equipment installation business.
 - (9) F113050 Computer and business machine equipment wholesale business.
 - (10) F113070 Telecommunications equipment wholesale business.
 - (11) F118010 Information software wholesale business.
 - (12) F119010 Electronic materials wholesale business.
 - (13) F213030 Computer and business machine equipment retail business.
 - (14) F213060 Telecommunications equipment retails business.
 - (15) F218010 Information software retail business.
 - (16) F399990 Other general retail business.
 - (17) F401010 International trade business.
 - (18) F401021 Telecommunications control emission equipment import business.
 - (19) G801010 Warehouse business.
 - (20) I301010 Information software service business.
 - (21) I301030 Electronic information supply service business.
 - (22) I501010 Product design business.
 - (23) IE01010 Telecommunications account agency business.
 - (24) I301020 Data processing service business.
 - (25) ZZ99999 Other businesses not restricted or prohibited by law except any business that requires approval.
- Article 3. The Company may provide guarantees to meet business requirements. When the Company is a limited liability shareholder of another company, the total amount of investment in other companies is not subject to the limit of 40% of paid-in capital under Article 13 of the Company Act.
- Article 4. The Company has its head office in Taipei City. As required, the Board of Directors may pass a resolution to set up representatives, branches or subsidiaries in appropriate domestic and overseas locations.

Chapter II Shares

- Article 5. The Company's registered capital is NT\$6,000,000,000, divided into 600,000,000 shares, all as ordinary shares at NT\$10 per share. The Board of Directors is authorized to issue the shares in several times through resolutions. Among the aforementioned registered capital amount, NT\$200,000,000, divided into 20,000,000 shares, is reserved for issuance of employee stock options, preferred shares with warrants attached or corporate bonds

with warrants attached. These shares may be issued pursuant to board resolutions in several times.

Article 5-1. With the approval of the shareholders representing two-thirds of voting rights attending a shareholders' meeting attended by shareholders representing the majority of all outstanding shares, the Company could transfer treasury shares to its employees at a price lower than the average buy-back price of treasury shares, or issue employee stock options at a subscription price lower than the closing price of the ordinary shares on the date of issuance of the employee stock options.

In accordance with the Company Act, the Company transfers the shares bought back to employees, issues the share subscription warrants to employees, issues the restricted new shares for employees, or reserves the new issuance of shares for subscription by employees. Qualification requirements of employees include the employees of parents or subsidiaries of the Company meeting certain specific requirements, and the conditions and distribution methods authorize the Board of Directors or its authorized person to decide.

Article 6. All shares of the Company are registered shares and shall be numbered and then issued following the signatures or personal seals of the directors representing the Company and certification by the competent authority or the issuance registration organization approved by the competent authority. No share certificate need be printed for any share issued by the Company. Registration shall be made by a centralized securities custodian institution.

Article 7. No change shall be made to the shareholders registered within 60 days from any general shareholders' meeting, within 30 days from any special shareholders' meeting and within 5 days from the record date for the Company's decision for the distribution of dividend, bonus or other benefit. The share affairs of the Company may be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority.

Chapter III Shareholders' Meeting

Article 8. The shareholders' meetings of the Company are divided into general meetings and special meetings. General meetings are held once a year within 6 months from the end of each accounting year. Special meetings are convened in accordance with law as required.

When the Company's shareholders' meeting is held, it can be held by video conference or other methods announced by the Ministry of Economic Affairs, R.O.C.

Article 8-1. In convening a general shareholders' meeting, shareholders with entitlement under Article 172-1 of the Company Act may make agenda proposals in writing for the general shareholders' meeting, provided that no more than one agenda shall be proposed. Excessive proposals will not be included in the agenda. The relevant procedures shall be in accordance with the Company Act and applicable regulations.

Article 9. Any shareholder who cannot attend a shareholders' meeting in person due to any reason may issue a proxy printed by the Company, specifying the scope of authorization, to appoint one representative to attend the meeting. In addition to Article 177 of the Company Act, the proxies shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies promulgated by the competent authority.

Article 10. The shareholders of the Company are entitled to one voting right per share, except restricted shares or shares without voting right in accordance with applicable legislations.

Article 11. Unless otherwise provided by applicable law, shareholders' resolutions shall be approved by shareholders representing the majority of voting rights among all shareholders attending a meeting that is attended by the shareholders representing the majority of all outstanding shares.

Chapter IV Board of Directors and Audit Committee

- Article 12. The Company has 5 to 9 directors, adopting the candidates nomination system, who will be selected by the shareholders' meeting with the list of candidates for a three-year term and the same person may be re-elected upon expiry of the term, however, the candidates shall not violate Article 30 of the Company Act and Article 26-3 of the Securities and Exchange Act. The above number of Board of Directors shall include 3 independent directors at least. The regulations, relevant norms and other compliance matters in relation to independent directors shall be in accordance with the Company Act, Securities and Exchange Act, and other applicable regulations of the securities competent authority. Board of Directors shall be elected in accordance with Article 198 of the Company Act. Independent directors shall be elected at the same time as the non-independent directors, with the number of elected persons calculated separately. The persons receiving more voting ballots shall be elected to be independent directors and non-independent directors. After election, the Company may, through board resolution, purchase liability insurance for directors of the Company covering compensation liability that shall be borne in accordance with law within the scope of business operation during their terms. The total number of registered shares held by all directors shall not be less than the certain percentage of total outstanding shares stipulated by the competent authority.
- Article 13. The Board of Directors is composed of directors and has the following duties:
1. Preparation of the business plan.
 2. Proposal of profit distribution or loss compensation.
 3. Proposal of capital increase or decrease.
 4. Review of important charters and contracts.
 5. Election and dismissal of president and executive officers of the Company.
 6. Establishment and closure of representative, branch, and subsidiary.
 7. Approval of budget and closing.
 8. Other duties granted by the Company Act or shareholders' resolution.
- Article 14. The Board of Directors is composed of directors. One chairman shall be elected by the majority of directors attending a meeting that is attended by two-thirds or more directors. The chairman represents the Company.
- Article 15. Unless otherwise provided by the Company Act, board meetings shall be held by the chairman. The notice of a board meeting shall specify the agenda and shall be sent to all directors 7 days in advance. However, in case of emergency, the meeting may be held at any time. Notice for board meetings may be sent in writing, by fax or email. Unless otherwise provided in the Company Act or these Articles of Association, board resolutions shall be approved by the majority of directors attending a meeting that is attended by the majority of directors.
- Article 16. The chairman shall chair board meetings. If the chairman is on leave or cannot exercise his duties due to any reason, the chairman shall appoint one director to act on his behalf. If the chairman does not make such appointment, one director shall be elected from among themselves. Any director who cannot attend a board meeting due to any reason may ask another director to act on his behalf.
- Article 17. In accordance with the Article 14-4 of the Securities and Exchange Act, the Company forms Audit Committee composed of all independent directors. The exercise of powers and related matters of the Audit Committee and its members shall follow in accordance with the Securities and Exchange Act and other applicable laws and regulations. In addition to the Audit Committee, the Board of Directors of the Company may also set up various other functional committees, and which charts shall be formulated by the Board of Directors in accordance with relevant laws and regulations.
- Article 18. The Board of Directors is authorized to determine the remuneration to the directors based

on the level of participation in the Company's operation and the value of contribution, as well as in reference to the common standard adopted by the same industry.

Chapter V Managers

Article 19. The Company may have one general manager, the hiring, dismissal and remuneration of which shall be in accordance with Article 29 of the Company Act.

Chapter VI Accounting

Article 20. The Company's accounting year is from 1 January to 31 December. Closing shall be performed at the end of each year.

Article 21. The Board of Directors shall prepare the following statements in accordance with Article 228 of the Company Act at the end of each accounting year and submit them to the Audit Committee for audit 30 days before the general shareholder meeting. The Audit Committee shall issue an examination report and submit it to the general shareholders' meeting for approval.

1. Business report
2. Financial statements
3. Profit distribution or loss compensation proposal

Article 22. The earning in the Company's annual final accounts if any shall first be offset against any deficit, then, 6% to 10% of net profit before tax (before deducting remuneration to employees and directors) will be distributed as employees remuneration and a maximum of 2.5% will be allocated as directors' remuneration. Employees who are entitled to receive the above mentioned employee remuneration, in share or cash, include the employees of the subsidiaries of the Company who meet certain specific requirements. Actual distribution should be determined in the Board of Directors' meeting, with no less than two-thirds of directors present, and approved by more than half of directors attending the meeting and then report to the shareholders' meeting.

Article 22-1 The earning in the company's annual final accounts if any shall first be used to pay income tax and offset prior years' deficits, if any, and then set aside legal reserve, and special reserve is set aside or reversed in accordance with laws or regulations. The remaining balance of the current year is the distributable retained earnings of the current year. The above distributable retained earnings, if any and the accumulated retained earnings in prior years together is the distributable dividends for shareholders. The aforementioned distribution is proposed by the Board of Directors. In accordance with the Company Act, where the aforementioned distributable retained earnings or capital reserve and legal reserve are distributed by issuing new shares which shall be proposed by the Board of Directors and submitted to the shareholders' meeting for resolution; however, where the Company authorizes the distributable dividends, legal reserve, or capital reserve may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Board of Directors of the Company shall determine the proportionality between stock dividends and cash dividends among shareholders' dividends in consideration of the Company's enterprise profitability status, future capital expenditure plans, operational enlargement plans, capital planning, cash flow requirements, legal systems, and the level of dilution on earnings per share. The distribution proposal for shareholders' dividends shall be adopted by Board of Directors and submitted to the shareholders' meeting for resolution and distribution. The contemplated distribution amount shall not be less than 50% of the Company's distributable retained earnings of the current year, and moreover, cash dividend distributed shall represent no less than 20% of the total

amount of shareholders' dividends.

Chapter VII Miscellaneous

Article 23. Any matter not stipulated in these Articles of Association shall be handled in accordance with the Company Act and applicable regulations.

Article 24. These Articles of Association were established on 31 December 1976.

The first amendment was made on 13 December 1980.

The second amendment was made on 20 January 1981.

The third amendment was made on 11 June 1981.

The fourth amendment was made on 11 September 1981.

The fifth amendment was made on 11 February 1982.

The sixth amendment was made on 15 September 1982.

The seventh amendment was made on 21 January 1983.

The eighth amendment was made on 13 January 1984.

The ninth amendment was made on 26 December 1985.

The tenth amendment was made on 23 July 1986.

The eleventh amendment was made on 16 April 1988.

The twelfth amendment was made on 5 October 1988.

The thirteenth amendment was made on 24 November 1989.

The fourteenth amendment was made on 20 July 1992.

The fifteenth amendment was made on 12 June 1993.

The sixteenth amendment was made on 8 July 1993.

The seventeenth amendment was made on 14 April 1993.

The eighteenth amendment was made on 26 September 1994.

The nineteenth amendment was made on 15 June 1996.

The twentieth amendment was made on 26 June 1997.

The twenty-first amendment was made on 14 November 1997.

The twenty-second amendment was made on 22 April 1998.

The twenty-third amendment was made on 1 September 1998.

The twenty-fourth amendment was made on 31 August 1999.

The twenty-fifth amendment was made on 20 April 2000.

The twenty-sixth amendment was made on 9 October 2000.

The twenty-seventh amendment was made on 7 May 2001.

The twenty-eighth amendment was made on 21 June 2002.

The twenty-ninth amendment was made on 5 June 2003.

The thirtieth amendment was made on 15 June 2004.

The thirty-first amendment was made on 14 June 2005.

The thirty-second amendment was made on 14 June 2006.

The thirty-third amendment was made on 13 June 2008.

The thirty-fourth amendment was made on 19 June 2009.

The thirty-fifth amendment was made on 18 June 2010.

The thirty-sixth amendment was made on 22 June 2012.

The thirty-seventh amendment was made on 20 June 2013.

The thirty-eighth amendment was made on 17 June 2015.

The thirty-ninth amendment was made on 17 June 2016.

The fortieth amendment was made on 15 June 2017.

The forty-first amendment was made on 13 June 2018.

The forty-second amendment was made on 20 June, 2019.

The forty-third amendment was made on 17 June, 2020.

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

The forty-fifth amended was made on 16 June, 2022.

Appendix IV

Shareholdings by the Board of Directors

I. As of the shares book closure date (April 16, 2023) for the 2023 Annual General Meeting, the Company issued 421,294,256 ordinary shares. According to article 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the Minimum required shareholdings of all directors are 16,000,000 shares.

II. The shareholdings of individual and all directors:

Shares Book Closure Date : April 16, 2023

Position	Name	Election Date	Term of Office (Year)	Shareholdings When Elected		Current Shareholdings	
				Shares	%	Shares	%
Chairman	Hu, Chiu-Chiang	July 20 2022	3	8,843,627	2.40	8,843,627	2.09
Director	Chi, Ting-Fang	July 20 2022	3	6,278,150	1.71	6,278,150	1.48
Director	WEIJI INVESTMENT CO., LTD. (Representative : Chen, Cheng-Fong)	July 20 2022	3	30,426,876	8.27	30,426,876	7.18
Director	Chen, Kuan-Hua	July 20 2022	3	191,301	0.05	191,301	0.05
Independent Director	Tsai, Yu-Ping	July 20 2022	3	---	---	---	---
Independent Director	Lin, Hung	July 20 2022	3	---	---	---	---
Independent Director	Yu, Hsueh-Ping	July 20 2022	3	---	---	---	---

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