

# **Walsin Lihwa Corporation**

## **2022 Annual Shareholders' Meeting Handbook**

Date: Friday, May 13, 2022

Time: 9:00 am

Place: 1st Floor-The Ballroom, No.15, Ln. 168, Xingshan Rd., Neihu Dist.,  
Taipei City.

Convening Method: Hybrid shareholders' meeting (i.e., a physical shareholders'  
meeting supported by video-conferencing)

Video Conferencing Platform: Taiwan Depository & Clearing Corporation  
Shareholder e-Voting Platform

(<https://www.stockvote.com.tw/evote/index.html>)

# Walsin Lihwa Corporation

## 2022 Annual Shareholders' Meeting Handbook

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**Walsin Lihwa Corporation**  
**Meeting Procedure and Agenda of the**  
**2022 Annual Shareholders' Meeting**

Time: 9:00 am, Friday, May 13, 2022

Place: 1st Floor-The Ballroom, No.15, Ln. 168, Xingshan Rd., Neihu Dist., Taipei City

1. The Meeting Called to Order
2. Chairman's Address
3. Matters to Be Reported:
  - (1) General Manager's Report (The 2021 Business Report and Final Account Report)
  - (2) Audit Committee's Review Report
  - (3) Report of Communications between the Audit Committee and the Chief Audit Executive
  - (4) The Distribution Report of Compensation of the Employees and Directors for the Year 2021
  - (5) Report of the Company's Offering of Domestic Unsecured Straight Corporate Bonds
  - (6) Other Matters to be Reported
4. Matters to Be Ratified and Discussed:
  - (1) Ratification of the 2021 Business Report and Final Account Statements.
  - (2) Ratification of the 2021 Earnings Distribution Proposal.
  - (3) Discussion of the amendments to the Articles of Incorporation of the Company.
  - (4) Discussion of the amendments to the Procedures for the Acquisition and Disposal of Assets of the Company
  - (5) Discussion of the amendments to the Rules and Procedures of Shareholders' Meetings of the Company.
  - (6) Discussion of the proposal for the release of Directors' Non-Competition Obligations.
5. Ad-Hoc Motions
6. Adjournment

# Matters to Be Reported

## **I. General Manager's Report**

Please review and approve the Company's 2021 business report and final account report. For details, please see pp.11 – 24 of the Appendix to the Handbook.

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

For the Audit Committee's examination of the Company's 2021 final account report, please see p.33 of the Appendix to the Handbook for detail.

## **III. Report of Communications between the Audit Committee and the Chief Audit Executive**

For the communications between the Audit Committee and the Chief Audit Executive, please see pp.34 – 35 of the Appendix to the Handbook.

## **IV. The Distribution Report of Compensation of the Employees and Directors for the year 2021.**

Please refer to p.36 of the Appendix to the Handbook for the status of the distribution of compensation to employees and directors for 2021.

## **V. Report of the Company's Offering of Domestic Unsecured Straight Corporate Bonds**

Please refer to p.37 of the Appendix to the Handbook for the report of the Company's offering of domestic unsecured straight corporate bonds in 2021.

## **VI. Other Matters to Be Reported**

(1) Report on the Company's investments in mainland China as of March 31, 2022. Please see pp.38 – 41 of the Appendix to the Handbook for details.

(2) Report on the amendments to the Company's rules and regulations relating to corporate governance:

The Corporate Social Responsibility Practice Principles have been amended by a resolution adopted in a board of directors meeting dated January 11, 2022, and the name was changed to Sustainable Development Practice Principles. Please see pp.42 – 47 of the Appendix to the Handbook for the full content of the amended version.

(3) Report on the shareholdings of directors in the Company as follows:

a) According to Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum shareholding of the all of the Company's directors shall be 3% of its issued and outstanding shares; provided, however, this does not apply to the supervisors of the Company because the Company has an Audit Committee.

The Company has 4 independent directors. The shareholding ratio of all of the directors (excluding the independent directors) is reduced to 80% of the above minimum shareholding ratio.

- b) For the shareholdings of individuals and total directors recorded in the shareholder register prior to the book closure date for the 2022 Annual Shareholders' Meeting, please see p.48 of the Appendix to the Handbook.
  - c) The shareholdings of all of the Company's directors have all met the requirement for the statutory shareholding ratio.
- (4) Report on the status of shareholders' proposals for the 2022 Annual Shareholders' Meeting:  
During the period from February 24, 2022 to March 7, 2022, none of the shareholders submitted any written proposal to the Company during the period of nomination according to Article 172-1 of Company Act.

# Matters to Be Ratified and Discussed

## **Proposal 1**

**Proposed by the Board of Directors**

Subject: Ratification of the Company's 2021 business report and financial statements.

Explanations:

1. Please see pp.11 – 24 of the Appendix to the Handbook for the business report and the financial statements.
2. The financial statements have been approved at the Company's 14<sup>th</sup> board meeting of the 19<sup>th</sup> term, and audited as well as certified by the CPA. They were submitted along with the business report to the Audit Committee for audit, which then has audited the same.

Resolution:

## **Proposal 2**

**Proposed by the Board of Directors**

Subject: Ratification of the Company's 2021 Earnings Distribution Proposal.

Explanations:

1. Please see below for the 2021 Earnings Distribution Proposal.
2. This proposal was approved at the Company's 14<sup>th</sup> board meeting of the 19<sup>th</sup> term and submitted to the Audit Committee 2021, which has audited the same.
3. Upon the approval of the Annual Shareholders' Meeting, it is proposed that the Chairman be authorized to otherwise determine the distribution record date and distribution date. In the event that the Company issues or buys back shares, thereby affecting the number of outstanding shares and then causing the proposed profit distribution per share to change, it is proposed that the Chairman be authorized to adjust the same based on the number of actual shares outstanding on the ex-dividend date.
4. The distribution of the cash dividends shall be rounded down to the nearest New Taiwan Dollar. The aggregate of the remaining cash will be credited to Other Revenue by the Company.

Resolution:

# Walsin Lihwa Corporation

## Earnings Distribution Proposal for 2021

Unit: NTD

Summary	Amount
Beginning of Period Retained Earnings	\$24,420,167,558
Add: Cumulative Gains or Losses Directly Transferred to Retained Earnings by Affiliates' Disposal of Investments in Equity Instruments Measured at Fair Value through Other Comprehensive Income	77,160,032
Less: Re-measurements of Defined Benefit Plans Recognized in Retained Earnings	<u>(174,568,981)</u>
Adjusted Retained Earnings	24,322,758,609
Add: Net Income	14,642,628,820
Minus: Legal Reserve	<u>(1,454,521,987)</u> 13,188,106,833
Distributable Earnings	37,510,865,442
Distribution	
Cash Dividend to Shareholders (NT\$1.6 per Share)	<u>(5,490,132,717)</u>
End of Period Retained Earnings	\$32,020,732,725

Note 1: The Company's issued and outstanding common stock totaled 3,431,332,948 shares as of February 22, 2022.

Note 2: According to the rules specified in the letter from the Ministry of Finance dated August 5, 1999 (Ref. No.: Tai-Cai-Shui-881933217), the year of this distribution of earnings is 2021.

Responsible Person: Chiao, Yu-Lon (Seal)

Manager: Fred Pan (Seal)

Accounting Chief: Wu, Chin-Sheng (Seal)



**Proposal 3****Proposed by the Board of Directors**

Subject: Review and approval of the amendments to the Articles of Incorporation of the Company.

Explanations:

1. In accordance with the amendment to Article 172-2 of the Company Act, the Company's Articles of Incorporation have been amended to add Article 9-1 relating to the conduct of shareholders' meetings.
2. In accordance with Paragraph 5, Article 240 of the Company Act, Article 28 of the Company's Articles of Incorporation has been amended so that the payment of cash dividends shall be authorized by a special resolution of the Board of Directors.
3. In order to ensure the stability of the Company's financial structure and the principle of equity for the Company's dividend policy, it is proposed to amend Article 28-1 of the Company's Articles of Incorporation regarding the calculation basis for dividend payout (i.e., excluding the share of the income generated by the Company's affiliates but adding the cash dividends they distribute to the Company).
4. In summary, the Comparison Table of the Amended Articles of the Articles of Incorporation is set out on pp.49 – 51 of the Appendix to the Handbook.

Resolution:

**Proposal 4****Proposed by the board of directors**

Subject: Review and approval of the amendments to the Company's Procedures for the Acquisition and Disposal of Assets.

Explanations:

1. It is conducted in accordance with Article 16 of the Company's Article of Incorporation and Article 6 of the Audit Committee Charter.
2. In accordance with amendments to certain provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, the relevant provisions of the Company's Asset Acquisition and Disposal Procedures have been amended.
3. The Comparison Table of the Amended Articles of the Procedures for the Acquisition and Disposal of Assets of the Company is set out on pp.52 – 61 of the Appendix to the Handbook

Resolution:

**Proposal 5****Proposed by the Board of Directors**

Subject: Review and approval of the amendments to the Rules and Procedures of Shareholders' Meetings of the Company.

Explanations:

1. In accordance with the amendment to Article 172-2 of the Company Act, public companies may hold shareholders' meetings by video conferencing. On March 4, 2022, the Financial Supervisory Commission amended and promulgated the relevant provisions of the Regulations Governing the Administration of Shareholder Services of Public Companies by adding provisions relating to convening shareholders' meetings by video conferencing. In order to meet the needs of the digital age and provide a channel for shareholders to participate in shareholders' meetings, the relevant provisions of the Rules and Procedures of Shareholders' Meetings of the Company have been amended by reference to the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings amended and promulgated by the Taiwan Stock Exchange on March 8, 2022.
2. Please refer to pp.62 – 82 of the Appendix to the Handbook for the Comparison Table of Amended Articles of the Rules and Procedures of Shareholders' Meetings of the Company.

Resolution:

## **Proposal 6**

## **Proposed by the Board of Directors**

Subject: Release of the directors of the Company from non-compete restrictions set forth in Article 209 of the Company Act.

Explanations:

1. It is conducted in accordance with Paragraph 1, Article 209 of the Company Act, which provides that "a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders meeting the essential contents of such an act and secure its approval."
2. For the Company's directors who newly serve as directors in companies operating the same/similar businesses as/to the Company, as well as the business items added by such companies which are the same/similar as/to those of the Company, please see p.83 of the Appendix to the Handbook.
3. It is proposed that the shareholders' meeting approve the release of the each such directors from non-compete restrictions on engaging in any business within the Company's business scope under Paragraph 1, Article 209 of the Company Act, as well as approve the abstention from exercise of the disgorgement rights against the directors mentioned above as of the date of serving as directors of other companies engaging in competing business.

Resolution:

## **Ad-Hoc Motions**

## **Adjournment**

# Appendix

# Walsin Lihwa Corporation

## 2021 Business Report

### 1. Preamble

In 2021, the Company's net income amounted to NT\$14.6 billion and earnings per share were NT\$4.27, delivering the best operating performance in its history. In particular, the operating income of the Stainless Steel Business Group reached NT\$5.9 billion, a fourfold increase over the previous year. The Commodity Business Group, benefiting from the investment in the nickel pig iron plant and power plant in Indonesia and the booming agency business, generated an annual operating income reaching NT\$4 billion. The Wire and Cable Business Group, driven by the incentive given to Taiwanese entrepreneurs to build factories in Taiwan, nearly doubled its annual operating income to NT\$2.2 billion compared with the previous year. In spite of the volatile economic environment, all of the Company's business units were able to effectively grasp the changes in the market and avoid the unstable risks such as fluctuations in raw material prices, transportation, and delivery schedules, resulting in an overall operating profit of NT\$13.3 billion. Driven by the growth in the operations of our reinvestment businesses, such as Winbond and Walsin Technology, which generated a reinvestment gain of NT\$5.4 billion, the Company's profit reached a record high.

In recent years, the Company has been promoting the transformation of corporate processes, intelligent manufacturing, and automated production, and has been actively investing in and building energy-saving, renewable energy, and circular economy to respond to the transformation required by, and challenges posed by, the basic manufacturing industry where it is situated or even global enterprises. Looking ahead to 2022, risks such as the COVID-19 pandemic, inflation, global warming, carbon neutrality, and overcapacity in China will still affect the Company's operations, but the Company should continue to improve its operating performance through integration strategies, digital transformation, and strengthening of core competitive advantages.

### 2. Explanation for Financial Result

Unit: NT\$ million

	2021	2020	Amount of Increase (Decrease)
Operating Revenue	156,665	112,547	44,118
Gross Profit	19,809	12,468	7,341
Operating Expenses	6,464	5,083	1,381
Income from Operations	13,346	7,385	5,961
Non-Operating Income and Expenses	5,777	1,866	3,911
Profit Before Tax	19,122	9,251	9,871
Net Income After Taxes	14,643	6,691	7,952

#### (1) Operating Revenue

Operating revenue increased by NT\$44.1 billion in 2021. Although the Stainless Steel and Wire and Cable Businesses faced significant fluctuations in the supply and demand in the raw material markets, the sales volume of each business unit grew as a result of effective control of

material procurement in response to clients' demand, timely adjustment of production capacity, and accurate delivery; the nickel pig iron and power plants also achieved full capacity and sales in 2021, resulting in a 39% increase in operating revenue over the previous year.

(2) Gross Profit

In 2021, the gross profit increased by NT\$7.3 billion year-on-year. A better gross profit than the previous year was due to the increase in sales volume, as well as because the Stainless Steel BU and the Wire and Cable effectively improved capacity utilization and controlled costs, and the target of full capacity and sales for the nickel pig iron and power plants was achieved as planned.

(3) Operating Expenses

The increase in operating expenses for 2021 included a significant increase in transportation costs due to the pandemic, in addition to the decrease in expenses corresponding to the increase in operating revenues.

(4) Non-Operating Income and Expenses

The increase in non-operating income and expenses in 2021 was mainly due to the increase in income from adopting the equity method.

### **3. Operating Overview and Prospects of the Business Units**

(1) Wire and Cable

We will grasp the business opportunities of plant construction and continue to develop innovative business models to maintain our market leadership position and increase the sales of renewable energy and harbor machinery products such as solar and wind power through capital expenditure, in order to expand our market presence in the industrial cable market.

(2) Stainless Steel

In the face of external impacts such as the pandemic and environmental issues, we will continue to optimize our production processes and reduce carbon emissions, while accelerating new product development and expanding the proportion of high-value products to maintain our competitiveness.

(3) Resources

We will integrate raw material procurement and risk management of each production unit, and continue to deepen partnerships with green energy suppliers to meet environmental trends and reduce production costs.

(4) Real Estate

Office Building No. 1 of Walsin Centro located in Nanjing is expected to be completed in mid-2022, and we are actively implementing leasing and sales plans for the office building. The Walsin shopping mall is adjusting its store mix in order to enhance the operating results.

Responsible person: Chiao, Yu-Lon (Seal)

Manager: Fred Pan (Seal)

Chief Accountant: Wu, Chin-Sheng (Seal)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 10,387,581	6	\$ 11,944,408	8
Financial assets at fair value through profit or loss - current	16,147	-	73,329	-
Financial assets at amortized cost - current	-	-	1,315,970	1
Derivative financial assets for hedging - current	89,232	-	8,282	-
Contract assets - current	5,750,344	3	4,460,992	3
Notes receivable	2,627,411	2	2,974,132	2
Trade receivables	11,045,689	6	7,543,131	5
Finance lease receivables	58,042	-	56,128	-
Other receivables	1,620,595	1	887,091	1
Inventories	31,659,723	17	21,080,535	14
Other financial assets - current	530,650	-	705,277	-
Other current assets	5,535,226	3	5,127,533	3
Total current assets	<u>69,320,640</u>	<u>38</u>	<u>56,176,808</u>	<u>37</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current	-	-	5,683,859	4
Financial assets at fair value through other comprehensive income - non-current	16,290,587	9	6,910,644	5
Investments accounted for using the equity method	39,451,117	22	32,767,091	22
Property, plant and equipment	41,474,488	23	34,294,221	23
Right-of-use assets	1,803,510	1	1,664,406	1
Investment properties	10,431,063	6	9,874,926	6
Other intangible assets	173,430	-	175,000	-
Deferred tax assets	2,818,549	1	2,428,545	2
Refundable deposits	207,622	-	221,314	-
Long-term finance lease receivables - non-current	662,543	-	720,585	-
Other non-current assets	401,349	-	646,607	-
Total non-current assets	<u>113,714,258</u>	<u>62</u>	<u>95,387,198</u>	<u>63</u>
<b>TOTAL</b>	<u>\$ 183,034,898</u>	<u>100</u>	<u>\$ 151,564,006</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings	\$ 7,108,766	4	\$ 6,591,019	4
Financial liabilities at fair value through profit or loss - current	37,439	-	8,374	-
Contract liabilities - current	3,426	-	1,499	-
Notes payable	346,947	-	235,258	-
Trade payables	8,493,921	5	7,494,471	5
Current tax liabilities	6,082,152	3	4,557,761	3
Other payables	4,861,341	3	5,143,921	4
Lease liabilities - current	71,470	-	75,261	-
Current portion of long-term borrowings	10,719,081	6	6,162,400	4
Other current liabilities	1,127,970	-	1,188,193	1
Total current liabilities	<u>38,852,513</u>	<u>21</u>	<u>31,458,157</u>	<u>21</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable	7,500,000	4	-	-
Long-term borrowings	24,785,952	14	31,406,829	21
Deferred tax liabilities	2,214,650	1	214,457	-
Lease liabilities - non-current	243,676	-	274,442	-
Net defined benefit liabilities - non-current	560,362	-	384,299	-
Other non-current liabilities	931,477	1	544,992	-
Total non-current liabilities	<u>36,236,117</u>	<u>20</u>	<u>32,825,019</u>	<u>21</u>
Total liabilities	<u>75,088,630</u>	<u>41</u>	<u>64,283,176</u>	<u>42</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF WLC</b>				
Share capital	34,313,329	19	32,260,002	21
Capital surplus	18,440,875	10	15,690,406	11
Retained earnings				
Legal reserve	6,109,568	3	5,428,200	4
Special reserve	2,712,250	2	3,110,410	2
Unappropriated earnings	38,965,389	21	27,791,577	18
Total retained earnings	<u>47,787,207</u>	<u>26</u>	<u>36,330,187</u>	<u>24</u>
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(6,100,687)	(3)	(5,905,135)	(4)
Unrealized gain on financial assets at fair value through other comprehensive income	11,534,267	6	6,092,775	4
Other equity-other	(91,467)	-	-	-
Total other equity	<u>5,342,113</u>	<u>3</u>	<u>187,640</u>	<u>-</u>
Total equity attributable to owners of WLC	<u>105,883,524</u>	<u>58</u>	<u>84,468,235</u>	<u>56</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>2,062,744</u>	<u>1</u>	<u>2,812,595</u>	<u>2</u>
Total equity	<u>107,946,268</u>	<u>59</u>	<u>87,280,830</u>	<u>58</u>
<b>TOTAL</b>	<u>\$ 183,034,898</u>	<u>100</u>	<u>\$ 151,564,006</u>	<u>100</u>

(With Deloitte & Touche auditors' report dated February 22, 2022)



# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE	\$156,664,766	100	\$112,546,603	100
OPERATING COSTS	<u>(136,855,301)</u>	<u>(88)</u>	<u>(100,078,265)</u>	<u>(89)</u>
GROSS PROFIT	<u>19,809,465</u>	<u>12</u>	<u>12,468,338</u>	<u>11</u>
OPERATING EXPENSES				
Selling and marketing expenses	2,487,342	2	1,868,164	2
General and administrative expenses	3,784,683	2	3,091,413	3
Research and development expenses	<u>191,888</u>	<u>-</u>	<u>123,699</u>	<u>-</u>
Total operating expenses	<u>6,463,913</u>	<u>4</u>	<u>5,083,276</u>	<u>5</u>
PROFIT FROM OPERATIONS	<u>13,345,552</u>	<u>8</u>	<u>7,385,062</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	91,952	-	261,523	-
Dividend income	561,499	-	110,990	-
Other income	549,102	-	136,095	-
Gain (loss) on disposal of property, plant and equipment	20,468	-	(7,979)	-
Gain on valuation of financial assets and liabilities at fair value through profit or loss	647,228	-	732,121	1
Recognition (reversal) of impairment loss	(693,892)	-	674	-
Other expenses	(231,656)	-	(381,505)	-
Foreign exchange loss, net	(237,222)	-	(66,726)	-
Interest expense	(417,951)	-	(539,982)	-
Gain (loss) on disposal of investments	679,207	1	(75,927)	-
Share of profit of associates accounted for using the equity method	<u>4,808,211</u>	<u>3</u>	<u>1,696,319</u>	<u>1</u>
Total non-operating income and expenses	<u>5,776,946</u>	<u>4</u>	<u>1,865,603</u>	<u>2</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	19,122,498	12	9,250,665	8
INCOME TAX EXPENSE	<u>(3,865,184)</u>	<u>(2)</u>	<u>(2,244,864)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>15,257,314</u>	<u>10</u>	<u>7,005,801</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS)				

(Continued)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Items that may not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(153,272)	-	36,292	-
Unrealized gain on financial assets at fair value through other comprehensive income	2,594,208	1	1,077,834	1
Share of the other comprehensive income of associates accounted for using the equity method	<u>2,906,573</u>	<u>2</u>	<u>2,664,780</u>	<u>2</u>
	<u>5,347,509</u>	<u>3</u>	<u>3,778,906</u>	<u>3</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(105,982)	-	(358,081)	-
Share of the other comprehensive loss of associates accounted for using the equity method	<u>(127,834)</u>	<u>-</u>	<u>(82,616)</u>	<u>-</u>
	<u>(233,816)</u>	<u>-</u>	<u>(440,697)</u>	<u>-</u>
Other comprehensive income for the year	<u>5,113,693</u>	<u>3</u>	<u>3,338,209</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 20,371,007</u>	<u>13</u>	<u>\$ 10,344,010</u>	<u>9</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of WLC	\$ 14,642,629	9	\$ 6,691,149	6
Non-controlling interests	<u>614,685</u>	<u>1</u>	<u>314,652</u>	<u>-</u>
	<u>\$ 15,257,314</u>	<u>10</u>	<u>\$ 7,005,801</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of WLC	\$ 19,791,160	13	\$ 10,114,207	9
Non-controlling interests	<u>579,847</u>	<u>-</u>	<u>229,803</u>	<u>-</u>
	<u>\$ 20,371,007</u>	<u>13</u>	<u>\$ 10,344,010</u>	<u>9</u>
EARNINGS PER SHARE				
Basic	<u>\$ 4.27</u>		<u>\$ 2.04</u>	
Diluted	<u>\$ 4.26</u>		<u>\$ 2.04</u>	

(With Deloitte & Touche auditors' report dated February 22, 2022)

(Concluded)

## WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of WLC												
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translation the Financial Statement of Foreign Operations	Other Equity		Other	Treasury Shares	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income						
BALANCE AT JANUARY 1, 2020	\$ 33,260,002	\$ 16,055,238	\$ 5,113,232	\$ 4,043,138	\$ 22,023,141	\$ (5,546,359)	\$ 2,435,949	\$ -	\$ -	\$ 77,384,341	\$ 1,181,773	\$ 78,566,114	
Appropriation of 2019 earnings (Note 23)													
Legal reserve	-	-	314,968	-	(314,968)	-	-	-	-	-	-	-	
Special reserve	-	-	-	(932,728)	932,728	-	-	-	-	-	-	-	
Cash dividends distributed by WLC	-	-	-	-	(1,663,000)	-	-	-	-	(1,663,000)	-	(1,663,000)	
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposed	-	-	-	-	(2,481)	-	-	-	-	(2,481)	-	(2,481)	
Change in capital surplus from investments in associates under the equity method	-	135,304	-	-	97,145	-	(97,145)	-	-	135,304	-	135,304	
Net profit for the year ended December 31, 2020	-	-	-	-	6,691,149	-	-	-	-	6,691,149	314,652	7,005,801	
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	27,863	(358,776)	3,753,971	-	-	3,423,058	(84,849)	3,338,209	
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	6,719,012	(358,776)	3,753,971	-	-	10,114,207	229,803	10,344,010	
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	(1,500,108)	(1,500,108)	-	(1,500,108)	
Cancellation of treasury shares	(1,000,000)	(500,108)	-	-	-	-	-	-	1,500,108	-	-	-	
Others	-	(28)	-	-	-	-	-	-	-	(28)	-	(28)	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,401,019	1,401,019	
BALANCE, DECEMBER 31, 2020	32,260,002	15,690,406	5,428,200	3,110,410	27,791,577	(5,905,135)	6,092,775	-	-	84,468,235	2,812,595	87,280,830	
Appropriation of 2020 earnings (Note 23)													
Legal reserve	-	-	681,368	-	(681,368)	-	-	-	-	-	-	-	
Special reserve	-	-	-	(398,160)	398,160	-	-	-	-	-	-	-	
Cash dividends distributed by WLC	-	-	-	-	(3,088,200)	-	-	-	-	(3,088,200)	-	(3,088,200)	
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposed	-	3,124	-	-	-	-	-	-	-	3,124	-	3,124	
Change in capital surplus and retained earnings from investments in associates under the equity method	-	(26,782)	-	-	77,160	-	(77,160)	(91,467)	-	(118,249)	-	(118,249)	
Issuance of new shares in exchange for the shares of another company	2,053,327	2,771,798	-	-	-	-	-	-	-	4,825,125	-	4,825,125	
Net profit for the year ended December 31, 2021	-	-	-	-	14,642,629	-	-	-	-	14,642,629	614,685	15,257,314	
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(174,569)	(195,552)	5,518,652	-	-	5,148,531	(34,838)	5,113,693	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	14,468,060	(195,552)	5,518,652	-	-	19,791,160	579,847	20,371,007	
Others	-	2,329	-	-	-	-	-	-	-	2,329	-	2,329	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,329,698)	(1,329,698)	
BALANCE, DECEMBER 31, 2021	<u>\$ 34,313,329</u>	<u>\$ 18,440,875</u>	<u>\$ 6,109,568</u>	<u>\$ 2,712,250</u>	<u>\$ 38,965,389</u>	<u>\$ (6,100,687)</u>	<u>\$ 11,534,267</u>	<u>\$ (91,467)</u>	<u>\$ -</u>	<u>\$ 105,883,524</u>	<u>\$ 2,062,744</u>	<u>\$ 107,946,268</u>	

(With Deloitte & Touche auditors' report dated February 22, 2022)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$19,122,498	\$ 9,250,665
Adjustments for:		
Depreciation expense	2,799,315	2,405,513
Amortization expense	31,498	35,485
Expected credit (reversed) loss recognized on trade receivables	(7,901)	12,209
Net gain on fair value change of financial assets and liabilities as at fair value through profit or loss	(647,228)	(732,121)
Interest expense	417,951	539,982
Interest income	(91,952)	(261,523)
Dividend income	(561,499)	(110,990)
Compensation cost of employees share options	11,490	8,804
Share of profit of associates accounted for using the equity method	(4,808,211)	(1,696,319)
(Gain) loss on disposal of property, plant and equipment	(20,468)	7,979
(Gain) loss on disposal of investments	(679,207)	75,927
Impairment loss (reversed) recognized on non-financial assets	693,892	(674)
Unrealized loss on foreign currency exchange	89,472	962
Gain on lease modification	-	(38)
Changes in operating assets and liabilities		
Increase in contract assets	(1,289,352)	(446,320)
Decrease in notes receivable	346,721	602,201
(Increase) decrease in trade receivables	(3,494,657)	311,810
(Increase) decrease in other receivables	(775,485)	467,742
(Increase) decrease in inventories	(11,987,254)	938,706
Increase in other current assets	(45,654)	(2,794,980)
Decrease (increase) in other financial assets	174,627	(387,544)
Increase in other operating assets	(626,734)	(366,618)
Increase in financial liabilities held for trading	513,105	75,283
Increase in contract liabilities	1,927	981
Increase (decrease) in notes payable	111,689	(107,151)
Increase in trade payables	999,450	526,654
Increase in other payables	674,668	152,124
(Decrease) increase in other current liabilities	(60,224)	532,710
Increase (decrease) in net defined benefit liabilities	176,063	(152,315)
Increase (decrease) in other operating liabilities	565,146	(133,769)
Cash generated from operations	1,633,686	8,755,375
Interest received	69,679	294,277
Dividends received	1,359,121	789,298
Interest paid	(491,575)	(534,655)
Income tax paid	(1,254,756)	(2,156,365)
Net cash generated from operating activities	<u>1,316,155</u>	<u>7,147,930</u>

(Continued)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(1,985,957)	(507,274)
Capital reduction and refund from financial assets at fair value through other comprehensive income	3,615	-
Disposal of financial assets at amortized cost	1,325,403	252,140
Purchase of financial assets at fair value through profit or loss	-	(5,353,790)
Disposal of financial assets at fair value through profit or loss	4,948,895	-
Acquisition of investments accounted for using the equity method	(3,227)	-
Net cash flow on disposal of subsidiaries	-	2,025,974
Payments for property, plant and equipment	(6,415,398)	(8,816,415)
Proceeds from disposal of property, plant and equipment	50,410	21,684
Decrease (increase) in refundable deposits	13,208	(36,228)
Payments for intangible assets	(6,248)	(9,327)
Payments for right-of-use assets	(222,330)	(18,989)
Payments for investment properties	(2,362)	(546)
Other investing activities	<u>1,308,017</u>	<u>132,890</u>
Net cash used in investing activities	<u>(985,974)</u>	<u>(12,309,881)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	485,651	(5,804,988)
Proceeds from bonds payable	7,500,000	-
Proceeds from long-term borrowings	4,000,000	20,640,014
Repayment of long-term borrowings	(6,064,196)	(6,564,196)
Repayment of the principal portion of lease liabilities	(89,794)	(83,862)
Cash dividends paid	(3,088,030)	(1,662,891)
Payments for buy-back of ordinary shares	-	(1,500,108)
Acquisition of subsidiaries	(5,003,810)	-
Changes in non-controlling interests	(21,666)	586,927
Other financing activities	<u>2,329</u>	<u>(28)</u>
Net cash (used in) generated from financing activities	<u>(2,279,516)</u>	<u>5,610,868</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>392,508</u>	<u>(257,515)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,556,827)	191,402
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>11,944,408</u>	<u>11,753,006</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$10,387,581</u>	<u>\$11,944,408</u>
(With Deloitte & Touche auditors' report dated February 22, 2022)		(Concluded)

# WALSIN LIHWA CORPORATION

## BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 5,023,659	3	\$ 4,511,090	3
Financial assets at fair value through profit or loss - current	8,864	-	66,059	-
Contract assets - current	151,065	-	12,937	-
Notes receivable from unrelated parties	36,993	-	27,277	-
Trade receivables from unrelated parties	4,488,125	3	2,243,175	2
Trade receivables from related parties	630,518	-	342,552	-
Other receivables	985,084	1	271,722	-
Inventories	15,567,272	10	8,502,797	6
Other current assets	<u>2,051,688</u>	<u>1</u>	<u>2,443,728</u>	<u>2</u>
Total current assets	<u>28,943,268</u>	<u>18</u>	<u>18,421,337</u>	<u>13</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current	-	-	5,683,859	4
Financial assets at fair value through other comprehensive income - non-current	16,139,524	10	6,783,229	5
Investments accounted for using equity method	92,360,069	56	77,247,465	55
Property, plant and equipment	17,411,273	10	17,493,296	12
Right-of-use assets	81,050	-	80,629	-
Investment properties	8,243,668	5	8,314,798	6
Deferred tax assets - non-current	1,291,573	1	981,573	1
Refundable deposits	27,548	-	26,913	-
Long-term receivables from related parties	-	-	5,349,885	4
Other non-current assets	<u>182,006</u>	<u>-</u>	<u>87,872</u>	<u>-</u>
Total non-current assets	<u>135,736,711</u>	<u>82</u>	<u>122,049,519</u>	<u>87</u>
<b>TOTAL</b>	<u>\$ 164,679,979</u>	<u>100</u>	<u>\$ 140,470,856</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings	\$ 5,074,632	3	\$ 6,591,019	5
Financial liabilities at fair value through profit or loss - current	37,439	-	15,839	-
Derivative financial liabilities hedging - current	-	-	165,774	-
Trade payables to unrelated parties	3,040,224	2	2,522,328	2
Current tax liabilities	2,040,190	1	108,164	-
Other payables to unrelated parties	2,498,452	2	2,237,404	2
Other payables to related parties	178,362	-	5,772,308	4
Lease liabilities - current	20,564	-	20,500	-
Current portion of long-term borrowings	10,500,000	7	6,000,000	4
Other current liabilities	<u>372,874</u>	<u>-</u>	<u>759,039</u>	<u>-</u>
Total current liabilities	<u>23,762,737</u>	<u>15</u>	<u>24,192,375</u>	<u>17</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds Payable	7,500,000	5	-	-
Long-term borrowings	24,640,014	15	31,140,014	22
Deferred tax liabilities - non-current	2,151,564	1	131,132	-
Lease liabilities - non-current	64,580	-	61,202	-
Net defined benefit liabilities	451,697	-	290,237	1
Other non-current liabilities	<u>225,863</u>	<u>-</u>	<u>187,661</u>	<u>-</u>
Total non-current liabilities	<u>35,033,718</u>	<u>21</u>	<u>31,810,246</u>	<u>23</u>
Total liabilities	<u>58,796,455</u>	<u>36</u>	<u>56,002,621</u>	<u>40</u>
<b>EQUITY</b>				
Share capital	<u>34,313,329</u>	<u>21</u>	<u>32,260,002</u>	<u>23</u>
Capital surplus	<u>18,440,875</u>	<u>11</u>	<u>15,690,406</u>	<u>11</u>
Retained earnings				
Legal reserve	6,109,568	4	5,428,200	4
Special reserve	2,712,250	1	3,110,410	2
Unappropriated earnings	<u>38,965,389</u>	<u>24</u>	<u>27,791,577</u>	<u>20</u>
Total retained earnings	<u>47,787,207</u>	<u>29</u>	<u>36,330,187</u>	<u>26</u>
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(6,100,687)	(4)	(5,905,135)	(4)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	11,534,267	7	6,092,775	4
Other equity-others	<u>(91,467)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other equity	<u>5,342,113</u>	<u>3</u>	<u>187,640</u>	<u>-</u>
Total equity	<u>105,883,524</u>	<u>64</u>	<u>84,468,235</u>	<u>60</u>
<b>TOTAL</b>	<u>\$ 164,679,979</u>	<u>100</u>	<u>\$ 140,470,856</u>	<u>100</u>

(With Deloitte & Touche auditors' report dated February 22, 2022)

# WALSIN LIHWA CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 97,789,648	100	\$ 64,097,690	100
OPERATING COSTS	(84,881,753)	(87)	(59,641,481)	(93)
(UNREALIZED) GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>(13,335)</u>	<u>-</u>	<u>1,357</u>	<u>-</u>
GROSS PROFIT	<u>12,894,560</u>	<u>13</u>	<u>4,457,566</u>	<u>7</u>
OPERATING EXPENSES				
Selling and marketing expenses	1,258,609	1	745,090	1
General and administrative expenses	1,257,078	1	915,989	2
Research and development expenses	<u>180,944</u>	<u>-</u>	<u>115,346</u>	<u>-</u>
Total operating expenses	<u>2,696,631</u>	<u>2</u>	<u>1,776,425</u>	<u>3</u>
PROFIT FROM OPERATIONS	<u>10,197,929</u>	<u>11</u>	<u>2,681,141</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	225,171	-	151,325	-
Dividend income	560,552	1	110,905	-
Other income	447,284	-	70,318	-
Gain (loss) on disposal of property, plant and equipment	683	-	(5,483)	-
Foreign exchange (losses) gains , net	(311,352)	-	73,937	-
Gain on valuation of financial assets and liabilities at fair value through profit or loss	654,576	1	728,770	1
Impairment loss	(557,721)	(1)	-	-
Other expenses	(78,196)	-	(264,156)	-
Gain (loss) on disposal of investments	461,026	-	(365,451)	-
Interest expense	(425,367)	-	(452,964)	-
Share of profit of subsidiaries and associates under the equity method	<u>7,218,874</u>	<u>7</u>	<u>3,935,768</u>	<u>6</u>
Total non-operating income and expenses	<u>8,195,530</u>	<u>8</u>	<u>3,982,969</u>	<u>7</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	18,393,459	19	6,664,110	11
INCOME TAX (EXPENSE) BENEFIT	<u>(3,750,830)</u>	<u>(4)</u>	<u>27,039</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>14,642,629</u>	<u>15</u>	<u>6,691,149</u>	<u>11</u>

(Continued)

# WALSIN LIHWA CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(160,650)	-	43,670	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	2,611,742	2	1,258,198	2
Share of the other comprehensive income of associates accounted for using the equity method	<u>2,892,990</u>	<u>3</u>	<u>2,479,966</u>	<u>4</u>
	<u>5,344,082</u>	<u>5</u>	<u>3,781,834</u>	<u>6</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(67,717)	-	(276,160)	(1)
Share of other comprehensive loss of associates accounted for using the equity method	<u>(127,834)</u>	<u>-</u>	<u>(82,616)</u>	<u>-</u>
	<u>(195,551)</u>	<u>-</u>	<u>(358,776)</u>	<u>(1)</u>
Other comprehensive income for the year, net of income tax	<u>5,148,531</u>	<u>5</u>	<u>3,423,058</u>	<u>5</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 19,791,160</u>	<u>20</u>	<u>\$ 10,114,207</u>	<u>16</u>
<b>EARNINGS PER SHARE</b>				
Basic	<u>\$ 4.27</u>		<u>\$ 2.04</u>	
Diluted	<u>\$ 4.26</u>		<u>\$ 2.04</u>	

(With Deloitte & Touche auditors' report dated February 22, 2022)

(Concluded)



## WALSIN LIHWA CORPORATION

STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)

	Share Capital	Capital Surplus	Retained Earnings			Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Other Equity		Treasury Shares	Total Equity
			Legal Reserve	Special Reserve				Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Other		
BALANCE AT JANUARY 1, 2020	\$ 33,260,002	\$ 16,055,238	\$ 5,113,232	\$ 4,043,138	\$ 22,023,141	\$ (5,546,359)	\$ 2,435,949	\$ -	\$ -	\$ 77,384,341	
Appropriation of 2019 earnings (Note 20)											
Legal reserve	-	-	314,968	-	(314,968)	-	-	-	-	-	
Special reserve	-	-	-	(932,728)	932,728	-	-	-	-	-	
Cash dividends distributed by WLC	-	-	-	-	(1,663,000)	-	-	-	-	(1,663,000)	
Excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal	-	-	-	-	(2,481)	-	-	-	-	(2,481)	
Change in capital surplus from investments in associates accounted for using the equity method	-	135,304	-	-	97,145	-	(97,145)	-	-	135,304	
Net profit for the year ended December 31, 2020	-	-	-	-	6,691,149	-	-	-	-	6,691,149	
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	27,863	(358,776)	3,753,971	-	-	3,423,058	
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	6,719,012	(358,776)	3,753,971	-	-	10,114,207	
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	(1,500,108)	(1,500,108)	
Cancelation of treasury shares	(1,000,000)	(500,108)	-	-	-	-	-	-	1,500,108	-	
Others	-	(28)	-	-	-	-	-	-	-	(28)	
BALANCE AT DECEMBER 31, 2020	32,260,002	15,690,406	5,428,200	3,110,410	27,791,577	(5,905,135)	6,092,775	-	-	84,468,235	
Appropriation of 2020 earnings (Note 20)											
Legal reserve	-	-	681,368	-	(681,368)	-	-	-	-	-	
Special reserve	-	-	-	(398,160)	398,160	-	-	-	-	-	
Cash dividends distributed by WLC	-	-	-	-	(3,088,200)	-	-	-	-	(3,088,200)	
Excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal	-	3,124	-	-	-	-	-	-	-	3,124	
Change in capital surplus from investments in associates accounted for using the equity method	-	(26,782)	-	-	77,160	-	(77,160)	(91,467)	-	(118,249)	
Issuance of new shares in exchange for the shares of another company	2,053,327	2,771,798	-	-	-	-	-	-	-	4,825,125	
Net profit for the year ended December 31, 2021	-	-	-	-	14,642,629	-	-	-	-	14,642,629	
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(174,569)	(195,552)	5,518,652	-	-	5,148,531	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	14,468,060	(195,552)	5,518,652	-	-	19,791,160	
Others	-	2,329	-	-	-	-	-	-	-	2,329	
BALANCE AT DECEMBER 31, 2021	<u>\$ 34,313,329</u>	<u>\$ 18,440,875</u>	<u>\$ 6,109,568</u>	<u>\$ 2,712,250</u>	<u>\$ 38,965,389</u>	<u>\$ (6,100,687)</u>	<u>\$ 11,534,267</u>	<u>\$ (91,467)</u>	<u>\$ -</u>	<u>\$ 105,883,524</u>	

(With Deloitte & Touche auditors' report dated February 22, 2022)

# WALSIN LIHWA CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 18,393,459	\$ 6,664,110
Adjustments for:		
Depreciation expense	1,343,326	1,279,845
Amortization expense	445	222
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(654,576)	(728,770)
Interest expense	425,367	452,964
Interest income	(225,171)	(151,325)
Dividend income	(560,552)	(110,905)
Share of profit of subsidiaries and associates under the equity method	(7,218,874)	(3,935,768)
(Gain) loss on disposal of property, plant and equipment	(683)	5,483
(Gain) loss on disposal of investments	(461,026)	365,451
Impairment loss recognized on non-financial assets	557,721	-
Unrealized (realized) gain on the transaction with associates	13,335	(1,357)
Gain on lease modifications	-	(38)
Net loss on foreign currency exchange	1,784	130,929
Changes in operating assets and liabilities		
(Increase) decrease in financial assets mandatorily classified as at fair value through profit or loss	297,214	(214,241)
(Increase) decrease in contract assets	(138,128)	318,258
(Increase) decrease in notes receivable	(9,716)	25,476
(Increase) decrease in trade receivables	(2,532,916)	19,466
(Increase) decrease in other receivables	(640,575)	20,229
(Increase) decrease in inventories	(7,064,475)	857,092
Decrease (increase) in other current assets	406,860	(1,982,992)
Increase in other financial assets	(14,820)	(86,833)
Increase in other operating assets	(64,888)	(85,778)
Increase in trade payables	517,896	22,352
Increase in other payables	525,554	7,471
Increase (decrease) in net defined benefit liabilities	810	(128,289)
(Decrease) increase in other current liabilities	(399,500)	628,583
Increase in other operating liabilities	38,202	13,412
Cash generated from operations	2,536,073	3,385,047
Interest received	235,112	151,360
Dividends received	1,358,109	1,023,577
Interest paid	(498,619)	(373,617)
Income tax paid	(138,061)	(264,356)
Net cash generated from operating activities	<u>3,492,614</u>	<u>3,922,011</u>

(Continued)

# WALSIN LIHWA CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(1,944,281)	(477,574)
Capital reduction and refund from financial assets at fair value through other comprehensive income	3,615	-
Purchase of financial assets at fair value through profit or loss	-	(5,353,790)
Proceeds from sale of financial assets at fair value through profit or loss	4,948,895	-
Acquisition of associates accounted for using the equity method	(6,760,343)	(7,181,164)
Repatriation through the liquidation and capital reduction of investee companies accounted for using the equity method	699,515	10,044,855
Payments for property, plant and equipment	(1,729,419)	(1,025,204)
Proceeds from disposal of property, plant and equipment	2,204	1,465
(Increase) decrease in refundable deposits	(635)	32,866
Decrease (increase) in other receivables	7,016,224	(5,573,463)
Payments for investment properties	(2,362)	-
Other investing activities	<u>(404,184)</u>	<u>(370,896)</u>
Net cash generated from (used in) investing activities	<u>1,829,229</u>	<u>(9,902,905)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in short-term borrowings	(1,559,788)	(2,708,228)
Proceeds from bonds payable	7,500,000	-
Proceeds from long-term borrowings	4,000,000	20,640,014
Repayment of long-term borrowings	(6,000,000)	(6,500,000)
(Decrease) increase in other payables to related parties	(5,640,652)	962,923
Repayment of the principal portion of lease	(23,133)	(24,052)
Cash dividends paid	(3,088,030)	(1,662,891)
Payments for buy-back of ordinary shares	-	(1,500,108)
Other financing activities	<u>2,329</u>	<u>(28)</u>
Net cash (used in) generated from financing activities	<u>(4,809,274)</u>	<u>9,207,630</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	512,569	3,226,736
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,511,090</u>	<u>1,284,354</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,023,659</u>	<u>\$ 4,511,090</u>

(With Deloitte & Touche auditors' report dated February 22, 2022)

(Concluded)

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Walsin Lihwa Corporation

### Opinion

We have audited the accompanying consolidated financial statements of Walsin Lihwa Corporation and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (as set out in the Other Matter section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission 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 auditing standards generally accepted in 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. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2021. 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 following are the key audit matters of the consolidated financial statements of the Group as of and for the year ended December 31, 2021:

#### Sales Revenue Recognition

In 2021, the main products of the Group's wires and cables business unit include bare copper wires, wires and cables. The fluctuation in prices of bare copper wires is often subject to the movement in prices of raw materials, and thus some of the sales prices are set according to the market prices agreed under the contracts at the time of shipments. The Group prepares reports on point of sale transactions by referring to the actual shipments and market price adjustments as the basis for revenue recognition.

Due to the large number of transactions and different market prices that have been agreed upon by customers, the processing, recording and maintenance of such reports are performed manually in which their amounts are significant to the consolidated financial statements. Therefore, the accuracy of revenue recognized from sales of bare copper wires was considered as a key audit matter. Refer to Notes 4 and 24 to the consolidated financial statements for related accounting policies and disclosure of information relating to revenue recognition.

Our audit procedures performed in respect of the above key audit matter were as follows:

1. We obtained an understanding and tested the reasonableness of revenue recognition policy and internal control procedures over the sales of bare copper wires, and evaluated the effectiveness of relevant internal controls.
2. We performed sampling and reconciliation of sales prices and quantities with their respective amounts in the contracts and verified the accuracy of market price adjustments.
3. We verified the accuracy of monthly reports by recalculating the sales revenue and confirmed that the recognized amounts were consistent with those recorded in the general ledger.

### **Other Matter**

The financial statements of certain subsidiaries included in the consolidated financial statements as of and for the years ended December 31, 2021 and 2020 were audited by other auditors. Our opinion, insofar as it relates to such subsidiaries, is based solely on the reports of other auditors. The total assets of such subsidiaries amounted to NT\$10,292,042 thousand and NT\$10,148,841 thousand, which constituted 5.62% and 6.70% of the Group's consolidated total assets, as of December 31, 2021 and 2020, respectively, and the total net operating revenue of such subsidiaries amounted to NT\$17,799,306 thousand and NT\$18,427,711 thousand, which constituted 11.36% and 16.37% of the Group's consolidated total net operating revenue, for the years ended December 31, 2021 and 2020, respectively.

We did not audit the financial statements of some associates accounted for using the equity method included in the consolidated financial statements of the Group, but such statements were audited by other auditors. As of December 31, 2021, the total asset of these associates was NT\$1,053,790 thousand, representing 0.58% of the consolidated total assets; the share of losses of these associates was NT\$5,936 thousand, representing (0.03%) of the consolidated income before income tax.

We have also audited the parent company only financial statements of Walsin Lihwa Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion with other matter.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission 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 the 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain 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 entities or business activities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision, and performance of the group audit. We 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 for the year ended December 31, 2021 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 Wen-Yea Shyu and Wu, Ke-Chang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 22, 2022

#### Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Walsin Lihwa Corporation

### Opinion

We have audited the accompanying financial statements of Walsin Lihwa Corporation (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (as set out in the Other Matter section of our report), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, 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 audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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 for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements as of and for the year ended December 31, 2021. 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 following are key audit matter of the Company's financial statements as of and for the year ended December 31, 2021:

#### Sales Revenue Recognition

In 2021, the main products of the Company's wires and cables business unit include bare copper wires, wires and cables. The fluctuation in prices of bare copper wires is often subject to the movement in prices of raw materials, and thus some of the sales prices are set according to the market prices agreed under the contracts at the time of shipments. The Company prepares reports on point of sale transactions by referring to the actual shipments and market price adjustments as the basis for revenue recognition. Due to the large number of transactions and different market prices that have been agreed upon by customers, the processing, recording and maintenance of such reports are performed manually in which their amounts are significant to the financial statements. Therefore, the accuracy of revenue recognized from sales of bare copper wires was considered as a key audit matter. Refer to Notes 4 and 21 to the financial statements for related accounting policies and disclosure of information relating to revenue recognition.



Our audit procedures performed in respect of the above key audit matter were as follows:

1. We obtained an understanding and tested the reasonableness of revenue recognition policy and internal control procedures over the sales of bare copper wires, and evaluated the effectiveness of relevant internal controls.
2. We performed sampling and reconciliation of sales prices and quantities with their respective amounts in the contracts and verified the accuracy of market price adjustments.
3. We verified the accuracy of monthly reports by recalculating the sales revenue and confirmed that the recognized amounts were consistent with those recorded in the general ledger.

### **Other Matter**

The financial statements of certain equity-method investees included in the financial statements as of and for the years ended December 31, 2021 and 2020 were audited by other auditors. Our opinion, insofar as it relates to such investments, is based solely on the reports of other auditors. The investments in such investees amounted to NT\$5,587,877 thousand and NT\$4,238,472 thousand, which constituted 3.39% and 3.02% of the total assets as of December 31, 2021 and 2020, respectively; and the investment gains amounted to NT\$743,761 thousand and NT\$995,518 thousand for the years ended December 31, 2021 and 2020, respectively.

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

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 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain 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 entities or business activities within the Company to express an opinion on the 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 for the year ended December 31, 2021 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 Wen-Yea Shyu and Wu, Ke-Chang

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 22, 2022

Notice to Readers

*The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with 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 financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

## **Review Report from the Audit Committee**

The Board of Directors has prepared and submitted the Company's 2021 business report, financial statements (including consolidated financial statements) and the profit distribution proposal, among which the financial statements (including consolidated financial statements) had been audited by Wen-Yea Shyu and Wu, Ke-Chang CPAs of Deloitte & Touche, who also provided an auditor's report. The above business report, financial statements (including consolidated financial statements) and the profit distribution proposal have been reviewed by the Audit Committee to be without any discrepancies. This report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review and approve the same.

Walsin Lihwa Corporation

The convener of the Audit Committee: Hsueh, Ming-Ling

February 22, 2022

# Walsin Lihwa Corporation

## Communications between the Audit Committee and the Chief Audit Executive in 2021

1. Policy on Communications between Independent Directors and the Chief Audit Executive

- (1) The Chief Audit Executive and the Independent Directors shall report on the status of the Company's internal audit and the operation of internal control through regular meetings of the Audit Committee at least once a quarter, and may convene a meeting at any time in case of any significant extraordinary events.
- (2) In addition to the aforementioned regular meetings, the convener of the Audit Committee holds quarterly discussions at any time with the Chief Audit Executive on the operation of internal controls.

2. Summary of communications between the Independent Directors and the Chief Audit Executive for the year 2021.

Date	Key Points of Communications	Independent Directors' Advice	Follow-Ups and Results
February 19, 2021, Audit Committee	Report on audit implementation in the 4th quarter of 2020.	Most of the environmental safety issues which the Company was punished for or instructed to improve by the competent authorities were mostly attributable to the Stainless Steel Business Group; therefore, we asked President of the business group to pay attention to the improvement on these issues.	The chief audit executive forwarded the improvement suggestions given by the Independent Directors to President of the Stainless Steel Business Group for reference for the purpose of improvement.
April 7, 2021, Audit Committee	Update on the investment project for and investment amount of Yantai Plant.	The Auditing Office was requested to include the implementation of Yantai Plant investment project in its annual audit plan.	The implementation of Yantai plant investment project has been included in the 2021 audit plan.
April 26, 2021, Audit Committee	Report on audit implementation in the 1 <sup>st</sup> quarter of 2021.	<ol style="list-style-type: none"> <li>1. External industrial safety experts reminded that industrial safety needs to be strengthened in Yanshui and Taichung Plants; therefore, the responsible supervisors should pay attention to it.</li> <li>2. Please make sure the employees implement SOPs and the outsourcing units should monitor the construction of contractors.</li> </ol>	President has discussed with the supervisors of the production and environmental safety units in the plants to review the causes of occupational accidents over the years and to summarize the improvement measures.

<b>Date</b>	<b>Key Points of Communications</b>	<b>Independent Directors' Advice</b>	<b>Follow-Ups and Results</b>
July 28, 2021 Audit, Committee	Report on audit implementation in the 2 <sup>nd</sup> quarter of 2021.	Nil.	The report on audit implementation for the second quarter of 2021 has been passed by the Audit Committee and reported to the Board of Directors.
October 25, 2021, Audit Committee	<p>1. Report on audit implementation in the 3<sup>rd</sup> quarter of 2021.</p> <p>2. Discussion of 2022 annual audit plan.</p> <p>3. Formulation of the Procedures for Communications between Independent Directors and the Chief Audit Executive.</p>	<p>1. Nil.</p> <p>2. Please include the meeting operation of the Nominating Committee in the audit plan.</p> <p>3. Nil.</p>	<p>1. Report on audit implementation in the third quarter of 2021 has been passed by the Audit Committee and reported to the Board of Directors.</p> <p>2. 2022 annual audit plan has included the meeting operation of the Nominating Committee and been passed by the Audit Committee and submitted to the Board of Directors for discussion.</p> <p>3. The Procedures for Communications between Independent Directors and the Chief Audit Executive have been passed by the Audit Committee and submitted to the Board of Directors for discussion.</p>
December 13, 2021, Audit Committee	<p>1. Major work results in 2021.</p> <p>2. Work objectives and key points for 2022.</p> <p>3. The recommendation made by the Taiwan Corporate Governance Association in its report on the evaluation of the performance of the Board of Directors of the Company on November 30, 2021.</p>	<p>1. Nil.</p> <p>2. Nil.</p> <p>3. Please set up a compliant mailbox so that the Independent Directors may receive complaints instantaneously.</p>	<p>1. Nil.</p> <p>2. Nil.</p> <p>3. A compliant mailbox has been set up so that the Independent Directors may receive complaints instantaneously.</p>

## **The Distribution Report of Compensation of the Employees and Directors for the year 2021**

The distribution report of compensation of the employees and directors for the year 2021 is as follows:

1. This is conducted in compliance with Article 235-1 of the Company Act and the letter from MOEA dated June 11, 2015 (Ref. No.: Jin-Shang-Zi-10402413890) and the letter from MOEA dated October 15, 2015 (Ref. No.: Jin-Shang-Zi-10402427800).
2. According to Article 25-1 of the Articles of Incorporation of the Company, if it has any profit after the closing of its annual book, the Company shall distribute no less than one percent as employee compensation and no more than one percent as director compensation.
3. For 2021, the audited profit of the Company was NT\$18,655,459,000 (i.e., the gross profit before tax and excluding employees and directors compensation).
4. The Company intended to distribute NT\$187,000,000 of employees compensation and NT\$75,000,000 of directors compensation in cash for 2021.
5. The above employees and directors compensation has been adopted by a majority vote at the board of directors' meeting dated February 22, 2022 (i.e., the 14<sup>th</sup> meeting of the Board of Directors of the 19<sup>th</sup> term) attended by more than two-third of the directors. The Company has distributed the above compensation accordingly.

## Walsin Lihwa Corporation

### Offering of Domestic Unsecured Straight Corporate Bonds in 2021

Name	First Unsecured Straight Corporate Bond for 2021
Amount	NT\$7.5 billion
Term	5 years
Annual Interest Rate	The coupon rate shall be a fixed rate of 0.7% per annum
Principal and Interest Repayment Method	Principal Repayment: The principal shall be repaid once within 5 years from the date of issuance; Interest payment: Interest shall be paid in simple interest once a year from the date of issue at the coupon rate.
Approval Letter Number	The issuance was registered and effective via the letter issued by the Taipei Exchange dated September 29, 2021 (Ref. No.: Zheng-Gui-Zhai-Zi-11000109491)
Reason for Fund-Raising	Repayment of borrowings
Note	The corporate bonds have been offered on October 8, 2021.



## Walsin Lihwa Corporation

### Investments in Mainland China

As of March 31, 2022

Company Name	Investment Amount (in USD)	Shareholding Ratio	Major Products Produced/Sold
Jiangying Walsin Steel Cable Co., Ltd. (Note 1)	26.04 million	100%	Steel cables
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. (Note 2)	14.956 million	95.71%	Power wires and cables
Hangzhou Walsin Power Cable & Wire Co., Ltd. (Note 3)	80.56 million	38.93%	Power wires and cables
Walsin (China) Investment Co., Ltd. (Note 4)	78.6 million	100%	Investment
Changshu Walsin Specialty Steel Co., Ltd.	97 million	100%	Specialty steel tubes
Shanghai Baihe Walsin Lihwa Specialty Steel Products Co., Ltd (Note 5)	17 million	100%	Stainless steel materials
Dongguan Walsin Wire & Cable Ltd. (Note 6)	26 million	100%	Bare copper cables and wires
Jiangyin Walsin Specialty Alloy Materials Co., Ltd. (Note 7)	49 million	100%	Cold rolled stainless steel, flat rolled products, nickel alloys, galvanized alloys and steel strand wires
Xi'an Walsin Metal Product Co., Ltd. (Note 8)	31.895 million	100%	Research and development, production and sales of medium-thickness specialty steel plates
Yantai Walsin Stainless Steel Co., Ltd. (Note 9)	335.065 million	100%	Research and development, production, sales, wholesales related to various steels of new-type alloy materials, carbon steel, alloy steel and steel products; Recycling of waste and old substances and whole sale of related products
Changzhou China Steel Precision Materials Co., Ltd.	13.08 million	30%	Products related to Ti, nickel alloys, specialty alloy mould steel, colored alloy forged materials
Nanjing Taiwan Trade Mart Management Co., Ltd.	1 million	100%	Business, asset management and consultation of various kinds of advertising.

<b>Company Name</b>	<b>Investment Amount (in USD)</b>	<b>Shareholding Ratio</b>	<b>Major Products Produced/Sold</b>
Shanxi Tianhong Silicon Industrial Corp Co., Ltd. (Note 10)	RMB 228 million	19%	Polysilicon
Jiangsu Taiwan Trade Mart Development Co., Ltd.	RMB 2 million	20%	Development, operating and management of Nanjing Taiwan Trade Mart projects
Shaanxi Electronic Information Group Co., Ltd. (Note 10)	RMB 19 million	6.02%	Communications electronic equipment and electronic component materials
Walsin (Nanjing) Construction Limited	50 million	99.60%	Construction, rental and sale of buildings and industrial factories, etc.
Nanjing Walsin Property Management Co., Ltd. (Note 10)	RMB 1 million	99.60%	Property Management, Consulting for Property Management and rental of house, etc.

Note 1: Including the USD15 million re-investment (including the USD10.5 million equity converted from debt) from the increased share capital of Walsin (China) Investment Co., Ltd. (hereinafter referred to as "Walsin CIC"). During 2019, by way of the investment structure, the Company acquired through Walsin CIC an additional 25% shareholding in Jiangying Walsin Steel Cable Co., Ltd. (hereinafter referred to as "Jiangying Walsin") from the original Chinese shareholder Fasten Group Co., Ltd. in a share transfer. After the transfer, the Company indirectly holds 100% of the shareholding in Jiangying Walsin; for this transfer transaction, Investment Commission, Ministry of Economic Affairs (hereinafter referred to as "MOEAIC") approved (for reference) an investment amount of RMB73,750,000 (equivalent to USD11,041,080), with the cumulative approved (for reference) amount being USD 26,041,080. In addition, the increase in the investment amount in mainland China due to this share transfer was partially offset by the amount of RMB53,290,669 (equivalent to USD 7,978,123) arising from the disposal of the shares in Hangzhou Walsin Power Cable & Wire Co, Ltd. (hereinafter referred to as "Hangzhou Walsin") (please refer to Note 3), which was retained in Walsin CIC; therefore, the actual increase in the amount of investment in mainland China for the Company was RMB20,459,331 (equivalent to USD3,062,957).

Note 2: Including the USD14.95 million re-investment (including the USD7.6 million equity converted from debt) from the increased share capital of Walsin CIC.

Note 3: Including the USD13.3 million re-investment (including the USD10.5 million equity converted from debt) from the increased share capital of Walsin CIC.

1. The original investment amount in Hangzhou Walsin by the Company was USD41.21 million (shareholding ratio: 89.78%) through Walsin CIC.
2. In mid-2015, the Company sold 44.89% of the shares of Hangzhou Walsin through Walsin CIC in the amount of RMB95.36 million (approximately USD15.57 million). At the end of 2015, the Company re-invested USD4.8 million in Hangzhou Walsin through Walsin CIC with the income received from the previous sale.

3. In mid-2016, the Company invested USD53 million in Hangzhou Walsin through a BVI holding company, ACE RESULT GLOBAL LIMITED (“ACEL”), and later on sold 9.707% shares of Hangzhou Walsin through ACEL in the amount of RMB61.44 million (approximately USD9.28 million). At the end of 2016, the Company re-invested USD 6.4 million in Hangzhou Walsin through ACEL, with the income received from the 2016 sale. After the aforementioned various transactions, the Company's indirect shareholding ratio is 38.933%, and the actual investment amount went down to USD80.56 million. However, since the income received from the sales was not remitted to Taiwan, the investment in China has not been deducted. The investment amount approved for Hangzhou Walsin and registered with the MOEAIC as a result remains USD94.21 million as of the date hereof.
4. In mid-2017, the Company increased its equity interest in Nanjing Walsin by 1.25% (such company has been disposed of during 2019 and such disposal has been reported to the MOEAIC) through Walsin CIC, which originally disposed Hangzhou Walsin's equity stake of USD1,851,268. After this transaction, the Company's record of investment amount of Hangzhou Walsin in the MOEAIC was reduced to USD92.36 million.
5. In 2019, the Company acquired through Walsin CIC an additional 25% shareholding in Jiangying Walsin by using the gain on the disposal of its shares in Hangzhou Walsin equal to USD7,978,123 (please refer to Note 1 for detail). After this transaction, the actual amount of the investment made by the Company in Hangzhou Walsin approved for reference and recorded by the MOEAIC was reduced to USD84,380,000 (which is equivalent to transferring the cumulative investment amount in China for Hangzhou Walsin to Jiangying Walsin).
6. At the end of October 2021, the Company acquired 1.067% equity interest in Hangzhou Walsin through Walsin CIC by paying its own capital of RMB743,700 to the former Japanese shareholder of Hangzhou Walsin, Sumitomo Electric Industries, Ltd. for the assumption of such shares. After the transaction, the Company holds 24.521% and 15.479% of Hangzhou Walsin through Walsin CIC and ACEL, respectively, and holds a total of 40% equity interest in Hangzhou Walsin. As of the date of this Handbook, the investment approval process is being underway with the MOEAIC.

Note 4: Including the increased share capital of USD28.6 million arising from debt-to-equity conversions.

Note 5: Including the USD4.8 million re-investment from the increased share capital of Walsin CIC. In 2017, Shanghai Baihe Walsin Lihua Special Steel Products Co., Ltd. (hereinafter abbreviated as “Shanghai Baihe”) made a capital reduction to make up for the loss of USD22 million. After the capital reduction, the registered capital of the company was reduced to USD17 million. However, the amount of capital reduction had not been remitted back to Taiwan, so it failed to offset the amount of investment in the mainland China, and the amount of investment for Shanghai Baihe investment recorded in the MOEIC still maintained USD 39 million.

Note 6: Including the USD 26 million re-investment from the increased share capital of Walsin CIC.

Note 7: Including the USD 4.5 million re-investment from the increased share capital of Walsin CIC.

Note 8: The merger of Xi'an Walsin Precious Metal Product CO., LTD. (hereinafter referred to as "Xi'an Walsin (Metal)") and Xi'an Lv Jing Technology Co., Ltd. and Xi'an Walsin Electronics Co., Ltd. has been filed for the corporate change in mainland China on November

18, 2019 and has been approved by the MOEAIC for record on March 20, 2021, and the cancellation of investment plan relating to Xi'an Lv Jing Technology Co., Ltd. and Xi'an Walsin Electronics Co., Ltd. was approved by the MOEAIC. After the merger was filed with the MOEAIC for record, the amount of investments made by the Company indirectly in Xi'an Walsin (Metal) is USD 31,895,467.

Note 9: The Company holds a 100% shareholding in Yantai Walsin Stainless Steel Co., Ltd. (hereinafter referred to as "Yantai Walsin") through its subsidiary incorporated in the BVI, CONCORD INDUSTRIES LTD. (hereinafter referred to as "CONCORD"), and its wholly-owned Jiangyin Walsin Specialty Alloy Materials Co., Ltd. (hereinafter referred to as "Jiangyin Alloy"); as of the date of the 2021 Annual Shareholders' Meeting, the accumulated paid-in capital was USD255,065,300. The formation of the Company's share capital is described as follows:

1. Of Yantai Walsin's original share capital, RMB 578,796,300 was originated from the re-investment made by the original entity invested in by the Company in China and was no need approved by the MOEAIC. After the merger of Yantai Walsin between Yantai Dazhong Resources Recycling Co., Ltd. (the investment amount approved (or approved for record) by the MOEAIC was USD30 million and the paid-in capital was equivalent to RMB192,932,100) and Yantai Huanghai Iron and Steel Co., Ltd. ("YHISC") (the Company acquired 25% of the shareholding in YHISC (the paid-in capital was RMB 205,890,000), the investment amount approved (or approved for record) by the MOEAIC was USD 183,101.90 + USD 2,743,536.58 = USD 2,926,638.48; the remaining 75% of the shareholding was the re-investment made by the entity invested in by the Company in China and was rejected by the MOEAIC. After the merger, CONCORD acquired Yantai Walsin's paid-in capital of RMB977,618,400 (equivalent to USD155,065,300), which accounted for 25% of the shares in Yantai Walsin, and the investment amount approved (or approved for record) by the MOEAIC was USD32,926,638.48. In addition, CONCORD increased the capital of Yantai Walsin by USD 100 million from 2019 to 2021. Therefore, the paid-in capital of Yantai Walsin was USD 255,065,300 as of the date of the Annual Shareholders' Meeting in 2021, with CONCORD and Jiangyin Alloy holding 54.4% and 45.6% of the shares in Yantai Walsin respectively. Moreover, the accumulated investment amount approved (or approved for record) by the MOEAIC was USD132,926,638.48 (USD100 million + USD32,926,638.48).
2. The capital injection by the Company into Yantai Walsin in the amount of USD80,000,000 through Concord was approved by the MOEAIC on December 30, 2019. As of the end of 2021, it has obtained approval for the financial close by the MOEAIC. Thus, the paid-in capital of Yantai Walsin had increased to USD335,065,300; based on the latest actual amount of capital contributed by shareholders, CONCORD and Jiangyin Alloy held 65.29% and 34.71% of the shares in Yantai Walsin respectively. In addition, the cumulative investment amount approved by the MOEAIC is USD212,926,638.48 (USD100 million + USD32,926,638.48 + USD80,000,000).

Note 10: These entities are the investments made by the Company's existing investment entity in China, and thus such investments are not required to be approved by the MOEAIC.

# Walsin Lihwa Corporation

## Sustainable Development Practice Principles

Amended and passed by the board of directors on January 11, 2022

### Chapter I General Principles

**Article 1** The Sustainable Development Practice Principles of Walsin Lihwa (hereafter referred to as the Company), developed pursuant to the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, is intended to fulfill the Company's corporate social responsibilities and promote economic, environmental, and social advancement.

**Article 2** The Principles apply to the entire operations of the Company and its subsidiaries to encourage the Company and its subsidiaries to actively carry out sustainable development in the course of business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as a responsible corporate citizen, and to enhance competitive edges built on sustainable development.

**Article 3** To promote sustainable development, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

The Company shall, in accordance with the materiality principle, assess the risks associated with its operations as well as governance, environmental, and social issues for relevant risks management policy or strategy development.

**Article 4** To carry out sustainable development, the Company follows the principles as below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of sustainable development information.

**Article 5** The Company shall take into consideration the correlation between the development of domestic and international sustainability issues and corporate core business operations, and the effect of the operation of the Company and of its respective subsidiaries as a whole on stakeholders, in establishing its sustainability policy, system or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors.

When a shareholder proposes a motion involving sustainable development pursuant to Article 172-1 of the Company Act, the Company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

### Chapter II Exercising Corporate Governance

**Article 6** The Company is advised to follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish its effective corporate governance framework and relevant ethical standards to enhance corporate governance.

**Article 7** The directors of the Company shall exercise the due care of good administrators to urge the Company to carry out sustainable development, examine the results of the implementation thereof from time to time and continually make adjustment to ensure the thorough implementation of its sustainable development policy.

The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the Company's promotion of its sustainable development goals:

1. Identifying the Company's sustainable development mission or vision, and declaring its sustainable development policy, relevant systems or management guidelines.
2. Making sustainable development the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives; and
3. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The board of directors of the Company shall appoint the Sustainable Development Committee or executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

**Article 8** The Company is advised to, on a regular basis, organize education and training on the implementation of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

**Article 9** For effective management of its sustainable development initiatives, the Company has an exclusively (or concurrently) dedicated unit in charge of proposing and enforcing its sustainable development policy, system, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

The Company is advised to have a reasonable remuneration policy to ensure that remuneration arrangements support the strategic aims of the organization and align with the interests of stakeholders.

The Company is advised to combine its employee performance evaluation system with its sustainable development policy and establish a clear and effective incentive and discipline system.

**Article 10** The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

### **Chapter III Fostering a Sustainable Environment**

**Article 11** The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

**Article 12** The Company is advised to endeavor to utilize energies more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources

**Article 13** The Company is advised to establish proper environment management systems based on the characteristics of its industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans and examining the results of their operation on a regular basis.

**Article 14** The Company's Environment, Health, and Safety Committee is responsible for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for the Company's managerial officers and other employees on a periodic basis.

**Article 15** The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from its business operations:

1. Reduce resource and energy consumption of its products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

**Article 16** To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use its best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

**Article 17** The Company is advised to assess its potential business risks and opportunities resulting from climate change to adopt corresponding measures for climate change issues.

The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.
3. Other indirect greenhouse gas emissions: emissions from operations that are owned or controlled by other organizations.

The Company is advised to take inventory of greenhouse gas emissions, water consumption, and the total weight of waste generated to develop strategies for energy conservation, carbon and greenhouse gas reduction, water saving, and waste reduction. Such strategies should include obtaining carbon credits to promote and minimize the impact of its business operations on climate change.

#### **Chapter IV Preserving Public Welfare**

**Article 18** The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.

The Company shall comply with the International Bill of Human Rights, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure its human resource policy do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed for the Company to respond to any employee's grievance in an appropriate manner.

**Article 19** The Company shall provide information for its employees for them to understand the labor laws and the rights they enjoy in the countries where the Company has business operations.

**Article 20** The Company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company is advised to organize training on safety and health for its employees on a regular basis.

**Article 21** The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.

The Company shall stipulate and effect reasonable employee benefits plans including compensation, leaves, and other benefits, and shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

**Article 22** The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions.



The Company shall respect the employee representatives' rights to bargain for the working conditions and shall provide the employees with necessary information and hardware equipment to improve the negotiation and cooperation among the Company, its employees and employee representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

**Article 22-1** The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. The Company shall also develop the relevant strategies and specific measures for implementation.

**Article 23** The Company shall take responsibility for its products and services and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of its products and services. The Company further shall establish and disclose policies on consumer rights and interests and enforce them during business operations to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumer.

**Article 24** The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries.

The Company shall follow relevant laws, regulations and international guidelines when marketing or labeling its products and services to factor in customer health, safety, and privacy and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

**Article 25** The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations to reduce the impact on consumers and society.

The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints and shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

**Article 26** The Company is advised to assess the impact its procurement has on society as well as the environment of the community that it is procuring from and shall cooperate with its suppliers to jointly implement the corporate social responsibility initiative.

Prior to engaging in commercial dealings, the Company is advised to stipulate its suppliers management policy to ask suppliers to comply with environmental protection, occupational health and safety, and/or labor rights laws and regulations, and assess whether there is any record of a supplier's impact on the environment and society and avoid conducting transactions with those against its corporate social responsibility policy.

When the Company enters into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with both parties' corporate social responsibility policies, and that the contract may be terminated or rescinded any time if the supplier has violated such policies and has caused significant negative impact on the environment and society of the community of the supply source.

**Article 27** The Company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations to enhance community acceptance.

The Company is advised to, through commercial activities, endowments, volunteering service or other charitable professional services etc., participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

## **Chapter V Enhancing Disclosure of Sustainable Development Information**

**Article 28** The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its sustainable development initiatives to improve information transparency.

Relevant information relating to sustainable development which the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for realizing the sustainable development initiatives established by the Company, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to sustainable development initiatives.

**Article 29** The Company shall adopt internationally widely recognized standards or guidelines when producing sustainability report to disclose the status of its implementation of its sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

## **Chapter VI Supplementary Provisions**

**Article 30** The Company shall always monitor the development of domestic and foreign sustainable development standards and business environment changes to examine and improve its established sustainable development framework and obtain better results from the implementation of its sustainable development policy.

**Article 31** The Principles became effective after passage by the board of directors of the Company on October 29, 2014. The same applied when the Principles were amended respectively on January 19, 2018, April 10, 2020, and January 11, 2022.

## Walsin Lihwa Corporation

### Directors shareholdings stated in the shareholder register for the 2022 Annual Shareholders' Meeting

As of March 15, 2022

Title	Name	Shares held	% of issued shares
Chairman	Yu-Lon Chiao	47,161,773 shares	1.37%
Vice Chairman	Patricia Chiao	93,169,006 shares	2.72%
Director	Yu-Cheng Chiao	40,661,551 shares	1.19%
Director	Yu-Heng Chiao	61,072,197 shares	1.78%
Director	Andrew Hsia	0 shares	0.00%
Director	Wei-Shin Ma	244,033 shares	0.01%
Director	Chin Xin Investment Co., Ltd. Representative: Pei-Ming Chen	220,011,000 shares	6.41%
Independent Director	Ming-Ling Hsueh	0 shares	0.00%
Independent Director	King-Ling Du	0 shares	0.00%
Independent Director	Shiang-Chung Chen	0 shares	0.00%
Independent Director	Fu-Hsiung Hu	0 shares	0.00%
Shares held by all directors		462,319,560 shares	13.48%

Note: As of the book closure date for the 2022 Annual Shareholders' Meeting, the Company had issued 3,431,332,948 shares of common stock.

# Walsin Lihwa Corporation

## Comparison Table of Amended Articles of Articles of Incorporation

Amended Articles	Current Articles	Description
<p><u>Article 9-1</u>  <u>The Company's shareholders' meetings may be held by video conferencing or other means announced by the central competent authority.</u></p> <p><u>If a shareholders' meeting is held by video conferencing, the shareholders who participate in the meeting by video conferencing shall be deemed to be present in person.</u></p> <p><u>If otherwise stipulated by the securities competent authority with respect to the provisions of the preceding two paragraphs, the stipulation of the securities competent authority shall prevail.</u></p>	<p>(This is a new article)</p>	<p>In accordance with Article 172-2 of the Company Act, the provision relating to the convening of the shareholders' meetings has been added.</p>
<p>Article 28            After the Company has offset its accumulated losses from previous years and paid all tax due, the Company shall set aside 10% of its net profits as legal reserve, except when the legal reserve equals to the total authorized capital of the Company. From the remainder calculated above plus the surplus retained earnings of previous year, the Company shall set aside or reverse the special reserve as stipulated by the law or the competent authority. Then the Board of Directors shall draft an earning distribution proposal submitted to the Shareholders' meeting for resolution to distribute shareholder's dividends.</p> <p><u>If the aforementioned distribution of earnings is made in cash, the Board of Directors shall be authorized to distribute the earnings with the</u></p>	<p>Article 28            After the Company has offset its accumulated losses from previous years and paid all tax due, the Company shall set aside 10% of its net profits as legal reserve, except when the legal reserve equals to the total authorized capital of the Company. From the remainder calculated above plus the surplus retained earnings of previous year, the Company shall set aside or reverse the special reserve as stipulated by the law or the competent authority. Then the Board of Directors shall draft an earning distribution proposal submitted to the Shareholders' meeting for resolution to distribute shareholder's dividends.</p>	<p>Pursuant to Paragraph 5, Article 240 of the Company Act, cash dividends may be paid by special resolution of the Board of Directors as authorized by the Company's Articles of Incorporation.</p>

Amended Articles	Current Articles	Description
<p><u>presence of at least two-thirds of the Directors and the resolution of a majority of the Directors present, and to report the distribution to the shareholders' meeting.</u></p> <p>The setting aside of the legal reserve set forth in Paragraph 1 of this <u>Article</u> should be based on the "the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period."</p>	<p>The setting aside of the <u>above</u> legal reserve should be based on the "the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period."</p>	
<p>Article 28-1 The share dividend policy of the Company should be stable for the purpose of sustainable operation and development .In case of any earnings on the final account, the Company shall allot as shareholder dividends no lesser than 40% of the balance of such earnings after offsetting its loss, paying income tax, setting aside the legal reserve, and setting aside the special reserve as adjusted based on the net decrease in other shareholders' equity as stipulated in Article 28 hereof, <u>as well as deducting the share of the affiliates' interests recognized by equity method and adding the cash dividends paid out by the affiliates to the Company recognized by equity method.</u> Such dividends shall be distributed in cash or in form of shares; cash dividends shall not be lesser than 70% of the total dividends. To ensure the stability of the financial structure, and based on the principle of equitable dividend payout, the Company has no earnings to distribute or has earnings but the amount of earnings is significantly less than the actual earnings distributed previously, the Company</p>	<p>Article 28-1 The share dividend policy of the Company should be stable for the purpose of sustainable operation and development .In case of any earnings on the final account, the Company shall allot as shareholder dividends no lesser than 40% of the balance of such earnings after offsetting its loss, paying income tax, setting aside the legal reserve, and setting aside the special reserve as adjusted based on the net decrease in other shareholders' equity as stipulated in Article 28 hereof. Such dividends shall be distributed in cash or in form of shares; cash dividends shall not be lesser than 70% of the total dividends.</p> <p>To ensure the stability of the financial structure, and based on the principle of equitable dividend payout, the Company has no earnings to distribute or has earnings but the amount of earnings is significantly less than the actual earnings distributed previously, the Company</p>	<p>The basis of dividend distribution set out in Paragraph 1 has been amended in order to ensure the stability of the Company's financial structure and the principle of equity for the Company's dividend policy.</p>

Amended Articles	Current Articles	Description
<p>may distribute all or part of the reserves or the undistributed earnings in the previous period .If there is a non-recurring, material income in the Company's earnings for the year, all or a part of such income may be retained without being subject to the percentage limitation set forth in Paragraph 1 hereof.</p>	<p>may distribute all or part of the reserves or the undistributed earnings in the previous period .If there is a non-recurring, material income in the Company's earnings for the year, all or a part of such income may be retained without being subject to the percentage limitation set forth in Paragraph 1 hereof.</p>	
<p>Article 31 These Articles of Incorporation were established on August 1, 1966. The first amendment was made on March 5, 1967... the fiftieth amendment was made on July 15, 2021, <u>and the fifty-first amendment was made on May 13, 2022.</u> The same procedure shall apply to any future amendment.</p>	<p>Article 31 These Articles of Incorporation were established on August 1, 1966. The first amendment was made on March 5, 1967... the fiftieth amendment was made on July 15, 2021. The same procedure shall apply to any future amendment.</p>	<p>The date of this amendment has been added.</p>

# Walsin Lihwa Corporation

## Comparison Table of Amended Articles of the Procedures for the Acquisition and Disposal of Assets of the Company

Amended Article	Current Articles	Description
<p>Article 6 Procedures for Acquisition or Disposal of Assets</p> <p>1. Acquisition or disposal of securities of an amount not reaching NT\$300 million shall, upon appraisal by the implementation unit, be carried out in the discretion of the Chairman of the Board. Where any transaction reaching an amount of NT\$300 million or above, it shall be submitted to the Audit Committee and carried out only upon the approval by the Board of Directors.</p> <p>2. <u>The acquisition or disposal of short-term bills, repo/reverse repo bills and bonds, bond funds, money market funds, and structured/linked principal-protected deposits shall be carried out under the authority of each level of the Company's officers.</u></p>	<p>Article 6 Procedures for Acquisition or Disposal of Assets</p> <p>1. Acquisition or disposal of <del>long-term</del> securities of an amount not reaching NT\$300 million shall, upon appraisal by the implementation unit, be carried out in the discretion of the Chairman of the Board. Where any transaction reaching an amount of NT\$300 million or above, it shall be submitted to the Audit Committee and carried out only upon the approval by the Board of Directors.</p> <p>2. <del>Acquisition or disposal of short-term securities:</del></p> <p>(1) <del>Acquisition or disposal of the capital-guaranteed and fixed-income securities that mature in one year shall require the Finance Division's appraisal report. Acquisition or disposal of such securities of an amount not exceeding NT\$500 million in a single day may be carried out in the discretion of the Finance Division Director. An amount of NT\$500 million to NT\$1.5 billion shall be carried out in the discretion of the President, and an amount exceeding NT\$ 1.5 billion shall be carried out only upon the approval by the Chairman of the Board.</del></p> <p>(2) <del>Submission to the Audit Committee and prior approval by the Board of Directors are required for any financing or funding not belonging to the aforementioned acquisition or disposal of short term securities.</del></p>	<p>In view of the practical difficulties in defining long and short term securities, and by reference to the industry practice and the classification of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, the classification of long term and short term securities has been deleted.</p>

Amended Article	Current Articles	Description
3. to 7. (Omitted)	3. to 7. (Omitted)	
<p>Article 8 Investment Amount</p> <p>Except for the assets acquired for the Company's business purposes, all the investments in and purchases of real estate and securities for non-business purposes are subject to the following restrictions:</p> <ol style="list-style-type: none"> <li>1. The total amount of real estate stated in the consolidated financial statements of the Company and its subsidiaries for non-business purposes shall not exceed 40% of the Company's owners' equity.</li> <li>2. The total amount of long- and short-term securities investments stated in the consolidated financial statements of the Company and its subsidiaries for non-business purposes shall not exceed 100% of the Company's owner's equity.</li> <li>3. The total amount of individual long-term securities investments stated in the consolidated financial statements of the Company and its subsidiaries shall not exceed 50% of the Company's owner's equity.</li> </ol>	<p>Article 8 Investment Amount</p> <p>Except for the assets acquired for the Company's business purposes, all the investments in and purchases of real estate and securities for non-business purposes are subject to the following restrictions:</p> <ol style="list-style-type: none"> <li>1. The total amount of real estate stated in the consolidated financial statements of the Company and its subsidiaries for non-business purposes shall not exceed 40% of the Company's owners' equity.</li> <li>2. The total amount of <del>long- and short-term</del> securities investments stated in the consolidated financial statements of the Company and its subsidiaries for non-business purposes shall not exceed 100% of the Company's owner's equity.</li> <li>3. The total amount of individual <del>long-term</del> securities investments stated in the consolidated financial statements of the Company and its subsidiaries shall not exceed 50% of the Company's owner's equity.</li> <li>4. <del>The total amount of individual short-term securities investments stated in the consolidated financial statements of the Company and its subsidiaries shall not exceed 4% of the Company's owner's equity.</del></li> </ol>	<p>In line with the amendment to Article 6, the classification of investment amount for long-term and short-term securities has been deleted.</p>
<p>Article 9</p> <p>Engagement of Independent Expert for Objective and Fair Report</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of securities by the Company shall first obtain the issuing companies' latest audited financial statements before the date of such acquisition or disposal as reference for assessment of the transaction prices. If the transaction amount reaches 20% of the Company's</li> </ol>	<p>Article 9</p> <p>Engagement of Independent Expert for Objective and Fair Report</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of securities by the Company shall first obtain the issuing companies' latest audited financial statements before the date of such acquisition or disposal as reference for assessment of the transaction prices. If the transaction amount reaches 20% of the Company's</li> </ol>	<ol style="list-style-type: none"> <li>1. Paragraph 2 has been amended in line with regulatory changes; the wording has been deleted because it is clear that external experts should follow the self-regulatory rules of their respective association, which already covers the</li> </ol>



Amended Article	Current Articles	Description
<p>paid-up capital or NT\$300 million or more, the Company shall, before the date of such acquisition or disposal, consult a certified public accountant on the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission. The aforesaid shall not apply with the securities concerned are publicly quoted in active markets or are subject to other regulations of the Financial Supervisory Committee.</p> <p>2. When the Company acquires or disposes of memberships, intangible assets, or right-of-use assets and the transaction amount reaches 20% or more of its paid-up capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall, before the date of such acquisition or disposal, consult a certified public accountant on the reasonableness of the transaction price.</p>	<p>paid-up capital or NT\$300 million or more, the Company shall, before the date of such acquisition or disposal, consult a certified public accountant on the reasonableness of the transaction price. <del>If the said certified public accountant require any expert report, the certified public accountant shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 announced by the Accounting Research and Development Foundation.</del> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission. The aforesaid shall not apply with the securities concerned are publicly quoted in active markets or are subject to other regulations of the Financial Supervisory Committee.</p> <p>2. When the Company acquires or disposes of memberships, intangible assets, or right-of-use assets and the transaction amount reaches 20% or more of its paid-up capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall, before the date of such acquisition or disposal, consult a certified public accountant on the reasonableness of the transaction price, <del>and the certified public accountant shall comply with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation.</del></p>	<p>procedures to be performed by accountants in issuing opinions.</p> <p>2. Wording has been revised.</p>

Amended Article	Current Articles	Description
<p>3. to 5. (Omitted)</p> <p>6. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the <u>Securities and Exchange Act</u>, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>(2) May not be a related party or de facto related party of any party to the transaction.</p> <p>(3) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p>	<p>3. to 5. (Omitted)</p> <p>6. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(6) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the <u>Asset Regulations</u>, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>(2) May not be a related party or de facto related party of any party to the transaction.</p> <p>(3) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p>	

Amended Article	Current Articles	Description
<p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of their respective association</u> and the following:</p> <p>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of the <u>adequacy</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and <u>adequate</u>, and that they have complied with applicable laws and regulations.</p>	<p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and <u>accurate</u>, and that they have complied with applicable laws and regulations.</p>	

Amended Article	Current Articles	Description
<p>Article 10 Related-Party Transactions</p> <p>1. (Omitted)</p> <p>2. When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20% or more of the Company's paid-up capital, 10 % or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been submitted to the Audit Committee and approved by the board of directors:</p> <p>(1) The purpose, necessity and estimated benefits of the acquisition or disposal of assets,</p> <p>(2) The reason for choosing the related party as a transaction counterparty,</p> <p>(3) With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17 of the Asset Regulations,</p> <p>(4) The date and price at which the related party originally</p>	<p>Article 10 Related-Party Transactions</p> <p>1. (Omitted)</p> <p>2. When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20% or more of the Company's paid-up capital, 10 % or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been submitted to the Audit Committee and approved by the board of directors:</p> <p>(1) The purpose, necessity and estimated benefits of the acquisition or disposal of assets,</p> <p>(2) The reason for choosing the related party as a transaction counterparty,</p> <p>(3) With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17 of the Asset Regulations,</p> <p>(4) The date and price at which the related party originally</p>	<p>1. Paragraph 1 has been amended in line with regulatory changes for the purpose of enhancing the management of related-party transactions to protect the rights and interests of shareholders.</p>

Amended Article	Current Articles	Description
<p>acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party,</p> <p>(5) Monthly cash flow forecasts for the year beginning from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the use of funds,</p> <p>(6) An appraisal report from a professional appraiser or an accountant's opinion obtained in accordance with the preceding article, and</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>If the Company or its subsidiaries have such a transaction in the amount reaching 10% or more of the Company's total assets, the Company shall submit the information listed in each subparagraph of this Paragraph to the shareholders' meeting for approval before signing the transaction contract and making the payment. However, transactions between the Company and its subsidiaries or those between its subsidiaries are not subject to the foregoing limitation.</u></p> <p>Calculation of the transaction amount referred to in <u>Paragraph 1 and this Paragraph</u> shall be made in accordance with Article 31, paragraph 2 of the Asset Regulations, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current</p>	<p>acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party,</p> <p>(5) Monthly cash flow forecasts for the year beginning from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the use of funds,</p> <p>(6) An appraisal report from a professional appraiser or an accountant's opinion obtained in accordance with the preceding article, and</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>Calculation of the transaction amount referred to in <u>the preceding paragraph</u> shall be made in accordance with Article 31, paragraph 2 of the Asset Regulations, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current</p>	

Amended Article	Current Articles	Description
<p>transaction. Items that have been submitted to the Audit Committee and approved by the board of directors <u>and the shareholders' meeting</u> need not be counted toward the transaction amount. For acquisition or disposal of real property right-of-use assets for business purposes between the Company and its subsidiaries, or between Company and its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Board of Directors may authorize the Chairman of the Board to act in his discretion for any transaction below NT\$300 million before subsequently submitting to the Audit Committee and the Board of Directors for retroactive confirmation.</p> <p>3. to 4. (Omitted)</p>	<p>transaction. Items that have been submitted to the Audit Committee and approved by the board of directors need not be counted toward the transaction amount.</p> <p>For acquisition or disposal of real property right-of-use assets for business purposes between the Company and its subsidiaries, or between Company and its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Board of Directors may authorize the Chairman of the Board to act in his discretion for any transaction below NT\$300 million before subsequently submitting to the Audit Committee and the Board of Directors for retroactive confirmation.</p> <p>3. to 4. (Omitted)</p>	
<p>Article 11 Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares</p> <p><u>1. The Company shall conduct mergers, demergers, acquisitions and transfers of shares in accordance with the provisions of Section V of Chapter II of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</u></p> <p><u>2. Domestic companies shall do so in accordance with relevant provisions of the Company Act and the Business Mergers and Acquisitions Act, in addition to the provision of the foregoing paragraph; offshore subsidiaries shall do so in accordance with local laws and regulations.</u></p>	<p>Article 11 Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares</p> <p><u>The Company's mergers, demergers, acquisitions and transfers of shares shall be conducted in accordance with the Company Act, Business Mergers And Acquisitions Act, as well as Section V, Chapter II of the Asset Regulations.</u></p>	<p>1. Wording has been revised to make the content complete.</p>

Amended Article	Current Articles	Description
<p>Article 13 Acquisition or Disposal of Assets by Subsidiaries</p> <p>1. The Company shall require its subsidiaries to establish their asset acquisition and disposal procedures, which shall become effective after approval by the Company. <u>The subsidiaries without their asset acquisition and disposal procedures shall abide by these Procedures, relevant procedures and regulations of the Company and in accordance with the Company's rules governing authorizations and hierarchical delegation of responsibilities.</u></p> <p>2. <u>The audit committee, the board of directors and the shareholders' meeting referred to herein shall be the Audit Committee, the Board of Directors and the shareholders' meeting of the Company; as for the requirement in respect of 20% of the paid-in capital or 10% of the total assets, the paid-in capital or the total assets of the Company shall serve as the base of such calculation.</u></p> <p>3. The Company shall disclose on behalf of any subsidiary that is not a Taiwan public company acquiring or disposing of assets in accordance with <u>Article 12</u> of the Procedures.</p>	<p>Article 13 Acquisition or Disposal of Assets by Subsidiaries</p> <p>1. The Company shall require its subsidiaries to establish their asset acquisition and disposal procedures, which shall become effective after approval by the Company. <u>The subsidiaries without their asset acquisition and disposal procedures shall abide by relevant procedures and regulations of the Company and seek approval in accordance with the Company's rules governing authorizations and hierarchical delegation of responsibilities.</u></p> <p>2. The Company shall disclose on behalf of any subsidiary that is not a Taiwan public company acquiring or disposing of assets in accordance with <del>Paragraphs 1 and 2 of Article 13</del> of the Procedures. <del>For any disclosure requirement of any transactions in an amount reaching 20% or more of the Company's paid-up capital or 10% or more of the Company's total assets, the paid-in capital or the total assets of the Company shall serve as the base of such calculation.</del></p>	<p>1. Wording has been amended to clarify the definition.</p> <p>2. The ordinal numbers of the paragraphs have been amended.</p>

Amended Article	Current Articles	Description
<p><u>4. If a domestic public subsidiary of the Company meets the announcement and reporting standards set forth in Paragraph 1, Article 12 hereof of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, it shall do so on its own; if the announcement and reporting involves material information, the Company shall do so in accordance with the law.</u></p>	<p><u>3. The Company shall carry out the announcement and reporting for all of its publicly traded subsidiaries that meet the announcement and reporting standards set forth in Paragraph 2, Article 13 hereof.</u></p>	



**Walsin Lihwa Corporation**  
**Comparison Table of Amended Articles of**  
**the Rules and Procedures of Shareholders' Meetings**

Amended Article	Current Articles	Description
<p>Article 2  Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.</p> <p><u>Any change in the manner of holding a shareholders' meeting shall be resolved by the Board of Directors and shall be made at the latest before the mailing of the notice of the shareholders' meeting.</u></p> <p>Any matter prescribed by Paragraph 5 of Article 172 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out, and its essential content shall be explained, in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The essential contents specified in Paragraph 5 of Article 172 of the Company Act may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.</p> <p>Where the notice of reasons for convening the shareholders' meeting has specified any entire re-election of directors and the date of their assumption of office, after such completion of such re-election in such shareholders' meeting, the date</p>	<p>Article 2  Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.</p> <p>Any matter prescribed by Paragraph 5 of Article 172 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out, and its essential content shall be explained, in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The essential contents specified in Paragraph 5 of Article 172 of the Company Act may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.</p> <p>Where the notice of reasons for convening the shareholders' meeting has specified any entire re-election of directors and the date of their assumption of office, after such completion of such re-election in such shareholders' meeting, the date</p>	<p>1. In order to inform the shareholders of the change in the manner of holding the shareholders' meeting, such change shall be resolved by the Board of Directors and shall be made at the latest before the mailing of the notice of the shareholders' meeting; therefore, Paragraph 2 of this Article has been amended.</p> <p>2. Paragraph 8 of this Article has been amended for the purpose of enabling shareholders to refer to the shareholders' meeting manual and the supplementary information of the meeting on the day of the shareholders' meeting, whether they attend the physical shareholders' meeting or attend the meeting by video conferencing.</p>

Amended Article	Current Articles	Description
<p>of their assumption of office shall not be changed by an extraordinary motion or otherwise in the same meeting.</p> <p>A shareholder holding 1 percent or more of the total number of the issued and outstanding shares may submit to the Company a written proposal for discussion for a regular shareholders meeting. Such proposal, receipt and review shall be handled pursuant to the Company Act and the relevant applicable laws and regulations. The Company shall inform and make a proposal to shareholders for the result of aforesaid issues by the date of convening and to list such proposal on the shareholders meeting notice. The reasons for unlisted proposals should be explained in the general shareholder meeting. The shareholder who proposes such proposal shall attend the general shareholders meeting in person or to appoint an agent to attend it, and join the discussion.</p> <p>The convention of the regular shareholders meeting shall be notified to each shareholder 30 days before the date of meeting or 15 days before the date of an extraordinary shareholders meeting. For the shareholders holding less than 1000 shares, the Company may publicly announce the convention of the regular shareholders meeting by uploading the information to the Market Observation Post System (MOPS) 30 days before the date of meeting or 15 days before the date of an extraordinary shareholders meeting.</p> <p>The reasons for convening the meeting shall be specified in the notice or announcement. Upon the</p>	<p>of their assumption of office shall not be changed by an extraordinary motion or otherwise in the same meeting.</p> <p>A shareholder holding 1 percent or more of the total number of the issued and outstanding shares may submit to the Company a written proposal for discussion for a regular shareholders meeting. Such proposal, receipt and review shall be handled pursuant to the Company Act and the relevant applicable laws and regulations. The Company shall inform and make a proposal to shareholders for the result of aforesaid issues by the date of convening and to list such proposal on the shareholders meeting notice. The reasons for unlisted proposals should be explained in the general shareholder meeting. The shareholder who proposes such proposal shall attend the general shareholders meeting in person or to appoint an agent to attend it, and join the discussion.</p> <p>The convention of the regular shareholders meeting shall be notified to each shareholder 30 days before the date of meeting or 15 days before the date of an extraordinary shareholders meeting. For the shareholders holding less than 1000 shares, the Company may publicly announce the convention of the regular shareholders meeting by uploading the information to the Market Observation Post System (MOPS) 30 days before the date of meeting or 15 days before the date of an extraordinary shareholders meeting.</p> <p>The reasons for convening the meeting shall be specified in the notice or announcement. Upon the</p>	

Amended Article	Current Articles	Description
<p>consent of a receiving party, such information may be given in digital form.</p> <p><u>The matters relating to the production, announcement, and availability for shareholders of the agenda handbook of the Company's shareholders meeting shall be in compliance with the Regulations Governing Content and Compliance Requirement for Shareholders' Meeting Agenda Handbooks of Public Companies.</u></p>	<p>consent of a receiving party, such information may be given in digital form.</p> <p>The production and announcement of the agenda handbook of the Company's shareholders meeting shall be in compliance with the Regulations Governing Content and Compliance Requirement for Shareholders' Meeting Agenda Handbooks of Public Companies.</p>	
<p>Article 3 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company 5 days prior to the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting <u>in person or by video conferencing</u> or to exercise voting rights in writing or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 days prior to the meeting date .If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>Article 3 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company 5 days prior to the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights in writing or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 days prior to the meeting date .If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>If a shareholder has appointed a proxy to attend a shareholders' meeting, after the proxy form has been delivered to the Company, the shareholder who wishes to attend the shareholders' meeting by video conferencing shall notify the Company in writing of the revocation of the proxy two days prior to the shareholders' meeting; therefore, Paragraph 3 of this Article has been amended.</p>

Amended Article	Current Articles	Description
<p>Article 5 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.</p> <p><u>When the Company convenes a virtual shareholders' meeting, the location of the shareholders' meeting shall not be subject to the restrictions set out in the preceding paragraph; provided, however, that the Company shall provide appropriate alternatives for shareholders who have difficulty attending the shareholders' meeting by video conferencing.</u></p>	<p>Article 5 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.</p>	<p>When the Company convenes a virtual shareholders' meeting (i.e., a purely online shareholders' meeting), the location of the meeting shall not be restricted, but the Company shall provide appropriate alternatives for the shareholders who suffer from the digital divide. Therefore, Paragraph 2 of this Article has been added.</p>
<p>Article 6 The Company shall specify in its shareholders meeting notices the time during which shareholders, <u>proxy solicitors, and proxies (collectively, "shareholders")</u> attendance registrations will be accepted, the place to register for attendance, and other matters for attention. <u>Shareholders who wish to attend the shareholders' meeting by video conferencing should register with the Company two days prior to the shareholders' meeting.</u></p> <p>The time during which shareholder attendance registrations will be accepted prescribed in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and sufficient number of suitable personnel shall be assigned to handle the registrations. <u>Attendance registrations for the</u></p>	<p>Article 6 The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted prescribed in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and sufficient number of suitable personnel shall be assigned to handle the registrations.</p>	<ol style="list-style-type: none"> <li>1. If a shareholder wishes to attend a shareholders' meeting by video conferencing, he/she shall register with the Company two days prior to the shareholders' meeting. Therefore, Paragraph 1 of this Article has been amended.</li> <li>2. In order to specify the time and procedure for the shareholders who attend the meeting by video conferencing, Paragraph 2 of this Article has been amended.</li> <li>3. In order to enable shareholders</li> </ol>

Amended Article	Current Articles	Description
<p><u>virtual shareholders' meeting shall be accepted at the Video Conferencing Platform of the Shareholders' Meetings at least 30 minutes before the commencement of the meeting. Shareholders who have completed the attendance registration process shall be deemed to be present in person at the shareholders' meeting.</u></p> <p>Shareholders shall attend shareholder's meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished. <u>If a shareholders' meeting is held by video conferencing, the meeting handbook, annual report and other relevant information shall be uploaded to the Video Conferencing Platform of the Shareholders' Meetings at least 30 minutes before the start of the meeting and shall keep being disclosed until the end of the meeting.</u></p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. The number of the shares held by</p>	<p>Shareholders shall attend shareholder's meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. The number of the shares held by</p>	<p>attending the shareholders' meeting by video conferencing to view the meeting handbook, annual report, and other relevant information, the Company shall upload the information to the Video Conferencing Platform of the Shareholders' Meetings; therefore, Paragraph 4 of this Article has been amended.</p> <p>4. In order for shareholders to know the number of shares solicited by the proxy solicitors and the number of shares represented by proxy, as well as the number of shares attended by written or electronic means, the Company shall clearly reveal the same on the floor of the shareholders' meeting. If the Company holds the shareholders' meeting by video conferencing, such information shall be uploaded to the Video Conferencing Platform of the Shareholders' Meetings. Therefore, Paragraph 6 of this Article has been</p>

Amended Article	Current Articles	Description
<p>proxy solicitation, those handled by appointees, <u>and those held by shareholders present in writing or by electronic means</u> shall be calculated and a clearly declared through a statistic chart according to regulated format on the date and venue of general shareholders meetings. <u>If a shareholders' meeting is held by video conferencing, the foregoing information shall be uploaded to the Video Conferencing Platform of the Shareholders' Meetings at least 30 minutes before the start of the meeting and shall keep being disclosed until the end of the meeting.</u></p> <p><u>If a shareholders' meeting is held by video conferencing, the total number of shares of shareholders present shall be disclosed on the Video Conferencing Platform when the meeting is called to order. The same shall apply if the total number of shares and voting rights of shareholders present are also counted during the meeting.</u></p>	<p>proxy solicitation <u>and</u> those handled by appointees shall be calculated and a clearly declared through a statistic chart according to regulated format on the date and venue of general shareholders meetings.</p>	<p>amended.</p> <p>5. In order to enable the shareholders attending by video conferencing to know the number of shareholders' rights to attend the meeting at the same time, the total number of shares held by the shareholders present shall be disclosed on the Video Conferencing Platform when the meeting is called to order, and the total number of shares held by the shareholders present and the number of voting rights shall be disclosed again if there are any subsequent statistics. Therefore, Paragraph 7 of this Article has been amended.</p>
<p><u>Article 6-1</u>  <u>The Company shall convene a virtual shareholders' meeting by stating the following in the notice of the shareholders' meeting"</u>  <u>1. The shareholders' attendance in the video conference and the method of exercising their rights.</u>  <u>2. The way to deal with obstacles to the Video Conferencing Platform or attendance via video conferencing due to natural disasters, contingencies, or other force majeure, including at least the following:</u>  <u>(1) The time when the meeting is</u></p>	<p>(This is a new Article.)</p>	<p>In order to inform shareholders of their rights in and restrictions on participation in the shareholders' meeting prior to the meeting, it is specified that the notice of the shareholders' meeting shall include the method of shareholders' participation in the video conference and</p>

Amended Article	Current Articles	Description
<p><u>postponed or reconvened due to the persistence of the foregoing disruption, and the date of the postponed or reconvened meeting, if any.</u></p> <p><u>(2) Shareholders who have not registered to attend the original shareholders' meeting by video conferencing are not allowed to attend the postponed or reconvened meeting.</u></p> <p><u>(3) If a hybrid shareholders' meeting cannot be reconvened, then after deducting the number of shares attending the shareholders' meeting by video conferencing, if the total number of shares held by the shareholders present reach the quorum for the shareholders' meeting, the shareholders' meeting shall be continued. Shareholders participating by video conferencing shall be counted as the total number of shares held by the shareholders present and shall be deemed to have abstained from voting on all motions at that meeting.</u></p> <p><u>(4) The manner of handling of the situation where the results of all motions have been announced and no ad hoc motion has been made.</u></p> <p><u>3. Where a virtual shareholders' meeting is held, the Company shall include appropriate alternatives for shareholders who have difficulty participating in the shareholders' meeting by video conferencing.</u></p>		<p>exercise of relevant rights, the handling of obstacles to the use of the Video Conferencing Platform to attend the meeting by video conferencing due to natural disasters, contingencies, or other force majeure. If convening a virtual shareholders' meeting, the Company shall also specify in the notice of the shareholders' meeting the appropriate alternatives offered to the shareholders who have difficulties in participating in the shareholders' meeting by video conferencing.</p>
<p>Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video</p>	<p>Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video</p>	<p>Paragraphs 3 and 4 of this Article have been added by reference to Article 183 of the</p>

Amended Article	Current Articles	Description
<p>recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The shareholders shall not conduct audio or video recording without obtaining an approval from the Chairperson. Chairperson may stop the shareholders violating the above.</p> <p>The recorded materials of the preceding paragraph shall be retained for at least 1 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.</p> <p><u>If a shareholders' meeting is held by video conferencing, the information on shareholders' registration, enrollment, attendance, questions, voting, and the Company's vote counting results shall be recorded and kept, and the entire video conference shall be continuously and uninterruptedly recorded and video-taped.</u></p> <p><u>The Company shall keep the aforementioned information and audio and video recordings during their preservation period and provide the audio and video recordings to the person in charge of the matters relating to the video conference for retention.</u></p>	<p>recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The shareholders shall not conduct audio or video recording without obtaining an approval from the Chairperson. Chairperson may stop the shareholders violating the above.</p> <p>The recorded materials of the preceding paragraph shall be retained for at least 1 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.</p>	<p>Company Act and Article 44-23 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</p>
<p>Article 9 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in <u>and the number of shares held by shareholders registering their</u></p>	<p>Article 9 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in plus the number of shares whose voting rights are exercised by</p>	<p>1. If a shareholders' meeting is held by video conferencing, the number of shares of shareholders who have reported their attendance by video conferencing shall</p>



Amended Article	Current Articles	Description
<p><u>attendance on the Video Conferencing Platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time and, at the same time, announce relevant information such as the number of non-voting shares and the number of shares whose holder are present.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued and outstanding 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 and outstanding shares, the chair shall declare the meeting adjourned. <u>Where the shareholders' meeting is held by video conferencing, the adjournment of the meeting shall be announced on the Video Conferencing Platform of the Shareholders' Meetings.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued and outstanding shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders</p>	<p>correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time and, at the same time, announce relevant information such as the number of non-voting shares and the number of shares whose holder are present.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued and outstanding 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 and outstanding shares, the chair shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued and outstanding shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders</p>	<p>be added to the calculation of the total number of shares in attendance. Therefore, Paragraph 1 of this Article has been amended.</p> <p>2. If a shareholders' meeting is held by video conferencing, in the event that the Chairman announces the adjournment of the shareholders' meeting, the Company shall announce the same on the Video Conferencing Platform in order to notify the shareholders immediately. Therefore, Paragraph 3 of this Article has been amended.</p> <p>3. If the Company tentatively resolves to convene a separate shareholders' meeting, and shareholders who wish to attend the meeting by video conferencing shall register with the Company. Therefore, Paragraph 4 of this Article has been amended.</p>

Amended Article	Current Articles	Description
<p>meeting shall be convened within 1 month. <u>Shareholders who wish to attend the virtual shareholders' meeting by video conferencing shall re-register with the Company in accordance with Article 6 hereof.</u></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued and outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p>meeting shall be convened within 1 month.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued and outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	
<p>Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>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 content contained in the speaker's slip, the spoken content shall prevail.</p> <p>The speech addressed or the vote casted by a proxy representing a shareholder shall be deemed as the speech or vote of the shareholder despite of any restriction on the authorization or other method made by the shareholder whether the Company knows or not.</p> <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and each of the speech may not exceed 5minutes .If the shareholder's speech</p>	<p>Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>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 content contained in the speaker's slip, the spoken content shall prevail.</p> <p>The speech addressed or the vote casted by a proxy representing a shareholder shall be deemed as the speech or vote of the shareholder despite of any restriction on the authorization or other method made by the shareholder whether the Company knows or not.</p> <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and each of the speech may not exceed 5minutes .If the shareholder's speech</p>	<p>To specify the manner of, procedures for, and restrictions on shareholders who wish to participate in shareholders' meetings by video conferencing, Paragraph 8 of this Article has been added.</p>

Amended Article	Current Articles	Description
<p>violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>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.</p> <p>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.</p> <p>After an attending shareholder has spoken, the chair may respond himself/herself or direct relevant personnel to respond.</p> <p><u>Shareholders participating in the shareholders' meeting by video conferencing may ask questions by sending texts on the Video Conferencing Platform after the chairman calls the meeting to order and before the meeting is adjourned; they may ask only two questions per motion, and each question shall be limited to 200 words. The provisions of Paragraphs 1 to 6 hereof shall not apply here.</u></p>	<p>violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>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.</p> <p>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.</p> <p>After an attending shareholder has spoken, the chair may respond himself/herself or direct relevant personnel to respond.</p>	
<p>Article 13 A shareholder is entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.</p> <p>When the Company holds a shareholders meeting, it may allow</p>	<p>Article 13 A shareholder is entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.</p> <p>When the Company holds a shareholders meeting, it may allow</p>	<p>1. Shareholders exercising their voting rights in writing or electronically, or attending shareholders' meetings by video conferencing, or</p>

Amended Article	Current Articles	Description
<p>the shareholders to exercise voting rights in writing or via electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights in writing or via electronic means shall be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.</p>	<p>the shareholders to exercise voting rights in writing or via electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights in writing or via electronic means shall be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.</p>	<p>wishing to carry out any revocation or change, shall be subject to the relevant regulations; therefore, Paragraph 3 of this Article has been amended.</p>
<p>Shareholders' exercising voting right in writing or via electronic means <u>or attending the shareholders' meeting by video conferencing</u> shall be proceeded in accordance with the Company Act, the Regulations Governing the Administration of Shareholder Services of Public Companies and the relevant applicable laws and regulations.</p>	<p>Shareholders' exercising voting right in writing or via electronic means shall be proceeded in accordance with the Company Act, the Regulations Governing the Administration of Shareholder Services of Public Companies and the relevant applicable laws and regulations.</p>	<p>2. When a shareholders' meeting is convened by video conferencing, in order to provide shareholders participating by video conferencing with sufficient time to vote, voting on each original motion may be conducted from the time the chairman calls the meeting to order until the time the end of voting is announced, and the counting of votes must be done in a one-time count.</p>
<p>Except as otherwise provided in the Company Act and in the Articles of Incorporation, the passage of a proposal requires an affirmative vote of a majority of the voting rights represented by the attending shareholders. Vote counting for shareholders meeting proposals or elections shall be conducted openly within the venue 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, including voting to approve, objection or waive shall be announced on-site at the meeting, and a record made of the vote at Market Observation Post System.</p>	<p>Except as otherwise provided in the Company Act and in the Articles of Incorporation, the passage of a proposal requires an affirmative vote of a majority of the voting rights represented by the attending shareholders. Vote counting for shareholders meeting proposals or elections shall be conducted openly within the venue 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, including voting to approve, objection or waive shall be announced on-site at the meeting, and a record made of the vote at Market Observation Post System.</p>	<p>Therefore, Paragraph 7 of this Article has been amended.</p> <p>3. When the Company convenes a hybrid shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video conferencing but wish to attend the physical shareholders' meeting in person shall deregister in</p>

Amended Article	Current Articles	Description
<p>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 any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be made.</p> <p>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.</p> <p><u>Where the Company convenes a virtual shareholders' meeting, after the Chairman calls the meeting to order, shareholders who participate in the shareholders' meeting by video conferencing shall vote on each motion and election motion through the Video Conferencing Platform, and shall complete the voting before the Chairman announces the end of the voting, and any delay shall be deemed as abstention. The Company shall conduct a one-time vote count and announce the voting and election results after the Chairman announces the close of voting. The voting results of each motion and the election results shall be disclosed on the Video Conferencing Platform of the Shareholders' Meetings in accordance with the regulations and shall continue to be disclosed for at least 15 minutes after the Chairman announces the adjournment of the meeting.</u></p> <p><u>When the Company convenes a hybrid shareholders' meeting,</u></p>	<p>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 any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be made.</p> <p>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.</p>	<p>the same manner as they have registered two days prior to the shareholders' meeting; if they deregister after that time, they may attend the shareholders' meeting by video conferencing only. Therefore, Paragraph 8 of this Article has been amended.</p> <p>4. Based on the principle of fair treatment, shareholders who exercise their voting rights in writing or electronically may still register to participate in shareholders' meetings by video conferencing if they have not revoked their intention to do so, but they may not vote on the original motion or the amendment to the original motion, and they may not propose amendments to the original motion, except that they may propose and exercise their voting rights on ad hoc motions. Therefore, Paragraph 9 of this Article has been amended.</p>

Amended Article	Current Articles	Description
<p><u>shareholders who have registered to attend the shareholders' meeting by video conferencing in accordance with Article 6 but 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 may attend the shareholders' meeting by video conferencing only.</u></p> <p><u>Those who exercise their voting rights by written or electronic means without revoking their expression of intention and participate in the shareholders' meeting by video conferencing may not exercise their voting rights on the original motion or propose amendments to the original motion or exercise their voting rights on the amendments to the original motion, except for ad hoc motions.</u></p>		
<p>Article 15 <u>When the Company holds a virtual shareholders' meeting, the chairman and minute taker shall be present at the same place in the Republic of China.</u></p> <p>Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy of the minutes shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.</p> <p>The Company may distribute the meeting minutes of the preceding</p>	<p>Article 15</p> <p>Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy of the minutes shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.</p> <p>The Company may distribute the meeting minutes of the preceding</p>	<p>1. If the shareholders' meeting is held by video conferencing and there is no physical place for the meeting, the chairman and the minute taker shall be at the same place in the Republic of China.</p> <p>2. In order to facilitate shareholders' understanding of the results of the video conference, alternatives for shareholders suffering from the digital divide, and the manner and</p>

Amended Article	Current Articles	Description
<p>paragraph by means of a public announcement made on the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and voting results (including the calculation of the number of voting rights) (in case of any election of directors, the number of votes that each candidate wins shall be disclosed), and shall be retained for the duration of the existence of the Company.</p> <p><u>If a shareholders' meeting is held by video conferencing, the minutes of the meeting shall include, in addition to the matters required to be recorded in the preceding paragraph, the starting and ending time of the shareholders' meeting, the manner in which the meeting is held, the names of the chairman and the minute taker, and the manner and situation of handling any interruption from the Video Conferencing Platform or video participation due to natural disasters, contingencies, or other force majeure.</u></p> <p><u>In addition to complying with the provisions of the preceding paragraph, the Company, if wishing to convene a virtual shareholders' meeting, shall include in the minutes of the meeting alternatives for shareholders who have difficulties in participating in the shareholders' meeting by means of video conferencing.</u></p>	<p>paragraph by means of a public announcement made on the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and voting results (including the calculation of the number of voting rights) (in case of any election of directors, the number of votes that each candidate wins shall be disclosed), and shall be retained for the duration of the existence of the Company.</p>	<p>situation of handling any interruptions, when preparing the minutes of the shareholders' meeting, the Company shall include, in addition to the matters to be recorded in accordance with Paragraph 4, the starting and ending times of the meeting, the manner in which the meeting is held, the names of the chairman and minute taker, the manner and handling of any circumstances under which participation in the Video Conferencing Platform or by means of video conferencing is interrupted due to natural disasters, contingencies, or other force majeure. Therefore, Paragraph 5 of this Article has been amended.</p> <p>3. If a virtual shareholders' meeting is convened, the Company shall include in the minutes of the meeting, as well as in the notice of the convening of the meeting, appropriate alternatives for shareholders who have difficulty participating in the</p>

Amended Article	Current Articles	Description
		meeting by video conferencing. Therefore, Paragraph 6 of this Article has been amended.
<p><u>Article 18</u>  <u>When a shareholders' meeting is convened by video conferencing, the chairman, when calling the meeting to order, shall announce separately that, except for the circumstances specified in Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies that do not require the postponement or reconvening of the meeting, if, before the chairman announces the adjournment of the meeting, there is any interruption to participation on the Video Conferencing Platform or by video conferencing for a period of 30 minutes or more due to a natural disaster, a contingency, or other force majeure, the meeting shall be postponed or reconvened within five days. The provisions of Article 182 of the Company Act shall not apply to the date of such postponement or reconvening of the meeting.</u></p> <p><u>In the event of a postponement or reconvening of a meeting, shareholders who have not registered to participate in the original shareholders' meeting by video conferencing shall not participate in the postponed or reconvened meeting.</u></p> <p><u>For those shareholders who have registered to attend the original shareholders' meeting by video conferencing and have completed attendance registration for the meeting, but have not attended the postponed or reconvened meeting,</u></p>	(This is a new article.)	<p>1. In the event that the Company convenes a shareholders' meeting by video conferencing, if there is an interruption to participation on the Video Conferencing Platform or by video for more than 30 minutes due to a natural disaster, contingency or other force majeure, the meeting shall be postponed or reconvened within five days, to which Article 182 of the Company Act, which requires a resolution of the shareholders' meeting to do so, shall not apply. Therefore, Paragraph 1 of this Article has been established. The failure of the Company, the Video Conferencing Platform, the shareholders, the proxy solicitors or the proxy to convene or participate in a video conference, either intentionally or negligently, is not covered by this Article.</p>



Amended Article	Current Articles	Description
<p><u>their number of shares, voting rights and voting rights exercised at the original shareholders' meeting shall be counted as the total number of shares, voting rights and voting rights of shareholders present at the postponed or reconvened meeting.</u></p> <p><u>If the shareholders' meeting is postponed or reconvened in accordance with Paragraph 1, it is not necessary to discuss and resolve again the motions for which voting and counting have been completed and the voting results or the list of directors elected have been announced.</u></p> <p><u>In the event that the Company convenes a hybrid shareholders' meeting and the meeting cannot be reconvened in the case of any circumstance under Paragraph 1, and if, after deducting the number of shares present at the shareholders' meeting by video conferencing, the total number of shares present still reaches the quorum for the shareholders' meeting, the shareholders' meeting shall continue, without being postponed or reconvened in accordance with Paragraph 1.</u></p> <p><u>In the event that a meeting should be continued, the number of shares held by shareholders participating in the meeting by way of video conferencing shall be counted as the total number of shares of shareholders present, but shall be deemed to be abstained for all motions at that meeting.</u></p> <p><u>If the Company postpones or reconvene a shareholders' meeting in</u></p>		<p>2. In accordance with Paragraph 2, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders who have not registered to participate in the original shareholders' meeting by video conferencing (including proxy solicitors and proxy; the same applies below) shall not participate in the postponed or reconvened meeting. Therefore, Paragraph 2 of this Article has been stipulated. To clarify, when a hybrid shareholders' meeting is held, shareholders who participated in the original physical shareholders' meeting may continue to participate in the postponed or reconvened meeting in a physical manner.</p> <p>3. In accordance with Paragraph 3, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, for</p>

Amended Article	Current Articles	Description
<p data-bbox="137 212 635 645"><u>accordance with Paragraph 1, the Company shall follow the provisions set forth in Paragraph 27, Article 44 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shall complete the relevant preliminary procedures on the date of the original shareholders' meeting and in accordance with the provisions of such Article.</u></p> <p data-bbox="137 689 635 1281"><u>The Company shall postpone or reconvene the shareholders' meeting in accordance with the provisions of Paragraph 1 within the period stipulated in the second half of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, or that specified in Paragraph 2, Article 44-5, Article 44-15, or Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p>		<p data-bbox="1171 212 1457 2042">those shareholders who have registered to attend the original shareholders' meeting by video conferencing and have completed attendance registration for the meeting, but have not attended the postponed or reconvened meeting, their number of shares, voting rights and voting rights exercised at the original shareholders' meeting shall be counted as the total number of shares, voting rights and voting rights of shareholders present at the postponed or reconvened meeting. For those motions for which voting and counting of votes have been completed at the previous meeting and the voting results or the list of elected directors have been announced, the resolution shall be deemed to be completed and there is no need to discuss and resolve again in order to reduce the meeting time and cost of the reconvened meeting. Therefore, Paragraphs 3 and 4</p>

Amended Article	Current Articles	Description
		<p>of this Article have been stipulated.</p> <p>4. Virtual shareholder meetings are held both physically and by video conferencing. If, due to force majeure, the Video Conferencing Platform or video participation is interrupted, but the physical shareholders' meeting is still in progress, and if, after deducting the number of shares present by video attendance, the total number of shares present still reaches the quorum for the shareholders' meeting, the shareholders' meeting shall continue without postponement or reconvening of the meeting in accordance with the regulations.</p> <p>Therefore, Paragraph 5 of this Article has been stipulated.</p> <p>5. In the event that the meeting should be continued and no postponement or reconvention of the meeting is necessary under Paragraph 1 hereof, then in accordance with Paragraph 25 of Article 44 of the</p>

Amended Article	Current Articles	Description
		<p>Regulations Governing the Administration of Shareholder Services of Public Companies, the number of shares held by shareholders participating in the shareholders' meeting by way of video conferencing shall be counted as the total number of shares held by the shareholders present, provided that their voting rights in all motions at the shareholders' meeting shall be deemed to be abstained. Therefore, Paragraph 6 of this Article has been stipulated.</p> <p>6. Considering the postponed or reconvened shareholders' meeting due to communication interruption is the same as the original shareholders' meeting, the Company does not need to conduct the preliminary procedures again for the shareholders' meeting in accordance with the provisions of Paragraph 7 of Article 44-20 of the Regulations</p>

Amended Article	Current Articles	Description
		<p>Governing the Administration of Shareholder Services of Public Companies due to the postponement or reconvention of the shareholders' meeting. Therefore, Paragraph 7 of this Article has been established.</p> <p>7. If the shareholders' meeting has been postponed, the matters to be announced and disclosed on the day of the shareholders' meeting shall still be disclosed on the day of the postponed or reconvened meeting. Therefore, Paragraph 8 of this Article has been stipulated.</p>
<p><u>Article 19</u> Any matter not prescribed in the Rules shall be handled in accordance with the Company Act, the relevant laws and regulations and the Article of Incorporation.</p>	<p>Article 18 Any matter not prescribed in the Rules shall be handled in accordance with the Company Act, the relevant laws and regulations and the Article of Incorporation.</p>	<p>Due to the above new article, the original number of this Article has been adjusted.</p>
<p><u>Article 20</u> These rules and procedures shall take effect upon being ratified by a resolution adopted by the Shareholders' meeting and the same shall apply to all amendments thereto.</p>	<p>Article 19 These rules and procedures shall take effect upon being ratified by a resolution adopted by the Shareholders' meeting and the same shall apply to all amendments thereto.</p>	<p>Due to the above new article, the original number of this Article has been adjusted.</p>

## Walsin Lihwa Corporation

### Explanations of involvement of directors or their related persons in the field of the Company's business

(1) Director: Mr. Yu-Heng Chiao

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Yu-Yueh Co., Ltd.	Chairman	Commercial and real estate

(2) Director: Ms. Wei-Shin Ma

Names of Other Companies Where She Serves	Title	Business Items Identical or Similar to the Company's
United Integrated Services Co., Ltd.	Chairman	E601010 Power Equipment Installation and Maintenance Business

(3) Director: Mr. Shiang-Chung Chen

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
TECO Electric & Machinery Co., Ltd.	Independent Director	Production and sales of specialty steel H701010 Residential and Commercial Building development, Rental and sales Business  E601010 Power Equipment Installation and Maintenance Business

# Regulations

# Walsin Lihwa Corporation

## Articles of Incorporation

The 50 amendment was adopted by the Shareholders' meeting on July 15, 2021

### Chapter I General provisions

**Article 1:** The name of the company is Walsin Lihwa Corporation which is incorporated pursuant to the Company Act.

**Article 2:** The following is the business scope of the company:

1. H701010 Residential and Commercial Building development, Rental and sales Business
2. E601010 Power Equipment Installation and Maintenance Business
3. CC01020 Electric Wires and Cables Manufacturing
4. ZZ99999 Except the permitted business, the company may engage in other businesses not prohibited or restricted by laws and regulations

**Article 2-1:** The Company may act as a guarantor for another person in accordance with the law and relevant requirements.

**Article 2-2:** The total amount of the Company's investments in other companies is not subject to the restriction of 40% of the Company's paid-up capital.

**Article 3:** The Company is incorporated in Taipei City. The Company may establish branch office, representative's office, business unit or subsidiary plant in the Republic of China or foreign countries if necessary.

**Article 4:** deleted

### Chapter II Shares

**Article 5:** The Company's total capital is Sixty Five Billion New Taiwan Dollars (NT\$65,000,000,000) which is divided into 6,500,000,000 shares with a face value of Ten New Taiwan Dollars (NT\$10) per share. The afore-mentioned shares shall be issued in installments, and the unissued shares may be issued according to resolutions adopted by the board of directors as it deems necessary.

Share subscription warrants, corporate bonds with warrants or preferred shares with warrants may be issued within the amount of Eight Billion New Taiwan Dollars (NT\$8,000,000,000) of the preceding capital with the total of 800,000,000 shares and each share at a face value of Ten New Taiwan dollars (NT\$10). These shares may be issued in installments.

Where the Company is entitled to buy back its own shares according to the law, the board of directors is authorized to undertake such share buyback pursuant to the law.

**Article 6:** The stock certificates of the Company shall be in registered form, and before they are issued, shall be numbered serially, be affixed with the signature or personal seals of the Directors representing the Company, and be authenticated by the bank eligible for such authentication pursuant to law

The Company may be exempted from printing share certificates if such shares have been registered with a securities depository enterprise.



**Article 7:** Shares which are transferred, lost or destroyed shall be handled in accordance with the Company Act and the relevant regulatory requirements.

### **Chapter III Shareholders' Meeting**

**Article 8:** The Company's regular meeting of shareholders shall be held once every year within six months from the expiration of the fiscal year. Special meeting of shareholders may be held according to the law if necessary.

**Article 9:** The convening of regular and special meetings of shareholders shall be governed by the Company Act and the meeting proceedings shall be governed by the Company's rules and procedures governing Shareholders' meetings.

**Article 10:** Unless otherwise provided for by law, the voting right of the Company's shareholders is based on one-share-one-vote.

**Article 11:** Unless otherwise provided for by law, a resolution of a shareholders' meeting shall be adopted by a majority vote of the shareholders who are present at the meeting and represent more than half of the total number of issued shares. The shareholders of the Company may also exercise their voting rights by electronic means, and shall be deemed as present in person if they exercise their voting rights by electronic means. Relevant matters thereof shall be handled in accordance with the Company Act and relevant laws and regulations.

**Article 12:** Shareholders may appoint proxies to attend Shareholders' meetings pursuant to the Company Act and the "Rules Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies" promulgated by the competent authority by submitting proxy form printed and distributed by the Company and specifying the scope of authority therein.

**Article 13:** Where a Shareholders' meeting is convened by the board of directors, the chairperson of the board of directors shall chair the meeting. In the event that the chairperson is on leave or absent or cannot exercise his or her power and authority for any reason, the vice chairperson shall act on behalf of the chairperson. If the vice chairperson is also on leave or absent or cannot exercise his or her power and authority for any reason, a director shall be appointed to act on the chairperson's behalf pursuant to the Company Act.

Where a Shareholders' meeting is convened by a person who has convening right other than the board of directors, such person shall chair the meeting. In the event that there are more than two persons having the convening right, the chairperson of the meeting shall be elected from among themselves.

### **Chapter IV Directors, Board of Directors and managers**

**Article 14:** The Company shall have 9 to 11 directors including, at least, 3 independent directors. The Board of Director is authorized to determine the number of directors. Directors shall be elected by adopting candidates' nomination system as specified in Article 192-1 of the Company Act; the shareholder may elect the directors among the list of candidates.

The nomination of directors and related announcement or other relevant matters shall comply with the relevant laws and regulations of Company Act, Securities and Exchange Act, and etc.

The election of directors shall be subject to the Rules for Election of Directors of the Company. Unless otherwise provided with by any other law or regulation, the

independent and non-independent directors shall be elected at the same time but on separate ballots.

The total registered shares owned by the directors of a Company shall not be less than the percentage of total issued shares specified in the regulations provided by the competent authorities.

**Article 14-1:** The Company's Audit Committee is composed of all of its Independent Directors in accordance with Article 14-4 of the Securities and Exchange Act. The performance of duties and functions of the Audit Committee and its members and relevant matters shall be handled in accordance with the relevant provisions of the Securities and Exchange Act.

**Article 14-2:** The Company shall have a Compensation Committee in accordance with Article 14-6 of the Securities and Exchange Act, the charter of which shall be formulated by the Board of Directors in accordance with the relevant laws and regulations.

**Article 14-3:** The Company may establish other functional committees under the Board of Directors. The number of members, as well as their terms of office and functions and duties, of such functional committees shall be set forth in the charters thereof and shall be implemented by resolution of the Board of Directors.

**Article 15:** The term of office of directors shall not exceed three years but they are eligible for re-election.

**Article 16:** The Board of Directors shall consist the directors of the Company and shall have the rights listed below:

1. Convention of the shareholders meeting minutes and execution of the resolutions hereof.
2. Determination of the operation plan.
3. Review and enforcement of the major rules such as the Company's organizational rules and major agreements.
4. Review of and approval on the procurement or disposition of the major assets in accordance with the laws, regulations or the internal rules of the Company.
5. Approval on the hiring, dismissal, performance appraisal or remuneration standards of managers, and financial, accounting, internal audit or other major supervisors.
6. Decision on the establishment, abolition or change of a branch, office, business premise or plant.
7. Editing and review of the budget billing, business report, and the annual financial report.
8. Enforcement or amendment of the internal control system.
9. Enforcement or amendment to the handling procedures for financial or operational actions of material significance, such as to the procedures regarding acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
10. The offering, issuance, or private placement of any equity-type securities.
11. Review of and approval on a donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next Board of Directors meeting for retroactive recognition.

12. Decision-making of other material matters.

**Article 17:** The board of directors shall elect a chairperson and a vice chairperson from among themselves by a majority vote at a meeting attended by over two-thirds of the directors.

**Article 18:** The chairperson shall externally represent the Company and take charge of important matters.

**Article 19:** The chairperson shall convene board of directors meetings.

The notice of convening a board meeting may be served on directors by means of written document, electronic mail or facsimile.

Unless otherwise provided for by law, a resolution of the board of directors shall be adopted by a majority of the directors present at a meeting attended by a majority of the directors.

A director may appoint another director to attend a board meeting on his or her behalf.

Nonetheless, a director may accept the appointment to act as the proxy of one other director only.

**Article 20:** deleted

**Article 21:** The directors shall be entitled to be compensated with the respective remunerations. The amount of remuneration is authorized to be determined by the Board of Directors based on the evaluation of the remuneration committee evaluating the degree of participation and value of contributions of the directors as well as referring to the typical pay levels adopted by peer companies.

**Article 21-1:** After obtaining the consent of the Board of Directors, the Company may bear the compensation liabilities incurred by its directors from performing their duties as well as refer to the typical insured value adopted by the domestic or global companies to purchase the directors' and officers' liability insurance during the respective tenure of its directors and supervisors.

**Article 22:** The Company may establish managers by adopting the resolution of the Board of Directors meeting. The hiring, dismissal and remuneration of the above personnel shall be determined in accordance with Article 29 of the Company Act.

**Article 23:** deleted

**Article 24:** deleted

## **Chapter V Accounting**

**Article 25:** The Company's fiscal year shall commence on January 1 and terminate on December 31 and settlement of accounts shall be undertaken at the end of the year.

**Article 25-1:** Company may distribute no less than 1% of profit of the current year as employees' compensation and to distribute no maximum 1% of profit of the current year as compensation of directors. The resolution of actual amount of foresaid compensation shall be adopted by a majority vote at a meeting of 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. However, company's accumulated losses shall have been covered.

Employees' compensation shall be distributed in the form of shares or in cash; qualification requirements of employees including the employees of parents or subsidiaries of the Company meeting certain specific requirements which shall be defined by board of directors.

The qualification requirements of or the distribution rules for the employees who are entitled to the treasury stock transferred, the employee warrants issued, subscription for new shares issued, and the restricted stock awards issued by the Company, including the employees of parents or subsidiaries of the company meeting certain specific requirements, shall be formulated by the board of directors as authorized.

**Article 26:** The Company's chairman, managerial officer and accounting manager shall prepare and sign or affix their chops the statements and records for account settlement which shall be forwarded to audit committee or certified public accountants authorized by audit committee for auditing at least 30 days prior to the date of the regular Shareholders' meeting. Such supervisors or certified public accountants shall produce and submit the reports to the Shareholders' meeting for ratification.

**Article 27:** deleted

**Article 28:** After the Company has offset its accumulated losses from previous years and paid all tax due, the Company shall set aside 10% of its net profits as legal reserve, except when the legal reserve equals to the total authorized capital of the Company. From the remainder calculated above plus the surplus retained earnings of previous year, the Company shall set aside the special reserve as stipulated by the law or the competent authority. Then the Board of Directors shall draft an earning distribution proposal submitted to the Shareholders' meeting for resolution to distribute shareholder's dividends.

The setting aside of the above legal reserve should be based on the "the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period".

**Article 28-1:** The share dividend policy of the Company should be stable for the purpose of sustainable operation and development .In case of any earnings on the final account, the Company shall allot as shareholder dividends no lesser than 40% of the balance of such earnings after offsetting its loss, paying income tax, setting aside the legal reserve, and setting aside the special reserve as adjusted based on the net decrease in other shareholders' equity as stipulated in Article 28 hereof. Such dividends shall be distributed in cash or in form of shares; cash dividends shall not be lesser than 70% of the total dividends.

To ensure the stability of the financial structure, and based on the principle of equitable dividend payout, if the Company has no earnings to distribute or has earnings but the amount of earnings is significantly less than the actual earnings distributed previously, the Company may distribute all or part of the reserves or the undistributed earnings in the previous period. If there is a non-recurring, material income in the Company's earnings for the year, all or a part of such income may be retained without being subject to the percentage limitation set forth in Paragraph 1 hereof.

## **Chapter VI Supplement provisions**

**Article 29:** The Company's regulations and enforcement rules shall be prescribed separately.

**Article 30:** Any matter which is not prescribed in these Articles of Incorporation shall be governed by the Company Act and other relevant laws and regulations.

**Article 31:** These Articles of Incorporation were established on August 1, 1966. The first amendment was made on March 5, 1967; the 2th amendment was made on December 30, 1967; the 3th amendment was made on June 26, 1969; the 4th amendment was made on June 1, 1970; the 5th amendment was made on June 15, 1971; the 6th amendment was made on December 30, 1971; the 7th amendment was made on June 24, 1972; the 8th amendment was made on May 6, 1973; the 9th amendment was made on November 1, 1973; the 10th amendment was made on April 18, 1974; the 11th amendment was made on April 22, 1975; the 12th amendment was made on April 14, 1976; the 13th amendment was made on April 19, 1977; the 14th amendment was made on May 12, 1978; the 15th amendment was made on May 8, 1979; the 16th amendment was made on April 7, 1980; the 17th amendment was made on April 10, 1981; the 18th amendment was made on April 20, 1982; the 19th amendment was made on April 16, 1983; the 20th amendment was made on April 18, 1984; the 21th amendment was made on May 6, 1985; the 22th amendment was made on April 25, 1986; the 23th amendment was made on December 1, 1986; the 24th amendment was made on May 2, 1987; the 25th amendment was made on April 26, 1988; the 26th amendment was made on April 18, 1990; the 27th amendment was made on April 12, 1991; the 28th amendment was made on March 27, 1992; the 29th amendment was made on June 2, 1993; the 30th amendment was made on May 23, 1994; the 31th amendment was made on May 9, 1995; the 32th amendment was made on May 23, 1996; the 33th amendment was made on May 24, 1997; the 34th amendment was made on May 25, 1999; the 35th amendment was made on May 9, 2000; the 36th amendment was made on May 23, 2001; the 37th amendment was made on June 10, 2002; the 38th amendment was made on May 31, 2005; the 39th amendment was made on June 9, 2006; the 40th amendment was made on June 30, 2008; the 41th amendment was made on June 19, 2009; the 42th amendment was made on June 4, 2010; the 43th amendment was made on June 17, 2011; the 44th amendment was made on June 12, 2012; the 45th amendments were made on May 27, 2015 (Except for the amendment to Article 14 comes into effect from 2017; the rest parts of the Articles were in operation after shareholders meeting resolution is made); the 46th amendment were made on May 25 2016; except for the amendment to Article 14 which shall take into effect in 2017, the rest parts of the Articles shall take into effect upon resolution of the shareholders meeting; the 47th amendment were made on May 26, 2017; the 48th amendment were made on May 25, 2018; the 49th amendment were made on May 29, 2020; the 50th amendment were made on July 15, 2021. The same procedure shall apply to any future amendment. The same procedure shall apply to any future amendment.

# Walsin Lihwa Corporation

## Rules and Procedures of Shareholders' Meetings

The amendment was adopted by the regular Shareholders' meeting on July 15, 2021

**Article 1** Unless otherwise provided for by law, the Company's Shareholders' meetings shall be governed by these rules and procedures.

**Article 2** Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

Any matter prescribed by Paragraph 5 of Article 172 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out, and its essential content shall be explained, in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The essential contents specified in Paragraph 5 of Article 172 of the Company Act may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice. Where the notice of reasons for convening the shareholders' meeting has specified any entire re-election of directors and the date of their assumption of office, after such completion of such re-election in such shareholders' meeting, the date of their assumption of office shall not be changed by an extraordinary motion or otherwise in the same meeting.

A shareholder holding 1 percent or more of the total number of issued and outstanding shares may submit to the Company a written proposal for discussion for a regular shareholders meeting. Such proposal, receipt and review shall be handled pursuant to the Company Act and the relevant applicable laws and regulations. The Company shall inform and make a proposal to shareholders for the result of aforesaid issues by the date of convening and to list such proposal on the shareholders meeting notice. The reasons for unlisted proposals should be explained in the general shareholder meeting. The shareholder who proposes such proposal shall attend the general shareholders meeting in person or to appoint an agent to attend it, and join the discussion.

The convention of the regular shareholders meeting shall be notified to each shareholder 30 days before the date of meeting or 15 days before the date of an extraordinary shareholders meeting. For the shareholders holding less than 1000 shares, the Company may publicly announce the convention of the regular shareholders meeting by uploading the information to the Market Observation Post System (MOPS) 30 days before the date of meeting or 15 days before the date of an extraordinary shareholders meeting.

The reasons for convening the meeting shall be specified in the notice or announcement. Upon the consent of a receiving party, such information may be given in digital form.

The production and announcement of the agenda handbook of the Company's shareholders meeting shall be in compliance with the Regulations Governing Content and Compliance Requirement for Shareholders' Meeting Agenda Handbooks of Public Companies.

**Article 3** For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company 5 days prior to the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights in writing or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 days prior to the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

**Article 4** A shareholder referred to in the Regulations, except for the Article 2 and Article 3 hereof specifying the shareholder itself, shall mean either the shareholder itself or the proxy designated by the shareholder to attend the meeting.

**Article 5** 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.

**Article 6** The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted prescribed in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and sufficient number of suitable personnel shall be assigned to handle the registrations.

Shareholders shall attend shareholder's meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Shares held by proxy solicitation and shares handled by appointees shall be calculated and a clearly declared through a statistic chart according to regulated format on the date and venue of general shareholders meetings.

**Article 7** If a shareholders meeting is convened by the Board of Directors, 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 perform his/her duties, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to perform his/her duties, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall elect from among themselves one person to serve as chair.

When a managing director or a director serves as chair pursuant to 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 applied for a representative of a juristic person director that serves as chair.

If a shareholders meeting is convened by a party with 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 elect a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

**Article 8** The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The shareholders shall not conduct audio or video recording without obtaining an approval from the Chairperson. Chairperson may stop the shareholders violating the above.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

**Article 9** Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and, at the same time, announce relevant information such as the number of non-voting shares and the number of shares whose holder are present.

However, when the attending shareholders do not represent a majority of the total number of issued and outstanding 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 and outstanding shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued and outstanding shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued and outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

**Article 10** If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors, and each proposal shall be voted on one by one. The meeting shall proceed in the order set by the agenda and may not be changed without a resolution of the shareholders meeting.



Preceding paragraph also applies shareholders' meetings convened by a party with the power to convene that is not the Board of Directors.

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

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

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

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

The speech addressed or the vote casted by a proxy representing a shareholder shall be deemed as the speech or vote of the shareholder despite of any restriction on the authorization or other method made by the shareholder whether the Company knows or not.

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

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

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

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

**Article 12** Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued and outstanding shares.

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued and outstanding shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

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

When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights in writing or via electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights in writing or via electronic means shall be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

Shareholders' exercising voting right in writing or via electronic means shall be proceed in accordance with the Company Act, the Regulations Governing the Administration of Shareholder Services of Public Companies and the relevant applicable laws and regulations.

Except as otherwise provided in the Company Act and in the Articles of Incorporation, the passage of a proposal requires an affirmative vote of a majority of the voting rights represented by the attending shareholders. Vote counting for shareholders meeting proposals or elections shall be conducted openly within the venue 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, including voting to approve, objection or waive shall be announced on-site at the meeting, and a record made of the vote at Market Observation Post System.

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 any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be made.

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.

**Article 14** The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, as well as the names of those not elected as directors and the numbers of votes they receive.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

**Article 15** Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy of the minutes shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and voting results (including the calculation of the number of voting rights) (in case of any election of directors, the number of votes that each candidate wins shall be disclosed), and shall be retained for the duration of the existence of the Company.

**Article 16** Staffs handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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

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

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

**Article 17** When a meeting is in progress, the chair may announce a recess based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

**Article 18** Any matter not prescribed in the Rules shall be handled in accordance with the Company Act, the relevant laws and regulations and the Article of Incorporation.

**Article 19** These rules and procedures shall take effect upon being ratified by a resolution adopted by the Shareholders' meeting and the same shall apply to all amendments thereto.