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WANSHIH ELECTRONIC CO.,LTD.

Handbook for 2024 Annual Shareholders' Meeting

June 13, 2024

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

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One. Meeting Agenda for 2024 Shareholders' Meeting of Wanshih Elecronic Co., Ltd.

- I. Time: 09:00 a.m., June 13th (Thursday) 2024
- II. Location: No. 72, Wukong 6th Rd., Wugu Dist., New Taipei Industrial Park, New Taipei City (Wonderful Building 1F)
- III. Convention Method: Physical shareholders' meeting
- IV. Attendance Registration
- V. Call Meeting to Order
- VI. Chairperson Remarks
- VII. Matters to be Reproted
 - 1. 2023 Business Report.
 - 2. Audit Committee's report on the review of the Company's 2023final accounts
- **VIII. Matters for Adoption**
 - Proposal 1. Adoption of the 2023 Business Report and Financial Statements.
 - **Proposal 2. Adoption of the 2023 Deficit Compensation.**
- IX. Matters for Discussion
 - Proposal 1. Amendments to the Company's "Operating Procedures for Loaning Funds to Others"
 - Proposal 2. Amendment to the Company's "Rules of Procedure for Shareholders' Meetings."
- X. Election matters

Election of the 13th term of the Board directors

XI. Other Proposals

The proposal to lift the directors' non-compete restriction

- **XII. Extempore Motions**
- XIII. Meeting Adjourned

Two. Matters to be Reported

I. 2023 Business Report

In 2023, the complete lifting of COVID-19 pandemic restrictions marked the first year of relaxation. Consumer demand showed a gradual recovery; however, the cautious spending habits of consumers led to a 30% decrease in the demand for electronic devices. This decline placed additional strain on the supply chain to manage inventory clearance. As China's policy shifts from economic development to focusing on safety, the tension between China and the U.S. has accelerated foreign companies to withdraw from the Chinese market. Real estate, which accounts for 46% of the GDP, has dropped by 30%, causing uncertainty about the future; therefore, China's economy has entered into recession. The world's major economic entities also experienced recessions in 2023. The US faced inflation issues caused by increasing prices in energy, rents and cars. The European Union is experiencing a slowdown in consumer demand due to the prolonged Russia-Ukraine war and conflict in the Middle East. As a result, only the EV customers grew steadily in 2023; the video customers remained the same; the rest of our major customers including medical and energy storage industries suffered a sharp decline by 50%; therefore, the consolidated revenue decreased by NT\$320 million (22%) as compared to 2022, and the consolidated after-tax losses were NT\$20 million.

(I) The Company's 2023 operating results are as follows:

Unit: NTD thousand

Item	202	23	202	Increase (decrease)		
Item	Amount	Percentage	Amount	Amount Percentage		
Operating Revenue	1,123,048	100	1,445,754	100	(22)	
Gross profit	287,009	26	244,019	17	18	
Operating expenses	358,452	32	360,368	25	(1)	
Profit(loss)fromoperations	(71,443)	(6)	(116,349)	(8)	39	
Profit (loss) before tax	(56,027)	(5)	(75,186)	(5)	25	

⁽II) Analysis of receipts, expenditures, and profitability

1. Analysis of receipts and expenditures:

Unit: NTD thousand

Item	2023	2022	Increase (decrease) amount
Net cash inflow from operating activities	146,814	19	146,795
Net cash inflow (outflow) from investing activities	43,369	(245,842)	289,211
Net cash inflow (outflow) from financing activities	(152,445)	191,803	(344,248)
Increase/decrease in cash	25,042	(43,153)	68,195

2. Profitability (%) Analysis

Item	%
Debt to assets ratio (liabilities/total assets)	39.96
Current ratio (current assets/current liabilities)	289.52
Return on equity (after-tax profit/average total equity)	(5.86)
Net profit rate (after-tax profit/net sales)	(4.56)
Earnings per share (after-tax profit/weighted average number of shares issued)	NT\$(0.67)

(III) Research and development work

The research and development (R&D) expenses for 2023 were \$89 million, a decrease of \$3.26 million as compared to 2022, with R&D expenses accounting for 8% of total revenue. The main development direction includes the new product development and the optimization of existing products. The development of new products encompasses:

- (1) E-mobility related wiring harness: development of automobile high-current cable, ADAS cable assembly, SMT module integration and vehicle wiring harness design service.
- (2) Medical wiring harness: optimization of endoscopic and ultrasonic cables.
- (3) Energy storage wiring harnesses: Development and design optimization for household photovoltaic storage systems, industrial and commercial large-scale energy storage systems, inverter for energy storage power stations, and connecting wiring harnesses for energy storage battery packs.

(IV) Future prospects

As we look forward to 2024, geopolitical conflicts and the US elections will affect global economic development, and the external business environment remains unstable. The market is expected to recover in Q2 as the overall economy grows slowly; therefore, the business strategy adopted by the Company is "conservative and progressive". Take a conservative attitude in market recovery: Reduce material on-hand to de-stock inventory. Our goal is to de-stock most of the inventory in Q2; cut down on capital investment, we shall only invest when market demand is definite. Continuing to promote targeted industries: Increase investment in automotive, medical, and high-frequency industries, and continue to develop in the energy storage and surveillance video industries. The Company's businesses have been improved: The Company has continued to promote organizational optimization, simplify operational procedures, and improve factory efficiency; and, the Company has expanded its customer base and diversified its risk exposure by combining with SMT processing to secure orders from other countries.

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

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

We wish you

All the best!

Chairman: Lake Chang



President: Lake Chang



CFO: Vicky Chu



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

Wanshih Electronic Co., Ltd.

Audit Committee's Review Report

The Board of Directors has submitted the Company's 2023 financial statements, business report, and earnings distribution proposal. Amongst, the 2023 financial statements have been audited by PwC Taiwan, by whom an audit report has been issued accordingly. The aforementioned 2023 financial statements, business report, and proposal for earnings distribution plan have been audited by the Audit Committee and did not find any discrepancy. A report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act; please verify.

To

2024 Shareholders' Meeting of Wanshih Electronic Co., Ltd.

Convener of the Audit Committee: Tu-Tsun Tsai

奏百时

March 13, 2024

Three. Matters for Adoption

Proposal 1:

Subject: Adoption of the 2023 Business Report and Financial Statements. (**Proposed by Board of Directors**)

Explanation: The Company's financial statements for 2023 have been audited by PwC Taiwan, who have concluded that the statements fairly present the financial position as of December 31, 2023, and the financial performance and cash flows for 2023 of Wanshih Electronic Co., Ltd. Please refer to P.3 and Appendix I (P. 14 to P. 37) for the related statements.

Resolution:

Proposal 2:

Subject: Adoption of the Proposal for 2023 Deficit Compensation. (Proposed by Board of Directors)

Explanation: (I) The Company's beginning Loss Compensation in 2023 were NT\$37,887,557, adding adjustment to retained earnings of NT\$56,949,353 and subtracting the after-tax loss of NT\$48,770,843 for the current period, a deficit yet to be compensated was NT\$29,709,047 at the end of the period.

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

Wanshild Electronic Co., Ltd.

Deficit Composition Table

Unit: NT\$

Item Amount

Unappropriated retained earnings at the beginning of the period (37,887,557)

Add: Adjustment to retained earnings for 2023 (note 1) 56,949,353

Add: Net loss after tax for 2023 (48,770,843)

Deficit yet to be compensated at the yearend (29,709,047)

Note 1: It includes an actuarial gain of \$340,946 on the benefit plan due to actuarial report adjustments, income taxes related to components of other comprehensive income and loss (\$68,189), recognition of changes in ownership interests in subsidiaries of (\$580,972).and the disposal of equity instruments measured at fair value through other comprehensive income/loss of \$57,257,568.

Chairman: Lake Chang



General manager: Lake Chang



CFO: Vicky Chu



Resolution:

Four. Matters for Discussion

Proposal 1

Amendments to the Company's "Operating Procedures for Loaning Funds to Others", please discuss. (Proposed by Board of Directors)

Description: (I) In accordance with Article 3, Paragraph 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and Question 39 of the "Q&A of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the Company has amended certain articles of the "Procedures for Loans of Funds to Others".

(II) The comparison table before and after the amendments is as follows. Please refer to Appendix II (P.38-P.44) for the articles before the amendments.

Appendix II (P.38-P.44) for the articles before the amendments.							
Amended Article	Current Article	Description					
Article 6 Duration of loans and calculation of interest I. The duration of the Company's loaning of funds is subject to the period required by the borrower. The maximum period shall not exceed one year. When the duration expires, the borrower shall repay it with actual cash flow or not be allowed to extend the repayment term upon the approval of the board of directors.	Article 6 Duration of loans and calculation of interest I. The duration of the Company's loaning of funds is subject to the period required by the borrower. The maximum period shall not exceed one year. However, if the borrower applies for an extension in writing before the duration expires, and the extension is submitted by the personnel in charge for President's approval in accordance with the tiered approval procedure, and proposed to the board of directors for resolution, the duration may be extended.	In accordance with Article 3, Paragraph 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guaran tees by Public Companies" and Question 39 of the " Q&A of the Regulations Governing Loaning of Funds and Making of Endorsements/Guaran					
Article 7 Subsequent control measures for loans to others, and procedures for handling overdue loans Paragraphs 1 to 2 (omitted)	Article 7 Subsequent control measures for loans to others, and procedures for handling overdue loans Paragraphs 1 to 2 (omitted)	tees by Public Companies", the Company has amended certain articles of the "Procedures for Loans					
III. The borrower shall repay the principal and interest of the loan immediately when the loan is due. The borrower shall repay it with actual cash flow or not be allowed to extend the repayment term upon the approval of the board of directors.	III. The borrower shall repay the principal and interest of the loan immediately when the loan is due. When the loan needs to be prolonged after due date, the request shall be made in advance and submitted to the board of directors' meeting for resolution. The prolonged period shall not exceed 3 months and can only be prolonged for once. Any violation of the regulation the company shall sell out the collateral or file law suit against the borrower.	of Funds to Others".					

Resolution:

Proposal 2

Amendments to the "Rules and Procedures of Shareholders' Meeting", please discuss. (**Proposed by Board of Directors**)

Explanation: (I) Pursuant to Letter No. Zheng-Guei-Jian-Tze No. 11200552441 issued by the TPEx on March 13, 2023, certain articles of the Company's "Rules and Procedures of Shareholders' Meeting" have been amended.

(II) The comparison table before and after the amendments is as follows. Please refer to Appendix III(P.45-P.53) for the articles before the amendments.

Appendix III(P.45-P.53) for the articles before the amendments.							
Amended Article	Current Article	Description					
Article 3: Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors. Unless otherwise provided in Regulations Governing the Administration of Shareholder Services of Public Companies, the Company convenes a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors. (Omitted)	Article 3: Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors. (Omitted)	As the Company convenes shareholders' meeting with video conferencing, shareholders can only participate in the shareholders' meetings by video transmission instead of attending the physical meeting, which restricts shareholders' rights and interests. In order to protect shareholders' rights and interests, we hereby add the second item, which stipulates that unless otherwise provided in Regulations Governing the Administration of Shareholder Services of Public Companies, the Company convenes a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening a shareholders' meeting with video conferencing shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors (special resolution).					
Article 6-1 When the Company convenes a shareholders' meeting with video conferencing, it shall specify the following matters in the shareholders' meeting notice:	Article 6-1 When the Company convenes a shareholders' meeting with video conferencing, it shall specify the following	To consider that due to a natural disaster, unforeseen event, or other force majeure event, the Ministry of Economic Affairs announces that within a certain period of					
Paragraphs 1 to 2 (omitted).	matters in the	time, companies may hold					

(III) When the Company convenes a virtual-only shareholders' meeting, it furthermore shall specify appropriate alternative measures available to shareholders who have difficulty taking part in a virtual shareholders' meeting. Except in the circumstances set out in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.

shareholders' meeting notice:
Paragraphs 1 to 2 (omitted).
(III) When the Company convenes a virtual-only shareholders' meeting, it furthermore shall specify appropriate alternative measures available to shareholders who have difficulty taking part in a virtual shareholders'

meeting.

their shareholders' meetings by means of video conferencing as stipulated in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall, depending on the circumstances of the case, provide the appropriate alternative measures. therefore, the Company hereby adds an exclusionary clause to Subparagraph 3, stipulating that the latter part of Paragraph 3 shall not be applicable to the circumstances stipulated in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 22

When the Company convenes a virtual-only shareholders' meeting, it shall provide appropriate alternative measures to shareholders who have difficulty taking part in a virtual shareholders' meeting. Except in the circumstances set out in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.

Article 22
When the Company
convenes a virtual-only
shareholders' meeting, it
shall provide appropriate
alternative measures to
shareholders who have
difficulty taking part in a
virtual shareholders'

meeting.

The reason for amendment is the same as Article 6-1.

Resolution:

V. Election matters

Election of the 13th term of the Board directors. (Proposed by Board of Directors)

- Description: (I) The term of office of the Company's directors (including independent directors) will expire on June 6, 2024. In line with the convening of the annual shareholders' meeting, the re-election of directors will be conducted at this regular shareholders' meeting (June 13, 2024). All current directors (including independent directors) will be dismissed immediately after the shareholders' meeting.
 - (II)In accordance with the Company's Articles of Incorporation and the laws and regulations, 9 directors (including 4 independent directors) shall be elected at this shareholders' meeting for a 3-year term of office commencing from June 13, 2024 to June 12, 2027.
 - (III)The candidates nomination system is adopted by the Company for election of the directors. The list of director candidates was reviewed and approved by the Board of Directors on March 13, 2024:

of Directors on March 13, 2024.					
Candidate Category	Name	No. of Shares Currently Held	Principal work experience and academic qualifications		
Director	WONDERFUL HI- TECH CO., LTD. Representative: Ringo Chang	17,497,272	Education: St. John's University Current Title: Chairman of WONDERFUL HI-TECH CO., LTD.		
Director	Asahi Communications Co., Ltd. Representative: Kanno Takanobu	13,723,175	Education: Department of Applied Physics, College of Engineering, Tokai University, Japan Current Title: President of Asahi Communications Co., Ltd.		
Director	Japan Automatic Machine Co., Ltd. Representative: Mizuno Masafumi	1,620,262	Education: Education: M.S., Rensselaer Polytechnic Institute Current Title: President, Japan Automatic Machine Co., Ltd.		
Director	Lake Chang	1,330,000	Education: EMBA, National Taiwan University Experience: 1. Chairman and President of WanShih Electronic Co., Ltd. 2. Chairman of Suzhou Wanshih Electronic Element Co.,Ltd.		
Director	Ping-Che Lee	23,337	Education: Department of Electrical Engineering, Chien Hsin University Experience: 1. The Standing Vice President of WanShih Electronic Co., Ltd. 2. President of Suzhou Wanshih Electronic Element Co., Ltd.		
Independent Director	Jui-Ming Chang	0	Education: M.B.A., Tulane University, USA Experience: 1. Chief Executive Officer, Ju Fang Management Consulting Ltd. 2. Managing Consultant and Convener of the certification system, Chinese Human Resource Management Association		

Independent Director	Cheng Ho Hsiao	0	Education: EMBA, National Taiwan University Experience: 1. Chairman of Chi Shan Long Feng Food Co., Ltd. 2. Chairman of Wellcome Taiwan Co., Ltd. 3. Chief Executive Officer of Mannings China 4. President of ORIENT HOME CO., LTD (Beijing) 5. Vice President of Trust-Mart (China)
Independent Director	Chao-Hsiang Cheng	0	Education: EMBA, National Chiao Tung University Experience: 1. Director of Cheng Ying Accounting Agency 2. Director, Taiwan Adventist Foundation
Independent Director	Shu-Fen Lai	0	Education: Department of Law, National Taiwan University Experience: 1. Partner of Chen & Lin Attorneys-at-Law 2. Judge, Taiwan High Court 3. Judge, Taipei District Court 4. Prosecutor, Taiwan Taipei District Prosecutors Office

Election results:

Six. Other Motions

Lifting the non-compete restriction on the directors, please discuss. (Proposed by Board of Directors)

Description: (I) Article 209 of the Company Act stipulates 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 meeting of shareholders the essential contents of such an act and secure its approval.

(II)When the newly elected directors and their representatives have invested in or operated other companies that are related or similar to the Company's business scope, in order to accommodate the factual needs and without prejudice to the Company's interests, the Company submits a request to the Shareholders' Meeting for approval of lifting the non-compete restriction on the directors and their representatives in accordance with the law.

(III)The following is a list of the newly elected directors and their representatives

proposed to lift the non-compete restriction:

Candidate Category	Candidate Name	Name and position of the Company concurrently served
Director	WONDERFUL HI- TECH CO., LTD. Representative: Ringo Chang	 Chairman of WONDERFUL HI-TECH CO., LTD. Director of LORD HERO COMPANY LIMITED Director of LE HAO INTERNATIONAL CO., LTD. Chairman of Wonderful Photoelectricity (Dong-Guan) Co., Ltd. Director of Wonderful Cayman Holding Co. Director of Wonderful Cayman International Co. Chairman of ABA Industry Inc. Director of Wonderful Thailand Holding Co. Ltd. Chairman of Thai Wonderful Wire Cable Co., Ltd. Chairman of Wonderful Photoelectricity Co., Ltd. Chairman of Wonderful(VIETNAM) Wire & Cable Co., Ltd. Director of Suzhou Wanshih Electronic ElementCo., Ltd. Director of ASAHI BEST BASE SDN.BHD Director of PT Asahi Best Base Indonesia Chairman of Inga Nano Technology Co., Ltd. Chairman of ACTife HI-TECH CO., LTD Chairman of Leading LOHAS International Trading Company
Director	Asahi Communications Co., Ltd. Representative: Kanno Takanobu	 President of Asahi Communications Co., Ltd. Director of Asahi Electronics Co., Ltd. Director of Wanshih (H.K) Electronic Co., Ltd. Director of Suzhou Wanshih Electronic Element Co., Ltd. Director of Dongguan Humen Wanshih Electronic Co., Ltd. Director of Bright Master Co., Ltd. Supervisor of PT Asahi Best Base Indonesia
Director	Japan Automatic Machine Co., Ltd. Representative: Mizuno Masafumi	President, Japan Automatic Machine Co., Ltd. Director of ASAHI BEST BASE SDN.BHD
Director	Lake Chang	Chairman of Suzhou Wanshih Electronic Element Co.,Ltd. Chairman of SUZHOU WANSHIH OPTICAL

		COMMUNICATION CO., LTD.			
		3. Chairman of Siyang Wanshih Electronic Element Co.,Ltd.			
		4. Chairman of Dongguan Humen Wanshih Electronic Co.,			
		Ltd.			
		5. Chairman of Wanshih (H.K) Electronic Co., Ltd.			
		6. Chairman of Data Lake Co., Ltd.			
		7. Chairman of Millilab Co., Ltd.			
		8. Director of Wei Li Innovative Co., Ltd.			
		9. Director of (Thailand) Wanshih Electronic Element\			
		Company Limited			
		10. Chairman of (VIETNAM) Wanshih Electronic Element			
		Company Limited			
		11. Chairman of Suzhou Wanying New Energy Technology			
		Co., Ltd.			
		1. Director of Suzhou Wanshih Electronic Element Co.,Ltd.			
Dimenton	Dina Cha Laa	2. Director of Siyang Wanshih Electronic Element Co.,Ltd.			
Director	Ping-Che Lee	3. Director of Suzhou Wanshih Optical Communication			
		Co., Ltd.			

Election results:

Seven.Extempore Motions

Eight. Meeting Adjourned

Appendix I.

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

Independent Auditors' Report

(113) Cai-Shen-Bao-Zi No. 23004965

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

Review Opinion

We have audited the consolidated balance sheet of Wanshih Electronic Co., Ltd. and its subsidiaries (hereinafter referred to as "the Group") as of Dec. 31, 2023 and 2022, as well as the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and notes to the consolidated financial statements (including a summary of significant accounting policies) for Jan.1 to Dec. 31, 2023 and 2022.

In our opinion, based on our audits and other auditors' reports (please refer to the Other Matters paragraph), we believe that the above consolidated financial statements have been prepared in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the international Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission in all material respects, and present fairly the Group's consolidated financial position as of Dec. 31, 2023 and 2023, and its consolidated financial performance and consolidated cash flows for the period from Jan. 1 to Dec. 31, 2023and 2022.

Basis for Opinion

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

Key Audit Matters

In our professional judgment, key audit matters refers to the most significant items in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are as follows:

Inventory Valuation

Description

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

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

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

How our audit addressed the matter

The key audit procedures performed by us are described below:

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

Existence for incorporating the revenues

Description

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

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

How our audit addressed the matter

The key audit procedures performed by us are described below:

- 1. Evaluating and testing internal control processes for sales transactions during the financial statement period were conducted in compliance with the internal control system established by the Group.
- 2. Obtain and sample check relevant documents such as sales revenue transactions for this year's sales targets, confirming that revenue is recognized after the customer has obtained control of the goods and assumed the risks associated with the goods.

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

The financial statements of certain subsidiaries and investees accounted for using the equity method that are included in the consolidated financial statements of the Group have not been audited by us, but by other auditors. Therefore, our opinion expressed herein on the above consolidated financial statements relates to amounts included in the financial statements are solely based on the audit reports of other auditors. As of December 31, 2023 and 2023, the aforesaid company had total assets (including investments accounted for using the equity method) of NT\$81,060 thousand and NT\$8,757 thousand, respectively, representing 5% and 1% of the consolidated total assets. Net operating revenues for the period from January 1 to December 31, 2023and 2022were NT\$3,497 thousand and NT\$1,329 thousand, respectively, both accounting for 0% of the total consolidated net operating revenues.

Others Matters - Parent company-only financial report

Wanshih Electronic Co., Ltd. has prepared the parent company-only financial report for 2023 and 2022, which have been audited by our accountant and have received an unqualified opinion and the other matters paragraph in the audit report for reference.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance refers to a high level of assurance, but the audit conducted in accordance with the Standards on Auditing (TWSA) cannot guarantee the detection of material misstatements in the consolidated financial statements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

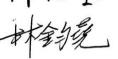
From the matters communicated with the governing body, we have determined the key audit matters for the audit of the Group's 2023 consolidated financial statements. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Po-Chuan Lin

Certified Public Accountant

Chun- Yao Lin





Financial Supervisory Commission (FSC)

Approval No.: Jin-Guan-Zheng-Shen-Zi No.1100350706 Former Securities and Futures Bureau of the Ministry of Finance

Approval No.: (85)MOF-Security (6) No. 68702

March 13, 2024



Unit: NTD Thousands

			 December 31, 2023		December 31, 2022	
	Assets	Note	 Amount	%	Amount	%
(Current liability					
1100	Cash and cash equivalents	六(一)	\$ 272,934	19	\$ 247,892	14
1110	Financial assets at fair value through profit or loss - current	六(二)	20	-	7,072	-
1136	Current financial assets at amortized cost	六(三)及八	95,719	7	64,493	4
1150	Notes receivable, net	六(四)	19,516	1	13,888	1
1170	Accounts receivable, net	六(四)	299,085	20	436,819	25
1180	Receivables from related parties, net	t	5,174	-	10,022	1
1200	Other receivables	t	5,102	-	10,096	1
1220	Income tax assets for the period		28	-	2	-
130X	Inventories	六(五)	189,198	13	249,821	14
1410	Prepayments		15,561	1	10,178	1
1479	Other current assets - others		 6,239		 7,678	
11XX	Total current asset		 908,576	61	 1,057,961	61
N	Non-current asset					
1517	Financial assets at fair value through other comprehensive income or loss - non-current	六(六)及八	148,299	10	285,216	17
1535	financial assets at amortized	六(三)及八				
	cost- Non-current		75,088	5	-	-
1550	Investments accounted for using equity method	六(七)	4,012	-	-	-
1600	Property, Plant and Equipment	六(八)(十二)及八	211,959	14	266,739	15
1755	Right-of-use assets	六(九)、七及八	54,232	4	44,314	3
1780	Intangible asset	六(十一)	4,145	-	4,145	-
1840	Deferred income tax assets	六(二十六)	52,841	4	46,223	3
1930	Long-term notes receivable and payments		6,000	1	8,400	-
1990	Other non-current assets - others		 12,908	1	 8,522	1
15XX	Total non-current asset		 569,484	39	 663,559	39
1XXX	Total assets		\$ 1,478,060	100	\$ 1,721,520	100

(Continued)



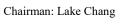
Unit: NTD Thousands

			1	December 31, 2023	December 31, 2022		
	Liabilities and Equity	Note		Amount	%	Amount	%
	Current liability						
2100	Short-term loans	六(十三)	\$	77,886	5 \$	\$ 270,240	16
2150	Notes payable			626	-	-	-
2170	Accounts payable			92,985	6	146,174	9
2180	Accounts payable - related parties	セ		13,945	1	22,535	1
2200	Other payables	六(十四)及七		94,661	7	138,453	8
2230	Income tax payable for the period			36	-	-	-
2280	Lease liabilities - current	t		14,907	1	13,206	1
2399	Other current liabilities - others			18,771	1	4,315	
21XX	Total current liabilities			313,817	21	594,923	35
	non-current liabilities						
2530	Bonds payable	六(十五)		193,867	13	189,923	11
2570	Deferred income tax liabilities	六(二十六)		45,463	3	47,595	3
2580	Non-current lease liabilities	t		33,932	3	23,971	1
2640	Net defined benefit liability - non-	六(十六)					
	current			3,522	<u> </u>	3,945	
25XX	Total non-current liabilities			276,784	19	265,434	15
2XXX	Total liabilities			590,601	40	860,357	50
	Equity attributable to shareholders o	f					
	the parent						
	Share capital	六(十七)					
3110	Common share			725,845	49	725,799	42
	Additional paid-in capital	六(十八)					
3200	Additional paid-in capital			55,302	4	51,654	3
	Retained earnings	六(十九)					
3310	Legal capital reserve			3,150	-	3,150	-
3350	(Deficit yet to be compensated)						
	Unappropriated earnings		(29,709) (2)(37,887) (2)
	Other equities						
3400	Other equities		(26,868) (2)(334)	
31XX	Total equity attributable to						
	shareholders of the parent			727,720	49	742,382	43
36XX	non-controlling interest	四(三)		159,739	11	118,781	7
3XXX	Total Equity			887,459	60	861,163	50
3X2X	Total Liabilities and Equity		\$	1,478,060	100	1,721,520	100

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

Managerial officer: Lake Chang

CFO: Vicky Chu



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

				2023		2022			
	Item	Note		Amount	%	Amount	%		
4000	Operating Revenue	六(二十)及七	\$	1,123,048	100 \$	1,445,754	100		
5000	Operating cost	六(五)(二十五)							
		及七	(836,039)(74) (1,201,735)(83)		
5900	Gross profit			287,009	26	244,019	17		
	Operating expenses	六(二十五)及七							
6100	Selling expenses		(126,326)(11)(119,440)(8)		
6200	General and administrative								
	expenses		(144,058)(13)(148,461)(10)		
6300	Research & development								
	expenses		(89,749)(8)(93,005)(7)		
6450	Expected credit gains (losses)			1,681	<u> </u>	538			
6000	Total operating expenses		(358,452)(32)(360,368)(25)		
6900	Operating loss		(71,443)(6)(116,349)(8)		
	Non-operating income and expens	e							
7100	Interest income	六(二十一)		3,784	-	2,164	-		
7010	Other income	六(二十二)及七		36,425	3	50,728	4		
7020	Other gain and loss	六(二十三)	(11,738)(1)(876)	-		
7050	Financial costs	六(二十四)及七	(12,735)(1)(10,826)(1)		
7060	Share of profit or loss of	六(七)							
	associates and joint ventures								
	accounted for using equity								
	method		(320)	- (27)			
7000	Total non-operating income								
	and expenditure			15,416	<u> </u>	41,163	3		
7900	Loss before tax		(56,027)(5)(75,186)(5)		
7950	Income tax benefit (expense)	六(二十六)		4,796	<u> </u>	3,148			
8200	Net loss for the period		(\$	51,231)(<u>5</u>)(\$	72,038)(<u>5</u>)		

(Continued)



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

				2023		2022			
	Item	Note		Amount	%		Amount	%	
	Other comprehensive income for the								
	year, net of income tax								
	Items that are not reclassified to								
	profit or loss								
3311	Remeasurements of defined benefit	六(十六)							
	plans		\$	341	-	\$	274	-	
8316	Unrealized valuation gains/losses on	六(六)							
	investments in equity instruments at								
	fair value through other								
	comprehensive income or loss			36,147	3	(112,593) (8	
3349	Income tax expense related to items	六(二十六)							
	that are not reclassified		(69)	_	(<u>55</u>)		
8310	Total items that are not								
	reclassified to profit or loss			36,419	3	(112,374) (8	
	Items that may be reclassified								
	subsequently to profit or loss								
3361	Exchange differences arising on								
	translation of foreign operations		(8,384)	-		6,924]	
3370	Share of other comprehensive								
	income of associates and joint								
	ventures recognized using the equity								
	method - items that may be								
	reclassified to profit or loss		(71)	-		-		
8399	Income tax expense related to items	六(二十六)							
	that may be reclassified								
	subsequently			1,357	-	(441)		
8360	Total items that may be		-	<u> </u>		-	·		
	reclassified subsequently to profit								
	or loss		(7,098)	_		6,483	1	
3300	Other comprehensive income for the		\	· , · · · · · · · · · · · · · · · · · ·			<u> </u>		
	year, net of income tax		\$	29,321	3	(\$	105,891) (-	
3500	Total comprehensive income in the		<u>*</u>			4	100,051		
3300	current period		(\$	21,910) (2.	(\$	177,929) (12	
	Net income (loss) attributable to		(ψ	21,710) (/ (ψ	177,727)(12	
8610			<i>(</i> ¢	10 771) (5	· / ¢	66 100) (4	
8620	owners of the parent company		(\$	48,771) (3,	(\$	66,109) (-	
8020	non-controlling interest Total		(2,460)		(5,929)		
			(7	51,231) ((\$	72,038) (
	Total comprehensive income								
	attributable to:								
3710	owners of the parent company		(\$	17,775) ((\$	176,714) (12	
8720	non-controlling interest		(4,135)		(1,215)		
	Total		(<u>\$</u>	21,910) (2)	(<u>\$</u>	177,929) (12	
	Basic losses per share	六(二十七)							
9750	Basic losses per share		(_\$		0.67)) (<u>\$</u>		0.91	

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

Chairman: Lake Chang



Managerial officer: Lake Chang



CFO: Vicky Chu





Unit: NTD Thousands

		Equity attributable to shareholders of the parent												
				Additional pa	aid-in capital			Retained earning		Other	equities			
_	Note	Common share	Share issued at premium	The difference between the actual acquisition or disposal price of subsidiary equity and the book value.	Recognition of changes in ownership interests in subsidiaries	Warrants	Legal capital reserve	Special capital reserve	Unappropriated earnings (deficit yet to be compensated)	Exchange differences arising on translation of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Total	non-controlling interest	Total Equity
2022														
Balance as of January 1, 2022		\$725,799	\$ 12,129	\$ -	\$ -	\$ -	\$ 2,304	\$ 30,201	\$ 11,998	(\$ 42,729)	\$ 153,219	892,921	\$ 104,115	\$ 997,036
Net loss for the period		-	-	-	-	-	-	-	(66,109)	-	- (66,109)	(5,929)	(72,038)
Other comprehensive income recognized for the period 💍 🚓	(六)								219	1,769	(112,593) (110,605)	4,714	(105,891)
Total comprehensive income in the current period									(65,890)	1,769	(112,593) (176,714)	(1,215)	(177,929)
Appropriation and distribution of the 2021 earnings:	(十九)													
Provision of legal reserve		-	-	-	-	-	846	-	(846)	-	-	-	-	-
Reversal of special reserve		-	-	-	-	-	-	(30,201)	30,201	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(7,258)	-	- (7,258)	-	(7,258)
Issuance of convertible bonds	(十五)	-	-	-	-	39,525	-	-	-	-	-	39,525	-	39,525
Recognition of changes in ownership interests in subsidiaries 六	(二十八)	-	-	-	-	-	-	-	(6,092)	-	- (6,092)	6,092	-
Change in non-controlling interest 六	(二十九)										<u>-</u>	<u>-</u>	9,789	9,789
Balance as of December 31, 2022		\$725,799	\$ 12,129	\$ -	\$ -	\$ 39,525	\$ 3,150	\$ -	(\$ 37,887)	(\$ 40,960)	\$ 40,626	742,382	\$ 118,781	\$ 861,163
<u>2023</u>														
Balance as of January 1, 2023		\$725,799	\$ 12,129	\$ -	\$ -	\$ 39,525	\$ 3,150	\$ -	(<u>\$ 37,887</u>)	(\$ 40,960)	\$ 40,626	742,382	\$ 118,781	\$ 861,163
Net loss for the period		-	-	-	-	-	-	-	(48,771)	-	- (48,771)	(2,460)	(51,231)
Other comprehensive income recognized for the period 🕏	(六)								272	(5,423)	36,147	30,996	(1,675)	29,321
Total comprehensive income in the current period									(48,499)	(5,423)	36,147 (17,775)	(4,135)	(21,910)
Conversion of convertible bonds	(十五)	46	68	-	-	(20)	-	-	-	-	-	94	-	94
The price difference between the actual disposal price of subsidiary equity and the book value. \Rightarrow	(二十八)	-	-	1,442	-	-	-	-	-	-	-	1,442	358	1,800
Recognition of changes in ownership interests in subsidiaries 🛪	(二十八)	-	-	-	2,158	-	-	-	(581)	-	-	1,577	41,120	42,697
Disposal of equity instruments measured at fair value through other comprehensive income	(六)	-	-	-	-	-	-	-	57,258	-	(57,258)	-	-	-
Change in non-controlling interest											<u>-</u>		3,615	3,615
Balance as of December 31, 2023		\$725,845	\$ 12,197	\$ 1,442	\$ 2,158	\$ 39,505	\$ 3,150	\$ -	(\$ 29,709)	(\$ 46,383)	\$ 19,515	727,720	\$ 159,739	\$ 887,459

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









Unit: NTD Thousands

	Note		pary 1, 2023 cember 31,	Janu	ary 1, 2022 cember 31,
Cash Flow from Investing Activities					
Loss before tax for the year		(\$	56,027)	(\$	75,186)
Adjustments for					
Adjustments to reconcile profit (loss)					
Depreciation expense	六(二十五)		79,577		86,575
Expected credit (gains) losses		(1,681)	(538)
Financial asset losses at fair value through profit or loss	六(二)(二十三)		440		400
Interest expense	六(二十四)		12,735		10,826
Interest income	六(二十一)	(3,784)		2,164)
Dividend income	六(二十二)	(16,004)	(11,864)
Share of loss of associates accounted for using	六(七)				
equity method			320		27
Losses (gains) on disposal and scrapping of	六(二十三)				
property, plant, and equipment			11,600		805
Impairment losses on property, plant, and	六(十二)				
equipment	(二十三)		841		3,869
Gains on disposal of investments	六(二十三)	(20)	(5,045)
Write off gain on accounts payable	六(二十二)	(4,672)	(53)
Changes in operating assets and liabilities:					
Changes in operating assets, net					
Financial assets at fair value through profit or loss			-	(6,612)
Notes receivable		(5,628)	(4,774)
Accounts receivable			139,415		28,484
Receivables from related parties			4,848		30,823
Receivables from related parties			315		17,383
Inventories			63,145		6,438
Prepayments		(5,383)	(522)
Other current assets - others		`	1,439		628
Long-term notes receivable and payments			2,400	(8,400)
Changes in operating liabilities, net			,	`	,
Notes payable			626	(1,800)
Notes payable		(53,189)	(24,267)
Accounts payable - related parties		(8,590)	(24,307)
Other payables		(38,525)	(24,253)
Other current liabilities - others		(14,456	(1,492
Net defined benefit liability - non-current		(82)	(586)
Cash generated from (used by) operating activities			138,572	(2,621)
Interest received			3,784	(2,164
Dividend received			16,004		11,864
		(8,876)	(8,491)
Interest paid Income tax refunded		(8,870) 771	(8,491) 495
		((
Income tax paid		(3,441)	(3,392)
Net cash inflow from operating activities			146,814		19

(Continued)



	Note		uary 1, 2023 ecember 31,	January 1, 2022 December 31,	
Cash Flow from Investing Activities					
Disposal of Financial assets at fair value through profit or loss					
Acquisition of financial assets at amortized cost		\$	6,612	\$	-
•		(106,314)	(41,435)
Acquisition of financial assets at fair value through other comprehensive income or loss		,	2,000)		121 902 \
Disposal of financial assets at fair value through other comprehensive income or loss	六(六)	(2,000)	(121,802)
Acquisition of Investments accounted for using equity method			175,064		-
• •		(4,432)		-
Disposal of Investments accounted for using equity method	六(七)		20		
Cash inflows generated from a merger			20		1 164
Acquisition of property, plant and equipment	六(三十)	,	24 000 \	,	1,164
Disposal of property, plant and equipment	六(三十)	(34,080)	(88,063)
Decrease (increase) in other non-current assets	, ,	,	12,885	,	6,030
Net cash used in investing activities		(4,386)	(1,736)
Cash Flow from Financing Activities			43,369	(245,842)
Net increase (decrease) in short-term borrowings	六(三十一)	,	184,405)	,	2 101)
Issuance of corporate bonds	六(三十一)	(104,403)	(2,181)
Repayments of long-term borrowings	六(三十一)		-	(226,423 10,000)
Repayment of the principal portion of lease	六(三十一)		-	(10,000)
liabilities	> (1, b)	(15,955)	(15,181)
Distribution of cash dividends Change in non-controlling interest	六(十九)		-	(7,258)
e e			47,915		
Net cash inflows (outflows) from financing activities		(152,445)		191,803
Foreign exchange adjustments		(12,696)		10,867
Increase (decrease) in cash and cash equivalents for the period			25,042	(43,153)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR			247 902		291,045
CASH AND CASH EQUIVALENTS, END OF YEAR		\$	247,892 272,934	\$	247,892
		Ψ	414,734	Ψ	471,074

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

Chairman: Lake Chang



Managerial officer: Lake Chang



CFO: Vicky Chu



Unit: NTD Thousands

Independent Auditors' Report

(2023) Cai-Shen-Bao-Zi No. 23004474

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

Review Opinion

We have audited the parent company-only balance sheet of Wanshih Electronic Co., Ltd. as of December 31, 2023 and 2022, as well as the parent company-only statement of comprehensive income, parent company-only statement of changes in equity, parent company-only statement of cash flows, and notes to the parent company-only financial statements (including a summary of significant accounting policies) for January 1 to December 31, 2023 and 2023. In our opinion, based on our audits and other auditors' reports (please refer to the Other Matters paragraph), we believe that the above parent company-only financial statements have been prepared in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material respects, and present fairly the parent company-only financial position of Wanshih Electronic Co., Ltd. as of December 31, 2023 and 2022, as well as its parent company-only financial performance and parent company-only cash flows for the period from January 1 to December 31, 2023 and 2022.

Basis for Opinion

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

Key Audit Matters

In our professional judgment, key audit matters refer to the most significant items in our audit of the 2023 parent company-only financial statements of Wanshih Electronic Co., Ltd. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the 2023 parent company-only financial statements of Wanshih Electronic Co., Ltd. are as follows:

Inventory Valuation

Description

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

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

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

How our audit addressed the matter

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

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

Existence for incorporating the revenues

Description

For further details on the accounting policies for revenue recognition and explanations of account items related to operating revenue, please refer to Notes 4(22) and 6(16) in the parent company-only financial statements.

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

How our audit addressed the matter

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

- 1. For the assessment and testing of the financial statements, the internal control procedures of sales transactions are based on the Company's internal control system.
- 2. Obtain and sample check relevant documents such as sales revenue transactions for this year's sales targets, confirming that revenue is recognized after the customer has obtained control of the goods and assumed the risks associated with the goods.

Other Matters - Reference to other CPAs' audits

The financial statements of certain investees accounted for using the equity method that are included in the parent company only financial statements of the Company have not been audited by us, but by other auditors. Therefore, our opinion on the parent company-only financial statements mentioned above, regarding the amounts stated in the financial statements of such companies, is based on the audit reports of other CPAs. As of December 31, 2023 and 2022, the investments accounted for using the equity method of the aforesaid company were NT\$26,770 thousand, NT\$5,474 thousand, respectively, representing 2% and 0% of the total assets correspondingly. The comprehensive income recognized by the aforesaid company for the period from January 1 to December 31, 2023 and 2022 was NT\$(8,576) thousand and NT\$6,015 thousand, respectively, They respectively accounted for 48% and (3%) of the total comprehensive income.

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

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

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

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

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance refers to a high level of assurance, but the audit conducted in accordance with the Standards on Auditing (TWSA) cannot guarantee the detection of material misstatements in the parent company-only financial statements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

- 1. Identify and evaluate the risks of material misstatement that may arise from fraud or error in the parent company-only financial statements, design and implement appropriate countermeasures for the risks identified, and gather sufficient and appropriate audit evidence as the basis of audit opinions. As fraud may involve collusion, forgery, intentional omissions, false statements, or overriding internal control, the risk of failing to detect material misstatement resulting from fraud is higher than that of error.
- 2. Obtain a necessary understanding of the internal control relevant to the audit in order to design an appropriate audit procedure under the circumstances, but our objective is not to express an opinion on the effectiveness of Wanshih Electronic Co., Ltd.'s internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 4. Conclude on the propriety of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit.

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

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

Based on the matters communicated with the governing body, we have determined the key audit matters for the audit of the 2023 parent company-only financial statements of Wanshih Electronic Co., Ltd. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Po-Chuan Lin

Certified Public Accountant

Chun- Yao Lin

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Financial Supervisory Commission (FSC)

Approval No.: Jin-Guan-Zheng-Shen-Zi No.1100350706 Former Securities and Futures Bureau of the Ministry of

Finance

Approval No.: (85)MOF-Security (6) No. 68702

March 13, 2024



Unit: NTD Thousands

			1	December 31, 202	.3		December 31, 2022	
	Assets	Note		Amount	%	Amount		%
(Current asset							
1100	Cash and cash equivalents	六(一)	\$	70,599	6	\$	53,524	4
1110	Financial assets at fair value	六(二)						
	through profit or loss - current			20	-		460	-
1136	Current financial assets at	六(三)及八						
	amortized cost			317	-		314	-
1150	Notes receivable, net	六(四)		236	-		838	-
1170	Accounts receivable, net	六(四)		156,068	14		211,999	17
1180	Receivables from related parties,	セ						
	net			8,826	1		11,164	1
1200	Other receivables			2,400	-		2,400	-
1210	Other receivables from related	セ						
	parties			13,674	1		51,724	4
1220	Income tax assets for the period			28	-		2	-
130X	Inventories	六(五)		32,886	3		32,496	3
1479	Other current assets - others			6,120	1		5,305	
11XX	Total current asset			291,174	26		370,226	29
ľ	Non-current asset							
1517	Financial assets at fair value	六(六)及八						
	through other comprehensive							
	income or loss - non-current			148,299	13		285,216	23
1535	Current financial assets at	六(三)及八						
	amortized cost - non-current			75,088	7		-	-
1550	Investments accounted for using	六(七)						
	equity method			482,865	42		482,816	38
1600	Property, Plant and Equipment	六(八)		44,456	4		46,094	4
1755	Right-of-use assets	六(九)及七		31,325	3		13,314	1
1840	Deferred income tax assets	六(二十二)		52,841	5		46,223	4
1930	Long-term notes receivable and							
	payments			6,000	-		8,400	1
1990	Other non-current assets - others			5,717			5,227	
15XX	Total non-current asset			846,591	74		887,290	71
1XXX	Total assets		\$	1,137,765	100	\$	1,257,516	100

(Continued)



Unit: NTD Thousands

		Γ	December 31, 2023	3	December 31, 2022		
Liabilities and Equity	Note	金	額	%	金	額	%
Current liability							
2100 Short-term loans	六(十)	\$	-	-	\$	65,000	5
Notes payable			626	-		-	-
2170 Accounts payable			14,493	1		18,902	1
2180 Accounts payable - related partie	s t		87,531	8		124,841	10
Other payables	t		30,229	3		49,927	4
2280 Lease liabilities - current	t		9,146	1		6,834	1
Other current liabilities			2,246			1,046	
21XX Total current liabilities			144,271	13		266,550	21
non-current liabilities							
2530 Bonds payable	六(十一)		193,867	17		189,923	15
2570 Deferred income tax liabilities	六(二十二)		45,463	4		47,595	4
Non-current lease liabilities	せ		22,922	2		7,121	1
Net defined benefit liability -	六(十二)						
non-current			3,522			3,945	_
25XX Total non-current liabilities			265,774	23		248,584	20
2XXX Total liabilities			410,045	36		515,134	41
Equity							
Share capital	六(十三)						
3110 Common share			725,845	64		725,799	58
Additional paid-in capital	六(十四)						
3200 Additional paid-in capital			55,302	5		51,654	4
Retained earnings	六(十五)						
3310 Legal capital reserve			3,150	-		3,150	-
(Deficit yet to be compensated)							
Unappropriated earnings		(29,709)(3)	(37,887) (3)
Other equities							
3400 Other equities		(26,868)(2)	()	334)	
3XXX Total Equity			727,720	64		742,382	59
Significant Contingent Liabilities	九						
and Unrecognized Contract							
Commitments							
3X2X Total Liabilities and Equity		\$	1,137,765	100	\$	1,257,516	100

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

Please refer to them accordingly.









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

				2023		2022			
	Item	Note		Amount	%	Amount	%		
4000	Operating Revenue	六(十六)及七	\$	617,280	100 \$	725,119	100		
5000	Operating cost	六(五)(二十一)							
		及七	(517,471) (84) (605,224) (83)		
5900	Gross profit			99,809	16	119,895	17		
	Operating expenses	六(二十一)及七							
6100	Selling expenses		(44,724) (7) (47,231) (7)		
6200	General and administrative expenses		(58,442) (10) (53,682) (8)		
6300	Research & development expenses		(50,300) (8) (60,393) (8)		
6450	Expected credit losses			260	- (2,069)			
6000	Total operating expenses		(153,206) (25) (163,375) (23)		
6900	Operating loss		(53,397) (9) (43,480) (6)		
	Non-operating income and expense			_		_			
7100	Interest income	六(十七)及七		1,513	-	1,162	_		
7010	Other income	六(十八)及七		19,401	3	19,033	3		
7020	Other gain and loss	六(十九)	(2,249)	-	11,038	1		
7050	Financial costs	六(二十)及七	(5,522) (1) (3,496)	_		
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted	六(七)							
	for using equity method		(16,750) (_	<u>2</u>) (54,637) (<u>8</u>)		
7000	Total non-operating income and expenditure		(3,607)	<u> </u>	26,900) (4)		
7900	Loss before tax		(57,004) (9) (70,380) (10)		
7950	Income tax benefit (expense)	六(二十二)		8,233	1	4,271	1		
8200	Net loss for the period		(\$	48,771) (8) (\$	66,109) (9)		
	Other comprehensive income								
	Items that are not reclassified to profit or loss								
8311	Remeasurements of defined benefit plans	六(十二)	\$	341	- \$	274	-		
8316	Unrealized valuation gains/losses on investments in equity instruments at fair value through other comprehensive income or loss	六(六)		36,147	6 (112,593) (15)		
8349	Income tax expense related to items that	六(二十二)		30,147	0 (112,393) (13)		
	are not reclassified Total items that are not reclassified to	N(-1-)	(69)	- (55)	<u> </u>		
8310	profit or loss			36,419	6 (112,374) (15)		
	Items that may be reclassified		-						
	subsequently to profit or loss								
8361	Exchange differences arising on translation of foreign operations		(6,780) (1)	2,210	-		
8399	Income tax expense related to items that may be reclassified subsequently	六(二十二)		1,357	- (441)	_		
8360	Total items that may be reclassified subsequently to profit or loss		(5,423) (1)	1,769			
8300	Other comprehensive income for the		\	3,423) (1,707			
0200	year, net of income tax		\$	30,996	5 (\$	110,605) (<u>15</u>)		
8500	Total comprehensive income in the								
	current period		(<u>\$</u>	17,775) (<u>3</u>) (<u>\$</u>	176,714) (24)		
	Losses per share	六(二十三)							
9750	Basic losses per share		(_\$		0.67) (\$		0.91)		

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

Please refer to them accordingly.













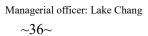


Unit: NTD Thousands

	Note	<u> C</u>	ommon share	con	suance of nmon share remium	dispos subsid and	difference on the actual disition or sal price of diary equity the book value.	char own inter	nition of nges in nership rests in idiaries		積 Warrants	l capital serve		l capital erve	earnin	appropriated gs (deficit yet compensated)	t t		on fin at thre	alized gain or loss loss fair value ough other nprehensive income	Total	l Equity
<u>2022</u>																						
Balance, January 1, 2022		\$	725,799	\$	12,129	\$		\$		\$		\$ 2,304	\$	30,201	\$	11,998	(\$	42,729)	\$	153,219	3 8	892,921
Net loss for the period			-		-		-		-		-	-		-	(66,109)		-		- (66,109)
Other comprehensive income recognized for the period	六(六)(七)											 				219		1,769	(112,593) (]	110,605)
Total comprehensive income in the current period							<u> </u>					 			(65,890)	_	1,769	(112,593) (]	176,714)
Appropriation and distribution of the 2021 earnings:	六(十五)																					
Provision of legal reserve			-		-		-		-		-	846		-	(846)		-		-		-
Reversal of special reserve			-		-		-		-		-	-	(30,201)		30,201		-		-		-
Cash dividends			-		-		-		-		-	-		-	(7,258)		-		- (7,258)
Issuance of convertible bonds	六(十一)		-		-		-		-		39,525	-		-		-		-		-		39,525
Recognition of changes in ownership interests in subsidiaries												 			(6,092)	_		_	<u>-</u> (6,092)
Balance as of December 31, 2022		\$	725,799	\$	12,129	\$	_	\$		\$	39,525	\$ 3,150	\$		(\$	37,887)	(\$	40,960)	\$	40,626	3	742,382
<u>2023</u>																						
Balance as of December 31, 2023		\$	725,799	\$	12,129	\$		\$		\$	39,525	\$ 3,150	\$		(\$	37,887)	(\$	40,960)	\$	40,626	3	742,382
Net loss for the period			-		-		-		-		-	-		-	(48,771)		-		- (48,771)
Other comprehensive income recognized for the period	六(六)(七)		_		_							 				272	(5,423)	_	36,147		30,996
Total comprehensive income in the current period			_									 			(48,499)	(5,423)	_	36,147 (17,775)
Conversion of convertible bonds	六(十一)		46		68		-		-	(20)	-		-		-		-		-		94
The price difference between the actual disposal price of subsidiary equity and the book value.			-		-		1,442		-		-	-		-		-		-		-		1,442
Recognition of changes in ownership interests in subsidiaries			-		-		-		2,158		-	-		-	(581)		-		-		1,577
Disposal of equity instruments measured at fair value through other comprehensive income	六(六)				<u>-</u>						<u>-</u>	 				57,258		<u>-</u>	(57,258)		<u>-</u>
Balance as of December 31, 2023		\$	725,845	\$	12,197	\$	1,442	\$	2,158	\$	39,505	\$ 3,150	\$		(\$	29,709)	(\$	46,383)	\$	19,515	3 7	727,720

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











January 1	o December 31, 202	3 and 2022			
•	Note		y 1, 2023 nber 31,	Janua	NTD Thousands ary 1, 2022 ember 31,
Cash Flow from Operating Activities					
Loss before tax for the year		(\$	57,004)	(\$	70,380)
Adjustments for					
Adjustments to reconcile profit (loss)					
Depreciation expense	六(二十一)		20,527		15,037
Expected credit losses		(260)		2,069
Financial asset losses at fair value through profit or loss	六(二)(十九)		440		400
Interest expense nterest income	六(二十) 六(十七)	,	5,522	,	3,496
Dividend income	六(十七) 六(十八)	((1,162)
Share of loss of subsidiaries accounted for using equity	六(十八) 六(七)	(16,004)	(11,864)
method	ハ(こ)		16,750		54,637
Loss on disposal and obsolescence of property, plant and equipment	六(十九)		10,750		49
Changes in operating assets and liabilities:			-		49
Changes in operating assets, net					
Notes receivable			602	(785)
Receivables from related parties			56,191	(1,840)
Receivables from related parties			2,338	(25,880
Other receivables			-		2,981
Other receivables from related parties			945	(6,619)
Inventories			2,124	`	12,316
Other current assets - others		((1,553)
Long-term notes receivable and payments			2,400	(8,400)
Changes in operating liabilities, net					
Notes payable			626	(1,800)
Accounts payable		(4,409)		1,542
Accounts payable - related parties		(37,310)	(21,645)
Other payables		(19,581)		11,347
Other current liabilities			1,198	(354)
Net defined benefit liability - non-current		(82)	(586)
Cash inflows (outflows) generated from operations		(27,315)		2,766
Interest received			1,766		1,463
Dividend received			17,895		11,864
Interest paid		((1,360)
ncome tax paid			771		-
ncome tax paid		(26)	(2,269)
Net cash inflow (outflow) from operating activities		(8,509)		12,464
Cash Flow from Investing Activities		,	75 001	,	
Acquisition of financial assets at amortized cost		(75,091)	(1)
Decrease (increase) in financing receivables - related parties Acquisition of financial assets at fair value through other			36,852		4,668
comprehensive income or loss		(2,000)	(121,802)
Disposal of financial assets at fair value through other	六(六)	(2,000)	(121,002)
comprehensive income or loss	7(//)		175,064		_
Acquisition of investments accounted for using equity method	六(七)	(24,250)	(88,920)
Disposal of investments accounted for using equity method	, · (-)	(1,800	(-
Acquisition of property, plant and equipment	六(八)	((24,696)
Disposal of property, plant and equipment			-	(227
Decrease (increase) in other non-current assets		(490)	(2,981)
Net cash inflows (outflow) from investing activities		`	99,315	<u>`</u>	233,505)
Cash Flow from Financing Activities			,	-	,,
Net increase (decrease) in short-term borrowings	六(二十四)	(65,000)	(24,098)
Issuance of corporate bonds	六(二十四)		-		226,423
Repayment of the principal portion of lease liabilities	六(二十四)	(8,731)	(6,795)
Distribution of cash dividends	六(十五)	_		(7,258)
Net cash inflows (outflows) from financing activities		(73,731)		188,272
NET INCREASE (DECREASE) IN CASH AND CASH		·	·		
EQUIVALENTS			17,075	(32,769)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		-	53,524		86,293
CASH AND CASH EQUIVALENTS, END OF YEAR		\$	70,599	\$	53,524

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

Chairman: Lake Chang



Managerial officer: Lake Chang







Appendix II.

Operating Procedures for Loaning of Funds to Others (before amendment)

Wanshih Electronic Co., Ltd.

Operating Procedures for Loaning of Funds to Others

Article 1: The Operating Procedures for Loaning of Funds to Others (the Procedures) set forth herein serve as the guidelines for the Company to lend funds to other parties. Any matters not covered by these Procedures shall be handled in accordance with the relevant laws and regulations.

Article 2: Counterparty

The Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:

- I. Companies or entities having a business relationship with the Company.
- II. Companies or entities having short-term needs of funding from the Company. The total amount available for lending purposes shall not exceed 40% of the total net worth of the Company.

The term "short-term" as used in the preceding paragraph means one year or one operating cycle (whichever is longer).

The term "financing amount" as used in Paragraph 1, Subparagraph 2 of this Article means the cumulative balance of the Company's short-term financing.

The restriction in Paragraph 1, Subparagraph 2 shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares. However, the Company shall still prescribe limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower, and shall specify limits on the durations of such loans.

When a responsible person of a company violates Paragraph 1 or the proviso of the preceding paragraph, the responsible person shall bear joint and several liability with the borrower for repayment; if the company suffers damage, the responsible person also shall be liable for damages.

Article 3: Reasons and Necessity of Loaning of Funds to Others

The Company shall follow the requirements of Article 3, Paragraph 2 if it engages in loaning of funds to other companies or entitles that have a business relationship with the

Company; if the Company engages in loaning of funds where a short-term needs of funding facility is necessary, it shall be limited to the following circumstances:

- I. Where more than 20% of the equity of a company is directly or indirectly held by the Company, and that company has a short-term financing need for its financial operations
- II. Where a major customer or supplier is in need of short-term financing in connection with its material-purchasing or operational needs.
- III. Other short-term financing is necessary for strategic purposes and is approved by the Company's Board of Directors.

The term "short-term" as used in the aforesaid paragraph means one year or one operating cycle (whichever is longer).

- Article 4: The aggregate amount of loans and the maximum amount permitted to a single borrower
 - I. The total financing amount shall not exceed 30% of the Company's paid-in capital or net worth, whichever is lower.
 - II. When lending funds to other companies or enterprises with which the Company has business relations, the amount lent to a single recipient shall not exceed the total transaction amount between the recipient and the Company in the most recent year, provided that the amount lent shall not exceed NT\$50 million for risk considerations. The "amount of business transactions" refers to the higher of the operating income and services income due to sales of products or the provision of services or purchases amount and service expenses for regular operating activities.
 - III. When providing short-term financing to other companies or enterprises, the short-term financing amount to a single recipient shall not exceed NT\$50 million.
 - IV. When providing short-term financing to other companies or enterprises, the short-term financing amount to a single recipient shall not exceed 10% of the Company's net worth as stated in the Company's latest financial statements.
 - V. The restrictions listed in the preceding four paragraphs shall not apply to intercompany loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares or inter-company loans of funds between the Company and foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares, provided that the loan mount to a single recipient shall not exceed \$100 million and the term of the loan shall be one year due to risk considerations.

Article 5: Procedures for Fund Lending

- I. Credit Investigation
 - (I) All borrowers shall apply to the Company for financing amount in writing by providing its company information and financial information.

- (II) After accepting the application, the Finance Department shall investigate and evaluate the borrower's business, financial status, solvency and credit, profitability, and purposes of the loan. The finance department should evaluate whether the financing amount is equivalent to the amount of business transactions. If short-term financing facility is necessary, the department should list the reasons and circumstances for financing, conduct a credit investigation, and prepare a report.
- (III) When the Company conducts credit investigations of borrowers, it should also evaluate the impact on the Company's operational risks, financial conditions, and shareholders' equity.

II. Review and Evaluation

For all loaning of funds within the limits set forth in Article 4, the unit in charge shall prepare a specific review and evaluation report, covering the following items:

- 1. The necessity of and reasonableness of loaning of funds to others.
- 2. Borrower credit status and risk assessment.
- 3. Impact on the Company's business operations, financial condition, and shareholders' equity.
- 4. Whether collateral must be obtained and appraisal of the value thereof.

III. Secure

When handling the loaning of funds, the Company should consider obtaining the same amount of guarantee promissory note when making loans to others. If necessary, the Company may also set a mortgage on personal property or real property. The Company is also required to appraise the value of collateral to secure the Company's debts. For the aforementioned collateral, the board of directors may refer to the credit report prepared by the Finance Department if the debtor provides considerable personal or company credit as guarantee instead of collateral. If the company is the guarantor, whether the company has related regulations in its articles of incorporation should be checked.

IV. Authority to Approve

When loaning funds to others, the Company's Fiance Department shall conduct a credit investigation first. For those with good credit ratings and suitable borrowing purposes, the personnel in charge should prepare a credit report with financing conditions and submit it to the President for approval in accordance with the tiered approval procedure. The loan shall be approved by the Audit Committee first, and then submitted to the Board of Directors for resolution before being executed.

V. The actual financing amount is within the amount approved by the Board of Directors, and the borrower shall fill in "Application for Loaning of Funds &

Endorsement/Guarantee" (AC-4-020) and apply for financing to the Finance Department of the Company.

Article 6: Duration of loans and calculation of interest

- I. The duration of the Company's loaning of funds is subject to the period required by the borrower. The maximum period shall not exceed one year. However, if the borrower applies for an extension in writing before the duration expires, and the extension is submitted by the personnel in charge for President's approval in accordance with the tiered approval procedure, and proposed to the board of directors for resolution, the duration may be extended.
- II. The interest of the loan shall not be lower than the Company's highest interest rate for short-term borrowings from the bank. The interest on the Company's loans is calculated and collected on a monthly basis, and may be adjusted under special circumstances with the approval of the Board of Directors, depending on the actual situation.

Article 7: Subsequent control measures for loans to others, and procedures for handling overdue loans

- I. Following loan appropriation, the Company shall frequently evaluate the financial, operating and related credit conditions of the Borrower and its guarantor. If collateral is provided, the Company shall be aware of the fluctuations in collateral's value. In case of significant changes, the Company shall notify the Chairman immediately and take action according to the instructions of the Chairman.
- II. Interest should be calculated when the borrower repays the loan upon or before its due date. Once the principal and interest of the loan are repaid, the Company shall cancel and return the promissory note to the borrower or cancel the pledge.
- III. The borrower shall repay the principal and interest of the loan immediately when the loan is due. When the loan needs to be prolonged after due date, the request shall be made in advance and submitted to the board of directors' meeting for resolution. The prolonged period shall not exceed 3 months and can only be prolonged for once. Any violation of the regulation the company shall sell out the collateral or file law suit against the borrower.

Article 8: Notes to loaning of funds to others

I. Before making a loan of funds to others, the Company shall carefully evaluate whether the loan is in compliance with these Procedures. The Company may loan funds to others only after the evaluation results have been submitted to and resolved by the board of directors. The Company shall not empower any other person to make such decision.

- II. Loans of funds between the Company and its parent company or subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the regulation, and the Chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.
- III. The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with Article 4, Paragraph 4.
- IV. The Company's internal auditors shall audit the Operational Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit committee in writing of any material violation found.
- V. When change of circumstances results in the balance of loan exceeds the limit, the audit department of the Company shall urge the Finance Department to set a deadline to recover the exceeding amount and send the improvement plan to Audit Committee.
- VI. The personnel in charge shall prepare the details of loaning of funds for previous month by the 10th day of every month and submit it for review l in accordance with the tiered approval procedure.

Article 9: Loaning of funds to others by subsidiary

- I. A subsidiary of the Company that plans to loan funds to others shall also establish and follow these operating procedures.
- II. A subsidiary shall prepare and submit the details of loaning of funds for previous month by the 10th (exclusive) day of every month (not included) to the Company.
- III. The Company's internal auditors shall audit the Operational Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit committee in writing of any material violation found.
- IV. When the Company's auditors conduct audits on subsidiaries in accordance with the annual audit plan, they should also examine the implementation of the subsidiaries' procedures for loaning funds to others, and should continue to follow up on the improvement status if any deficiencies are found, and make a tracking report to be submitted to the President.

The Company's internal auditors shall review the subsidiaries' self-inspection reports in accordance with the relevant regulations.

Article 10: Information Disclosure

- I. The Company shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.
- II. The Company's balance of loaning of funds reaches one of the following levels shall be posted within two days commencing immediately from the date of occurrence on the Market Observation Post System (the "date of occurrence" means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds, whichever date is earlier).
- III. The aggregate balance of loans to others by the Company and its subsidiaries reaches 20% or more of the Company's net worth as stated in its latest financial statement.
- IV. The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10% or more of the Company's net worth as stated in its latest financial statement.
- V. The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the Company's net worth as stated in its latest financial statement.
- VI. The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraphs of the preceding paragraph.
- VII. The Company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.

Article 11: Penalty provisions

The managerial officers and personnel in charge of the Company who violate these Procedures shall be reported and evaluated in accordance with the Company's Regulations Governing HR Management and the Employee Handbook, and shall be penalized according to the severity of the violation.

Article 12: Implementation and Amendments

These operating procedures shall be approved by the Audit Committee and then adopted by the Board of Directors, and shall be submitted to the shareholders' meeting for approval before being put into effect, and the same shall apply to any amendments thereto.

Before these Procedures and related regulations are submitted to the Board of Directors for resolution, they shall be approved by at least one-half of all members of the Audit Committee; in the event that they are not approved by at least one-half of all members of the Audit Committee, they shall be approved by at least two-thirds of all directors, and the resolution of the Audit Committee shall be included in the minutes of the Board of Directors' meeting.

The terms "all members of audit committee" and "all directors" in these Procedures shall be counted as the actual number of persons currently holding those positions.

Appendix III.

Rules of Procedure for Shareholders' Meetings (before amendment)

Wanshih Electronic Co., Ltd.

Rules and Procedures of shareholders' Meeting

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

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

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

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

The meeting agenda handbook and supplemental materials of the current Shareholders' Meeting shall be prepared for the shareholders to review at any time and displayed at the Company and its designated stock affairs agency 15 days before the scheduled Shareholders' Meeting.

The meeting agenda handbook and supplemental materials referred to in the preceding paragraph shall be made available to shareholders on the day of the Shareholders' Meeting by the Company in the following manner:

- (I) When holding a physical Shareholders' Meeting, materials shall be distributed on-site at the Shareholders' Meeting.
- (II) When holding a hybrid Shareholders' Meeting, materials shall be distributed on-site at the Shareholders' Meeting and transmitted to the video conferencing platform as an electronic file.
- (III) When holding a virtual-only Shareholders' Meeting, materials shall be transmitted to the video conferencing platform as an electronic file.

It shall also be distributed on-site at the Shareholders' Meeting.

The reasons for convening a Shareholders' Meeting shall be specified in the meeting notice and public announcement. With the addressee's consent, the meeting notice may be given in electronic form.

Matters pertaining to the election or discharge of directors, the amendment to the Articles of Incorporation, capital reduction, application for the approval of ceasing its status as a public company, permission for competing with the company by directors, capitalization of earnings, capitalization of capital reserves, company dissolution, merger, split-up, or

matters set out in Article 185, paragraph 1 of the Company Act shall be listed in the meeting notice as well as the main contents thereof, and shall not be brought up as extempore motions.

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

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

The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. However, where the shareholder proposal aims to urge a company to enhance public interest or fulfill its social responsibility, the Board of Directors may still include it as an agenda item. In addition, if the shareholder proposal falls under any of the scenarios specified in Article 172-1, paragraph 4 of the Company Act, the Board of Directors may exclude it from the agenda. Prior to the book closure date for convening the Annual Shareholders' Meeting, the Company shall announce the acceptance of shareholder proposals, the methods of submission in writing or electronic transmission, the location of submission, and the period of acceptance. The acceptance period shall not be less than ten days. Shareholder proposals are limited to 300 words, and any proposal exceeding 300 words shall not be included in the agenda. The proposing shareholder is required to attend the Annual Shareholders' Meeting in person or through a proxy and shall take part in the discussion of such proposal.

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

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

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

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

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

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

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

When the Company holds a virtual-only Shareholders' Meeting, it is not subject to the restriction on the venue of the preceding paragraph.

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

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

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, an additional ballot shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend the Shareholders' Meeting as a proxy agent, only one representative may be designated to attend.

For Shareholders' Meetings held via video conference, shareholders who wish to attend by means of video conference shall register with the Company two days before the meeting.

For Shareholders' Meetings held via video conference, the Company shall upload the meeting agenda handbook, annual report, and other relevant materials to the video conferencing platform of the Shareholders' Meeting at least 30 minutes before the meeting starts and continue to disclose them until the end of the meeting.

Article 6-1: (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

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

- (I) How shareholders attend the virtual meeting and exercise their rights.
- (II) Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - 1. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - 2. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - 3. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders

attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on the meeting agenda of that shareholders meeting.

- 4. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
- (III) To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.
- Article 7: If a Shareholders' Meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman. When the chairman is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairman shall do so in place of the chairperson, or, if there is no vice chairman or the vice chairman also is on leave or for any reason is unable to act, by a managing director designated by the chairman, or, if there is no managing director, by a director designated thereby, or, if the chairman does not make such a designation, by a managing director or director elected by and from among themselves.

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

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

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

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

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

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

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

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

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

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

number of shares represented.

However, if shareholders present do not represent a majority of the total issued shares, the chair may announce a postponement of the meeting time, provided that only two postponements may be made, with a total postponement time not exceeding one hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company in accordance with Article 6.

Prior to the end of the current meeting, if the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution to the Shareholders' Meeting for voting according to Article 174 of the Company Act.

Article 10: If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. All relevant motions (including extempore motions and amendments to the original motion) shall be voted on a case by case basis. The meeting shall proceed following the scheduled agenda and not be changed without a resolution of the Shareholders' Meeting.

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

The chair may not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda as set out in the preceding two paragraphs (including extempore motions) without a resolution. If the chair violates the rules of procedure and declares the meeting adjourned, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures by a majority agreement of the votes represented by the attending shareholders, and then continue the meeting.

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

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

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

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

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

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

personnel to respond.

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

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

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the Company's interest, shall not vote nor exercise the voting right on behalf of another shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders'. Except for a trust enterprise or a stock affairs agency approved by the competent authority, if one person is entrusted by two or more shareholders at the same time, the voting rights represented by the proxy shall not exceed 3% of the total voting rights of the issued shares. Any excess voting rights beyond this limit shall not be counted.

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

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

A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, with regards to extempore motions and amendments to the original proposals during the said Shareholders' Meeting, it shall be deemed as having abstained from voting. Therefore, the Company should avoid proposing extempore motions and amendments to the original proposals.

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

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

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If a shareholder has exercised the voting rights in writing or through electronic transmission and also authorized a proxy agent to attend the Shareholders' Meeting, then the voting rights exercised by the proxy agent shall prevail.

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

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

When there is an amendment or an alternative to a proposal, the chair shall present the

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

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

Shareholders who take part in the Company's virtual-only Shareholders' Meeting via video conference shall cast votes on motions and elections through the video conferencing platform after the chair called the meeting to order and shall complete the casting of their votes before the chair announces the close of voting, or will be deemed to have abstained from voting.

For Shareholders' Meetings held via video conference, votes shall be counted at once after the chair announces the close of voting, and voting and election outcomes shall be announced immediately.

In the event of a hybrid Shareholders' Meeting convened by the Company, if shareholders, who have registered to take part via video conference under Article 6, wish to attend the physical Shareholders' Meeting in person, they shall revoke the registration in the same manner previously used to register two days prior to the Shareholders' Meeting. In the absence of a timely revocation, they may take part in the Shareholders' Meeting only by means of video conferencing.

If shareholders have exercised voting rights in writing or by electronic means without revoking their declaration of intention and participate in the Shareholders' Meeting by videoconference, they may not, except for extempore motions, further exercise any voting rights on the original motions or propose any amendments to the original motions or exercise voting rights on amendments to the original motions.

Article 14: When there is a director election during the Shareholders' Meeting, it shall be carried out in accordance with the relevant election rules set by the Company. The election outcomes shall be announced on the spot, including the list of elected directors and their numbers of elected votes.

The ballots for the election matters referred to in the preceding paragraph shall be sealed and signed by the scrutineers and kept properly for at least one year.

If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15: The resolutions of the Shareholders' Meeting shall be recorded in minutes, signed or sealed by the chair, and distributed to all shareholders within 20 days after the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the year, month, day, venue, the chair's name, the resolution method, and summary of the proceedings, and voting results (including the statistical tallies of the numbers of votes). In the event of a director election, the number of votes received by each candidate shall be disclosed. The minutes shall be retained for the duration of the existence of the Company. Where a virtual shareholders meeting is convened, in addition to the particulars to be

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only Shareholders' Meeting, in addition to complying with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes the alternative measures made available to shareholders who have difficulty taking part in the Shareholders' Meeting via video conference.

Article 16: On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event of a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

In the event of a virtual-only Shareholders' Meeting convened by the Company, the total number of shares represented by attending shareholders shall be disclosed on the video conferencing platform when the meeting is called to order. The same shall apply in cases where the total number of shares and voting rights represented by attending shareholders are recalculated during the meeting.

If matters put to a resolution at a Shareholders' Meeting constitute material information subject to the regulations of laws or regulations of the Taiwan Stock Exchange Corporation (the Taipei Exchange), the Company shall transmit the content to the MOPS within the prescribed time period.

Article 17: Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

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

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

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

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

Before the conclusion of the agenda (including extempore motions) scheduled by the Shareholders' Meeting, if the meeting venue is no longer available for continued use at that time, the Shareholders' Meeting may pass a resolution to find another venue to resume the meeting.

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

Article 19: (Disclosure of information at virtual meetings)

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

Article 20: (Location of the chair and secretary of virtual-only shareholders meeting)

When the Company holds a virtual-only Shareholders' Meeting, the meeting chair and minutes taker shall be present at the same location within the country, and the chair shall announce the address of the said at the start of the meeting.

Article 21: (Handling of disconnection)

For Shareholders' Meetings held via video conference, the meeting shall be postponed or reconvened within five days if there are any disruptions to the video conferencing platform or participation via video conference due to natural disasters, unforeseen events, or other force majeure circumstances that last for more than thirty minutes before the adjournment called by the chair, and Article 182 of the Company Act shall not apply. In the event of a postponement or reconvene of the meeting under the preceding paragraph, shareholders who did not register to take part in the original scheduled Shareholders' Meeting via video conference may not take part via video conference in the postponed or reconvened meeting.

In the event of a postponed or reconvened meeting, as described in paragraph 1, for shareholders who registered for and completed the sign-in to participate via video conference in the originally scheduled meeting but who do not take part in the postponed or reconvened meeting, their number of shares represented, exercised voting rights and election rights at the original Shareholders' Meeting shall be counted toward the total number of shares, number of voting rights, and number of election rights of shareholders represented at the postponed or reconvened meeting.

In the event of a postponed or reconvened Shareholders' Meeting, as described in paragraph 1, there is no need for redundant discussion or resolution on motions that have already been voted on, counted, and announced as the voting results or the list of elected directors.

In the event of a hybrid Shareholders' Meeting convened by the Company, if the video conference cannot proceed, and the total number of shares represented at the meeting, after deducting those represented by shareholders attending the meeting via video conference, still meets the legal quorum required for holding a Shareholders' Meeting, the meeting shall continue without being postponed or reconvened as specified in paragraph 1.

If the meeting is to proceed as outlined in the preceding paragraph, shareholders who take part via video conference will have their represented shares counted towards the total shares represented by the attending shareholders. However, they shall be deemed as having abstained from voting on all motions during the meeting.

In case of a postponement or reconvening of the meeting as per Paragraph 1, the Company shall comply with the provisions stated in Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and carry out the relevant preparatory work following the original Shareholders' Meeting date and the provisions listed.

With respect to the periods specified in the latter part of Article 12, and Article 13, paragraph 3, of Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall conduct the postponed or reconvened meeting date as per Paragraph 1.

Article 22: (Handling of digital divide)

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

Article 23: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix IV: Article of Incorporation

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

Chapter 1 General Provisions

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

Chapter II Shares

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

be duly certified or authenticated by the competent authority or its authorized issuing registration institution before issuance thereof. The Company may be exempted from printing any share certificate for the shares issued and shall register the issued shares with a centralized securities depositary enterprise.

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

Article 8: Deleted.
Article 9: Deleted.

Chapter III Shareholders' Meeting

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

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

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

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

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

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

shares.

- I. Acquire or merge with other domestic or foreign companies.
- II. Dissolution or liquidation, demerger.

Chapter IV Directors, Audit Committee and Managerial Officers

Article 16:

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

Article 16-1: deleted.

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

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

Article 17-1:

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

Article 17-2:

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

functional committees, the charters of which shall be stipulated by the Board of Directors.

Article 18: The board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board. The chairman shall represent the Company externally.

Article 19: A board meeting shall, unless otherwise provided for in the Company Act, be convened by the Chairman of the Board of Directors. Unless otherwise provided for in Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In calling a meeting of the board of directors, the meeting date, place and reason for calling the meeting shall be notified to each director no later than 7 days prior to the scheduled meeting date. However, the meeting may be called at any time in case of an emergency. The meeting notice may be may be notified in writing by fax or e-mail instead.

Article 20: The Chairman of the board of directors shall preside at the board meetings. When the Chairman of the board is on leave or for any reason unable to exercise the powers of the Chairman, the Chairman shall appoint one of the directors to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair. Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place. The proxy may be the appointed proxy of only one person.

Article 21: Deleted.

Article 22: The remuneration to directors is determined by the board of directors based on the remuneration standards of the industry.

Article 23: The Company shall appoint one President. The appointment, termination and compensation policy shall be subject to the Article 29 of the Company Act.

Article 24: The President shall conduct the business of the Company in accordance with the resolutions adopted by the Board of Directors.

Chapter V Accounting

Article 25: The fiscal year of the Company commences from January 1 to December 31. The final account should be conducted at the end of each fiscal year.

Article 26: At the close of each fiscal year, the Board of Directors shall, in accordance with Article 228 of the Company Act, prepare the following statements and records and shall forward the same to the Audit Committee for their auditing not later than the 30th day prior to the meeting date of a general meeting of shareholders'. The Audit Committee shall issue a report and submit it to the general meeting of shareholders' for ratification.

I. Business report.

II. The financial statements.

III. The surplus earning distribution or loss off-setting proposals.

Article 27: When the Company makes a profit in a year, 2% to 5% of the pre-tax profit before deducting the remuneration to employees and remuneration to directors shall be

appropriated as employees' compensation and up to 2% as remuneration to directors. However, the Company should reserve the amount to make up for any accumulated losses in advance.

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

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

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

Article 29: Deleted.

Article 30: Deleted.

Chapter VI Supplemental Provisions

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

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

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

The first amendment was made on February 20, 1989.

The second amendment was made on July 20, 1992.

The third amendment was made on November 20, 1993.

The fourth amendment was made on February 25, 1994.

The fifth amendment was made on June 30, 1997.

The sixth amendment was made on March 2, 1998.

The seventh amendment was made on April 15, 1998.

The eighth amendment was made on April 30, 1999.

The ninth amendment was made on March 18, 2000.

The tenth amendment was made on April 21, 2000.

The eleventh amendment was made on June 23, 2000.

The twelfth amendment was made on April 19, 2001.

The thirteenth amendment was made on April 30, 2002.

The differential differential was made on tiping 50, 2002.

The fourteenth amendment was made on May 30, 2003.

The fifteenth amendment was made on May 25, 2004.

The sixteen amendment was made on June 21, 2007.

The seventeenth amendment was made on June 13, 2008.

The eighteenth amendment was made on June 9, 2010.

The nineteenth amendment was made on June 10, 2011.

The twentieth amendment was made on June 13, 2013. The twenty-first amendment was made on June 17, 2014. The twenty-second amendment was made on June 13, 2016. The twenty-third amendment was made on June 16, 2017. The twenty-forth amendment was made on June 11, 2020. The twenty-fifth amendment was made on October 15, 2020. The 26th amendment was made on July 15, 2021. The 27th amendment was made on June 10, 2022.

Appendix V:

Regulations Governing the Election of Directors and Independent Directors

Article 1

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 40 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3

The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- (I) Basic requirements and values: Gender, age, nationality, and culture.
- (II) Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:
- (I) The ability to make judgments about operations.
- (II) Accounting and financial analysis ability.
- (III) Business management ability.
- (IV) Crisis management ability.
- (V) Knowledge of the industry.
- (VI) An international market perspective.
- (VII) Leadership ability.
- (VIII) Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting its composition based on the results of the performance evaluation.

Article 4

The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5

Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one-third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, Paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 7

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8

The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of monitoring and counting personnel and counting votes. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10

A ballot is invalid under any of the following circumstances:

- I. The ballot was not prepared by a person with the right to convene.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot does not conform to the director candidate list.
- V. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. 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 12

The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 13

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix VI.

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

Wanshih Electronic Co., Ltd. Shareholdings of Directors

Record Date: April 15, 2024

	I				record Bate.	April 13, 2024		
		Date	Shareholding	while elected	Shares currently held			
Position	Name		Number of	Shareholding	Number of	Shareholding		
		elected	Share	ratio (%)	Share	ratio (%)		
Chairman	Lake Chang	July 15, 2021	1,230,000	1.69%	1,330,000	1.83%		
D:	WONDERFUL HI-TECH CO., LTD.	July 15,	18,309,272	25.23%	17,497,272	24.11%		
Director	Representative: Ringo Chang	2021	18,309,272	23.23%	17,497,272			
Director	Asahi Communications Co., Ltd. Representative: Kanno Takanobu	July 15, 2021	13,723,175	18.91%	13,723,175	18.91%		
Director	Japan Automatic Machine Co., Ltd. Representative: Mizuno Masafumi	July 15, 2021	1,620,262	2.23%	1,620,262	2.23%		
Director	Ping-Che Lee	July 15, 2021	23,337	0.03%	23,337	0.03%		
Independent Director	Tu-Tsun Tsai	July 15, 2021	0	0.00%	0	0.00%		
Independent Director	Jui-Ming Chang	July 15, 2021	0	0.00%	0	0.00%		
Independent Director	Chao-Hsiang Cheng	July 15, 2021	0	0.00%	0	0.00%		
Independent Director	Cheng Ho Hsiao	July 15, 2021	0	0.00%	0	0.00%		
	Total	34,906,046		34,194,046				

Remarks:

- 1. The above shareholding refers to the number of shares registered on the shareholders roster as of April 15, 2024, the book closure date for the 2024 Annual Shareholders' Meeting.
- 2. In accordance with Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the number of shares to be held by all directors of the Company shall be 10% of the total number of shares issued; the minimum number of shares shall be 10 million; if the Company has two or more independent directors, the percentage of shares held by all directors may be further reduced to 80%.
- 3. Equity held by the Company's entire directors has reached the statutory percentage of shareholding (the minimum required shareholding of the Company's entire directors by law: 5,806,763 shares, the combined shareholding of all directors as of April 15, 2024: 34,194,046 shares).