



Wah Hong Industrial Corporation

2025 Annual Shareholders' Meeting Handbook

Date: May 26, 2025

Address: 5F., No. 211, Zhongzheng 4th Rd., Qianjin Dist.,
Kaohsiung City

(Mega Bank South District Staff Training Centre)

Subject index

Meeting Procedure	1
Meeting Agenda	2
Reporting Items	3
Acknowledged Items.....	6
Discussion Items	7
Election	8
Other Proposals	12
Extemporaneous Motions	14
Attachment	
1. 2024 Business Report	15
2. 2024 Audit report of auditing committee	20
3. Implementation Status of the Fourth Transfer of Treasury Shares to Employees.....	21
4. 2024 CPA's Audit Report, Individual Financial Reports and Consolidated Financial Reports.....	22
5. Appropriation of 2024 Earnings Schedule	44
6. Comparison Table of Provisions Articles of Incorporation Before and After Amendment	45
7. Comparison Table of the Provisions of the Regulations Governing the Acquisition and Disposal of Assets Before and After Amendment.....	47
Appendix	
1. Rules of Procedure for Meeting of Shareholder.....	50
2. Article of Incorporation (Before Amendment)	62
3. Regulations Governing the Acquisition and Disposal of Assets (Before Amendment).....	68
4. Regulations Governing the Election of Directors	89
5. Directors' Shareholding.....	91
6. Additional Information	92

Wah Hong Industrial Corporation

Meeting Procedure for 2025 Annual Shareholders' Meeting

1. Chair Calls the Meeting to Order

2. Chair Remarks

3. Reporting Items

4. Acknowledged Items

5. Discussion Items

6. Election

7. Other Proposals

8. Extemporaneous Motions

9. Adjournment of the Meeting

Wah Hong Industrial Corporation

2025 Annual Shareholders' Meeting Agenda

Time: 9: 30 a.m., May 26, 2025 (Monday)

Address: 5F., No. 211, Zhongzheng 4th Rd., Qianjin Dist., Kaohsiung City (Mega Bank South District Staff Training Centre)

Form of Shareholders' Meeting: Physical

- 1. Chair Calls the Meeting to order [Report the number of shares represented]**
- 2. Chair Remarks**
- 3. Reporting Items**
 - (1) 2024 Business Report.
 - (2) 2024 Audit report of auditing committee.
 - (3) 2024 Distribution report of remuneration to directors and employees.
 - (4) 2024 Appropriated earnings cash dividends report.
 - (5) Report on cash distribution from capital reserves.
 - (6) Implementation status of the fourth transfer of treasury shares to employees by the Company.
- 4. Acknowledged Items**
 - (1) 2024 Business report and financial statements.
 - (2) Proposal for the 2024 earnings distribution.
- 5. Discussion Items**
 - (1) Proposal for the amendment of some articles in the Articles of Incorporation.
 - (2) Proposal for the amendment of some articles in the Regulations Governing the Acquisition and Disposal of Assets.
- 6. Election**

Proposal for overall re-election of directors.
- 7. Other Proposals**

Proposal to lift the restrictions on the non-competition of the new directors and their representatives.
- 8. Extemporaneous Motions**
- 9. Adjournment of the Meeting**

Reporting Items

1. 2024 Business Report is submitted for review.

Description: Please refer to Attachment 1 pages 15 to 19 of this Handbook.

2. 2024 Audit report of Auditing Committee is submitted for review.

Description: Please refer to Attachment 2 page 20 of this Handbook.

3. 2024 Report of Distribution Remuneration to Directors and Employees is submitted for review.

Description: According to the provisions of Article 23 of the Company's Articles of Incorporation and the resolution of the board of directors on March 11, 2025, the distribution of directors' remuneration ratio in 2024 was 2.5% of the net profit before tax, NT\$10,123,216, employee remuneration ratio is 15% of net profit before tax, NT\$60,739,294, are all distributed in cash.

4. 2024 Appropriated earnings cash dividends report is submitted for review.

Description: 1. According to the Company Act and Article 23-1 of the Company's Articles of Incorporation, the Company shall authorize the board of directors to be attended by over two-thirds of the directors, and half of those attending directors must approve the case if the Company makes cash distribution of dividends to shareholders, it should report to the Shareholders' Meeting.

2. The Company approved the resolution of the board of directors on March 11, 2025, it has distributed cash dividends of NT\$130,005,739 from the undistributed earnings at the end of 2024 and distributed NT\$1.3 per share, and authorized chairman to formulate dividend record date, distribution date and other related matters for cash dividend distribution.

3. The cash dividends distribution is calculated up to unit NT\$, rounded up below NT\$1, and the total amount of allotment less

than NT\$1 shall be adjusted from the largest to the smallest of the decimal point and the order of the account number from the front to the last, until it meets the total amount of cash dividend distribution.

4. If the dividend payout ratio subsequently changes due to changes in the number of outstanding shares of the Company, it is proposed to authorize the chairman to adjust the dividend payout ratio according to the total distribution amount and the actual number of outstanding shares of the Company on the dividend record date.

5. Report on cash distribution from capital reserves is submitted for review.

Description: 1. According to the Company Act and Article 23-1 of the Company's Articles of Incorporation, the Company shall authorize the board of directors to be attended by over two-thirds of the directors, and half of those attending directors must approve the case if the Company make cash distribution of capital surplus, it should report to the Shareholders' Meeting.

2. As resolved by the board of directors on March 11, 2025, the Company appropriated the capital reserve in excess of par value from the issuance of shares as the amount of NT\$30,001,325, and based on the shareholders and their shareholding in the shareholders register on the base date of issuance, and the current number of outstanding shares of 100,004,414 shares, a cash distribution of NT\$0.3 per share was made.
3. Capital reserve in cash is calculated up to unit NT\$, rounded up below NT\$1, and the total amount of allotment less than NT\$1 shall be adjusted from the largest to the smallest of the decimal point and the order of the account number from the front to the last, until it meets the total cash distribution amount of capital reserve.
4. If the dividend allotment ratio subsequently changes due to changes in the number of outstanding shares of the Company, it is proposed to authorize the chairman to adjust the dividend

allotment ratio according to the total distribution amount and the actual number of outstanding shares of the Company on the dividend record date.

6. The implementation status of the fourth transfer of treasury shares to employees by the Company is submitted for review.

Description: Please refer to Attachment 3 page 21 of this Handbook.

Acknowledged Items

Proposal 1 (Made by board of directors)

Reason: 2024 Business report and financial statements are submitted for approval.

Description: 1. The Company's 2024 business report, individual financial statements, and consolidated financial statements have been prepared. Among them, the financial statements have been audited by independent auditor, Chiu-Yen, Wu and Tzu-Yuan, Chang of Deloitte & Touche.

2. 2024 Business report, individual financial reports, consolidated financial reports, and CPA's audit report, please refer to Attachment 1 pages 15 to 19 and Attachment 4 pages 22 to 43 of this Handbook.

Resolution:

Proposal 2 (Made by board of directors)

Reason: 2024 Earnings distribution are submitted for approval.

Description: 1. This earnings distribution plan is to distribute the surplus available for distribution in the year 2024. Based on the current number of outstanding shares of 100,004,414 shares, it is proposed to distribute a dividend of NT\$130,005,739 to shareholders and NT\$1.3 per common share to cash dividends.

2. Please refer to Attachment 5 page 44 of this Handbook for appropriation of 2024 earnings schedule.

Resolution:

Discussion Items

(Made by board of directors)

Reason 1: Proposal for the amendment of some articles in the Articles of Incorporation is submitted for resolution.

Description: 1. According to Article 14, Paragraph 6 of the Securities and Exchange Act, as amended on August 7, 2024, TWSE/TPEX listed companies shall specify in their Articles of Incorporation that a certain percentage of annual profits be allocated for salary adjustments or compensation for grassroots employees, the Company therefore amended its Articles of Incorporation.

2. Please refer to Attachment 6 pages 45 to 46 of this Handbook for comparison table of the provisions of the Articles of Incorporation before and after amendment.

3. Please refer to Appendix 2 pages 62 to 67 of this Handbook for the Articles of Incorporation before amendment.

Resolution:

(Made by board of directors)

Reason 2: Proposal for the amendment of some articles in the Regulations Governing the Acquisition and Disposal of Assets is submitted for resolution.

Description: 1. In order to adjust the investment limit authority and adjust the department name in order to coordinate with actual operations, some articles of the "Regulations Governing the Acquisition and Disposal of Assets" were amended.

2. Please refer to Attachment 7 pages 47 to 49 of this Handbook for comparison table of the provisions of the Rules of Regulations Governing the Acquisition and Disposal of Assets before and after amendment.

3. Please refer to Appendix 3 pages 68 to 88 of this Handbook for the Regulations Governing the Acquisition and Disposal of Assets before amendment.

Resolution:

Election

(Made by board of directors)

Reason: Proposal for overall re-election of directors is submitted for election.

Description: 1. The term of office of the current directors of the Company will expire on May 25, 2025, and a general re-election shall be organized at annual shareholders' meeting in accordance with the provisions of the Company Act.

2. According to Article 13 of the Company's Articles of Incorporation and the resolutions of the Board of Directors on February 18, 2025 and March 11, 2025, 7 directors (including 3 independent directors) shall be elected, and a candidate nomination system shall be adopted. The term of office of the new directors shall be three years, from May 26, 2025 to May 25, 2028. The term of office of the original directors shall expire at the end of this annual shareholders' meeting.

3. The list of candidates for directors and independent directors has been approved by the Board of Directors of the Company on March 11, 2025. The relevant data is hereby stated as follows:

Name of director candidate	Gender	Major academic qualifications	Major work experience	Current position	Shareholding (Unit: shares)
Wah Lee Industrial Corp. Representatives: Tsuen-Hsien, Chang	Male	University of Southern California, USA Department of Electrical Engineering University of Southern California, USA Department of Biomedical engineering	Chairman, serve as Chief executive officer concurrently, and President of Wah Lee Industrial Corp.	Chairman, serve as Chief executive officer concurrently, and President of Wah Lee Industrial Corp. Chief Strategy Officer of Wah Hong Industrial Corp. Chairman of Raycong Industrial (Hong Kong) Limited Chairman of DongGuan HuaGang International Trading Co., Ltd. Chairman of Shanghai Yi Kang Chemicals & Industries Co., Ltd. Chairman of Wah Lee Tech (Singapore) Pte. Ltd. Chairman of Wah Tech Industrial Co., Ltd. Chairman of Wah Lee Holding Limited (BVI) Chairman of Advance Hightech Solutions Inc. Chairman of Nagase Wahlee Plastics Corp.	27,135,978

Name of director candidate	Gender	Major academic qualifications	Major work experience	Current position	Shareholding (Unit: shares)
				Chairman of Wah Hong Holding Ltd. Chairman of Wah Hong Technology Ltd. Chairman of Wah Hong International Ltd. Chairman of SHC Holding Ltd. Chairman of Ting Bao Co., Ltd. Director of Phoenix II Venture Capital Co., Ltd. Director of Shanghai Hua Chang Trading Co., Ltd. Director of ORC Technology Corp. Director of Huaying Supply Chain Management(SZ) Co., Ltd. Director of ORC Electrical Machinery Co., Ltd. Director of Regent King International Limited	
Bau Guang Investment Co. Ltd. Representatives: Lu-Hui, Huang	Female	Master in Business Administration at the University of California, Los Angeles (UCLA)	Executive Assistant to the Chairman of Wah Lee Industrial Corp.	Director and Executive Assistant to the Chairman of Wah Lee Industrial Corp. Director of Chang Wah Electromaterials Inc. Supervisor of Shanghai Yi Kang Chemicals & Industries Co., Ltd.	1,427,357
Ching-Pin, Yeh	Male	EMBA of National Sun Yat-sen University	Senior Vice President of Wah Lee Industrial Corp.	President of Wah Hong Industrial Corp. Director of Wah Lee Industrial Corp. Director of Jin Tai Shun Industrial Corp. Director of Wah Ma Technology Sdn Bhd Director of Jun Hong Optronics Corporation Director of Feng Huang Wu Innovation Venture Capital Co., Ltd.	1,494,994

Name of director candidate	Gender	Major academic qualifications	Major work experience	Current position	Shareholding (Unit: shares)
Chih-Cheng, Wu	Male	EMBA of National Cheng Kung University	President of Hong Ya Technology Corporation	Director of IMAT Corporation Director of Wah Sheng Industrial Corp. Director of Silican Battery Inc. Supervisor of Sun Hong Optronics Ltd.	574,129

Name of independent director candidate	Gender	Major academic qualifications	Major work experience	Current position	Shareholding
Liang-Chien, Li	Male	Graduated from National Cheng Kung University with a Doctor of Department of Transportation and Communication Management Science.	Dean of the Department of Finance and Extension Education Center, I-Shou University Chief Executive Officer of the in-service Master Program of the College of Management, I-Shou University Vice President of Administration, I-Shou University Director of Finance Bureau Kaohsiung City Government	Professor of Department of Finance, I-Shou University Minister of Kaohsiung Youth League Committee, China Youth Corps. Chairman of Kaohsiung National Cheng Kung University Alumni Association Cultural Educational Foundation Supervisor of Syin-Lu Social Welfare Foundation Director of Guo-Sheng Cultural and Educational Foundation	0
Kuan-Neng, Chen	Male	Doctor of Department of Electrical Engineering and Information Science, Massachusetts Institute of Technology Master of Materials Science and Engineering, Massachusetts Institute of Technology	Researcher at IBM Watson Research Center Executive Director of Taiwan Electronic Materials and Components Association Professor, Distinguished Professor, and Chair Professorship of National Chiao Tung University	Dean of the School of International Semiconductor Industry, National Yang Ming Chiao Tung University Chair Professorship of Institute of Electronics, National Yang Ming Chiao Tung University Distinguished researcher at the Industrial Technology Research Institute Chief Scientist of TRON Future Tech Inc. Executive Director of Taiwan Electronic Materials and Components Association	0

Name of independent director candidate	Gender	Major academic qualifications	Major work experience	Current position	Shareholding
I -Yu, Huang	Male	PhD in Engineering, Department of Electrical Engineering, National Tsing Hua University	Professor, Director, and Vice President of National Sun Yat-sen University CEO of the Southern Joint Service Center of the Executive Yuan Director of the Academia-Industry Consortium For Southern Science Park	Dean of the School of Semiconductors and Key Technology Research, National Sun Yat-sen University Distinguished Professor at the Institute of Innovative Semiconductor Manufacturing, National Sun Yat-sen University	0

4. This election was conducted in accordance with the Company's "Regulations Governing the Election of Directors". Please refer to Appendix 4 on pages 89 to 90 of this Handbook.

Election result:

Other Proposals

(Made by board of directors)

Reason: Proposal to lift the restrictions on the non-competition of the new directors and their representatives is submitted for resolution.

Description:

1. Subject to Article 209 of the Company Act, directors shall explain to the Shareholders' Meeting the important contents of, and obtain its approval for, the actions to be taken by them for themselves or for others within the Company's business scope.
2. To leverage the expertise and relevant experience of the Company's directors, and without compromising the interests of the Company, we request approval to cancel the non-competition restrictions on the newly directors and their representatives.
3. The contents of the proposal for cancellation of the non-competition restrictions on the new directors and their representatives are as follows:

Title	Name	Current duties in the other companies
Corporate director	Wah Lee Industrial Corp.	Corporate director of Daily Polymer Corporation Corporate director of Tetrahedron Technology Corporation Corporate director of Forcera Materials Co., Ltd. Corporate director of Nagase Wahlee Plastics Corp. Corporate director of Chang Wah Electromaterials Inc Corporate director of ORC Technology Corp. Corporate director of ORC Electrical Machinery Co., Ltd. Corporate director of Asahi Kasei Wah Lee Hi-Tech Corporation Corporate director of Kingstone Energy Technology Corporation Corporate director of Tranceed Logistics Co., Ltd. Corporate director of Minima Technology Co., Ltd. Corporate director of Evergreen New Energy Corporation Corporate director of CNI Powerenergy Technology Co., Ltd. Corporate director of High Tech Gas Company Ltd. Corporate director of Phoenix II Venture Capital Co., Ltd. Corporate director of Innovation Service Co., Ltd. Corporate supervisor Taigene Biotechnology Co., Ltd.

Title	Name	Current duties in the other companies
Representative of director	Wah Lee Industrial Corp. Representative: Tsuen-Hsien, Chang	Chairman, serve as Chief executive officer concurrently, and President of Wah Lee Industrial Corp. Chairman of Raycong Industrial (Hong Kong) Limited Chairman of DongGuan HuaGang International Trading Co., Ltd. Chairman of Shanghai Yi Kang Chemicals & Industries Co., Ltd. Chairman of Wah Lee Tech (Singapore) Pte. Ltd. Chairman of Wah Tech Industrial Co., Ltd. Chairman of Wah Lee Holding Limited (BVI) Chairman of Advance Hightech Solutions Inc. Chairman of Nagase Wahlee Plastics Corp. Chairman of Wah Hong Holding Ltd. Chairman of Wah Hong Technology Ltd. Chairman of Wah Hong International Ltd. Chairman of SHC Holding Ltd. Chairman of Ting Bao Co., Ltd. Director of Phoenix II Venture Capital Co., Ltd. Director of Shanghai Hua Chang Trading Co., Ltd. Director of ORC Technology Corp. Director of Huaying Supply Chain Management(SZ) Co., Ltd. Director of ORC Electrical Machinery Co., Ltd. Director of Regent King International Limited
Representative of director	Bau Guang Investment Co. Ltd. Representative: Lu-Hui, Huang	Director of Wah Lee Industrial Corp. Director of Chang Wah Electromaterials Inc Supervisor of Shanghai Yi Kang Chemicals & Industries Co., Ltd.
Director	Ching-Pin, Yeh	Director of Wah Lee Industrial Corp. Director of Jin Tai Shun Industrial Corp. Director of Wah Ma Technology Sdn Bhd Director of Jun Hong Optronics Corporation Director of Feng Huang Wu Innovation Venture Capital Co., Ltd.
Director	Chih-Cheng, Wu	Chairman of Wah Sheng Industrial Corp. Director of IMAT Corporation Director of Silican Battery Inc. Supervisor of Sun Hong Optronics Ltd.

Resolution:

Extemporaneous Motions

Adjournment of the Meeting

Wah Hong Industrial Corporation

2024 Business Report

According to data from the International Monetary Fund (IMF), the global economic growth rate in 2024 was 3.2%, equal to the level in 2023 but lower than the pre-pandemic average level. The continued impact of inflation, the Russia-Ukraine War, climate change, and the escalating US-China tariff and trade war in 2024 has made the progress of economic recovery relatively slow. The consolidated revenue in 2024 was NT\$7.51 billion, an annual decrease of about 0.08%. In terms of profitability, the operating net income amounted to NT\$237 million, full-year consolidated net income after tax was NT\$311 million (better than the last year), current net income attributable to the Company's shareholders amounted to NT\$300 million, and after-tax earnings per share were NT\$3.04.

In terms of financial position, the consolidated debt ratio was 38%, the consolidated current and quick ratios were 230% and 193% respectively, the ratio of long-term capital to fixed assets was 397%, and the return on shareholders' equity was 7%. The overall financial structure and solvency were stable and healthy. The annual R&D expenses was NT\$220 million, accounting for 3% of the consolidated revenue, mainly focusing on the development of high-end coating technology, various niche functional films and highly insulating thermal conductive materials to satisfy customers' needs with customized services and maintain industry competitiveness through differentiation.

The following is the brief report of 2024 annual business results, 2025 annual business plan, future company development, the impact from external competition, regulatory environment and the overall economic environment:

1. 2024 Business Report

(1) Implementation results of the business plan

Unit: NT\$ thousand

Item	2024	2023	Difference	
			Amount	%
Operating revenue - net	7,512,293	7,518,472	(6,179)	-0.08%
Operating costs	6,413,888	6,467,054	(53,166)	-0.82%
Gross profit	1,098,405	1,051,418	46,987	4.47%
Operating expenses	861,512	802,993	58,519	7.29%
Operating income	236,893	248,425	(11,532)	-4.64%
Non-operating income and expenses	225,035	42,616	182,419	428.05%
Profit before income tax	461,928	291,041	170,887	58.72%
Income tax expenses	(150,622)	(69,610)	(81,012)	116.38%
Net profit for the year	311,306	221,431	89,875	40.59%

(2) Budget execution: The Company did not publish 2024 financial forecast.

(3) Profitability analysis:

Unit: NT\$ thousand

Analysis item		Financial information for the latest 5 years				
		2020	2021	2022	2023	2024
Profitability	Return on assets (%)	3.17	5.23	3.56	3.36	4.6
	Return on equity (%)	6.19	11.08	6.69	5.18	6.82
	Percentage of net profit before tax to the paid-in capital (%)	33.43	71.45	42.3	29.1	46.19
	Net profit rate (%)	2.36	4.17	3.09	2.95	4.14
	Earnings per share (NT\$)	2.21	4.39	2.66	2.05	3.04

(4) Financial revenue and expenditure

The Company booked operating revenue of NT\$7,512,293 thousand in 2024, operating cost of NT\$6,413,888 thousand, operating gross profit of NT\$1,098,405 thousand, operating expenses of NT\$861,512 thousand, operating net profit of NT\$236,893 thousand, non-operating income and expenses of NT\$225,035 thousand, net profit before tax of NT\$461,928 thousand, and net profit after tax of NT\$311,306 thousand.

(5) Research and development

A. 2024 Research and development expenditures

Unit: NT\$ thousand

Item	2023	2024
R&D expenditure	229,285	220,278
Operating revenues	7,518,472	7,512,293
R&D expenditure / Operating revenue %	3.05%	2.93%

B. Future product development direction

According to an important policy of Taiwan's Executive Yuan, the “Great South New Silicon Valley Promotion Program” will not only integrate the existing international advantages of semiconductor, biotechnology and medical materials, precision machinery, and photovoltaic and green energy industries in southern Taiwan, but also introduce drone, space industry, intelligent robotics and intelligent agriculture in the future, in order to create the Great South Industrial Ecosystem centered on AI technology and comprehensively enhance the competitiveness of Taiwan in the global technology industry. Wah Hong will continue to develop high added-value and special differentiated products, and cooperate with our customers. For example, the development of semiconductor packaging film, various types of optical films used in automotive displays, customized coating materials, and battery modules for drones has driven product innovations and diversified applications, creating more possibilities for

the Company's future.

2. 2025 Business plan outline

(1) Impact from external competitive environment, regulatory environment, and overall macroeconomic environment

A. External competitive environment

Compared with the competitors, Wah Hong has economies of scale, and large-scale production can reduce long-term average costs over time. In addition, Wah Hong has more diversified products (coatings, functional materials, thermal conduction products, etc.) than our competitors, which allows us to expand into different areas of the industry to seize market opportunities and gain priority in obtaining development opportunities with more potential customers for joint research and development.

Therefore, diversifying our business operations and sales channels, strengthening our customized and differentiated marketing strategies, and providing products that match industry trends and market demands have always been our goals.

B. Regulatory environment

In recent years, there have been certain standards and regulations regarding the sustainable development and ESG issues in the world. In accordance with the requirements of the competent authorities and laws and regulations, in addition to obtaining international management system standard certifications such as ISO 9000, 14001, 50001, 27001, 14064-1 and IATF16949, Wah Hong has also begun to carry out the ISO 14067 Carbon Footprint Certification and the ISO 45001 Occupational Health and Safety Management System, and has completed the setup of air pollution prevention equipment and wastewater treatment system. The Company's products comply with relevant laws and regulations and international standards, such as EU RoHS, halogen-free and flame-resistant standards, and many plastic products have obtained UL or SGS certification without any hazardous substances, minimizing their environmental impact.

C. Macro economic environment

The year 2025 is a very difficult year for the manufacturing industry due to the complex economic factors of the external environment. Although the demand in the consumer market tends to be weak, Mini-LED, Micro-LED, OLED, HDR, AR/VR all show that the display industry is still constantly trying new research and development for upgrade and transformation. In 2025, all divisions of Wah Hong have been actively expanding their business to other countries, both products and geographical locations, in the hope that more customers from other countries could recognize Wah Hong. In 2025, TrendForce predicts that Micro LED TV shipments will steadily grow, and major TV brands will join the TV market. The output value of Micro LED TV market is expected

to reach US\$185 million, with a compound growth rate of 119% from 2023 to 2028. In addition, TrendForce also predicts that the electronic paper market is expected to reach US\$20.34 billion (approximately NT\$662.4 billion) by 2026, with a compound annual growth rate of over 14.5% for electronic paper displays from 2024 to 2032.

In addition, the High Performance Material Business Division is actively developing high-capacitance battery modules for drones. Drones have demonstrated the important roles in the Russia-Ukraine War and Israeli-Palestinian conflict, as they are frequently used to spy on enemy and launch attacks. Taiwan government also hopes to build Taiwan into a major drone production hub in the Asia Pacific region. 2025 is the first year of drone development in Taiwan, and it is estimated that the overall output value will reach NT\$25 billion by 2030, with a compound annual growth rate of 52% compared to 2024.

(2) Specific policies and business strategies

A. Customized coating materials:

- (A) Micro-LED/mini-LED packaging and materials: Used for displays of various sizes and purposes.
- (B) Customization of various optical films: Used for outdoor bus stop signs/outdoor displays, NB displays combined with AI related products, etc.
- (C) EV: The instrument panel design has been changed to dual screens/integrated screens, expanding the area of various optical materials.
- (D) Curing film: Used for semiconductors, PCB, displays.

B. Functional materials:

- (A) Battery module: Customized military, commercial, and agricultural drones.
- (B) For EV: EV electronic power supply frame, 3C transformer, EV drive motor rotor, and new ADB headlight.

C. Development of energy-saving and carbon-reducing processes, as well as waste recycling.

The above concludes Wah Hong's 2024 operating results and future development strategies. Looking ahead, the Company will continue to expand products, technologies and channels, establish a long-term partnership of coexistence and co-prosperity with customers and suppliers, and achieve the four major missions of developing new technologies, producing forward-looking materials, protecting environment, and fulfilling social responsibilities. Finally, the Company would like to thank all shareholders for their who have long-term trusted and supported to Wah Hong so long.

Sincerely

Good health good luck

Chairman:
Tsuen-Hsien, Chang

President:
Ching-Pin, Yeh

Chief Accounting Officer:
Hui-Jung, Chang-Chien

Auditing Committee's Audit Report

The Board of Directors submitted the Company's business report, financial statements, and profit distribution proposal for the year 2024. The financial statements have been audited by CPA Chiu-Yen, Wu and CPA Tzu-Yuan, Chang of Deloitte & Touche and an audit report has been issued. The aforementioned business report, financial statements, and profit distribution proposal have been audited by our Audit Committee, and no discrepancies have been found. Therefore, in accordance with relevant regulations of the Securities and Exchange Act and the Company Act, this report is hereby submitted for your review.

Wah Hong Industrial Corporation

Auditing Committee Convener: Chen-Chi, Ma

March 11, 2025

Wah Hong Industrial Corporation

Implementation status of the fourth transfer of treasury shares to employees

Repurchase serial number	Fourth meeting
Repurchase purpose	For the transfer of shares to employees
Actual repurchase period	November 11, 2019 - December 2, 2019
Repurchase range price	NT\$ 20 to 35 per share
Type and number of shares repurchase	1,484,000 common shares
Amount of shares repurchase	NT\$40,267,170
The ratio of the purchased number to the planned number (%)	74.20%
Number of shares that have been canceled and transferred	1,484,000 shares
Cumulative number of shares that the Company holds	---
The ratio of the cumulative number of shares that the Company holds to the total number of issued shares (%)	---
Remark	Transferred to employees on September 3, 2024.

Independent Auditor 's Report

The Board of Directors and Shareholders
Wah Hong Industrial Corporation

Audit Opinion

We have audited the accompanying individual financial statements of Wah Hong Industrial Corporation (the “Company”), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the individual financial statements, including a summary of significant accounting policies.

In our opinion, the said individual financial statements were prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and present fairly and sufficiently the position of the Company as of December 31, 2024 and 2023, and its performance and its cash flows for the years then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the individual financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide as separate opinion on these matters.

The key audit matter of the Company's individual financial statements for the year ended December 31, 2024 is discussed as follows:

Occurrence of revenue from specific customers

The main revenue of the Company comes from the sales of LCD optical materials and other products. As the sales revenue from specific customers had a significant increase compared with the previous year, the auditor regards the authenticity of the sales revenue of these specific customers as a key audit item in accordance with the provisions of auditing standards on presupposing revenue as a significant risk.

For the revenue-recognition accounting policies, please refer to Note IV of the financial report.

The main audit procedures that we performed to address the occurrence of the revenue from specific customers were as follows:

- I. We understood and tested the design and operating effectiveness of the internal controls relevant to shipment and revenue recognition.
- II. Obtain detailed information on sales revenue from specific customers and select appropriate samples, review the documents such as shipment declaration or receipt, and check the proof of receipt of payment and whether it is consistent with the target of the shipment to confirm that the revenue has actually occurred.

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

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

In preparing the individual 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 members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect any material misstatement in the individual statements. Misstatements may be a result of fraud or error. Misrepresentation of individual amounts or aggregated amounts is considered material if it can reasonably be expected to affect economic decisions made by users of financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- I. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or go beyond the internal control.
- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual 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.
- V. Evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the individual financial statements. We are responsible for the direction, supervision and performance of

the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chiu-Yen, Wu and Tzu-Yuan, Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 11, 2025

Notice to Readers

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

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

WAH HONG INDUSTRIAL CORP.
INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes IV and VI)	\$ 252,319	4	\$ 229,950	4
1110	Financial assets at fair value through profit or loss – current (Notes IV and VII)	103,513	2	82,736	1
1150	Notes receivable (Notes IV, IX and XXI)	25,887	-	24,981	-
1170	Accounts receivable, net (Notes IV, IX and XXI)	611,260	10	687,815	10
1180	Accounts receivable – related parties (Notes IV, IX, XXI and XXVIII)	653,395	10	760,740	12
1200	Other receivables (Note XXVIII)	21,502	-	15,073	-
130X	Inventories (Notes IV and X)	273,679	4	199,550	3
1479	Other current assets	5,448	-	16,875	-
11XX	Total current assets	<u>1,947,003</u>	<u>30</u>	<u>2,017,720</u>	<u>30</u>
	Non-current assets				
1510	Financial assets at fair value through other comprehensive income (Notes IV and VIII)	841,834	13	678,180	10
1550	Investments accounted for using equity method (Notes IV and XI)	3,008,263	47	3,330,001	50
1600	Property, plant and equipment (Notes IV, XII, XXVIII, XXIX and XXX)	514,037	8	543,300	8
1755	Right-of-use assets (Notes IV and XIII)	11,109	-	19,665	-
1780	Other intangible assets	40,353	1	27,098	1
1840	Deferred income tax assets (Notes IV and XXIII)	30,632	1	50,261	1
1920	Refundable deposits	3,245	-	3,250	-
1990	Other non-current assets	892	-	2,361	-
15XX	Total non-current assets	<u>4,450,365</u>	<u>70</u>	<u>4,654,116</u>	<u>70</u>
1XXX	Total	<u>\$ 6,397,368</u>	<u>100</u>	<u>\$ 6,671,836</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term loans (Note XIV)	\$ 186,779	3	\$ 775,068	12
2110	Short-term bills payable (Note XV)	-	-	170,000	3
2120	Financial liabilities at fair value through profit or loss – current (Notes IV and VII)	782	-	-	-
2170	Accounts payable (Note XVI)	457,550	7	500,205	7
2180	Accounts Payables to related parties (Notes XVI and XXVIII)	22,299	-	16,991	-
2219	Other payables (Note XVII)	361,868	6	327,436	5
2280	Lease liabilities – current (Notes IV and XIII)	8,905	-	9,118	-
2230	Current tax liabilities (Notes IV and XXIII)	23,931	1	11,112	-
2399	Other current liabilities (Notes IV and XXI)	9,578	-	9,758	-
21XX	Total current liabilities	<u>1,071,692</u>	<u>17</u>	<u>1,819,688</u>	<u>27</u>
	Non-current liabilities				
2540	Long-term loans (Notes XVIII and XXIX)	490,736	8	458,802	7
2570	Deferred income tax liabilities (Notes IV and XXIII)	123,233	2	156,272	2
2580	Lease liabilities – non-current (Notes IV and XIII)	2,506	-	10,949	-
2640	Net defined benefit liability (Notes IV and XIX)	10,533	-	27,073	1
2645	Guarantee deposits received	439	-	877	-
25XX	Total non-current liabilities	<u>627,447</u>	<u>10</u>	<u>653,973</u>	<u>10</u>
2XXX	Total liabilities	<u>1,699,139</u>	<u>27</u>	<u>2,473,661</u>	<u>37</u>
	Equity (Note XX)				
3100	Share capital	<u>1,000,044</u>	<u>15</u>	<u>1,000,044</u>	<u>15</u>
3200	Capital surplus	<u>2,024,506</u>	<u>32</u>	<u>2,048,734</u>	<u>31</u>
	Retained earnings				
3310	Legal reserve	517,979	8	497,824	7
3320	Special reserve	343,151	5	368,706	6
3350	Unappropriated earnings	861,472	14	666,247	10
3300	Total retained earnings	<u>1,722,602</u>	<u>27</u>	<u>1,532,777</u>	<u>23</u>
3400	Other equity	(48,923)	(1)	(343,152)	(5)
3500	Treasury stock (Note XX)	-	-	(40,228)	(1)
3XXX	Total equity	<u>4,698,229</u>	<u>73</u>	<u>4,198,175</u>	<u>63</u>
	Total	<u>\$ 6,397,368</u>	<u>100</u>	<u>\$ 6,671,836</u>	<u>100</u>

The accompanying notes are an integral part of the individual financial statements.

WAH HONG INDUSTRIAL CORP.
INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2024		2023	
		Amount	%	Amount	%
4100	Operating revenue (Notes IV, XXI and XXVIII)	\$ 3,819,744	100	\$ 3,661,241	100
5110	Operating costs (Notes X, XXII and XXVIII)	<u>3,274,128</u>	<u>86</u>	<u>3,145,782</u>	<u>86</u>
5900	Gross profit	545,616	14	515,459	14
5910	Unrealized gross profit of associate company	(10,133)	-	(11,660)	-
5920	Realized gross profit of associate company	<u>13,862</u>	<u>-</u>	<u>15,837</u>	<u>-</u>
5950	Realized gross profit	<u>549,345</u>	<u>14</u>	<u>519,636</u>	<u>14</u>
	Operating expenses (Notes IX and XXII)				
6100	Selling and marketing expenses	103,897	3	106,960	3
6200	General and administrative expenses	249,194	6	216,089	6
6300	Research and development	148,460	4	154,267	4
6450	Expected credit impairment loss (reversal of benefits)	(<u>179</u>)	<u>-</u>	<u>87</u>	<u>-</u>
6000	Total operating expenses	<u>501,372</u>	<u>13</u>	<u>477,403</u>	<u>13</u>
6900	Operating income	<u>47,973</u>	<u>1</u>	<u>42,233</u>	<u>1</u>
	Non-operating income and expenses (Notes XXII and XXVIII)				
7100	Interest revenue	4,001	-	3,104	-
7010	Other revenue	75,437	2	100,863	3
7020	Other gains and losses	41,751	1	2,744	-
7050	Finance costs	(59,093)	(1)	(64,985)	(2)
7070	Share of profits of subsidiaries and associates	<u>223,997</u>	<u>6</u>	<u>144,291</u>	<u>4</u>
7000	Total non-operating income and expenses	<u>286,093</u>	<u>8</u>	<u>186,017</u>	<u>5</u>

(Continued)

(Continued from previous page)

Code		2024		2023	
		Amount	%	Amount	%
7900	Profit before income tax	\$ 334,066	9	\$ 228,250	6
7950	Income tax expense (Notes IV and XXIII)	(32,945)	(1)	(25,869)	(1)
8200	Net profit for the year	<u>301,121</u>	<u>8</u>	<u>202,381</u>	<u>5</u>
	Other comprehensive income (loss) (Notes XIX, XX and XXIII)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	10,902	-	(1,039)	-
8316	Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	157,220	4	69,937	2
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(2,181)	-	208	-
		<u>165,941</u>	<u>4</u>	<u>69,106</u>	<u>2</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	1,835	-	(21)	-
8380	Share of other comprehensive gain (loss) of subsidiaries accounted for using the equity method	169,426	5	(55,457)	(1)
8399	Income tax relating to items that may be reclassified	(34,252)	(1)	11,095	-
		<u>137,009</u>	<u>4</u>	<u>(44,383)</u>	<u>(1)</u>
8300	Other comprehensive gain (loss) for the year, net of income tax	<u>302,950</u>	<u>8</u>	<u>24,723</u>	<u>1</u>
8500	Total comprehensive income for the year	<u>\$ 604,071</u>	<u>16</u>	<u>\$ 227,104</u>	<u>6</u>
	Earnings per share (Note XXIV)				
9710	Basic	<u>\$ 3.04</u>		<u>\$ 2.05</u>	
9810	Diluted	<u>\$ 2.99</u>		<u>\$ 2.02</u>	

The accompanying notes are an integral part of the individual financial statements.

WAH HONG INDUSTRIAL CORP.
INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

Code		Share capital	Capital surplus	Retained earnings			Exchange differences on translation of the financial statements of foreign operations	Other equity	Total	Treasury stock	Total equity
				Legal reserve	Special reserve	Unappropriated earnings		Unrealized gain (loss) on financial assets at fair value through other comprehensive income			
A1	Balance at January 1, 2023	\$ 1,000,044	\$ 2,048,734	\$ 470,193	\$ 310,734	\$ 698,081	(\$ 240,008)	(\$ 128,698)	(\$ 368,706)	(\$ 40,228)	\$ 4,118,852
	Appropriation of 2022 earnings (Note XX)										
B1	Legal reserve	-	-	27,631	-	(27,631)	-	-	-	-	-
B3	Special reserve	-	-	-	57,972	(57,972)	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	(147,781)	-	-	-	-	(147,781)
		-	-	27,631	57,972	(233,384)	-	-	-	-	(147,781)
D1	Net profit for the year ended December 31, 2023	-	-	-	-	202,381	-	-	-	-	202,381
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(831)	(44,383)	69,937	25,554	-	24,723
D5	Total comprehensive income for the year ended December 31, 2023	-	-	-	-	201,550	(44,383)	69,937	25,554	-	227,104
Z1	Balance at December 31, 2023	1,000,044	2,048,734	497,824	368,706	666,247	(284,391)	(58,761)	(343,152)	(40,228)	4,198,175
	Appropriation of 2023 earnings (Note XX)										
B1	Legal reserve	-	-	20,155	-	(20,155)	-	-	-	-	-
B3	Reversal of special surplus reserve	-	-	-	(25,555)	25,555	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	(118,224)	-	-	-	-	(118,224)
		-	-	20,155	(25,555)	(112,824)	-	-	-	-	(118,224)
C7	Changes in associates accounted for using equity method (Note XI)	-	-	-	-	(1,793)	-	-	-	-	(1,793)
C15	Distribution of cash dividends from capital reserves (Note XX)	-	(29,556)	-	-	-	-	-	-	-	(29,556)
D1	Net profit for the year ended December 31, 2024	-	-	-	-	301,121	-	-	-	-	301,121
D3	Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	8,721	137,009	157,220	294,229	-	302,950
D5	Total comprehensive income for the year ended December 31, 2024	-	-	-	-	309,842	137,009	157,220	294,229	-	604,071
N1	Share-based payment (Note XXV)	-	5,328	-	-	-	-	-	-	40,228	45,556
Z1	Balance at December 31, 2024	\$ 1,000,044	\$ 2,024,506	\$ 517,979	\$ 343,151	\$ 861,472	(\$ 147,382)	\$ 98,459	(\$ 48,923)	\$ -	\$ 4,698,229

The accompanying notes are an integral part of the individual financial statements.

WAH HONG INDUSTRIAL CORP.
INDIVIDUAL STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

Code		2024	2023
	Cash flows from operating activities		
A10000	Profit before income tax	\$334,066	\$228,250
A20010	Adjustments for:		
A20100	Depreciation expense	76,557	82,683
A20200	Amortization expense	35,590	37,457
A20300	Expected credit impairment loss (reversal of benefits)	(179)	87
A20400	Gain on financial instruments at fair value through profit or loss	(11,514)	(6,605)
A20900	Finance costs	59,093	64,985
A21200	Interest revenue	(4,001)	(3,104)
A21300	Dividend revenue	(37,302)	(43,831)
A21900	Employee stock option compensation cost	5,328	-
A22400	Share of profit of associates accounted for using the equity method	(223,997)	(144,291)
A22500	Loss (Gain) on disposal of property, plant and equipment, net	(1,096)	91
A23700	Inventory recovery benefits	(2,410)	(10,374)
A23900	Unrealized gross profit of associate company	10,133	11,660
A24000	Realized gross profit of associate company	(13,862)	(15,837)
A24100	Unrealized net loss(gain) on foreign exchange	40,028	(12,759)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(906)	(4,732)
A31150	Accounts receivable	184,079	(191,903)
A31180	Other receivables	(6,066)	(1,193)
A31200	Inventories	(71,719)	148,796
A31230	Other current assets	11,427	(9,948)
A32150	Accounts payable	(37,347)	(2,810)
A32180	Other payables	41,340	(4,006)
A32230	Other current liabilities	(180)	(1,675)
A32240	Net defined benefit liabilities	(5,638)	(11,474)
A33000	Cash generated from operations	381,424	109,467
A33100	Interest received	4,001	3,104
A33200	Dividends received	36,939	44,743
A33300	Interest paid	(60,410)	(56,771)
A33500	Income tax paid	(69,969)	(56,583)
AAAA	Net cash generated from operating activities	<u>291,985</u>	<u>43,960</u>

(Continued)

(Continued from previous page)

Code		2024	2023
	Cash flows from investing activities		
B00010	Purchase of financial assets at fair value through other comprehensive income	\$ -	(\$ 8,728)
B00200	Disposal of financial assets at fair value through profit or loss	(8,481)	14,230
B02700	Payments for property, plant and equipment	(43,826)	(52,123)
B02800	Proceeds from disposal of property, plant and equipment	405	2,701
B03800	Decrease (increase) in guarantee deposits paid	5	(78)
B04500	Acquisitions of Intangible assets	(47,375)	(48,821)
B07600	Cash Dividend on acquisition of subsidiaries	<u>388,170</u>	<u>383,686</u>
BBBB	Net cash inflows from investing activities	<u>288,898</u>	<u>290,867</u>
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	(596,517)	(703,391)
C00500	Increase (decrease) in short-term notes payable	(170,000)	170,000
C03100	Decrease in guarantee deposits received	(438)	(440)
C04020	Repayment of the principal portion of lease liabilities	(9,094)	(8,898)
C04500	Cash dividends	(147,781)	(147,781)
C05100	Transfer of treasury stocks to employees	40,228	-
C05400	Payment of ownership interests in subsidiaries	-	(57,885)
C09900	Refund of stock capital from capital reduction of subsidiaries	<u>325,088</u>	<u>255,960</u>
CCCC	Net cash used in financing activities	(<u>558,514</u>)	(<u>492,435</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	22,369	(157,608)
E00100	Cash and cash equivalents at the beginning of the year	<u>229,950</u>	<u>387,558</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$252,319</u>	<u>\$229,950</u>

The accompanying notes are an integral part of the individual financial statements.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Wah Hong Industrial Corporation

Audit Opinion

We have audited the accompanying consolidated financial statements of Wah Hong Industrial Corporation (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statement present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those CPA's professional judgments, which are also the most significance matters in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2024 is discussed as follows:

Occurrence of revenue from specific customers

The main revenue of the Group comes from the sales of LCD optical materials and other products. As the sales revenue from specific customers had a significant increase compared with the previous year, the auditor regards the authenticity of the sales revenue of these specific customers as a key audit item in accordance with the provisions of auditing standards on presupposing revenue as a significant risk.

For the revenue-recognition accounting policies, please refer to Note IV of the financial report.

The main audit procedures that we performed to address the occurrence of the revenue from specific customers were as follows:

- I. We understood and tested the design and operating effectiveness of the internal controls relevant to shipment and revenue recognition.
- II. Obtain detailed information on sales revenue from specific customers and select appropriate samples, review the documents such as shipment declaration or receipt, and check the proof of receipt of payment and whether it is consistent with the target of the shipment to confirm that the revenue has actually occurred.

Other Matter

We have also audited the parent company - Wah Hong Industrial Corporation's financial report as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the IFRS, IAS, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are

free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable confidence is high confidence, but there is no guarantee that the audit work performed in accordance with the auditing standards will be able to detect material misrepresentations in the consolidated financial report. Misstatements may be a result of fraud or error. Misrepresentation of individual amounts or aggregated amounts is considered material if it can reasonably be expected to affect economic decisions made by users of consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- I. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. Implement an appropriate countermeasures based on the assessment of risk design; and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or go beyond the internal control.
- II. 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.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. Regarding the appropriateness of the going concern that management adopted, 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, we have to make a conclusion

according to the evidence audited. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions might cause the Group to cease the continue as a going concern.

- V. 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.
- VI. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chiu-Yen, Wu and Tzu-Yuan, Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 11, 2025

Notice to Readers

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

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes IV and VI)	\$ 1,061,762	14	\$ 1,182,925	15
1110	Financial assets at fair value through profit or loss – current				
	(Notes IV and VII)	245,114	3	432,536	5
1150	Notes receivable (Notes IV, IX and XXIV)	395,111	5	360,135	4
1170	Accounts receivable, net (Notes IV, IX, XXIV and XXXI)	2,502,314	32	2,526,933	32
1200	Other receivables, net (Notes IV, IX, and XXXI)	27,952	-	18,207	-
1220	Current tax assets (Notes IV and XXVI)	2,563	-	3,660	-
130X	Inventories (Notes IV and X)	845,992	11	691,426	9
1476	Other financial assets (Notes XIII and XXXII)	177,722	2	151,694	2
1479	Other current assets	39,691	1	56,152	1
11XX	Total current assets	5,298,221	68	5,423,668	68
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes IV and VIII)	849,140	11	691,920	9
1550	Investments accounted for using equity method (Notes IV and XII)	-	-	5,298	-
1600	Property, plant and equipment (Notes IV, XV, XXXI and XXXII)	1,392,711	18	1,474,132	19
1755	Right-of-use assets (Notes IV and XVI)	152,092	2	206,218	3
1780	Other intangible assets (Note IV)	50,997	1	39,527	-
1840	Deferred tax assets (Notes IV and XXVI)	47,238	-	66,237	1
1920	Refundable deposits	26,197	-	25,623	-
1990	Other non-current assets	892	-	2,362	-
15XX	Total non-current assets	2,519,267	32	2,511,317	32
1XXX	Total	\$ 7,817,488	100	\$ 7,934,985	100
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Note XVII)	\$ 189,004	2	\$ 780,049	10
2110	Short-term bills payable (Note XVIII)	-	-	170,000	2
2120	Financial liabilities at fair value through profit or loss – current				
	(Notes IV and VII)	782	-	-	-
2150	Notes payable (Note XIX)	254,493	3	251,463	3
2170	Accounts payable (Notes XIX and XXXI)	1,227,558	16	1,088,691	14
2200	Other payables (Note XX)	529,181	7	508,377	6
2230	Current tax liabilities (Notes IV and XXVI)	44,390	1	16,193	-
2280	Lease liabilities - current (Notes IV and XVI)	31,494	-	41,559	1
2399	Other current liabilities (Note XXIV)	18,178	-	15,490	-
21XX	Total current liabilities	2,295,080	29	2,871,822	36
	Non-current liabilities				
2540	Long-term borrowings (Notes XXI and XXXII)	490,736	6	458,802	6
2570	Deferred tax liabilities (Notes IV and XXVI)	124,886	2	157,253	2
2580	Lease liabilities - non-current (Notes IV and XVI)	80,718	1	107,298	2
2640	Net defined benefit liabilities - non-current (Notes IV and XXII)	10,533	-	27,073	-
2645	Guarantee deposits received	1,409	-	1,887	-
25XX	Total non-current liabilities	708,282	9	752,313	10
2XXX	Total liabilities	3,003,362	38	3,624,135	46
	Equity attributable to owners of the company (Note XXIII)				
3100	Share capital	1,000,044	13	1,000,044	13
3200	Capital surplus	2,024,506	26	2,048,734	26
	Retained earnings				
3310	Legal reserve	517,979	7	497,824	6
3320	Special reserve	343,151	4	368,706	5
3350	Unappropriated earnings	861,472	11	666,247	8
3300	Total retained earnings	1,722,602	22	1,532,777	19
3400	Other equity	(48,923)	(1)	(343,152)	(4)
3500	Treasury stock (Note XXIII)	-	-	(40,228)	(1)
31XX	Total equity attributable to owners of the Company	4,698,229	60	4,198,175	53
36XX	Non-controlling interests (Note XXIII)	115,897	2	112,675	1
3XXX	Total equity	4,814,126	62	4,310,850	54
	Total	\$ 7,817,488	100	\$ 7,934,985	100

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2024		2023	
		Amount	%	Amount	%
4100	Operating revenue (Notes IV, XXIV and XXXI)	\$ 7,512,293	100	\$ 7,518,472	100
5110	Operating costs (Notes X, XXV and XXXI)	<u>6,413,888</u>	<u>85</u>	<u>6,467,054</u>	<u>86</u>
5900	Gross profit	<u>1,098,405</u>	<u>15</u>	<u>1,051,418</u>	<u>14</u>
	Operating expenses (Notes IX and XXV)				
6100	Selling and marketing expenses	211,355	3	223,262	3
6200	General and administrative expenses	411,147	6	356,390	5
6300	Research and development	220,278	3	229,285	3
6450	Expected credit impairment loss (reversal of benefits)	<u>18,732</u>	<u>-</u>	<u>(5,944)</u>	<u>-</u>
6000	Total operating expenses	<u>861,512</u>	<u>12</u>	<u>802,993</u>	<u>11</u>
6900	Operating income	<u>236,893</u>	<u>3</u>	<u>248,425</u>	<u>3</u>
	Non-operating income and expenses (Note XXV)				
7100	Interest revenue	24,265	-	24,709	1
7010	Other revenue	56,398	1	69,850	1
7020	Other gains and losses	211,666	3	22,235	-
7050	Finance costs	(63,789)	(1)	(69,029)	(1)
7060	Share of profit and loss of affiliated enterprises recognized by equity method	<u>(3,505)</u>	<u>-</u>	<u>(5,149)</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>225,035</u>	<u>3</u>	<u>42,616</u>	<u>1</u>
7900	Profit before income tax	461,928	6	291,041	4
7950	Income tax expense (Notes IV and XXVI)	<u>150,622</u>	<u>2</u>	<u>69,610</u>	<u>1</u>

(Continued)

(Continued from previous page)

Code		2024		2023	
		Amount	%	Amount	%
8200	Net profit for the year	\$ 311,306	4	\$ 221,431	3
	Other comprehensive income (Notes XXII, XXIII and XXVI)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	10,902	-	(1,039)	-
8316	Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	157,220	2	69,937	1
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(2,181)	-	208	-
8310		<u>165,941</u>	<u>2</u>	<u>69,106</u>	<u>1</u>
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	177,214	2	(57,827)	(1)
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	(34,252)	-	11,095	-
8360		<u>142,962</u>	<u>2</u>	<u>(46,732)</u>	<u>(1)</u>
8300	Other comprehensive gain (loss) for the year, net of income tax	<u>308,903</u>	<u>4</u>	<u>22,374</u>	<u>-</u>
8500	Total comprehensive income for the year	<u>\$ 620,209</u>	<u>8</u>	<u>\$ 243,805</u>	<u>3</u>
	Net profit attributable to:				
8610	Owners of the Company	\$ 301,121	4	\$ 202,381	3
8620	Non-controlling interests	10,185	-	19,050	-
8600		<u>\$ 311,306</u>	<u>4</u>	<u>\$ 221,431</u>	<u>3</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 604,071	8	\$ 227,104	3
8720	Non-controlling interests	16,138	-	16,701	-
8700		<u>\$ 620,209</u>	<u>8</u>	<u>\$ 243,805</u>	<u>3</u>

(Continued)

(Continued from previous page)

Code		2024		2023	
		Amount	%	Amount	%
	Earnings per share (Note XXVII)				
9710	Basic	<u>\$ 3.04</u>		<u>\$ 2.05</u>	
9810	Diluted	<u>\$ 2.99</u>		<u>\$ 2.02</u>	

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company											
		Retained earnings					Exchange differences on translation of the financial statements of foreign operations	Other equity Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total	Treasury stock	Total	Non-controlling interests	Total equity
Code		Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings							
A1	Balance at January 1, 2023	\$ 1,000,044	\$ 2,048,734	\$ 470,193	\$ 310,734	\$ 698,081	(\$ 240,008)	(\$ 128,698)	(\$ 368,706)	(\$ 40,228)	\$ 4,118,852	\$ 114,264	\$ 4,233,116
	Appropriation of 2022 earnings (Note XXIII)												
B1	Legal reserve	-	-	27,631	-	(27,631)	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	57,972	(57,972)	-	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	(147,781)	-	-	-	-	(147,781)	-	(147,781)
		-	-	27,631	57,972	(233,384)	-	-	-	-	(147,781)	-	(147,781)
D1	Net profit for the year ended December 31, 2023	-	-	-	-	202,381	-	-	-	-	202,381	19,050	221,431
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(831)	(44,383)	69,937	25,554	-	24,723	(2,349)	22,374
D5	Total comprehensive income for the year ended December 31, 2023	-	-	-	-	201,550	(44,383)	69,937	25,554	-	227,104	16,701	243,805
O1	Decrease in non-controlling interests (Note XXIII)	-	-	-	-	-	-	-	-	-	-	(18,290)	(18,290)
Z1	Balance at December 31, 2023	1,000,044	2,048,734	497,824	368,706	666,247	(284,391)	(58,761)	(343,152)	(40,228)	4,198,175	112,675	4,310,850
	Appropriation of 2023 earnings (Note XXIII)												
B1	Legal reserve	-	-	20,155	-	(20,155)	-	-	-	-	-	-	-
B3	Reversal of special surplus reserve	-	-	-	(25,555)	25,555	-	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	(118,224)	-	-	-	-	(118,224)	-	(118,224)
		-	-	20,155	(25,555)	(112,824)	-	-	-	-	(118,224)	-	(118,224)
C7	Changes in associates accounted for using equity method (Note XII)	-	-	-	-	(1,793)	-	-	-	-	(1,793)	-	(1,793)
C15	Distribution of cash dividends from capital reserves (Note XXIII)	-	(29,556)	-	-	-	-	-	-	-	(29,556)	-	(29,556)
D1	Net profit for the year ended December 31, 2024	-	-	-	-	301,121	-	-	-	-	301,121	10,185	311,306
D3	Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	8,721	137,009	157,220	294,229	-	302,950	5,953	308,903
D5	Total comprehensive income for the year ended December 31, 2024	-	-	-	-	309,842	137,009	157,220	294,229	-	604,071	16,138	620,209
N1	Share-based payment (Note XXVIII)	-	5,328	-	-	-	-	-	-	40,228	45,556	-	45,556
O1	Decrease in non-controlling interests (Note XXIII)	-	-	-	-	-	-	-	-	-	-	(12,916)	(12,916)
Z1	Balance at December 31, 2024	\$ 1,000,044	\$ 2,024,506	\$ 517,979	\$ 343,151	\$ 861,472	(\$ 147,382)	\$ 98,459	(\$ 48,923)	\$ -	\$ 4,698,229	\$ 115,897	\$ 4,814,126

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

WAH HONG INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

Code		2024	2023
	Cash flows from operating activities		
A10000	Profit before income tax	\$ 461,928	\$ 291,041
A20010	Adjustments for:		
A20100	Depreciation expense	240,805	245,856
A20200	Amortization expense	42,518	30,381
A20300	Expected credit impairment loss (reversal of benefits)	18,732	(5,944)
A20400	Gain on financial instruments at fair value through profit or loss	(21,135)	(22,041)
A20900	Finance costs	63,789	69,029
A21200	Interest revenue	(24,265)	(24,709)
A21300	Dividend revenue	(37,302)	(43,831)
A21900	Employee stock option compensation cost	5,328	-
A22300	Share of profit and loss of affiliated enterprises recognized by equity method	3,505	5,149
A22500	Loss on disposal of property, plant and equipment	8,428	3,577
A23000	Net profit from disposal of non-current assets held for sale	(162,701)	-
A23700	Inventories losses	13,996	5,279
A24100	Unrealized loss (gain) on foreign exchange	40,028	(12,528)
A29900	Others	(18)	-
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(35,028)	(171,405)
A31150	Accounts receivable	3,753	(8,508)
A31180	Other receivables	(8,487)	6,186
A31200	Inventories	(171,474)	302,777
A31240	Other current assets	16,460	(20,621)
A32130	Notes payable	3,030	137,796
A32150	Accounts payable	138,867	(103,670)
A32180	Other payables	30,333	(31,224)
A32230	Other current liabilities	2,687	(973)
A32240	Net defined benefit liabilities	(5,638)	(11,474)
A33000	Cash generated from operations	628,139	640,143
A33100	Interest received	24,957	24,381
A33200	Dividends received	36,939	44,743
A33300	Interest paid	(64,506)	(67,610)
A33500	Income tax paid	(170,471)	(195,604)
AAAA	Net cash generated from operating activities	<u>455,058</u>	<u>446,053</u>

(Continued)

(Continued from previous page)

Code		2024	2023
	Cash flows from investing activities		
B00010	Purchase of financial assets at fair value through other comprehensive income	\$ -	(\$ 20,952)
B00100	Purchase of financial assets at fair value through profit or loss	(169,489)	(773,296)
B00200	Disposal of financial assets at fair value through profit or loss	396,271	1,054,021
B02600	Proceeds from disposal of non-current assets held for sale	207,285	-
B02700	Payments for property, plant and equipment	(119,091)	(181,895)
B02800	Proceeds from disposal of property, plant and equipment	8,489	10,683
B03700	Decrease (increase) in guarantee deposits paid	559	(229)
B04500	Acquisitions of Intangible assets	(50,397)	(49,499)
B06500	Increase in other financial assets	(26,028)	(73,249)
BBBB	Net cash inflows (outflows) from investing activities	<u>247,599</u>	<u>(34,416)</u>
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	(599,564)	(726,076)
C00500	Increase (decrease) in short-term notes payable	(170,000)	170,000
C03100	Decrease in guarantee deposits received	(537)	(455)
C04020	Repayment of the principal portion of lease liabilities	(42,541)	(62,725)
C04500	Cash dividends	(147,781)	(147,781)
C05100	Transfer of treasury stocks to employees	40,228	-
C05800	Change in non-controlling interests	(12,916)	(18,290)
CCCC	Net cash used in financing activities	<u>(933,111)</u>	<u>(785,327)</u>
DDDD	Effect of exchange rate changes on the balance of cash and cash equivalents	<u>109,291</u>	<u>(26,400)</u>
EEEE	Net decrease in cash and cash equivalents	(121,163)	(400,090)
E00100	Cash and cash equivalents at the beginning of the year	<u>1,182,925</u>	<u>1,583,015</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$1,061,762</u>	<u>\$1,182,925</u>

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

Wah Hong Industrial Corporation
Appropriation of Earnings Schedule
2024

Unit: NT\$

Item	Amount	
	Subtotal	Total
Unappropriated earnings at the beginning of a period		553,420,179
Add: Current net income after tax	301,121,196	
Add: Remeasurement of defined benefit plans included in retained earnings	8,720,834	
Less: Retained earnings due to adjustments to investments accounted for using equity method	(1,793,069)	
Current net profit after tax plus items other than net profit after tax for the current period		308,048,961
Less: Legal reserve		(30,804,896)
Add: Special surplus reserve (reverse)		161,537,059
Appropriable earnings		992,201,303
Distribution items		
Divisions of shareholders -- cash (distribute NT\$ 1.3 per share)		(130,005,739)
Unappropriated earnings at the end of a period		862,195,564

Note:

This amount of earnings distribution is the preferential distribution for 2024 earnings.

Chairman:
Tsuen-Hsien, Chang

President:
Ching-Pin, Yeh

Chief Accounting Officer:
Hui-Jung, Chang-Chien

Wah Hong Industrial Corporation

Comparison table of provisions Articles of Incorporation before and after amendment

Article No.	Content		Amendment bases and reasons
	Provisions before amendment	Provisions after amendment	
Article 2-1	The Company's investment may not be subject to Article 13 of the Company Act, which may not exceed 40% of the amount of its paid-up capital. <u>The related investment shall be a resolution by the board of directors.</u>	The Company's investment may not be subject to Article 13 of the Company Act, which may not exceed 40% of the amount of its paid-up capital.	The deletion of investment shall be subject to the resolution of the Board of Directors, and the actual operation shall be handled in accordance with the Company's "Regulations Governing the Acquisition and Disposal of Assets"
Article 23	If the Company makes a profit for the year, it should allocate no less than 10% as employee remuneration and no more than 3% as directors remuneration. But if the Company has accumulated a deficit, the profit shall be reserved for deficit compensation. Employee remuneration in the preceding paragraph may be distributed in the form of shares or cash, and the recipients of the payment include employees of affiliated enterprises who meet certain conditions. The preceding two paragraphs shall be implemented by the resolution of the board of directors and reported to the Shareholders' Meeting.	If the Company makes a profit for the year, it should allocate no less than <u>4%</u> as employee remuneration and no more than 3% as directors remuneration. But if the Company has accumulated a deficit, the profit shall be reserved for deficit compensation. <u>No less than 15% of the employee remuneration in the preceding paragraph shall be allocated as compensation for grassroots employees.</u> Employee remuneration may be distributed in the form of shares or cash, and the recipients of the payment include employees of affiliated enterprises who meet certain conditions.	Amended in line with Article 14, Paragraph 6 of the Securities and Exchange Act

Article No.	Content		Amendment bases and reasons
	Provisions before amendment	Provisions after amendment	
		The preceding two paragraphs shall be implemented by the resolution of the board of directors and reported to the Shareholders' Meeting.	
Article 28	The Articles of Incorporation were formulated on June 29, 1973. The 1st amendment was made on September 29, 1979.... The 44th amendment was made on July 28, 2021. The 45th amendment was made on May 26, 2022.	The Articles of Incorporation were formulated on June 29, 1973. The 1st amendment was made on September 29, 1979.... The 44th amendment was made on July 28, 2021. The 45th amendment was made on May 26, 2022. <u>The 46th amendment was made on May 26, 2025.</u>	The date and number of this amendment were added.

Wah Hong Industrial Corporation

Comparison table of the provisions of the Rules of Regulations Governing the Acquisition and Disposal of Assets before and after amendment

Article No.	Content		Amendment bases and reasons
	Provisions before amendment	Provisions after amendment	
Article 7	<p>Evaluation and operating procedures <Paragraph 1 is not amended></p> <p>2. Investment limit and authorization level (1) The acquisition or disposal of securities investment must <u>be decided by the Chairman.</u> If the transaction amount reaches <u>NT\$100 million</u> (exclusive) or more, it must be approved by the audit committee and approved by the Board of Directors before execution.</p> <p>(2) Real property, plant and equipment required for business operations, as well as those not necessary for the Company's operations, must be <u>approved by the audit committee and approved by the Board of Directors.</u> <u>However, the Board of Directors may authorize the chairman to make decisions within an</u></p>	<p>Evaluation and operating procedures <Paragraph 1 is not amended></p> <p>2. Investment limit and authorization level (1) The acquisition or disposal of securities investment <u>shall be done in accordance with the approval authority prescribed by the Company.</u> If the transaction amount reaches <u>NT\$200 million</u> (exclusive) or more, it must be approved by the audit committee and approved by the Board of Directors before execution.</p> <p>(2) Real property, plant and equipment required for business operations, as well as those not necessary for the Company's operations, <u>shall be done in accordance with the approval authority prescribed by the Company. If the transaction amount reaches NT\$200</u></p>	<p>1. Adjust the investment limit authority.</p> <p>2. Adjust department names according to the actual operations of the Company.</p> <p>3. Adjust and revise the texts.</p>

Article No.	Content		Amendment bases and reasons
	Provisions before amendment	Provisions after amendment	
	<p><u>amount of NT\$100 million (inclusive).</u></p> <p>...omitted.</p> <p>3. Executive unit</p> <p>The acquisition or disposal of assets by the Company shall be reported level by level in accordance with the following regulations, and if necessary, shall be submitted to the Board of Directors for approval:</p> <p>(1) The acquisition or disposal of securities by the Company shall be handled by the <u>President Office</u> and the Finance and Accounting Department in accordance with the Company's internal control system "Investment Cycle".</p> <p>(2) The acquisition or disposal of real property and equipment by the Company shall be handled by the <u>Factory Affairs Department of the Branch Office</u> in accordance with the Company's internal control system "Real</p>	<p><u>million (exclusive) or more, it must be approved by the audit committee and approved by the Board of Directors before execution.</u></p> <p>...omitted.</p> <p>3. Executive unit</p> <p>The acquisition or disposal of assets by the Company shall be reported level by level in accordance with the following regulations, and if necessary, shall be submitted to the Board of Directors for approval:</p> <p>(1) The acquisition or disposal of securities by the Company shall be handled by the <u>Strategy Planning Office</u> and the Finance and Accounting Department in accordance with the Company's internal control system "Investment Cycle".</p> <p>(2) The acquisition or disposal of real property and equipment by the Company shall be handled by the <u>Business Support Center</u> in accordance with the Company's internal control system "Real property, Plant</p>	

Article No.	Content		Amendment bases and reasons
	Provisions before amendment	Provisions after amendment	
	<p>property, Plant and Equipment Cycle".</p> <p>(3) When the Company acquires or disposes of membership cards or intangible assets, the <u>Branch Office</u> or R&D center shall submit the proposal for approval in accordance with the authority in the preceding article, and the user department and relevant departments shall be responsible for implementation.</p> <p>...omitted.</p>	<p>and Equipment Cycle".</p> <p>(3) When the Company acquires or disposes of membership cards or intangible assets, the <u>Business Support Center</u> or R&D center shall submit the proposal for approval in accordance with the authority in the preceding article, and the user department and relevant departments shall be responsible for implementation.</p> <p>...omitted.</p>	

Wah Hong Industrial Corporation
Rules of Procedure for Meeting of Shareholder

Approved the amendment by Shareholders' Meeting on May 29, 2023.

1. Unless otherwise stipulated by laws and regulations, the Shareholders' Meeting of the Company shall be conducted in accordance with these rules.

2. Shareholders or proxies attending the Shareholders' Meeting shall sign in, and the sign-in procedures shall be replaced by the sign-in card.

The number of shares represented by the shareholders in session shall be based on the quantity of shares stated in the attendance cards being submitted, plus the quantity of voting shares cast in writing or electronic mean. Shareholders or their proxies shall attend a Shareholders' Meeting with certifying identification documents to be checked. The Company shall not arbitrarily raise additional requirements for other certifying documents beyond those showing eligibility to attend as presented by shareholders. A solicitor soliciting a Power of Attorney shall also take identification documents for verification.

3. Unless otherwise provided by law or regulation, the Company's Shareholders' Meeting shall be convened by the board of directors.

Any change in the mode of convention of the Shareholders' Meeting shall be subject to the resolution of the Board and shall be made known to the shareholders no later than the scheduled date of the convention.

In calling for an Annual Shareholders' Meeting, transmit the notice of meeting, the documents for power of attorney, and specify the causes of motions for recognition, discussion, election or relief of the Directors and explanation with compilation into electronic format to MOPS 30 days prior to the scheduled date of regular session and 15 days prior to the schedule date of special session. The Company shall also prepare the Shareholders' Meeting Procedure Handbook and supplementary information in electronic format for sending to MOPS 21 days prior to the scheduled date of regular session and 15 days prior to the schedule date of special session. 15 days prior to the schedule date of the Shareholders' Meeting, the Company shall make available the aforementioned Procedure Handbook and supplementary information for the viewing of the shareholders at any time, and exhibit the said documents at the business place of the Company and the office of the Company entrust professional share registrar and investor service agents.

The Company shall make available the aforementioned Procedure Handbook and supplementary information for the reference of the shareholders on the day of the meeting of shareholders in session:

- (1) Release at the venue where the physical meeting was held.
- (2) Release at the venue where the physical meeting was held, and transmit in electronic file to the videoconference platform if videoconferencing was simultaneously held.
- (3) Transmit in electronic file to the videoconference platform is the session is held via videoconferencing.

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

Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, Paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the Shareholders' Meeting. None of the above matters may be raised by an extemporary motion.

The reason for the convening of the Shareholders' Meeting has stated the overall re-election of directors and the date of their inauguration. After the re-election of the Shareholders' Meeting is completed, the same meeting shall not change the date of their inauguration by extemporary motion or other means.

Shareholder(s) holding 1% or more of the total number of outstanding shares of a company may propose to the Company a proposal for discussion at an Annual Shareholders' Meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Shareholders may submit a suggestive proposal to urge the Company to promote public interests or fulfill social responsibilities. The procedures shall be provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda subject to the relevant provisions of Article 172-1 of the Company Act.

Prior to the date on which share transfer registration is suspended before the convention of an Annual Shareholders' Meeting, the Company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than 10 days.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than 300 words, and any proposal containing more than 300 words shall not be included in the agenda of the Annual Shareholders' Meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular Shareholders' Meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

The Company shall, prior to preparing and delivering the Shareholders' Meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the Shareholders' Meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made

by the board of directors at the Shareholders' Meeting to be convened.

4. A shareholder may appoint a proxy to attend a Shareholders' Meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the Company no later than 5 days prior to the meeting date of the Shareholders' Meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail. Unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

If the power of attorney has been delivered to the Company, and the shareholders concerned intend to attend the Shareholders' Meeting to exercise his/her/its voting power in writing or by way of electronic transmission, they shall notify the Company in writing to revoke the previous authorization of agent 2 days prior to the scheduled date of the meeting. Shareholders who cannot revoke the previous authorization of agent beyond the deadline may only attend the meeting by the proxy and vote by the proxy.

If the power of attorney has been delivered to the Company, and the shareholders concerned intend to attend the Shareholders' Meeting via videoconferencing, they shall notify the Company in writing to revoke the previous authorization of agent 2 days prior to the scheduled date of the meeting. Shareholders who cannot revoke the previous authorization of agent beyond the deadline may only attend the meeting by the proxy and vote by the proxy.

5. The venue for a Shareholders' Meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a Shareholders' Meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and of the meeting.

Shareholders' Meeting of the Company convenes via videoconferencing shall not be governed by the aforementioned restriction.

6. The Company shall specify, in the meeting notice, acceptance shareholder, solicitor, the sign-in time of a proxy (hereinafter referred to as shareholder), sign-in place, and other matters for attention.

The processing of shareholder registration for the meeting shall be started 30 minutes before the scheduled time of the meeting. The registration desk shall be properly marked and staffed with sufficient service personnel. Shareholders shall register for attendance at the videoconference platform 30 minutes prior to the scheduled meeting time if the Shareholder Meeting is held via videoconferencing. Shareholders who completed the registration shall be deemed attending the meeting in person.

Shareholders shall attend a Shareholders' Meeting based on attendance cards, sign-in cards, or other certificates of attendance. The Company shall not arbitrarily raise additional requirements for other certifying documents beyond those showing eligibility to attend as presented by shareholders. A solicitor soliciting a Power of Attorney shall also take identification documents for verification.

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 Procedure Handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

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

If the Shareholder Meeting convenes via videoconferencing, and the shareholders elect to attend the videoconference, they shall register with the Company 2 days prior to the scheduled date of meeting.

If Shareholders' Meeting is held by videoconference, the Company shall upload the Procedure Handbook, annual report, and other related information to the videoconference platform of Shareholders' Meeting at least 30 minutes prior to the commencement of the meeting until the conclusion.

6-1. If the Company elects to hold the Shareholders' Meeting via videoconferencing, specify the following in the Shareholder Meeting Notice:

- (1) Shareholders participating in videoconferencing and the exercise of rights.
- (2) In case the videoconference platform or the means of participating in videoconference is interrupted due to force majeure such as natural disasters or specific incidents, the Company shall proceed with at least the following to eliminate the situations:
 - A. The aforementioned interruption continued and cannot be eliminated that the videoconference has to be postponed or extended. Specify the date of the postponed meeting or the extended meeting.
 - B. Shareholders who did not register for the videoconference in the first place are not entitled to participate in the deferred or extended videoconference.
 - C. If the Shareholder' Meeting convenes in physical meeting and supported by videoconferencing but the videoconference cannot be continued, and the total quantity of shares represented by the shareholders in both the physical session and videoconference net of the quantity of shares represented by shareholders in videoconference is sufficient to qualify for a quorum, the Shareholder Meeting shall continue. The quantity of shares represented by shareholders participating in videoconference of the session shall be counted as an integral part of the total quantity of shares represented in the meeting. However, these shareholders shall be deemed abstained from participating in all the motions presented in the session.
 - D. If all the motions were resolved and the results were announced pending on the presentation of extemporary motions, the Company shall proceed with the following.
- (3) Appropriate substitution plan shall be provided to shareholders participating in videoconferencing when encountering problems and should be explicitly stated.

7. If the Shareholders' Meeting convenes to the call of the Board, the chairman shall be the chair. In the absence of the chairman due to leave or for other reasons, a director shall be appointed for

this purpose. If the chairman did not appoint any director to preside over the meeting, the directors shall nominate one among themselves to act as the chair.

If a director acts as the chair as mentioned, this director must be in office for at least 6 months and understand the financial position and operation of the Company. The same principle and procedure is applicable to circumstances where the chair is the representative of an Institutional Director.

If a Shareholders' Meeting is convened by the board of directors, the meeting shall be presided over by the chairman in person, and there shall be over half of the directors from the board of directors and at least one member of various functional committees attending the meeting on behalf of these committees, and the attendance status shall be recorded in the minutes of the Shareholders' Meeting.

If the Shareholders' Meeting convenes to the call of a third party other than the Board who is entitled to call for the meeting, this party shall act as the chair in the meeting. If there are two or more persons having the convening right, the chair of the meeting shall be elected from among themselves.

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

8. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the Shareholders' Meeting, and the voting and vote counting procedures.

The preceding video data shall be kept at least one year. If there is legal proceeds instated by shareholders under Article 189 of the Company Act, the said document shall be kept until the final ruling of the proceedings.

If the meeting of shareholders convenes via videoconferencing, the Company shall keep the information on the enrollment, registration, sing-in, query, voting and the vote count result on record and the entire course of meeting shall be voice recorded and videotaped without interruption.

The Company shall properly keep the aforementioned information and voice record and videotape in its perpetuity, and refer the voice record and the videotape to the commissioned professional videoconference service provider for safekeeping.

9. The attendance of shareholders in Shareholders' Meeting shall be accounted for by the quantity of shareholding represented. The number of shares being represented in the meeting is based on the record of the sign-in register or the attendance card being submitted, and the number of shares represented by shareholders registered for videoconferencing, plus the number of voting shares exercised in writing or through electronic voting.

When the time of a meeting has arrived, the chair shall call the meeting to order. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If there are only the shareholders representing less than 1/3 of the total issued shares present after 2 postponements, the chair shall

announce for the lack of quorum for the session. Likewise, the Company shall also announce for the lack of a quorum for the session via videoconferencing.

If session is delayed twice as previously mentioned and the total quantity of shares represented by the attending shareholders falls below 1/3 of the total outstanding shares, provisional resolution may be made pursuant to Paragraph 1 under Article 175 of the Company Act and inform all shareholders of the provision resolution and call for the session of the Shareholders' Meeting again within 1 month thereafter. If the Shareholders' Meeting convenes via videoconferencing, and the shareholders desire to attend via videoconferencing, register again with the Company pursuant to Article 6.

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

10. If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on the proposals on the agenda one by one (including extempore motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution by the Shareholders' Meeting.

If the Shareholders' Meeting convenes to the call of a third party other than the Board who is entitled to call for the meeting shall apply to the provisions of the preceding paragraph.

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

During the session of a Shareholders' Meeting, if the chair declares the adjournment of the meeting in a manner in violation of such rules governing the proceedings of meetings, the other members of the board of directors shall promptly assist the attending shareholders in accordance with statutory procedures, the other members of the board of directors shall promptly assist the attending shareholders in accordance with statutory procedures, a new chair of the meeting may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.

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

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

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 3 minutes. If the shareholder's speech violates the rules or exceeds the scope of the proposal, the chair may terminate the speech.

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

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

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

If the Shareholders' Meeting convenes via videoconferencing, shareholders entitled to participate by videoconferencing may raise questions in text form at the videoconference platform of the Shareholders' Meeting from the commencement to the conclusion of the meeting. No more than two questions could be raised on the same proposal and the length of each question is no more than 200 words where the rules under Paragraphs 1 to 5 could be exempted.

12. The voting of shareholders in Shareholders' Meeting shall be accounted for by the quantity of shareholding represented.

The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a Shareholders' Meeting.

Shareholders shall recuse from voting on motions that may relate to their private interest that would prejudice the interests of the Company and cannot act on behalf of other shareholders in voting.

In the preceding, shares for which voting rights cannot be exercised shall not be counted in the number of votes of shareholders present at the meeting.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

13. The Company's shareholders shall be entitled to one vote for each share held by it, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Shareholders' Meeting of the Company is in session, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights in writing. When voting rights are exercised in writing or electronic means, the method of exercise shall be specified in the Shareholders' Meeting notice. A shareholder who exercises his/her/its voting power at a Shareholders' Meeting in writing or by way of electronic transmission shall be deemed to have attended the said Shareholders' Meeting in person. But to have waived his/her/its rights with respect to the extemporaneous motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extemporaneous motions and amendments to original proposals.

In case a shareholder elects to exercise his/her/its voting power in writing or by way of electronic transmission, his/her/its declaration of intention shall be served to the company two days prior to the scheduled meeting date of the Shareholders' Meeting, whereas if two or more declarations of the same intention are served to the company, the first declaration of such intention received shall prevail. Unless an explicit statement to revoke the previous declaration of intent is made in the declaration which comes later.

If a shareholder intends to attend the Shareholders' Meeting in person after having exercised voting rights in writing or electronically, it shall cancel its intention showed in or related to the said exercising of voting rights two days before the meeting date in the same way as it has exercised voting rights. In case of overdue cancellation, it shall be subject to the voting rights exercised in writing or electronically. In case a shareholder has exercised his/her/its voting power in writing or by way of electronic transmission, and has also authorized a proxy to attend the Shareholders' Meeting in his/her/its behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.

If the power of attorney has been delivered to the Company, and the shareholders concerned intend to attend the Shareholders' Meeting via videoconferencing, they shall notify the Company in writing to revoke the previous authorization of agent 2 days prior to the scheduled date of the meeting. Shareholders who cannot revoke the previous authorization of agent beyond the deadline may only attend the meeting by the proxy and vote by the proxy.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

If it is due for voting, the chair or the designated personnel shall announce the total quantity of voting rights represented by the shareholders in session. Shareholders shall cast their votes on the motions one-by-one. On the day after the adjournment of the Shareholders' Meeting, the result of the yes and no votes, and the abstention, shall be entered into MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be 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.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

If the Shareholders' Meeting convenes via videoconferencing, shareholders attending the meeting via videoconferencing may cast votes on the motions and election through the videoconference platform after the chair has announced the meeting in session, and complete the voting before the chair announce for the adjournment of the meeting or shall be taken as abstention.

Votes cast in Shareholders' Meeting convenes in via videoconferencing shall be counted at one

time after the chair has announced for the end of voting. The voting and election result shall be announced at the same time.

If the Shareholders' Meeting convenes in physical session and supported by videoconferencing, and the shareholders who have previously registered for attending the meeting through videoconferencing under the Article 6, but later intend to attend the physical session in person, they may cancel the registration in the same manner as registration for attending the meeting through videoconference 2 days prior to the schedule date of the meeting. Shareholders who cancel the previous registration for attending the meeting through videoconference before the deadline may only attend the Shareholders' Meeting via videoconferencing.

Shareholders who cast votes cast in writing or electronic mean without revoking the previous expression of intent cannot vote on the previous motion for a second time, propose amendment to the previous motion, or vote again on the amendment to the previous motion except for extemporary motion.

14. Election of directors at a Shareholders' Meeting, if any, shall be subject to the related election rules formulated by the Company, and the election results shall be announced on the spot, including the list of those elected as directors and the numbers of votes they won and list of those lose the election as directors and the numbers of votes they gained.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If there is legal proceeds instated by shareholders under Article 189 of the Company Act, the said document shall be kept until the final ruling of the proceedings.

15. Resolutions adopted at a Shareholders' Meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all shareholders of the Company within 20 days after the close of the meeting. The preparation and distribution of the minutes of Shareholders' Meeting as required in the preceding paragraph may be effected by means of electronic transmission.

The distribution of the minute of the meeting on record as mentioned may be made by the Company through an announcement by entry into MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of votes won by each candidate in the event of an election of directors. The minutes shall be kept persistently throughout the life of the Company.

If the Shareholders' Meeting convenes via videoconferencing, information on the starting and ending time of the meeting, how the meeting is unfolded, the names of the chair and the record clerk should be inscribed in the minutes of meeting on record further to the particulars to be inscribed as mentioned in the preceding paragraph. In addition, the plan in response to the interruption of the videoconference platform or participation via videoconferencing due to natural disaster, specific incidents or other forms of force majeure, and the status of the response. Further to the aforementioned requirement, if the Shareholders' Meeting is to be convened via

videoconferencing, a substitution plan should be provided for the shareholders who participate via videoconferencing have problems in participating in the meeting , which should be inscribed as an integral part of the minute of meeting on record.

16. The Company shall expressly disclose the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, and the number of shares represented by the shareholders attending the meeting in writing or electronically, in the meeting place, by using the statistical statement prepared in the stipulated format, on the current day of the Shareholders' Meeting. If a Shareholders' Meeting will be held by videoconference, the Company shall upload the preceding materials to the videoconference platform of Shareholders' Meeting at least 30 minutes before the meeting, and shall continue to disclose them, until the end of the meeting.

When a Company convenes a Shareholders' Meeting with videoconferencing, when the meeting is called to order, the total number of shares represented by shareholders attending the meeting shall be disclosed on the videoconferencing platform. The same shall apply whenever a new tally of the total number of shares represented at the meeting and the number of voting rights thereof is made during the meeting.

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 proctors or security personnel maintain order at the meeting place, they shall wear armband bearing the word "Proctor" or wear identification cards.

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

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

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

If the meeting venue is no longer available for continued use and not all of the items (including extemporary motions) on the meeting agenda have been addressed, the Shareholders' Meeting may adopt a resolution to resume the meeting at another venue.

Under Article 182 of the Company Act, the Shareholders' Meeting resolves to postpone the meeting for not more than or to reconvene the meeting within five days.

19. If the Shareholders' Meeting convenes via videoconferencing, the Company shall disclose the result of voting on each motion and election at the videoconference platform of the Shareholders' Meeting after the voting is concluded, and shall continue the disclosure for at least 15 minutes after the chair has announced for the adjournment of the meeting.
20. If the Shareholders' Meeting is in session, the chair and the record clerk shall be at the same location in Taiwan.
21. If the Shareholders' Meeting is to be convened via videoconferencing, and there is the occurrence of natural disasters, specific incidents or other forms of force majeure from the time the chair announces the meeting in session to the time the chair announces for the adjournment of the meeting, to the effect that the videoconference platform or the mean of participation in videoconferencing for the meeting is interrupted for more than 30 minutes consecutively, the meeting shall be postponed or extended within 5 days thereafter except under Paragraph 4 under Article 44-20 of the "Regulations Governing the Administration of Shareholder Services of Public Companies" that postponement or extension of the meeting is not required thereby Article 182 of the "Company Act" shall not be applicable to this context.

Shareholders who have not registered for participation in the original meeting of shareholders via videoconferencing cannot participate in the postponed or extended meeting if the meeting is to be postponed or extended.

If the Shareholder Meeting is to be postponed or extended under Paragraph 1, shareholders who have registered to participate through videoconference and have completed the registration for the meeting but are absent for the postponed or extended part of the meeting, the quantity of shares they represented, the voting rights and election rights being exercised in the meeting before postponement or extension shall be included in the total quantity of shares, the voting rights and election rights represented by shareholders attending the postponed or extended part of the meeting.

If the Shareholders' Meeting is to be postponed or extended under Paragraph 1, proposals that have been voted and counted and the result was announced or the list of candidates elected to the seats of directors and supervisors is passed, it will not be necessary to go for a new round of discussion and resolution.

If the Shareholders' Meeting of the Company convenes in physical session supported by videoconferencing at the same time, and the videoconference was interrupted as stated in Paragraph 1, if the quantity of shares represented by the shareholders participating via videoconferencing were deducted and the quantity of shares represented by the shareholders in the physical session can still qualify for a quorum, the meeting shall be continued and the postponement or extension of meeting as stated in Paragraph 1 will not be necessary.

If the Shareholders' Meeting is to be continued as stated in the previous paragraph, the quantity of shares represented by shareholders participating in the meeting via videoconferencing shall be counted as a part of the total quantity of shares represented by shareholders in session. However, these shareholders shall be deemed abstained from the voting in the motions presented to this session of the Shareholders' Meeting.

In postponing or extending the Shareholders' Meeting under Paragraph 1, the Company shall proceed with Paragraph 7 under Article 44-20 of the "Regulations Governing the Administration of Shareholder Services of Public Companies" thereby proceed to preparatory work on the basis of the original date scheduled for the meeting and others as set forth in the article.

For public companies attending shareholders meeting under the rear section of Article 12 and Paragraph 3 under Article 13 of the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies", Paragraph 2 under Article 44-5, Article 44-15, Paragraph 1 under Article 44-17 of the "Regulations Governing the Administration of Shareholder Services of Public Companies", the Company shall hold the meeting on the date of the postponement or extension under Paragraph 2.

22. If the Shareholders' Meeting of the Company is to be convened via videoconferencing and the shareholders participating in the meeting have problems in accessing to videoconferencing, the Company shall provide a substitute.
23. Matters not stipulated in these rules shall be handled under the provisions of the Company Act, the Company's Articles of Incorporation, and other relevant laws and regulations.
24. These Rules of Procedure shall come into force after passing by the resolution of the Shareholders' Meeting. The same procedure is applicable to any amendment thereto.

Wah Hong Industrial Corporation

Articles of Incorporation

Chapter 1 General Provisions

Article 1: Subject to the Company Act, the Company shall organize named Wah Hong Industrial Corporation And the English named Wah Hong Industrial Corporation

Article 2: The Company's businesses are as follows:

1. C801100 Synthetic Resin and Plastic Manufacturing.
2. C802200 Coating, Paint, Dye and Pigment Manufacturing.
3. C805070 Reinforced Plastic Products Manufacturing.
4. CD01020 Tramway Cars Manufacturing.
5. C805010 Manufacture of Plastic Sheets, Pipes and Tubes.
6. CB01010 Mechanical Equipment Manufacturing.
7. CD01060 Aircraft and Parts Manufacturing.
8. C801990 Other Chemical Materials Manufacturing.
9. CC01090 Manufacture of Batteries and Accumulators.
10. C802990 Other Chemical Products Manufacturing.
11. CC01080 Electronics Components Manufacturing.
12. F401010 International Trade.
13. F108031 Wholesale of Drugs, Medical Goods.
14. F113070 Wholesale of Telecommunication Apparatus.
15. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import.
16. 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's investment may not be subject to Article 13 of the Company Act, which may not exceed 40% of the amount of its paid-up capital. The related investment shall be a resolution by the board of directors.

Article 3: The Company is headquartered in Kaohsiung City, and may establish subsidiaries at home and abroad by the resolution of its board of directors if necessary.

Article 4: The Company's announcement method shall be subject to the Company Act and competent securities authority.

Chapter 2 Shares

Article 5: The Company's total capital is registered at NT\$1.5 billion, which is composed of 150 million shares with a par value of NT\$10 only per share. The board of directors is authorized to issue the shares in batches.

NT\$50 million is reserved in the total capital in the preceding paragraph for the stock warrant, corporate bonds with warrants, or preferred shares with warrants, totaling 5 million shares at NT\$10 per share, which may issue in batches according to the resolution of the board of directors.

Article 6: The shares of the Company are issued in a non-substantial form and are kept or registered by the centralized securities depository enterprise.

Article 7: The Company's governing the administration of shareholder services are in accordance with the relevant regulations stipulated by the competent authority unless otherwise stipulated by laws or securities regulations.

Chapter 3 Shareholders' Meeting

Article 8: Meeting of shareholders are composed of the regular session and special session. The regular session shall be held within six months after the end of each fiscal year under the board of directors legally. The special session shall be held legally if necessary.

Article 9: A shareholder cannot attend due to any reason and may appoint a proxy to attend a shareholders' meeting on his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy. In addition to the provisions of Article 177 of the Company Act, the procedures for shareholders to entrust attendance shall be subject to the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the competent authority.

Article 9-1: The Company may send Shareholders' Meeting related files and other notifications in the form of electronic documents.

Article 10: For the Shareholders' Meeting convened by the board of directors, the chairman shall act as the chair in the meeting. In absence of the chairman, he shall designate a director to act as chairman for him. If no proxy is designated by the chairman, the directors shall elect among themselves, a chair to act on his behalf. If the Shareholders' Meeting convenes to the call of a third party other than the Board who is entitled to call for the meeting, this party shall act as the chair in the meeting. If two or more persons are having the convening right, the chair of the meeting shall be elected from among themselves.

Article 11: The Company's shareholders shall be entitled to one vote for each share held by it, except for any shareholder who is entitled to no voting right as specified under Article 179 of the Company Act.

Article 12: Unless otherwise provided for in the Company Act, resolutions of the Shareholders' Meeting shall be approved by the shareholders representing more than half of the voting rights of the shareholders attending such meeting as is attended by the shareholders representing over half of the total number of issued shares.

Article 12-1: The Shareholders' Meeting may be held via videoconferencing or other forms announced by central competent authority, and affairs shall be subject to the relevant provisions stipulated by the competent securities authority.

Chapter 4 Directors and Audit Committee

Article 13: The Company engages seven to eleven directors, with a three-year term, who is to be elected can be re-elected. The total shareholding ratio of all directors of the Company

shall be handled in accordance with the regulations of the competent securities authority. The number of independent directors in the preceding paragraph includes no less than three. The election of directors adopts a candidate nomination system, and the Shareholders' Meeting will select director candidates selected from the list. Among them, the professional qualifications, shareholding, restriction on concurrent positions, and nomination and election methods of, and other provisions that shall be complied with regarding, independent directors shall be subject to the relevant regulations of competent securities authority.

Article 13-1: The Company set up an audit committee in accordance with Article 14-4 of the Securities and Exchange Act, which is composed of all independent directors and is responsible for exercising powers of supervisors under the Company Act, Securities and Exchange Act and other laws.

The members of the audit committee, the exercise of powers and other matters to be complied with shall be handled in accordance with relevant laws and regulations, and its organization regulations shall be separately formulated by the board of directors.

The Company shall set up remuneration committees or other functional committees according to the laws and regulations or business needs.

Article 13-2: Delete.

Article 14: In case of failure to conduct a re-election timely upon expiration of the tenure of a director, the tenure of such director shall be extended, until a newly elected director takes office legally.

Article 15: Directors shall organize the board of directors to elect a chairman among them as approved by more than half of the directors attending such meeting as is attended by over two-thirds of all the directors. To execute all affairs of the Company in accordance with the law, the Articles of Incorporation, and the resolutions of the Shareholders' Meeting and the Board of Directors.

Article 15-1: The Company convene the board of directors shall notify all directors seven days in advance, and may convene the board of directors at any time in case of emergency.

The board of directors' meeting notice shall be notified in writing or by e-mail or fax.

Article 16: In case of a vacancy of directors, a by-election shall be conducted legally, but the term of office of the directors who are elected by by-election shall be limited to making up for the original term of office.

Article 17: Unless otherwise stipulated by the Company Act, the board of directors shall be convened by the chairman and the chairman shall be the chair. When the chairman is unable to perform his duties, a director shall be appointed for this purpose. If the chairman did not appoint any director to preside over the meeting, the directors shall nominate one among themselves to act as the chair.

Article 18: Unless otherwise stipulated by the Company Act, resolutions of the board of directors shall be approved by more than half of the voting rights of the directors attending the such meeting as is attended by over half the directors, and the minutes of the meeting

shall be signed or sealed by the chairman. If a director cannot attend in person due to any reason that may entrust other directors to attend a meeting for him/her/its, he/she/it shall issue a Power of Attorney each time, specifying authorization scope based on the reasons for holding the meeting, the director shall be present in person or entrust other director representatives to attend. A director may accept the appointment to act as the proxy of one other director only.

In addition, when an independent director is unable to attend the board meeting to express objection or reserved opinion due to any reason, he/she/it shall not appoint a non-independent director to attend the board meeting on his/her/it behalf and shall issue a written opinion and record it in the minutes of the board meeting.

Article 19: When the directors of the Company perform their duties, the Company may pay remuneration regardless of its operating profit or loss. The remuneration authorizes the board of directors to pay no more than the maximum salary scale formulated in the Company's salary assessment standard according to the participation in the operations and the value of its contribution. If the Company has surplus profits, the remuneration shall be distributed under Article 23.

During the term of office, the directors authorize the board of directors to purchase liability insurance for the compensation liabilities resulting from exercising their duties legally.

Article 20: Delete.

Chapter 5 Managerial Officers

Article 21: The Company may appoint a chief executive officer under the resolution of the board of directors to take overall responsibility for the operation and decision-making of the Company and all its affiliated enterprises.

The Company has a general manager who follows the supervision of the board of directors and is responsible for the overall business and operation within the scope of authorization.

The Company may engage managers, whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6 Financial Statement

Article 22: At the end of each fiscal year, the board of directors shall prepare (1) Business reports, (2) Financial statements, and (3) Surplus earnings distribution or deficit compensation proposals, etc., and submit them to the Annual Shareholders' Meeting for approval legally.

Article 23: If the Company makes a profit for the year, it should allocate no less than 10% as employee remuneration and no more than 3% as directors remuneration. But if the Company has accumulated a deficit, the profit shall be reserved for deficit compensation.

Employee remuneration in the preceding paragraph may be distributed in the form of shares or cash, and the recipients of the payment include employees of affiliated enterprises who meet certain conditions.

The preceding two paragraphs shall be implemented by the resolution of the board of directors and reported to the Shareholders' Meeting.

Article 23-1: If the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, except when the accumulated amount of such legal reserve equals to the Company's paid-in capital, setting aside or reversing a special reserve under the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan in the form of new shares to be issued shall be resolved in the shareholders' meeting for the distribution of dividends; in the form of cash shall be resolved in the board of directors.

According to Articles 240 and 241 of the Company Act, the Company authorize board of directors must attend by over two-thirds of the directors, and half of those attending directors must approve the case if the Company cash distribution of dividends, bonuses, and capital surplus or surplus reserve all or partial, it should report to the Shareholders' Meeting. However, if the Company issues new stocks for distribution, it shall be resolved by the Shareholders' Meeting by regulations.

The dividend policy of the Company is based on the current and future development plans, investment environment, capital requirements and competition in the domestic and foreign markets, as well as the benefits of shareholders, etc. The dividends to shareholders can be paid in cash or/and issued shares, but cash dividends shall be not less than 10% of the total dividends.

Article 23-2: If the Company intends to transfer the repurchased shares of the Company to employees at a price lower than the average price of the actual repurchased shares, it shall follow Article 10-1 and Article 13 of Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies. The transfer can only be handled after the resolution of the latest Shareholders' Meeting (with the attendance of shareholders representing more than half of the total number of issued shares and the consent of more than two-thirds of the voting rights of shareholders present).

Article 23-3: If the Company intends to issue employee stock option certificates at an exercise price lower than the market price (net value per share), it shall comply with Article 56-1 and Article 76 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers stipulate that the issuance may only be released after the resolution of the Shareholders' Meeting.

Chapter 7 Supplementary Provisions

Article 24: The Company may have an external endorsement guarantee, and its operations shall be

handled under the Company's endorsement guarantee operations.

- Article 25: The Company's organization and operational regulations shall be determined separately by the board of directors.
- Article 26: Matters not covered in the Articles of Incorporation shall be handled in accordance with the Company Act and other laws and regulations.
- Article 27: The Articles of Incorporation shall come into force after the resolution of the Shareholders' Meeting and the approval of the competent authorities.
- Article 28: The Articles of Incorporation shall be formulated on June 29, 1973. The 1st amendment was made on September 29, 1979. The 2nd amendment was made on November 24, 1979. The 3rd amendment was made on November 21, 1981. The 4th amendment was made on May 25, 1982. The 5th amendment was made on April 6, 1984. The 6th amendment was made on November 7, 1984. The 7th amendment was made on May 31, 1986. The 8th amendment was made on July 6, 1986. The 9th amendment was made on December 10, 1987. The 10th amendment was made on November 16, 1988. The 11th amendment was made on October 6, 1989. The 12th amendment was made on December 15, 1990. The 13th amendment was made on May 10, 1991. The 14th amendment was on August 30, 1991. The 15th amendment was made on March 10, 1994. The 16th amendment was made on June 27, 1994. The 17th amendment was made on May 18, 1995. The 18th amendment was made on December 4, 1995. The 19th amendment was made on August 18, 1996. The 20th amendment was made on December 31, 1996. The 21st amendment was made on February 13, 1997. The 22nd amendment was made on March 21, 1997. The 23rd amendment was made on October 15, 1997. The 24th amendment was made on December 15, 1997. The 25th amendment was made on February 8, 1998. The 26th amendment was made on June 24, 1998. The 27th amendment was made on May 24, 1999. The 28th amendment was made on April 27, 2000. The 29th amendment was made on November 27, 2000. The 30th amendment was made on June 5, 2002. The 31st amendment was made on October 24, 2003. The 32nd amendment was made on June 16, 2004. The 33rd amendment was made on June 8, 2005. The 34th amendment was made on June 1, 2006. The 35th amendment was made on June 25, 2007. The 36th amendment was made on June 12, 2008. The 37th amendment was made on June 10, 2009. The 38th amendment was made on June 9, 2010. The 39th amendment was made on June 4, 2013. The 40th amendment was made on June 15, 2015. The 41st amendment was made on June 21, 2016. The 42nd amendment was made on May 31, 2018. The 43rd amendment was made on May 29, 2019. The 44th amendment was made on July 28, 2021, and the 45th amendment was made on May 26, 2022.

Wah Hong Industrial Corporation

Regulations Governing the Acquisition and Disposal of Assets

Approved the amendment by Shareholders' Meeting on May 26, 2022

Article 1 Purpose

In order to protect assets and implement information disclosure, these regulations are specially formulated. Any matters not covered in these regulations shall be handled in accordance with relevant laws and regulations.

Article 2 Legal basis

These regulations are formulated in accordance with relevant laws and regulations of the Financial Supervisory Commission (hereinafter referred to as the FSC).

Article 3 Scope of assets

1. Securities: Including investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, and investment property) and equipment.
3. Memberships.
4. Intangible assets: Including patents, copyrights, trademarks, and franchise rights.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other important assets.

Article 4 Term definition

1. Derivatives: Refer to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable and other commodities; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refer to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts,

or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, Paragraph 8 of the Company Act.

3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: refers to the date when the transaction contract is signed, the payment date, the date when the transaction contract is closed by an agent, the ownership transfer date, the board resolution date, or the date when the counterparty and the amount are fully determined, whichever is earlier. However, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Investment Commission, Ministry of Economic Affairs, or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Professional investors: refer to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting businesses, futures commission merchants operating proprietary trading businesses, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies that are established in accordance with legal regulations and are regulated by the local financial competent authority.
8. Securities Exchange: Domestic securities exchange refers to the Taiwan Stock Exchange Corporation; foreign securities exchange refers to any organized securities trading market that is regulated by the securities competent authority of that country.
9. OTC markets: Domestic OTC markets refers to the location where a securities firm establishes a dedicated counter to conduct transactions in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; foreign OTC markets refers to the business premises of a financial institution that is regulated by a foreign securities competent authority and is authorized to conduct securities business.

Article 5 In principle, the Company does not engage in transactions to acquire or dispose of the debt of financial institutions. If we intend to engage in transactions to acquire or dispose of the debt of financial institutions in the future, we will submit it to the Board of Directors for approval before formulating its evaluation and operating procedures.

Article 6

1. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet

the following requirements:

- (1) May not have previously received a final and unappealable sentence to imprisonment for one year or longer for a violation of the Act, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if three years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- (2) May not be a related party or de facto related party of any party to the transaction.
- (3) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-discipline regulations of the associations to which they belong and the following:

- A. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- B. When executing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- C. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- D. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

Article 7 Evaluation and operating procedures

1. Price determination and reference basis

- (1) The acquisition or disposal of assets of the Company shall be handled by the responsible supervisor in accordance with the provisions of internal control system regarding the "real property, plant and equipment cycle" and "investment cycle".
- (2) The Company acquiring or disposing of securities shall first obtain financial statements of the issuing company for the most recent period, audited or reviewed by a CPA, for reference in appraising the transaction price.
- (3) The Company acquiring or disposing of real property shall refer to the announced

present value, assessed value, and actual transaction price of adjacent real property to determine the transaction conditions and prices, and handle them in accordance with the approval authority prescribed by the Company.

- (4) The Company acquiring or disposing of real property, plant, equipment, and right-of-use assets shall make a careful evaluation through procedures such as inquiry, comparison, and negotiation, submit relevant data, communicate with relevant departments, and handle it in accordance with the approval authority prescribed by the Company.
- (5) The Company acquiring or disposing of membership certificates shall refer to the fair market value, determine transaction conditions and prices, and handle it in accordance with the approval authority prescribed by the Company.
- (6) The Company acquiring or disposing of intangible assets shall refer to the expert evaluation report or fair market value, determine transaction conditions and prices, and handle it in accordance with the approval authority prescribed by the Company.
- (7) When the Company acquires or disposes of derivative products, its trading personnel shall formulate a strategy for the entire company's financial product trading, regularly calculate positions, collect market information, make trend judgments and risk assessments, formulate operational strategies, and use them as the basis for trading after approval in accordance with the approval authority.
- (8) When engaging in a merger, demerger, acquisition, or transfer of share, the Company, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and approval.
- (9) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

2. Investment limit and authorization level

- (1) The acquisition or disposal of securities investment must be decided by the Chairman. If the transaction amount reaches NT\$100 million (exclusive) or more, it must be approved by the audit committee and approved by the Board of Directors before execution.
- (2) Real property, plant and equipment required for business operations, as well as those not necessary for the Company's operations, must be approved by the audit committee and approved by the Board of Directors. However, the Board of Directors may authorize the chairman to make decisions within an amount of NT\$100 million (inclusive).
- (3) The total amount of real property or securities that the Company and its

subsidiaries may purchase for non-business use, as well as the limit on investing in individual securities, shall be subject to the following limits:

- A. The total amount of real property not used for business purposes shall not exceed 30% of the net value of the most recent financial statements of the Company; The total amount of real property purchased by each subsidiary of the Company for non-business use shall not exceed 10% of the net value of the Company's most recent financial statements.
 - B. The total amount of securities shall not exceed 150% of the net value of the most recent financial statements of the Company; The total amount of securities of each subsidiary of the Company shall not exceed 100% of the net value of the most recent financial statements of the Company.
 - C. The limit for investing in individual securities shall not exceed 100% of the net value of the most recent financial statements of the Company; The limit for investing in individual securities by each subsidiary of the Company shall not exceed 60% of the net value of the most recent financial statements of the Company.
- (4) Acquiring or disposing of membership cards with an amount of NT\$10 million or less shall be submitted to the Chairman for approval and reported to the latest board meeting thereafter; For those with an amount exceeding NT\$10 million, approval from the audit committee and approval from the Board of Directors are required before execution.
 - (5) Acquiring or disposing of intangible assets with an amount of NT\$30 million or less shall be submitted to the Chairman for approval and reported to the latest board meeting thereafter; For those with an amount exceeding NT\$30 million, approval from the audit committee and approval from the Board of Directors are required before execution.
 - (6) To acquire or dispose of derivative products, in addition to considering the growth of the Company's revenue, the changes in risk positions, and the safety, the handling personnel shall issue an application form for each transaction, submit to the financial supervisor for initial approval, and then submit to the Chairman for approval before it can take effect. Any amendment must also be approved by the Chairman before they can be made. Due to time constraints, the handling personnel may first obtain the oral consents of the responsible financial supervisor and chairman to proceed with the transaction, and submit the application form thereafter. Afterwards, relevant transaction matters shall be reported to the Board of Directors.
 - (7) For assets acquired or disposed of as a result of a legal merger, demerger, acquisition or transfer of shares, the Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it

along with the expert opinion referred to in subparagraph (8) of the preceding article in the notice of the shareholders' meeting for reference for them to decide whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. In addition, for the companies participating in a merger, demerger, or acquisition, if the shareholders' meeting of any party cannot be convened or reach a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, such companies shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.

- (8) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under these regulations or other laws shall be submitted to the Audit Committee for approval, and then submitted to the Board of Directors for resolution. If a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to Audit Committee. In addition, when submitting asset acquisition or disposal transactions to the Board of Directors for discussion in accordance with the regulations, the opinions of each independent director shall be fully considered, and any consenting or dissenting opinions and the reasons shall be included in the Board meeting minutes. If approval of the Audit Committee is not obtained, it may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. The preceding terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.
- (9) If any department of the Company needs to acquire or dispose of assets for business purposes, and if it is a major change in business policy set forth in Article 185 of the Company Act, it must be submitted to the shareholders' meeting for approval before implementation.

3. Executive unit

The acquisition or disposal of assets by the Company shall be reported level by level in accordance with the following regulations, and if necessary, shall be submitted to the Board of Directors for approval:

- (1) The acquisition or disposal of securities by the Company shall be handled by the President Office and the Finance and Accounting Department in accordance with the Company's internal control system "Investment Cycle".
- (2) The acquisition or disposal of real property and equipment by the Company shall be handled by the Factory Affairs Department of the Branch Office in accordance with the Company's internal control system "Real property, Plant and Equipment

Cycle".

- (3) When the company acquires or disposes of membership cards or intangible assets, the Branch Office or R&D center shall submit the approval authority in accordance with the preceding article, and the user department and relevant departments shall be responsible for implementation.
 - (4) The acquisition or disposal of derivative products by the Company shall be handled by the finance and accounting department in accordance with these regulations.
 - (5) When handling mergers, demergers, acquisitions, or transfer of shares, the Company shall engage lawyers, CPAs, and underwriters to jointly discuss the expected timeline of legal procedures and form a special task force to execute them in accordance with legal procedures.
4. Real property or equipment valuation report
- In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
- (1) Where due to special circumstances it is necessary to give a limited price, specific price, or special price as a reference for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also apply to any subsequent change to the terms and conditions of the transaction.
 - (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
 - (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - A. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
 - B. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
 - (4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6

months have elapsed, an opinion may still be issued by the original professional appraiser.

5. Expert opinions on acquisition or disposal of securities

The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, audited or reviewed by a CPA, for reference in appraising the transaction price, and if the amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to securities that have publicly quoted prices of an active market or meet the conditions as stipulated by FSC.

6. Expert evaluation opinion report on membership cards or intangible assets

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

7. If the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

8. Transaction amount in the Paragraphs 4 through 6 shall be calculated as per the provisions under Article 11, paragraph 2, and the term "within the preceding year" refers to the year preceding the date of the current transaction. The portions on which appraisal reports issued by professional appraisers or about which CPAs have issued opinions as per these regulations need not be counted toward the transaction amount.

Article 8 Procedure for handling related-party transactions

1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to handling in accordance with the procedures for acquisition of real property in the preceding article, and ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised as per the following provisions, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall obtain an appraisal report from a professional appraiser or a CPA's opinion as per the provisions of the previous section.

The aforementioned transaction amount shall be calculated in accordance with Article 7, Paragraph 8 herein. When whether a transaction counterparty is a related party is judged, in addition to legal formalities, the substance of the relationship shall also be considered.

2. Evaluation and operating procedures

When the Company acquires or disposes of real property or its right-of-use assets from or to related parties, or acquires or disposes of assets other than real property or its

right-of-use assets with related parties, and the transaction amount accounts for 20% of the paid-in capital or 10% of the total assets of the Company, or exceeds NT\$300 million, present the following information to the Auditing Committee and the Board of Directors for approval before entering into the agreement and effecting payment except for the trading of domestic government bonds, R/P and reverse R/P bonds, subscription or redemption of money market funds offered by domestic securities investment trust enterprises:

- (1) The purpose, necessity, and expected return on the acquisition or disposal of assets.
 - (2) The reason for choosing related parties as the counterparties of trade.
 - (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding the reasonableness of the preliminary transaction terms shall be evaluated under Paragraph 7, Subparagraphs (1) and (5) of this Article.
 - (4) The date and price of the related party in the initial acquisition of the asset, the counterparty of trade, and the relation with the Company and the related-party.
 - (5) The projection of monthly cash receipt from the month in which the agreement was entered to the year ahead, and assess if the transaction is necessary and the use of fund is justifiable.
 - (6) An appraisal report from a professional appraiser or a CPA's opinion obtained as per the Paragraph 1 of this Article.
 - (7) The restriction of the condition in this transaction and other important terms and conditions.
3. With respect to the types of transactions listed below, when they are to be conducted between the Company and parent company or subsidiaries, the Company's Board of Directors may delegate the Chairman to decide such matters when the transaction is within a certain amount as per Article 7, Paragraph 2, Subparagraph (2) and have the decision subsequently submitted to and ratified by the soonest Board meeting:
- (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
 - (2) Acquisition or disposal of real property right-of-use assets held for business use.
4. When submitting it to the Board of Directors for discussion according to the regulations of paragraph 2, the opinions of each independent director should be fully considered, and any dissenting opinions or reserved opinions they may have shall be included in the board meeting minutes.
5. Where the parent company or its subsidiary engages in a transaction under paragraph 2, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in paragraph 2 to the shareholders' meeting for approval before proceeding to enter into a transaction contract or make a payment. However, the transactions between the Company and its parent company or subsidiaries, or between its subsidiaries are not subject to this provision.

6. The transaction amount in paragraph 2 shall be calculated as per the provisions under Article 11, paragraph 2, and the term “within the preceding year” refers to the year preceding the date of the current transaction. The portions have been reported to and approved by the shareholders’ meeting, the Audit Committee, and the Board of Directors as per these regulations need not be counted toward the transaction amount.
7. Evaluation of the reasonableness of transaction costs
 - (1) The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
 - A. Based upon the related party’s transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. “Necessary interest on funding” is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - B. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution’s appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
 - (2) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
 - (3) The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with Paragraph 3, Subparagraphs (1) and (2) of this Article shall also engage a CPA to check the appraisal and render a specific opinion.
 - (4) Where the Company acquires real property or its right-of-use assets from related parties under any of the following circumstances, the acquisition shall be conducted in accordance with the relevant evaluation and operating procedures stipulated in the paragraphs 1 and 2 of this Article, and the provisions on evaluation of the reasonableness of transaction costs stipulated in paragraph 3, subparagraphs (1), (2), and (3) of this Article shall not apply:
 - A. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - B. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing

date for the current transaction.

- C. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 - D. The Company acquires real property and its right-of-use assets for business purposes from its parent company or its subsidiaries.
- (5) Where the Company acquires real property from a related party and the evaluation results in accordance with the provisions of paragraph 3, subparagraphs (1) and (2) of this Article are lower than the transaction price, the acquisition shall be conducted in accordance with the provisions of paragraph 3, subparagraphs (6) of this Article. However, where the following circumstances exist, objective evidence has been submitted by the Company and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, such provisions shall not apply:
- A. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (A) Where undeveloped land is appraised in accordance with the means in the preceding article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (B) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - B. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in

principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or the right-of-use assets thereof.

- (6) Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with paragraph 3, subparagraphs (1) and (2) of this Article are lower than the transaction price, the following steps shall be taken:
 - A. The Company shall set aside a special reserve in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the transaction price of real property or its right-of-use assets and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the investor that evaluates the Company's investments using the equity method is a public company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other Company.
 - B. The Supervisors shall handle the matters in accordance with Article 218 of the Company Act. Where the Company has an Audit Committee, the preceding part of this subparagraph shall apply to the independent directors of the Audit Committee.
 - C. Actions taken pursuant to the points 1 and 2 of this subparagraph shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company, which has set aside a special reserve in accordance with the aforementioned provisions, may not utilize the special reserve until they have recognized a loss on decline in market value of the assets it acquired or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

- (7) When the Company acquires real property or right-of-use assets thereof from a related party, it shall also comply with the paragraph 3, subparagraph (6) of this Article if there is other evidence indicating that the acquisition was not an arm's length transaction.

Article 9 Procedures for acquiring or disposing of derivative products

- 1. Trading principles and strategies
 - (1) Types of derivatives
 - A. The derivative financial products referred to in Article 4 of these regulations.
 - B. Bond margin trading.

(2) Trading (hedging) strategy

The Company engages in derivative financial product trading with the aim of hedging. Trading products shall primarily be selected to avoid risks arising from the Company's business operations, and the currency held must match the Company's actual foreign currency needs for import and export transactions. The principle is to self-balance the Company's internal positions (referring to foreign currency income and expenditure) in order to reduce the Company's overall foreign exchange risk and save foreign exchange operating costs.

(3) Division of powers and responsibilities

A. Trading personnel

The execution personnel for trading derivative financial products, who are responsible for collecting relevant data and laws on derivative financial products, designing hedging strategies, and disclosing risks. Before executing transactions, they shall understand the Company's management policies and concepts, judge market trends and risks, propose position and hedging recommendations based on the Company's operational strategies, and submit them to the authorized supervisor for approval before execution.

B. Transaction confirmation personnel

Responsible for confirming the correctness of transactions with correspondent banks; sealing on the transaction confirmation form and sending it back.

C. Settlement personnel

Responsible for the settlement of derivative financial product transactions and regularly reviewing the cash flow situation to ensure that the Transaction contracts can be settled on schedule.

D. Accounting personnel

According to relevant regulations (such as Statements of Financial Accounting Standards), the avoidance of transactions and profit and loss results shall be correctly and fairly presented in the financial statements.

(4) Performance evaluation

A. The performance of hedging trading operations is measured and evaluated based on hedging strategies. The finance and accounting department shall evaluate operational performance based on market prices every two weeks and submit the previous month's operational performance to the Chairman within the first week of each month.

B. The finance and accounting department shall provide foreign exchange position evaluation, foreign exchange market trends and market analysis, and regularly evaluate and review. If any abnormal situations are found, take necessary measures immediately and report to the Chairman.

(5) Setting of total contract amount and upper limit of losses

- A. Total contract amount
 - (A) Hedging trade limit

The total balance of the overall hedging contracts of the Company at any time shall not exceed the hedging demand derived from actual transactions within one year. Individual contract balances are limited to US\$2 million or equivalent foreign currency.
 - (B) Speculative trade limit

The Company does not engage in speculative trading operations.
 - B. Setting of upper limit of losses

For derivative trading, the upper limit of total or individual contract losses shall not exceed 20% of the total or individual contract amount.
2. Risk management measures
- (1) Credit risk management

The Company's transaction counterparty shall be banks or internationally renowned financial institutions that have dealings with the Company and can provide professional information.
 - (2) Market risk management

The Company engages in derivative trading only for the purpose of hedging and does not engage in speculative financial operations.
 - (3) Liquidity risk management

To ensure market liquidity, when choosing financial products, high liquidity (i.e. the ability to square position in the market at any time) is the main consideration. Financial institutions entrusted with trading must have sufficient information and the ability to trade in any market at any time.
 - (4) Cash flow risk management

To ensure the stability of the Company's working capital turnover, the source of funds for the Company's derivative trading is limited to its own funds, and the operating amount shall consider the fund needs of future cash receipts and payments forecasts.
 - (5) Operational risk management
 - A. The Company shall indeed follow the Company's authorized limits, operating procedures, and include them in internal audits to avoid operational risks.
 - B. Derivative trading personnel may not serve concurrently in other operations, including confirmation and settlement.
 - C. Risk measurement, monitoring, and control personnel shall be assigned to a different department from that of the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.
 - D. The positions held by derivative trading shall be evaluated at least once a week, but for hedging transactions handled for business operations shall be

evaluated at least twice a month, and the evaluation report shall be submitted to senior executives authorized by the Board of Directors.

(6) Instrument risk management

Internal trading personnel shall have complete and correct professional knowledge of financial products, and require banks to fully disclose risks to avoid risks of financial product misuse.

(7) Legal risk management:

Documents signed with financial institutions shall be reviewed by specialized personnel regarding foreign exchange and legal affairs or legal advisors before they can be officially signed to avoid legal risks.

3. Internal audit system

Internal auditors shall regularly check the adequacy of the internal control over derivatives trading, audit the trading department's compliance with the Procedures for Engaging in Derivatives Trading and analyze the transaction cycle on a monthly basis, and prepare an audit report. If any major violations are discovered, they shall notify the Audit Committee in writing.

4. Periodic assessment method

(1) The Board of Directors shall authorize senior executives to regularly supervise and evaluate whether derivative trading is indeed carried out in accordance with the trading procedures established by the Company, and whether the risks undertaken are within the allowable range. When there are abnormal situations in the market valuation report (such as the position held has exceeded the loss limit), they shall immediately report to the Board of Directors and take corresponding measures.

(2) The positions held by derivative trading shall be evaluated at least once a week, but for hedging transactions handled for business operations shall be evaluated at least twice a month, and the evaluation report shall be submitted to senior executives authorized by the Board of Directors.

5. Principles of supervision and management of the Board of Directors

(1) The Board of Directors shall designate senior executives to monitor and control the risks of derivative trading at all times. The management principles are as follows:

A. Regularly evaluate whether the risk management measures currently in use are appropriate and in accordance with this procedure.

B. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; independent directors shall be present at the board meeting and express an opinion.

(2) Regularly evaluate whether the performance of engaging in derivative trading complies with established business strategies and whether the risks undertaken are

within the Company's acceptable range.

- (3) The Company shall report to the soonest meeting of the Board of Directors after it authorizes the relevant personnel to handle derivative trading in accordance with this procedure.

6. Establishment of logbook

When engaging in derivative trading, the Company shall establish a logbook in which details of the types and amounts of derivatives trading engaged in, Board of Directors' approval dates, and matters that should be carefully evaluated in accordance with paragraph 4, subparagraph (2), and paragraph 5 subparagraphs (1) and (2) of this Article for future reference.

Article 10 Procedures for merger, demerger, acquisition, or transfer of shares

1. Date of Board meeting and shareholders' meeting

The company participating in a merger, demerger, or acquisition shall convene a board meeting and a shareholders' meeting on the same day as other companies in the transaction to resolve matters related to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of special circumstances and gives its consent.

For the companies participating in a merger, demerger, or acquisition, if the shareholders' meeting of any party cannot be convened or reach a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, such companies shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.

The company participating in a transfer of shares shall call a board meeting on the same day as other companies in the transaction, unless another act provides otherwise or the FSC is notified in advance of special circumstances and gives its consent.

When the Company participates in a merger, demerger, acquisition, or transfer of another Company's shares, a TWSE-listed Company or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

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

material contracts, and minutes of board of directors' meetings.

When the Company participates in a merger, demerger, acquisition, or transfer of shares of TWSE-listed companies or a company whose shares are traded on an OTC market, within two days from the date the Board of Directors passes the resolution, the information in subparagraphs 1 and 2 of the preceding paragraph shall be reported to FSC for future reference using the Internet-based information system in the prescribed format.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares, in which the Company participates, is neither listed on the TWSE nor has its shares traded on an OTC market, the Company shall sign an agreement with such company whereby the latter shall comply with Paragraph 3 and 4.

2. Confidentiality commitment before the transaction

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

3. Principles for determining and changing the share exchange ratio or acquisition price

Companies participating in a merger, demerger, acquisition, or transfer of shares shall, prior to convening the Board of Directors, engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the shareholders' meeting. The share exchange ratio or acquisition price shall not be arbitrarily changed in principle, unless the change conditions have been stipulated in the contract and have been publicly disclosed. The conditions for changing the share exchange ratio or acquisition price are as follows:

- (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.
- (2) An action, such as a disposal of major assets, that affects the company's financial operations.
- (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
- (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
- (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
- (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

4. The content to be specified in the contract

The contract for merger, demerger, acquisition, or transfer of shares of a company shall, in addition to complying with the provisions of the Company Act and relevant laws and regulations, specify the following matters:

- (1) Handling of breach of contract.
- (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
- (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
- (4) The manner of handling changes in the number of participating entities or companies.
- (5) Preliminary progress schedule for plan execution, and anticipated completion date.
- (6) Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.

5. An increase or decrease in the number of companies participating in the merger, demerger, acquisition, or transfer of shares

After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except where the number of participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the Board of Directors to change the authority, such participating company may be exempted from calling another shareholders' meeting to resolve on the matter anew.

6. If a company participating in a merger, demerger, acquisition, or transfer of shares is a non-public company, the Company shall sign an agreement with it and handle the relevant matters in accordance with the provisions of paragraph 1 regarding the date of the board meeting, paragraph 2 regarding the confidentiality commitment before the transaction, and paragraph 5 regarding an increase or decrease in the number of companies participating in the merger, demerger, acquisition, or transfer of shares under this article.
7. The requirement of obtaining an aforesaid opinion on reasonableness issued by a CPA, attorney, and securities underwriter expert may be exempted in the case of a merger by a public company with its subsidiary, in which the company directly or indirectly holds 100% of the issued shares or authorized capital.

Article 11 Information disclosure procedure

1. Under any of the following circumstances, the Company acquiring or disposing of

assets shall disclose the relevant information on the MOPS in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

- (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more. Trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (2) Merger, demerger, acquisition, or transfer of shares.
 - (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
 - (4) Acquisition or disposal of equipment held for business use or its right-of-use asset, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - A. The Company's paid-in capital is less than NT\$10 billion, and the transaction amount reaches NT\$500 million or more.
 - B. The Company's paid-in capital is NT\$10 billion or more, and the transaction amount reaches NT\$1 billion or more.
 - (5) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
 - (6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:
 - A. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than our country's sovereign rating.
 - B. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. The calculation of the preceding transaction amount is as follows. The term within the preceding year refers to the year preceding the date of the current transaction. The portions that have been announced according to the regulations need not be counted toward the transaction amount.
- (1) The amount of any individual transaction.

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

The term within the preceding year refers to the year preceding the date of the current transaction. The portions that have been announced as per these procedures need not be counted toward the transaction amount.

3. The provisions regarding 10% of total assets shall be calculated based on the total assets amount in the most recent individual or standalone financial report as stipulated by the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. If the Company's stock to be acquired or disposed of has no par value or if the par value per share is not NT\$10, the transaction amount rule in this procedure related to 20% of paid-in capital shall be calculated as 10% of the equity attributable to owners of the parent.
5. The Company shall prepare monthly reports on the status of the derivatives traded up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format onto the MOPS by the 10th day of each month.
6. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again announced and declared in their entirety within 2 days counting inclusively from the date of knowing of such error or omission.
7. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, logbooks, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.
8. After the Company announces and declares a transaction in accordance with the preceding paragraph, it, under any of the circumstances below, shall announce and declare the relevant information on MOPS within 2 days counting inclusively from the date of the occurrence of the event:
 - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

(3) Change to the originally publicly announced and reported information.

Article 12 The subsidiary of the Company shall handle it in accordance with the following regulations

1. The Company shall urge its subsidiaries to establish procedures for acquisition and disposal of assets based on their business nature, scale, and local laws and regulations. The subsidiary shall acquire or dispose of assets in accordance with the relevant procedures.
2. The finance and accounting department of the Company shall urge its subsidiaries to independently inspect whether the established operating procedures comply with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and whether the acquisition or disposal of assets by subsidiaries is handled in accordance with its established operating procedures.
3. The Company's audit shall review the self-inspection report of its subsidiaries.
4. If the subsidiary is not a public company and the acquisition or disposal of assets meet the announcement and declaration standards set forth in Article 12 of these regulations, the Company shall also handle the announcement and declaration matters on behalf of the subsidiary.
5. In the announcement and declaration standards of subsidiaries, the term "reaching 20% of the company's paid-in capital or 10% of its total assets" refers to the paid-in capital or total assets of the Company.

Article 13 Penalties

Employees of the Company who violate the provisions of these regulations when acquiring and disposing of assets shall be assessed in accordance with the employee handbook and punished according to the severity of the case.

Article 14 Implementation and amendment

These regulations shall be implemented after being approved by the Audit Committee, the Board of Directors, and the shareholders' meeting. If a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the shareholders' meeting for discussion. The same procedure is applicable to any amendment thereto.

In addition, when submitting these regulations to the Board of Directors for discussion according to the regulations of the preceding paragraph, the opinions of each independent director shall be fully considered, and any dissenting opinions or reserved opinions they may have shall be included in the board meeting minutes.

Wah Hong Industrial Corporation
Regulations Governing the Election of Directors

Approved the amendment by Shareholders' Meeting on May 31, 2018.

Article 1: The directors of the Company shall be elected in accordance with the provisions of these regulations.

Article 2: Cumulative voting method shall adopted for the election of the Company's directors. Each share shall be entitled to the same voting rights as the number of directors to be elected. One director may be elected collectively, or several directors may be elected separately. As for registration of elector's names, their attendance certificate numbers shall be printed on the ballots for instead.

Article 3: Before the election begins, the chairman shall designate several scrutineers and counters to carry out various tasks, and the scrutineers shall have shareholder status.

Article 4:

1. The Company's directors shall be elected in accordance with the candidate nomination system specified in Article 192-1 of the Company Act.
2. In the election of the directors of the Company, the number of voting rights for independent directors and non-independent directors shall be calculated in accordance with the quotas set forth in the Company's Articles of Incorporation. Those with the ballots representing more voting rights shall be elected in proper order. If there are more than two persons having the ballots with the same number of voting rights and the quota is exceeded, these persons shall draw lots for the election result, and the chairman shall draw lots for those who are not present.
3. If a director is dismissed for some reasons, resulting in less than five members or the number of independent directors less than the number specified in Article 13, Paragraph 2 of the Company's Articles of Incorporation, a by-election shall be conducted at the most recent shareholders' meeting. When the vacancy of directors reaches one-third of the seats specified in Article 13, Paragraph 1 of the Company's Articles of Incorporation or when all independent directors are dismissed, a special shareholders' meeting shall be convened for by-election within 60 days from the date of the occurrence of the fact.
4. 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.
5. The Company's Board of Directors should consider adjusting its composition based on the results of the performance evaluation.

Article 5: The Company shall prepare the ballots equaling to the number of directors to be elected, with the number of their voting rights completed thereon, which shall be distributed to the shareholders attending the Shareholders' Meeting.

Ballot boxes shall be prepared by the Company, and shall be inspected by the scrutineers in public before voting.

Article 6: If any electee is a shareholder, elector must fill in the electee's account name and shareholder account number in the "Electee" column on the ballot; while, if the electee is not a shareholder, the electee's name and ID card number shall be filled in.

If the electee is a legal person, in addition to filling in the shareholder account number, the full account name of the legal person or the full account name of the legal person and the name of its representative shall be filled in.

Article 7: A ballot shall be ineffective in case of any following condition:

1. The ballots specified by these regulations are not used.
2. Each ballot contains two or more electees.
3. There are other words on any ballot other than electee's (account) name and shareholder account number (number of identification document).
4. The handwriting on any ballot is illegible.
5. The account name and shareholder account number do not match the shareholder register if the electee filled in is a shareholder; the name and identification document number do not match after verification if the electee filled in is not a shareholder.
6. Electee's name filled out in the ballot is the same as another shareholder's name, and shareholder account number or the number of identification document is not filled out therein.

Article 8: After the completion of voting, the votes shall be opened and counted on the spot, and the voting result shall be announced by the chairperson or designated person on the spot, including the list of the directors elected and the number of voting rights.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If there is legal proceeds instated by shareholders under Article 189 of the Company Act, the said document shall be kept until the final ruling of the proceedings.

Article 9: Matters not stipulated in these regulations shall be handled under the provisions of the Company Act, the Company's Articles of Incorporation, and other relevant laws and regulations.

Article 10: These regulations, and any amendments thereto, shall be implemented after they are approved by the Shareholders' Meeting.

Wah Hong Industrial Corporation

Directors' Shareholding

1. The Company's paid-in capital is NT\$1,000,044,140, and the number of shares issued is 100,004,414, under the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies. The minimum number of shares held by all directors is 8,000,000.
2. As of the book closure date of this Annual Shareholders' Meeting (March 28, 2025), the shareholder roster has recorded the number of shares held by directors as follows, which has met the percentage standards in Article 26 of the Securities and Exchange Act.

Title	Name	The Book Closure Date Number of Shares		Representatives Name
		Shares	Percentage of Holding	
Chairman	Wah Lee Industrial Corp.	27,135,978	27.13%	Tsuen-Hsien, Chang
Director	Bau Guang Investment Co. Ltd.	1,427,357	1.43%	Lu-Hui, Huang
Director	Ching-Pin, Yeh	1,494,994	1.49%	—
Director	Chih-Cheng, Wu	574,129	0.57%	—
Independent Director	Chen-Chi, Ma	—	—	—
Independent Director	Liang-Chien, Li	—	—	—
Independent Director	Kuan-Neng, Chen	—	—	—
	Subtotal of directors' shareholding	30,632,458	30.63%	

Note: If more than two independent directors are elected, the shareholding ratio of all directors other than independent directors shall be calculated at a 20% discount.

Additional Information

Description for approving of shareholder proposals at this Annual Shareholders' Meeting:

- Description:
1. Subject to Article 172-1 of the Company Act, shareholder(s) holding 1% or more of the total number of outstanding shares of a company may propose to the Company a proposal shall be in writing for discussion at a general Shareholders' Meeting, provided that only one matter shall be allowed in every single proposal, and the number of words in the proposal shall be allowed limited to no more than 300 words.
 2. The Company announced that the 2025 Annual Shareholders' Meeting will approve applications for shareholder proposal. The period is from March 19, 2025, to March 28, 2025, and has been announced on MOPS according to law.
 3. As of the deadline for approving proposals, the Company has not received any proposals from shareholders.