



Stock Code:3419

WHA YU INDUSTRIAL CO., LTD.

2023 Annual Shareholders' Meeting Meeting Agenda

Meeting Date: June 19, 2023

Place: No.1, Gongye E. 2nd Rd., East Dist, Hsinchu City, Taiwan
(2F, Darwin Hall, GIS HSP Convention Center)

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WHA YU INDUSTRIAL CO., LTD.
Procedure for the 2023 Annual Meeting of
Shareholders

I. Call Meeting to Order

II. Chairman's Remarks

III. Report Items

IV. Proposed Resolutions

V. Election Matters

VI. Other Motions

VII. Extemporaneous Motions

VIII. Meeting Adjourned

WHA YU INDUSTRIAL CO., LTD.

2023 Annual Shareholders' Meeting

Meeting Agenda

Time: 9:00 AM on June 19 (Monday), 2023

Place: No.1, Gongye E. 2nd Rd., East Dist, Hsinchu City, Taiwan (2F, Darwin Hall, GIS HSP Convention Center)

Meeting Method: Physical Shareholders' Meeting

I. Call Meeting to Order (Reporting the Number of Shares Represented at the Meeting)

II. Chairman's Remarks

III. Report Items

- (I) To report the business of 2022
- (II) Audit Committee's review report of 2022.
- (III) Implementation of Investments in the PRC
- (IV) The Status of Endorsement and Guarantee
- (V) The Status of Lending Funds to Other Parties.
- (VI) The remuneration for employees and directors of 2022.

IV. Proposed Resolutions

- (I) To accept 2022 Business Report and Financial Statements.
- (II) To accept 2022 Earnings Distribution

V. Election Matters

Election of the 16th Directors (including Independent Directors)

VI. Other Motions

Proposal of resolution to release the prohibition on newly-elected directors and their corporate representatives from participation in competitive business.

VII. Extemporaneous Motions

VIII. Meeting Adjourned

Report Items

- I. To report the business of 2022 provided for review.
Explanation: To report the business of 2022 is attached on page 7, Attachment 1.
- II. Audit Committee's review report of 2022. provided for review.
Explanation: Audit Committee's review report of 2022. is attached on page 8, Attachment 2.
- III. Implementation of Investments in the PRC provided for review.
Explanation: The Information on Investments in Mainland China of 2022 is attached on page 9, Attachment 3.
- IV. The Status of Endorsement and Guarantee provided for review.
Explanation: The Status of Endorsement and Guarantee is attached on page 10, Attachment 4.
- V. The Status of Lending Funds to Other Parties provided for review.
Explanation: The Status of Lending Funds to Other Parties is attached on page 11, Attachment 5.
- VI. The remuneration for employees and directors of 2022 provided for review.
Explanation:
 - (I) In accordance with Article 20 of the Company's Articles of Incorporation, if the Company makes a profit in a year (i.e., after deducting accumulated losses from the profit before tax and remuneration to employees and directors), 10% to 20% of the profit shall be appropriated as remuneration to employees and not more than another 3% of the profit shall be appropriated as remuneration to directors. Employee remuneration shall be distributed in stocks or in cash
 - (II) In 2022, the Company proposed to distribute the employee remuneration of NT\$3,246,103 and director remuneration of NT\$973,831 in cash.
 - (III) The above proposed remuneration for employees and directors do not differ from the amount estimated in the 2022 financial statements.

Proposed Resolutions

Proposal 1 (Proposed by the Board of Directors)

Subject: Proposal on 2022 Business Report and Financial Statements for ratification.

Explanation:

- (I) The 2022 financial statements and the 2022 Business Report were reviewed by the Audit Committee and approved by the Board of Directors on March 27, 2023. The above Financial Statements have been audited by CPA Tsai, Mei-Chen and CPA Lin, Cheng-Chih of the Deloitte & Touche, and an auditors' report has been issued.
- (II) For the 2022 Business Report, Auditors' Report and the above Financial Statements, please refer to Attachment 1 (page 7) and Attachment 6 (pages 12-31) of the handbook.
- (III) Please ratify.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Subject: Proposal on Earnings Distribution in 2022 for ratification.

Explanation:

- (I) The Earnings Distribution Statement in 2022 has been approved at the 18th meeting of the 15th Board of Directors of the Company. For the Table of Earnings Distribution, please refer to Attachment 7 (page 32).
- (II) The chairman is authorized to determine the base date of dividend distribution and the distribution of cash dividends after the approval of the earnings distribution proposal at the shareholders' meeting.
- (III) Please ratify.

Resolution:

Election Matters

(Proposed by the board of directors)

Subject: To elect eleven Directors (including three Independent Directors)

Explanation:

- (I) The term of office of the current directors of the Company expires on June 18, 2023, and it is intended that a general re-election will be held at this Annual Shareholders' Meeting.
- (II) In accordance with Article 15 and Article 15-1 of the Company's Articles of Incorporation, eleven directors (including three independent directors) shall be elected for a three-year term under a candidate nomination system.
- (III) The term of office of the new directors will be from June 19, 2023 to June 18, 2026, and the term of office of the former directors will expire upon the completion of the annual shareholders' meeting.
- (IV) For the List of Candidates for Directors and Independent Directors and the related information, please refer to Attachment 8 on pages 33-34 of the handbook.
- (V) For the Regulations Governing the Election of Directors of the Company, please refer to Attachment 11 (page 41) of the handbook.
- (VI) Provided for election.

Election results:

Other Motions

(Proposed by the board of directors)

Subject: Proposal of resolution to release the prohibition on newly-elected directors and their corporate representatives from participation in competitive business.

Explanation:

- (I) In accordance with Article 209 of the Company Act, "A director who performs acts for himself/herself or for another person that fall within the scope of the company's business shall explain the content of his/her acts to the shareholders' meeting and obtain their approval."
- (II) In order to capitalize on the expertise and experience of our directors, we hereby request the shareholders' meeting to approve the release of new directors from the restriction on competition for employment.
- (III) New directors who also hold positions in other companies are as follows:

Name	Current positions in other companies
Sun, Cheng-Pen	Director of Songyi Technology Co., Ltd.

- (IV) For discussion.

Resolution:

Extemporaneous Motions

Meeting Adjourned

WHA YU INDUSTRIAL CO., LTD.

Business Report of 2022

The business of the Company in 2022 is reported as follows

I. Implementation, results and overview of the business plan of 2022:

The Company's consolidated revenue for 2022 was NT\$1.981 billion, an increase of 25.30% from the NT\$1.581 billion in 2021, and the Company's individual revenue for 2022 was NT\$1.712 billion, an increase of 42.79% from the NT\$1.199 billion in 2021. The Company's net income after tax for 2022 was NT\$33,428 thousand due to the strong demand for wireless applications that result in the injection of revenue and the improvement of overall operating margin.

Our products are divided into three categories: wireless applications, subsystems and IoT, and in-vehicle and telecommunications. The Company continues to invest in R&D to strengthen wireless radio products, and has completed the development of Wi-Fi 6/6E/7 wireless communication antenna, high performance carrier antenna, LTE+5G NR full bandwidth antenna, 700MHz/900MHz/1.7GHz/2.5GHz broadband high gain base station omni-directional antenna, 3.5GHz/4.5GHz indoor DAS antenna, LTE+5G NR Multi-in-1 car antenna, L1+L2+L5 broadband high-precision circular polarized ceramic antenna, O-RAN & Small cell, radar sensor module, and RFID intelligent storage sensor systems, to meet the needs of customers from local to client wireless communication equipment.

II. Corporate business policy and future outlook:

In response to the development of 5G and 6G Internet of Everything, all countries are now considering network broadband construction as a demonstration of their national strength and accelerating the upgrade of infrastructure. Taiwan is expected to be the biggest beneficiary in the next few years under the de-centralization. Wi-Fi 7 will be progressively launched in 2023, with market demand for ultra-large bandwidth and 46.1Gbps maximum transmission rate, 16x16 spatial streaming and the introduction of new technologies such as Multi-Link Operation (MLO) and Multi-Resource Unit (MRU) allocation mechanism. Wi-Fi 7 is perfectly aligned with the emerging applications such as AR/VR/MR, cloud gaming, 4K video calls, 8K streaming media and meta. In 2022, global operators are interested in 5G FWA to support home and business broadband applications. In addition to providing greater bandwidth and lower latency connections, they will become one of the alternatives to fixed broadband connections and reduce the cost of broadband network deployment. With the continued expansion of FWA deployments in 2023 and the gradual move from traditional closed architecture to open architecture for RAN, the commercial development of Open RAN will undoubtedly drive another wave of wireless product upgrades.

We continue to focus on our core technologies and businesses, enhance our R&D capabilities and serve our brand-name customers, and strengthen our cooperation with key material suppliers to develop low-loss dielectric materials. We have invested in the development of miniaturized Wi-Fi 7 antennas, Internet of Things antennas and modules, enhanced directional antenna gain structures, intelligent beam-switchable antenna systems, 4G+5G indoor Distributed Antenna Systems (DAS), mmWave products, drone obstacle avoidance radar, phased array antennas, video conference audio and video peripherals, LTE+CBRS Band antennas, keyless communication modules, low-orbit satellite antennas, and other communication products to seize the huge business opportunities in the communication industry.

In response to the de-centralization of trade between the U.S. and China and to meet the needs of our customers, we plan to establish a plant in Vietnam in addition to those in mainland China and Taiwan, and continue to input resources to build a smart manufacturing base to serve different customers around the world. In addition to meet the MIT demand of customers, the Hsinchu Fengshan plant in Taiwan is acting as the group manufacturing operation center, to flexibly deploy capacities of the Dongguan plant in mainland China and the future Vietnam manufacturing site to respond to the trend of short chain supply and build regionalized production to provide customers with localized and immediate services.

In 2023, we will focus on innovation and value enhancement, and develop our global operations in the United States, Europe, Japan, China, and Vietnam. We established a subsidiary in the United States in March to serve our end-user customers. We are aggressively marketing to increase our visibility, to continue our efforts to develop large customers, and to achieve economic scale production to reduce costs. We have reorganized our product structure to improve product gross profit, and enhance and create product value chain.

Looking forward to the future, we must continue to invest in hardware and software R&D manpower and equipment upgrades for products such as networking antennas, Internet of Things modules, sensing radar products, automotive sensor products, automotive communication antennas and base station antennas, and millimeter wave antenna modules.

Chairman:
Tsou Mi-Fu

General Manager:
Peng, Chao-Chung

Principal Accounting Officer:
Tsao, Fu-Yi

WHA YU INDUSTRIAL CO., LTD.

Audit Committee's Review Report

The Board of Directors has submitted the Company's Business Report of 2022, Financial Statements and Earnings Distribution Table. The Financial Statements have been audited by CPA Tsai, Mei-Chen and CPA Lin, Cheng-Chih of Deloitte & Touche, and the Auditor's Report without reservations.

The aforementioned business reports, financial statements, and earnings distribution table have been examined by the Audit Committee and found to be consistent. The report is provided according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for review.

Sincerely,
2023 Annual Shareholders' Meeting

Convener of the Audit Committee:
Liu, Heng-Yih

March 27, 2023

Attachments 3

WHA YU INDUSTRIAL CO., LTD.
Information on Investments in Mainland China
From January 1 to December 31, 2022

Unit: In Thousands of New Taiwan Dollars,
Unless Stated Otherwise

Investee Company	Main Business Activities	Paid-in Capital	Method of Investments	Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted from Taiwan at End of Period	Benefit (loss) of invested entity for the current period	The Company's Direct or Indirect Ownership	Investment Profit (Loss) Recognized (Note 2)	Carrying Value of Investments at End of Period	Accumulated Investment Income Repatriated at End of Period
					Remitted	Repatriated						
Dongguan AEON Tech Co., Ltd.	Production and sales of broadband access network communication system equipment (wireless fixed access network communication equipment), new instrumentation elements (instrumentation connectors)	RMB 77,332 thousand (USD 11,100 thousand) (Note 3)	Note 1	USD 5,600 thousand	\$ -	\$ -	USD 5,600 thousand	(RMB 959 thousand)	100%	(RMB 959 thousand)	RMB 84,841 thousand	\$
AEON TECHNOLOGY (SHANG HAI) CO., LTD.	Wholesales of communication parts, electronic parts, cables, optical fibers and antennas; import and export of self-developed products; provision of supporting and consulting services; development of antennas	RMB 41,592 thousand (USD 5,970 thousand) (Note 4)	Note 1	USD 1,250 thousand	-	-	USD 1,250 thousand	(RMB 70 thousand)	100%	(RMB 70 thousand)	RMB 15,914 thousand	

Accumulated Amount of Investments Remitted from Taiwan to Mainland China at End of Period	Amount of Investments Authorized by Investment Commission, M.O.E.A	60% of the net value of the ceiling on Amount of Investments Stipulated by Investment Commission, M.O.E.A.
USD 13,662 thousand (\$419,560)	USD 21,762 thousand (\$668,311)	\$887,879

- Note 1: The Company has invested in Mauritius Hua Hong International Co., Ltd. and then invested in mainland companies through this company, which has been approved by the Investment Review Committee of the Ministry of Economic Affairs.
- Note 2: The calculation is based on the financial statements audited by the CPAs for the same period.
- Note 3: The reinvestment was made based on the accumulated amount of USD 5,600 thousand transferred from Taiwan and the earnings of USD 5,500 thousand owned by Hua Hong International Co., Ltd.
- Note 4: The reinvestment was made based on the accumulated amount of USD 1,250 thousand transferred from Taiwan, and the earnings of USD 2,600 thousand owned by Gaosheng International Co., Ltd.. Then Dongguan Tailin Co., Ltd. used its own earnings to increase the capital of Shanghai Puxiang Technology Co., Ltd. by RMB 13,500 thousand.
- Note 5: The relevant figures in this table that are denominated in foreign currencies are translated into New Taiwan dollars using the exchange rates prevailing on the date of the financial statements.

Attachments 4

WHA YU INDUSTRIAL CO., LTD. Endorsements and guarantees From January 1 to December 31, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsements/Guarantees Provided for Single Entity	Maximum Endorsement/Guarantee Balance	Balance of endorsement guarantee at the end of the period	Actual Amount Drawn	Amount of Endorsements/Guarantees by Collaterals	Ratio of Accumulated Endorsements/Guarantees to Net Equity in Latest Financial Statements	Aggregate Endorsement/Guarantee Limit (Note 3)
	Name of Company	Relationship							
WHA YU	Dongguan AEON Tech Co., Ltd.	Subsidiary with 100% indirect shareholding	\$ 739,900 (Note 2)	\$ 61,420 (USD 2,000 thousand)	\$ 61,420 (USD 2,000 thousand)	\$ 61,420	\$	4.15%	\$ 739,900
WHA YU	Dongguan AEON Tech Co., Ltd.	Subsidiary with 100% indirect shareholding	739,900 (Note 2)	92,130 (USD 3,000 thousand)	92,130 (USD 3,000 thousand)			6.23%	739,900

Note 1: The Company's limit on endorsements and guarantees provided for a single entity shall not exceed 20% of the current net value.

Note 2: The Company's 100%-owned subsidiaries are not subject to the aforementioned limit on endorsements and guarantees for single entity.

Note 3: The total amount of the Company's external endorsements and guarantees shall not exceed 50% of the net value of the current period.

Note 4: The relevant figures in this table that are denominated in foreign currencies are translated into New Taiwan dollars using the exchange rates prevailing on the date of the financial statements.

Attachments 5

WHA YU INDUSTRIAL CO., LTD.

Loan of funds to others

From January 1 to December 31, 2022

Unit: NT\$1,000

Company lending fund	Borrower	Transaction	Maximum balance of the period	Ending balance	Interest Rate	Nature of the lending	Transaction amount	Reason for necessity of short-term financing funds	Allowance for uncollectible accounts	Collateral		Financing Limit for Each Borrowing Company (Note 3)	Financing Company's Total Financing Amount Limit (Note 3)
										Name	Value		
Hua Hong International Co., Ltd.	WHA YU	Other receivables	\$101,384	\$101,384	2.5%	Short-term financing funds	\$ -	Operation turnover	\$ -	—	\$ -	\$ 269,065	\$ 269,065

Note 1: The lending of funds by the Company to an individual entity shall not exceed 10% of the Company's net value; the lending of funds by an overseas subsidiary to an individual entity shall not exceed 15% of the net value of the subsidiary.

Note 2: The total amount of funds lent by the Company shall not exceed 40% of its net value; and the total amount of funds lent by an overseas subsidiary shall not exceed 40% of the net value of the subsidiary.

Note 3: There is no restriction on short-term financing between affiliates in which the Company directly or indirectly holds 100% of the voting shares, provided that the total loan amount and the individual loan amount do not exceed 60% of the net value of such affiliates.

Attachments 6

Independent Auditors' Report

Board of Directors of WHA YU INDUSTRIAL CO., LTD. Ltd.:

Opinion

WHA YU INDUSTRIAL CO., LTD. 's Balance Sheets as of December 31, 2022 and 2021 in addition to the Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows and Notes to the Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2022 and 2021) have been audited by the CPAs.

In our opinion, based on the audit results provided by the CPAs and the audit reports of other CPAs (please refer to other sections), the Parent Company only Financial Statements mentioned above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects, and are considered to have reasonably expressed the parent company only financial conditions of WHA YU INDUSTRIAL CO., LTD. as of December 31, 2022 and 2021, as well as the financial performance and cash flows from January 1 to December 31, 2022 and 2021.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of WHA YU INDUSTRIAL CO., LTD. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on the audit results provided by the CPAs and the audit reports of other CPAs, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Company Only Financial Statements of WHA YU INDUSTRIAL CO., LTD. for the year ended December 31, 2022. These matters were addressed

in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Parent Company only Financial Statements of WHA YU INDUSTRIAL CO., LTD. for the year ended December 31, 2022 are stated as follows :

Recognition of sales revenue

The main sources of revenue for WHA YU INDUSTRIAL CO., LTD. are high and low frequency wireless devices, electronic signal connection devices, electronic products and trading agent parts. The Company's revenue in 2022 is NT\$ 1,712,143 thousand. We believe that there is a authenticity risk for the sales entities with significant revenue growth rate and the transactions in the two years for WHA YU INDUSTRIAL CO., LTD. , and we consider the revenue authenticity of the Company as a key audit matter. For the accounting policies related to revenue recognition, please refer to Note 4 (14) to the Financial Statements.

The audit procedure for the financial statements includes:

1. To learn about the internal control system and operation procedures related to the sales cycles of WHA YU INDUSTRIAL CO., LTD., and evaluate if the operation of the internal control is effective.
2. To obtain the credits and basic information of customers and check the authenticity of the customers.
3. To take samples for random check of the sales revenue, and check the documents such as orders and shipment orders and invoices confirmed by the counterparties to confirm the authenticity of the sales revenue, and to check the payment and product return of the counterparties for any abnormal conditions.

Other Matter

To list the above Financial Statements of WHA YU INDUSTRIAL CO., LTD.. The consolidated financial statements of the invested entity Pro Brand Technology, Inc. using equity method are not audited by us, but audited by other CPAs. Therefore, in our opinion in the above consolidated financial statements, the amounts and disclosures related to the consolidated financial statements of Pro Brand Technology, Inc. are based on the Auditors' Report prepared by other CPAs. The investment amount of Pro Brand Technology, Inc. determined using the Equity Method on December 31, 2021 was NT\$ (same below) 227,782 thousand, accounting for 10% of the total assets. The amount of the loss (profit) of the affiliates recognized using the Equity Method from January 1 to December 31, 2021 was NT\$ 2,217 thousand, accounting for (6)% of the net loss (profit).

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

To ensure that the Parent Company Only Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the Parent Company Only Financial Statements.

In preparing the Parent Company only Financial Statements, the management is responsible for assessing WHA YU INDUSTRIAL CO., LTD.'s ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate WHA YU INDUSTRIAL CO., LTD. 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 WHA YU INDUSTRIAL CO., LTD.'s financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Parent Company Only Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls 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 internal controls of WHA YU INDUSTRIAL CO., LTD.

3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the 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 WHA YU INDUSTRIAL CO., LTD.'s ability to operate 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 Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause WHA YU INDUSTRIAL CO., LTD. to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Parent Company Only Financial Statements (including relevant Notes), and whether the Parent Company Only Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within WHA YU INDUSTRIAL CO., LTD to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Parent Company Only Financial Statements of WHA YU INDUSTRIAL CO., LTD.

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 Services Co. matters communicated with those charged with governance, we determine the key audit matters of WHA YU INDUSTRIAL CO., LTD Co., Ltd.'s Parent Company only Financial Statements for the year ended December 31, 2022. 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.

Deloitte & Touche

CPA Tsai, Mei-Chen

CPA Lin, Cheng-Chih

Financial Supervisory Commission
Approved Document No.

Jin Guan Zheng Shen Zi No. 1010028123

Financial Supervisory Commission Approved
Document No.

Jin Guan Zheng Liu Zi No. 0930160267

March 27, 2023

WHA YU INDUSTRIAL CO., LTD.

Balance Sheets

December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022		December 31, 2021		Code	Liabilities and Equity	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current Liabilities				
1100	Cash (Notes 4 and 6)	\$ 192,312	8	\$ 248,325	11	2100	Short-term borrowings (Notes 16 and 29)	\$ 101,384	4	\$ 80,490	4
1150	Notes receivable (Notes 4, 8 and 20)	986	-	1,591	-	2150	Notes payable to unrelated parties	1,103	-	-	-
1170	Trade receivables from unrelated parties (Notes 4, 5, 8 and 20)	678,077	28	389,971	18	2170	Trade payables to unrelated parties	35,644	2	60,075	3
1180	Trade receivables from related parties (Notes 4, 20 and 29)	10,938	1	10,793	-	2180	Trade payables to related parties (Note 29)	304,123	13	187,549	8
1200	Other receivables (Notes 4 and 8)	6,660	-	753	-	2320	Long-term borrowings - current portion (Notes 16, 28 and 30)	57,981	2	12,222	-
1210	Other receivables from related parties (Notes 4 and 29)	-	-	14,337	1	2399	Accrued expenses and other current liabilities (Notes 17, 20 and 29)	82,176	3	56,941	3
130X	Inventories (Notes 4, 5 and 9)	137,390	6	135,460	6			<u>582,411</u>	<u>24</u>	<u>397,277</u>	<u>18</u>
1460	Non-current assets held for sale (Notes 4 and 10)	169,642	7	-	-	21XX	Total current liabilities				
1470	Other current assets (Note 15)	6,939	-	14,577	1		Non-current liabilities				
11XX	Total current assets	<u>1,202,944</u>	<u>50</u>	<u>815,807</u>	<u>37</u>	2540	Long-term borrowings (Notes 16, 28 and 30)	316,374	13	353,449	16
	Non-current assets					2630	Deferred revenue - non-current (Note 24)	7,311	-	8,857	-
1517	Financial assets at fair value through other comprehensive income - Non-current (Notes 4, 7 and 28)	34,537	2	35,564	2	2640	Net defined benefit liabilities - non-current (Notes 4 and 18)	8,735	1	9,747	1
1550	Investments accounted for using the equity method (Notes 4 and 11)	486,701	20	678,687	31	2645	Guarantee deposits	503	-	-	-
1600	Property, plant, and equipment (Notes 4, 12 and 30)	662,657	28	645,533	30	25XX	Total non-current liabilities	<u>332,923</u>	<u>14</u>	<u>372,053</u>	<u>17</u>
1780	Intangible assets (Notes 4 and 14)	8,195	-	4,851	-	2XXX	Total liabilities	<u>915,334</u>	<u>38</u>	<u>769,330</u>	<u>35</u>
1920	Refundable deposits	99	-	99	-		Equity (Notes 4 and 19)				
1990	Other no-current assets (Note 15)	-	-	5,053	-	3110	Share capital	<u>1,204,804</u>	<u>50</u>	<u>1,204,804</u>	<u>55</u>
15XX	Total non-current assets	<u>1,192,189</u>	<u>50</u>	<u>1,369,787</u>	<u>63</u>	3200	Capital surplus	<u>201,451</u>	<u>9</u>	<u>222,863</u>	<u>10</u>
							Retained earnings				
						3310	Legal reserve	-	-	13,055	1
						3320	Special reserve	104,610	4	104,610	5
						3350	Unappropriated earnings(accumulated deficit)	<u>33,976</u>	<u>2</u>	(<u>34,467</u>)	(<u>2</u>)
						3300	Total retained earnings	<u>138,586</u>	<u>6</u>	<u>83,198</u>	<u>4</u>
							Other equity				
						3410	Exchange differences arising on translation of foreign operations	(75,106)	(3)	(100,565)	(4)
						3420	Unrealized gain on investments in equity instruments at fair value through other comprehensive Income	6,177	-	5,964	-
						3470	Equity related to non-current assets or disposal groups classified as held for sale	3,887	-	-	-
						3400	Total other equity	(<u>65,042</u>)	(<u>3</u>)	(<u>94,601</u>)	(<u>4</u>)
						3XXX	Total equity	<u>1,479,799</u>	<u>62</u>	<u>1,416,264</u>	<u>65</u>
1XXX	Total assets	<u>\$ 2,395,133</u>	<u>100</u>	<u>\$ 2,185,594</u>	<u>100</u>		Total liabilities and equity	<u>\$ 2,395,133</u>	<u>100</u>	<u>\$ 2,185,594</u>	<u>100</u>

(Please refer to the Auditor's Report issued by Deloitte & Touche on March 27, 2023)

Chairman: Tsou Mi-Fu

Managerial officers: Peng, Chao-Chung

Principal Accounting Officer: Tsao, Fu-Yi

WHA YU INDUSTRIAL CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

		Unit: In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share			
Code		2022		2021	
		Amount	%	Amount	%
4100	Operating revenue (Notes 4, 20 and 29)	\$ 1,712,143	100	\$ 1,199,261	100
5110	Operating costs (Notes 9, 21 and 29)	<u>1,448,103</u>	<u>85</u>	<u>1,032,859</u>	<u>86</u>
5900	Gross profit	264,040	15	166,402	14
5920	Unrealized Gain(Loss) On Transactions With subsidiaries (Note 4)	<u>1,222</u>	<u>-</u>	(<u>554</u>)	<u>-</u>
5950	Realized gross profit	<u>265,262</u>	<u>15</u>	<u>165,848</u>	<u>14</u>
	Operating expenses (Notes 21 and 29)				
6100	Selling and marketing expenses	82,726	5	64,905	5
6200	General and administrative expenses	73,344	4	91,165	8
6300	Research and development expenses	89,263	5	68,894	6
6450	Expected credit gain	(<u>576</u>)	<u>-</u>	(<u>1,647</u>)	<u>-</u>
6000	Total operating expenses	<u>244,757</u>	<u>14</u>	<u>223,317</u>	<u>19</u>
6510	Other Operating Expenses (Note 21)	(<u>6</u>)	<u>-</u>	(<u>98</u>)	<u>-</u>
6900	Profit(Loss) From Operations	<u>20,499</u>	<u>1</u>	(<u>57,567</u>)	(<u>5</u>)
	Non-operating income and expenses				
7100	Interest income (Note 21)	561	-	3,039	-
7010	Other income (Notes 4, 21, 24, 29 and 31)	73,342	4	8,060	-
7020	Other gains and losses (Note 21)	(61,115)	(3)	(2,662)	-
7050	Finance costs (Notes 4 and 21)	(7,035)	-	(2,232)	-
7070	Share of profit of subsidiaries and associates (Note 4)	<u>1,989</u>	<u>-</u>	<u>11,549</u>	<u>1</u>
7000	Total non-operating income and expenses	<u>7,742</u>	<u>1</u>	<u>17,754</u>	<u>1</u>

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Code		2022		2021	
		Amount	%	Amount	%
7900	Profit(Loss) Before Income Tax	\$ 28,241	2	(\$ 39,813)	(4)
7950	Income tax benefit (Notes 4 and 22)	(5,187)	-	-	-
8200	Net income (loss) for the year	<u>33,428</u>	<u>2</u>	(<u>39,813</u>)	(<u>4</u>)
	Other comprehensive income (loss) (Notes 4, 18 and 19)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	548	-	(924)	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	213	-	5,964	1
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations	19,835	1	(7,519)	(1)
8365	Equity related to non-current assets or disposal groups classified as held for sale	3,887	-	-	-
8380	Share of other comprehensive income of associates accounted for using the equity method	<u>5,624</u>	<u>1</u>	(<u>784</u>)	-
8300	Other comprehensive income(loss) for the year, net of income tax	<u>30,107</u>	<u>2</u>	(<u>3,263</u>)	-
8500	Total comprehensive income(Loss) for the year	<u>\$ 63,535</u>	<u>4</u>	(<u>\$ 43,076</u>)	(<u>4</u>)
	Earnings (loss) per share (Note 23)				
9710	Basic	<u>\$ 0.28</u>		(<u>\$ 0.33</u>)	
9810	Diluted	<u>\$ 0.28</u>		(<u>\$ 0.33</u>)	

(Please refer to the Auditor's Report issued by Deloitte & Touche on March 27, 2023)

Chairman:
Tsou Mi-Fu

Managerial officers:
Peng, Chao-Chung

Principal Accounting Officer:
Tsao, Fu-Yi

WHA YU INDUSTRIAL CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code		Share Capital		Retained Earnings			Unappropriated earnings (Accumulated deficit)	Other Equity			Total Equity
		Shares (in Thousands)	Amount	Capital surplus	Legal reserve	Special reserve		Exchange differences on translation of the financial statements of foreign operations	Unrealized Gain(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Equity related to non-current assets or disposal groups classified as held for sale	
A1	Balance at January 1, 2021	120,481	\$ 1,204,804	\$ 222,863	\$ 5,665	\$ 104,610	\$ 73,900	(\$ 92,262)	\$ -	\$ -	\$ 1,519,580
	Appropriation of 2020 earnings										
B1	Legal reserve	-	-	-	7,390	-	(7,390)	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	(60,240)	-	-	-	(60,240)
D1	Net loss for the year ended December 31, 2021	-	-	-	-	-	(39,813)	-	-	-	(39,813)
D3	Other comprehensive income(loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(924)	(8,303)	5,964	-	(3,263)
D5	Total comprehensive income(loss) for the year ended December 31, 2021	-	-	-	-	-	(40,737)	(8,303)	5,964	-	(43,076)
Z1	Balance at December 31, 2021	120,481	1,204,804	222,863	13,055	104,610	(34,467)	(100,565)	5,964	-	1,416,264
	Appropriation of 2021 earnings										
B13	Legal reserve used to offset accumulated deficits	-	-	-	(13,055)	-	13,055	-	-	-	-
C11	Capital surplus used to offset accumulated deficits	-	-	(21,412)	-	-	21,412	-	-	-	-
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	33,428	-	-	-	33,428
D3	Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	548	25,459	213	3,887	30,107
D5	Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	33,976	25,459	213	3,887	63,535
Z1	Balance at December 31, 2022	120,481	\$ 1,204,804	\$ 201,451	\$ -	\$ 104,610	\$ 33,976	(\$ 75,106)	\$ 6,177	\$ 3,887	\$ 1,479,799

(Please refer to the Auditor's Report issued by Deloitte & Touche on March 27, 2023)

Chairman: Tsou Mi-Fu

Managerial officers: Peng, Chao-Chung

Principal Accounting Officer: Tsao, Fu-Yi

WHA YU INDUSTRIAL CO., LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

Code		2022	2021
	Cash flows from operating activities		
A10000	Income before income tax	\$ 28,241	(\$ 39,813)
A20010	Adjustments for:		
A20100	Depreciation expenses	33,960	14,502
A20200	Amortization expenses	4,082	2,432
A20300	Expected credit reversed on trade receivables	(576)	(1,647)
A20900	Finance costs	7,035	2,232
A21200	Interest income	(561)	(3,039)
A22400	Share of profit of subsidiaries and associates	(1,989)	(11,549)
A22500	Loss on disposal of property, plant, and equipment, net	6	98
A23500	Net loss on disposal of financial assets	102,219	-
A23700	Write-down (reversal) of inventories	6,100	(93)
A24000	Unrealized gain(loss) on the transactions with subsidiaries	(1,222)	554
A24100	Net loss on foreign currency exchange	3,658	645
A29900	Gains on lease modification	-	(16)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	605	227
A31150	Trade receivables (including related parties)	(295,098)	74,935
A31190	Other receivables(including related parties)	(5,796)	13,601
A31200	Inventories	(8,030)	(82,458)
A31240	Other current assets	7,638	(6,175)
A32130	Notes payable	1,103	-
A32150	Trade payables(including related parties)	97,206	(49,527)
A32230	Other payables and other current liabilities	28,365	(4,723)
A32240	Net defined benefit liabilities	(464)	(3,011)
A32250	Deferred revenue	(1,864)	(838)
A33000	Cash generated from operations	4,618	(93,663)
A33300	Interest paid	(7,000)	(2,221)
A33500	Refund of income tax	5,187	-
AAAA	Net cash generated from(used in) operating activities	2,805	(95,884)

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Code		2022	2021
	Cash flows from investing activities		
B00030	Capital reduction of financial assets at fair value through other comprehensive income and loss	\$ 1,240	\$ -
B00040	Purchase of financial assets at amortized cost	-	(14,028)
B00050	Proceeds from sale of financial assets at amortized cost	-	14,028
B02200	Net cash outflow on acquisition of subsidiary	(40,470)	-
B02300	Net cash inflow on disposal of subsidiary	1,379	-
B02400	Refund of capital reduction of subsidiaries using the equity method	3,839	-
B02700	Acquisition of property, plant and equipment	(45,948)	(138,624)
B03800	Decrease in refundable deposits	-	860
B04500	Acquisition of intangible assets	(7,426)	(2,184)
B07500	Interest received	<u>561</u>	<u>3,283</u>
BBBB	Net cash generated from (used in) investing activities	(<u>86,825</u>)	(<u>136,665</u>)
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	20,710	52,205
C01600	Proceeds from long-term borrowings	17,442	67,749
C01700	Repayments of long-term borrowings	(11,111)	-
C03000	Increase in guarantee deposits	503	-
C04020	Repayment of the principal portion of lease liabilities	-	(1,714)
C04500	Dividends paid to owners of the Company	<u>-</u>	(<u>60,240</u>)
CCCC	Net cash generated from financing activities	<u>27,544</u>	<u>58,000</u>
DDDD	Effect of exchange rate changes on the balance of cash held in foreign currencies	<u>463</u>	(<u>911</u>)
EEEE	Net decrease in cash and cash equivalents	(56,013)	(175,460)
E00100	Cash and cash equivalents at the beginning of the year	<u>248,325</u>	<u>423,785</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 192,312</u>	<u>\$ 248,325</u>

(Please refer to the Auditor's Report issued by Deloitte & Touche on March 27, 2023)

Chairman:
Tsou Mi-Fu

Managerial officers:
Peng, Chao-Chung

Principal Accounting Officer:
Tsao, Fu-Yi

Independent Auditors' Report

Board of Directors of WHA YU INDUSTRIAL CO., LTD. :

Opinion

We have audited the accompanying consolidated balance sheets of WHA YU INDUSTRIAL CO., LTD. and its subsidiaries as of December 31, 2022 and 2021, and the related consolidated statements of income, changes in equity, and cash flows for the years ended December 31, 2022 and 2021, and the related consolidated notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other auditors (see the section of Other Matters), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of WHA YU INDUSTRIAL CO., LTD. and its subsidiaries as of December 31, 2022 and 2021 in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and Interpretations and Interpretations issued by the Financial Supervisory Commission, and the consolidated financial results and consolidated cash flows for the years ended December 31, 2022 and 2021.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. 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 WHA YU INDUSTRIAL CO., LTD. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on the audit results provided by the CPAs and the audit reports of other CPAs, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of WHA YU INDUSTRIAL CO., LTD. and its subsidiaries for the year ended December 31, 2022. These matters were

addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Consolidated Financial Consolidated of WHA YU INDUSTRIAL CO., LTD. and its subsidiaries for the year ended December 31, 2022 are stated as follows:

Recognition of sales revenue

The main sources of revenue for WHA YU INDUSTRIAL CO., LTD. and its subsidiaries are high and low frequency wireless devices, electronic signal connection devices, electronic products and trading agent parts. The Company's revenue in 2022 is NT\$ 1,981,157 thousand. We believe that there is a authenticity risk for the sales entities with significant revenue growth rate and the transactions in the two years for WHA YU INDUSTRIAL CO., LTD. and its subsidiaries, and we consider the revenue authenticity of the Company as a key audit matter. For the accounting policies related to revenue recognition, please refer to Note 4 (16) to the Consolidated Financial Statements.

The audit procedure for the financial statements includes:

1. To learn about the internal control system and operation procedures related to the sales cycles of WHA YU INDUSTRIAL CO., LTD. and its subsidiaries, and evaluate if the operation of the internal control is effective.
2. To obtain the credits and basic information of customers and check the authenticity of the customers.
3. To take samples for random check of the sales revenue, and check the documents such as orders and shipment orders and invoices confirmed by the counterparties to confirm the authenticity of the sales revenue, and to check the payment and product return of the counterparties for any abnormal conditions.

Other Matter

To list the above Financial Statements of WHA YU INDUSTRIAL CO., LTD. and its subsidiaries. The consolidated financial statements of the invested entity Pro Brand Technology, Inc. using equity method are not audited by us, but audited by other CPAs. Therefore, in our opinion in the above consolidated financial statements, the amounts and disclosures related to the consolidated financial statements of Pro Brand Technology, Inc. are based on the Auditors' Report prepared by other CPAs. The investment balance of Pro Brand Technology, Inc. determined using the Equity Method on December 31, 2021 was NT\$ (same below) 227,782 thousand, accounting for 9% of the total consolidated assets. The amount of the loss (profit) of the affiliates recognized using the Equity Method from January 1 to December 31, 2021 was NT\$ 2,217 thousand, accounting for (5)% of the consolidated net loss (profit).

WHA YU INDUSTRIAL CO., LTD. has prepared its Financial Statements for 2022 and 2021, for which we have issued auditor's report without reservation with other sections of matters for reference.

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

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the Consolidated Financial Statements.

In preparing the Consolidated Financial Statements, the management is responsible for assessing the ability of WHA YU INDUSTRIAL CO., LTD. and its subsidiaries ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate WHA YU INDUSTRIAL CO., LTD. and its subsidiaries 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 financial reporting process of WHA YU INDUSTRIAL CO., LTD. and its subsidiaries.

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

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for their audit opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal controls 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 internal controls of WHA YU INDUSTRIAL CO., LTD. and its subsidiaries.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the 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 ability of WHA YU INDUSTRIAL CO., LTD. and its subsidiaries to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause WHA YU INDUSTRIAL CO., LTD. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within WHA YU INDUSTRIAL CO., LTD. and its subsidiaries to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Parent Company Only Financial Statements of WHA YU INDUSTRIAL CO., LTD. and its subsidiaries.

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 Services Co. matters communicated with those charged with governance, we determine the key audit matters of Consolidated Financial Statements of WHA YU

INDUSTRIAL CO., LTD Co., Ltd. and its subsidiaries for the year ended December 31, 2022. 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.

Deloitte & Touche

CPA Tsai, Mei-Chen

CPA Lin, Cheng-Chih

Financial Supervisory Commission

Approved Document No.

Jin Guan Zheng Shen Zi No. 1010028123

Financial Supervisory Commission

Approved Document No.

Jin Guan Zheng Liu Zi No. 0930160267

March 27, 2023

WHA YU INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022		December 31, 2021		Code	Liabilities and Equity	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current Liabilities				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 272,902	11	\$ 382,310	16	2100	Short-term borrowings (Notes 19)	\$ 61,400	2	\$ 135,882	6
1150	Notes receivable (Notes 4, 8 and 23)	1,025	-	2,184	-	2170	Notes and trade payables	421,632	17	377,056	16
1170	Trade receivable, net (Notes 4, 5, 8 and 23)					2280	Lease liabilities - current (Notes 4 and 14)	310	-	233	-
		809,515	32	574,822	24	2320	Long-term borrowings - current portion (Notes 19 and 33)	57,981	2	12,222	-
1200	Other receivables (Notes 4 and 8)	7,424	-	1,466	-	2399	Accrued expenses and other current liabilities (Notes 20 and 23)				
1210	Other receivables from related parties (Notes 4 and 23)	-	-	14,335	1			143,796	6	109,536	4
130X	Inventories (Notes 4, 5 and 9)	346,861	14	324,014	13						
1460	Non-current assets held for sale (Notes 4 and 10)	169,642	7	-	-	21XX	Total current liabilities	685,119	27	634,929	26
1470	Other current assets (Note 18)	22,527	1	36,310	1		Non-current liabilities				
11XX	Total current assets	1,629,896	65	1,335,441	55	2540	Long-term borrowings (Notes 19 and 33)	316,374	13	353,449	15
	Non-current assets					2580	Lease liabilities - Non-current (Notes 4 and 14)	236	-	-	-
1517	Financial assets at fair value through other comprehensive income - Non-current (Notes 4, 7 and 31)	34,537	1	35,564	2	2630	Deferred revenue - non-current (Note 27)	7,311	-	8,857	-
1550	Investments accounted for using the equity method (Notes 4 and 12)	-	-	227,782	9	2640	Net defined benefit liabilities - non-current (Notes 4 and 21)	8,735	-	9,747	1
1600	Property, plant, and equipment (Notes 4, 13 and 33)	778,752	31	765,489	32	2645	Guarantee deposits	563	-	67	-
1755	Right-of-use assets (Notes 4, 14 and 33)	33,442	1	33,627	1	25XX	Total non-current liabilities	333,219	13	372,120	16
1760	Investment properties (Notes 4 and 15)	12,526	1	13,046	1	2XXX	Total liabilities	1,018,338	40	1,007,049	42
1780	Intangible assets (Notes 4 and 17)	12,002	-	4,993	-		Equity (Notes 4 and 22)				
1805	Goodwill (Notes 4 and 16)	15,414	1	-	-	3110	Share capital	1,204,804	48	1,204,804	50
1920	Refundable deposits	939	-	162	-	3200	Capital surplus	201,451	8	222,863	9
1990	Other non-current assets (Note 18)	2,604	-	10,238	-		Retained earnings				
15XX	Total non-current assets	890,216	35	1,090,901	45	3310	Legal reserve	-	-	13,055	-
						3320	Special reserve	104,610	4	104,610	4
						3350	Unappropriated earnings(accumulated deficit)	33,976	2	(34,467)	(1)
						3300	Total retained earnings	138,586	6	83,198	3
							Other equity				
						3410	Exchange differences arising on translation of foreign operations	(75,106)	(3)	(100,565)	(4)
						3420	Unrealized gain on investments in equity instruments at fair value through other comprehensive Income	6,177	-	5,964	-
						3470	Equity related to non-current assets or disposal groups classified as held for sale	3,887	-	-	-
						3400	Total other equity	(65,042)	(3)	(94,601)	(4)
						31XX	Total equity attributable to owners of the Company	1,479,799	59	1,416,264	58
						36XX	Non-controlling Interests	21,975	1	3,029	-
						3XXX	Total equity	1,501,774	60	1,419,293	58
1XXX	Total assets	\$ 2,520,112	100	\$ 2,426,342	100		Total liabilities and equity	\$ 2,520,112	100	\$ 2,426,342	100

(Please refer to the Auditor's Report issued by Deloitte & Touche on March 27, 2023)

Chairman: Tsou Mi-Fu

Managerial officers: Peng, Chao-Chung

Principal Accounting Officer: Tsao, Fu-Yi

WHA YU INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

		Unit: In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share			
Code		2022		2021	
		Amount	%	Amount	%
4100	Operating revenue (Notes 4, 23 and 37)	\$ 1,981,157	100	\$ 1,580,533	100
5110	Operating costs (Notes 9 and 24)	<u>1,600,946</u>	<u>81</u>	<u>1,304,257</u>	<u>83</u>
5950	Gross profit	<u>380,211</u>	<u>19</u>	<u>276,276</u>	<u>17</u>
	Operating expenses (Notes 24 and 32)				
6100	Selling and marketing expenses	143,935	7	117,524	8
6200	General and administrative expenses	112,042	6	129,683	8
6300	Research and development expenses	118,813	6	93,961	6
6450	Expected credit gain	(<u>2,018</u>)	<u>-</u>	(<u>10,071</u>)	(<u>1</u>)
6000	Total operating expenses	<u>372,772</u>	<u>19</u>	<u>331,097</u>	<u>21</u>
6510	Other Operating Expenses (Note 24)	<u>93</u>	<u>-</u>	<u>343</u>	<u>-</u>
6900	Profit(Loss) From Operations	<u>7,532</u>	<u>-</u>	(<u>54,478</u>)	(<u>4</u>)
	Non-operating income and expenses				
7100	Interest income (Note 24)	1,798	-	3,570	-
7010	Other income (Notes 4, 24, 27 and 34)	83,232	4	14,235	1
7020	Other gains and losses (Note 24)	(65,675)	(3)	(2,921)	-
7050	Finance costs (Notes 4 and 24)	(7,609)	-	(2,968)	-
7060	Share of profit of associates (Notes 4 and 12)	<u>5,711</u>	<u>-</u>	<u>2,217</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>17,457</u>	<u>1</u>	<u>14,133</u>	<u>1</u>
7900	Profit(Loss) Before Income Tax	24,989	1	(40,345)	(3)
7950	Income tax benefits (Notes 4 and 25)	<u>5,187</u>	<u>1</u>	<u>-</u>	<u>-</u>
8200	Net income (loss) for the year	<u>30,176</u>	<u>2</u>	(<u>40,345</u>)	(<u>3</u>)

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Code		2022		2021	
		Amount	%	Amount	%
	Other comprehensive income (Notes 4, 10, 21 and 22)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	\$ 548	-	(\$ 924)	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	213	-	5,964	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations	19,835	1	(7,519)	-
8365	Equity related to non-current assets or disposal groups classified as held for sale	3,887	-	-	-
8370	Share of other comprehensive income of associates accounted for using the equity method	5,624	-	(784)	-
8300	Other comprehensive income(loss) for the year, net of income tax	30,107	1	(3,263)	-
8500	Total comprehensive income(Loss) for the year	<u>\$ 60,283</u>	<u>3</u>	(<u>\$ 43,608</u>)	(<u>3</u>)
	Net Income (Loss) Attributable to:				
8610	Owners of the company	\$ 33,428	2	(\$ 39,813)	(3)
8620	Non-controlling Interests	(<u>3,252</u>)	-	(<u>532</u>)	-
8600		<u>\$ 30,176</u>	<u>2</u>	(<u>\$ 40,345</u>)	(<u>3</u>)
	Total comprehensive income attributable to:				
8710	Owners of the company	\$ 63,535	3	(\$ 43,076)	(3)
8720	Non-controlling Interests	(<u>3,252</u>)	-	(<u>532</u>)	-
8700		<u>\$ 60,283</u>	<u>3</u>	(<u>\$ 43,608</u>)	(<u>3</u>)
	Earnings (loss) per share (Note 26)				
9710	Basic	<u>\$ 0.28</u>		(<u>\$ 0.33</u>)	
9810	Diluted	<u>\$ 0.28</u>		(<u>\$ 0.33</u>)	

(Please refer to the Auditor's Report issued by Deloitte & Touche on March 27, 2023)

Chairman:
Tsou Mi-Fu

Managerial officers:
Peng, Chao-Chung

Principal Accounting Officer:
Tsao, Fu-Yi

WHA YU INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

		Equity attributable to owners of the Company											
		Share capital		Retained earnings			Unappropriated earnings (Accumulated deficit)	Exchange differences on translation of the financial statements of foreign operations	Other equity		Total	Non-controlling Interests	Total equity
Code		Shares (in Thousands)	Amount	Capital surplus	Legal reserve	Special reserve			Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Equity related to non-current assets or disposal groups classified as held for sale			
A1	Balance at January 1, 2021	120,481	\$ 1,204,804	\$ 222,863	\$ 5,665	\$ 104,610	\$ 73,900	(\$ 92,262)	\$ -	\$ -	\$ 1,519,580	\$ 3,561	\$ 1,523,141
B1	Appropriation of 2020 earnings												
	Legal reserve	-	-	-	7,390	-	(7,390)	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	(60,240)	-	-	-	(60,240)	-	(60,240)
D1	Net loss for the year ended December 31, 2021	-	-	-	-	-	(39,813)	-	-	-	(39,813)	(532)	(40,345)
D3	Other comprehensive income(loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(924)	(8,303)	5,964	-	(3,263)	-	(3,263)
D5	Total comprehensive income(loss) for the year ended December 31, 2021	-	-	-	-	-	(40,737)	(8,303)	5,964	-	(43,076)	(532)	(43,608)
Z1	Balance at December 31, 2021	120,481	1,204,804	222,863	13,055	104,610	(34,467)	(100,565)	5,964	-	1,416,264	3,029	1,419,293
B13	Appropriation of 2021 earnings												
	Legal reserve used to offset accumulated deficits	-	-	-	(13,055)	-	13,055	-	-	-	-	-	-
C11	Capital surplus used to offset accumulated deficits	-	-	(21,412)	-	-	21,412	-	-	-	-	-	-
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	33,428	-	-	-	33,428	(3,252)	30,176
D3	Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	548	25,459	213	3,887	30,107	-	30,107
D5	Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	33,976	25,459	213	3,887	63,535	(3,252)	60,283
O1	Non-controlling Interests	-	-	-	-	-	-	-	-	-	-	22,198	22,198
Z1	Balance at December 31, 2022	120,481	\$ 1,204,804	\$ 201,451	\$ -	\$ 104,610	\$ 33,976	(\$ 75,106)	\$ 6,177	\$ 3,887	\$ 1,479,799	\$ 21,975	\$ 1,501,774

(Please refer to the Auditor's Report issued by Deloitte & Touche on March 27, 2023)

Chairman: Tsou Mi-Fu

Managerial officers: Peng, Chao-Chung

Principal Accounting Officer: Tsao, Fu-Yi

WHA YU INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code		2022	2021
	Cash flows from operating activities		
A10000	Income before income tax	\$ 24,989	(\$ 40,345)
A20010	Adjustments for:		
A20100	Depreciation expenses	68,044	46,635
A20200	Amortization expenses	5,117	2,983
A20300	Expected credit reversed on trade receivables	(2,018)	(10,071)
A20900	Finance costs	7,609	2,968
A21200	Interest income	(1,798)	(3,570)
A22300	Share of profit of associates	(5,711)	(2,217)
A22500	Gain on disposal of property, plant, and equipment, net	(93)	(343)
A22900	Gain on lease modification	-	(16)
A23500	Net loss on disposal of financial assets	102,219	-
A23700	Write-down of inventories	18,725	6,003
A24100	Net loss (gain) on foreign currency exchange	2,567	(1,739)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	1,159	947
A31150	Trade receivables	(243,307)	12,387
A31200	Inventories	(38,983)	(146,147)
A31240	Other current assets	7,809	(7,219)
A32150	Notes and trade payables	44,566	35,768
A32230	Other payables and other current liabilities	33,864	14,526
A32240	Net defined benefit liabilities	(464)	(3,011)
A32250	Deferred revenue	(1,864)	(838)
A33000	Cash generated from operations	22,430	(93,299)
A33300	Interest paid	(8,982)	(2,976)
A33500	Refund (Payment) of income tax	<u>4,835</u>	<u>(367)</u>
AAAA	Net cash generated from(used in) operating activities	<u>18,283</u>	<u>(96,642)</u>
	Cash flows from investing activities		
B00030	Capital reduction of financial assets at fair value through other comprehensive income and loss	1,240	-
B00040	Purchase of financial assets at amortized cost	-	(14,028)
B00050	Proceeds from sale of financial assets at amortized cost	-	14,028

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Code		2022	2021
B02200	Net cash outflow on acquisition of subsidiary	(\$ 2,665)	\$ -
B02300	Net cash inflow on disposal of subsidiary	243	-
B02700	Acquisition of property, plant, and equipment	(65,458)	(161,385)
B02800	Proceeds from disposal of property, plant, and equipment	407	441
B03700	Decrease in refundable deposits	507	24,008
B04500	Acquisition of intangible assets	(7,605)	(2,267)
B07500	Interest received	<u>3,722</u>	<u>3,821</u>
BBBB	Net cash generated from (used in) investing activities	(<u>69,609</u>)	(<u>135,382</u>)
Cash flows from financing activities			
C00200	Proceeds (repayment) from short-term borrowings	(69,178)	68,776
C01600	Proceeds from long-term borrowings	17,442	67,749
C01700	Repayments of long-term borrowings	(11,111)	-
C03100	Increase in guarantee deposits	504	-
C04020	Repayment of the principal portion of lease liabilities	(314)	(2,019)
C04500	Dividends paid to owners of the Company	-	(60,240)
C05800	Changes in non-controlling interests	(<u>2,324</u>)	<u>-</u>
CCCC	Net cash generated from financing activities	(<u>64,981</u>)	<u>74,266</u>
DDDD	Effect of exchange rate changes on the balance of cash held in foreign currencies	<u>6,899</u>	(<u>4,305</u>)
EEEE	Net decrease in cash and cash equivalents	(109,408)	(162,063)
E00100	Cash and cash equivalents at the beginning of the year	<u>382,310</u>	<u>544,373</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 272,902</u>	<u>\$ 382,310</u>

(Please refer to the Auditor's Report issued by Deloitte & Touche on March 27, 2023)

Chairman:
Tsou Mi-Fu

Managerial officers:
Peng, Chao-Chung

Principal Accounting Officer:
Tsao, Fu-Yi

Attachments 7

WHA YU INDUSTRIAL CO., LTD.

Earnings Distribution Table

2022

Unit: NT\$

Item	Subtotal	Amount
Undistributed earnings of Previous Years		0
Remeasurement of defined benefit Obligation		548,508
Unappropriated retained earnings after adjustment		548,508
Net Income of 2022		33,427,884
Less: Legal reserve(10%)		(3,397,639)
Distributable earnings for the current period		30,578,753
Distribution item		
Shareholders' dividends-Cash (NT\$0.2 per share)	24,096,083	(24,096,083)
Unappropriated retained earnings at the end of period		6,482,670

Remark:

1. Cash dividends per share were calculated based on the number of outstanding shares (120,480,417 shares) as of March 27, 2023.
2. The chairman of the board of directors is authorized to exercise his/her full authority in the event that the proposal for the distribution of earnings is subsequently amended due to changes in the number of outstanding shares as a result of changes in the Company's share capital after the approval of the ordinary shareholders' meeting.
3. The cash dividends are calculated on a pro rata basis up to NT\$1, with the amount below NT\$1 rounded off and the total amount of the deficient dollar amount adjusted from the decimal point from the largest to the smallest and the account number from the front to the back in order to meet the total amount of cash dividends distributed.

Chairman:
Tsou Mi-Fu

General Manager:
Peng, Chao-Chung

Principal Accounting Officer:
Tsao, Fu-Yi

WHA YU INDUSTRIAL CO., LTD.

List of Candidates for Directors and Independent Directors

Director Name	Current Position/Major Education Experience	Shares
Tsou Mi-Fu	Chairman of WHA YU INDUSTRIAL CO., LTD. Department of Mechanical Engineering, Minghsin University of Science and Technology Chairman of Hua Hong International Co., Ltd. Chairman of Dongguan Aeon Tech CO., LTD. Chairman of Hansome Investment Inc. Director of ZyCast Technology Inc. Supervisor of Lverage Technology Inc. Director (legal representative) of Hang Jian Technology Co., Ltd. Senior R&D Engineer of TECOM CO., LTD.	3,272,570
Lin Cheng Wei	Chairman of Changyuan Investment Co., Ltd. Advanced Master of Business Administration, National Chi Nan University	2,012,000
Chi Yen Hua	Chairman of ALPHALOG FREIGHT STSTEM CORP. Department of Banking and Insurance, National Taipei University of Business Chairman of Taiwan Anya Biotechnology Co., Ltd.	4,289,732
Sun,Cheng-Pen	Director of WHA YU INDUSTRIAL CO., LTD. Department of Electrical Engineering, National Taiwan University R&D Assistant Manager of Prime Electronics And Satellitics Incorporat. Director of Song Yi Technology Co., Ltd. Director of Teamwell Technology CO., LTD.	2,528,222
Huang Kun-Chang	Director and Chief Engineer of the Automation Technology Department of WHA YU Industrial Co., Ltd. Department of Electronics, Chung Yuan Christian University Senior Manager of Prime Electronics And Satellitics Incorporat. Deputy General Manager of Pro Brand Technology(TW) Inc.	2,153,138
Chuang Ming-Yuan	Director of WHA YU INDUSTRIAL CO., LTD. Department of Commerce, National Tseng-Wen Home Economica & Commercaill Vocational High School. General Manager of Xinbo Enterprise Co., Ltd. Special Assistant to the Chairman and Supervisor of WHA YU INDUSTRIAL CO., LTD.	1,245,622
Lu,Te-Mao	Director of WHA YU INDUSTRIAL CO., LTD. Department of Electrical Engineering, Lunghwa University of Science and Technology General Manager of Parner Technology CO., LTD.	1,002,888
Hansome Investment Inc.	NA	584,000

Attachments 8

WHA YU INDUSTRIAL CO., LTD. List of Candidates for Directors and Independent Directors

Name of Independent Director	Current Position/Major Education Experience	Shares
Liu,Heng-Yih	Associate Professor, International Business Group, School of Management, Yuan Ze University Ph.D. in International Business Management Strategy, National Taiwan University Master of Business, University of Nottingham Independent Director and Chairman of the Remuneration Committee of LEOFOO Development Co., Ltd. Independent Director and Member of Remuneration Committee of TST Group Holding Ltd. Director of DYNAMIC ELECTRONICS CO., LTD. Supervisor of Chengtai Asset Management Co., Ltd. Supervisor of Mano Pharma & Biotech Co., LTD.	0
Lue, Wen-Chia	Associate Professor, Department of Electrical Engineering, Minghsin University of Science and Technology Ph.D. in Electronic Engineering, Institute of Defense Science, Chung Cheng Institute of Technology, National Defense University	0
Huang I-Hung	Partner Valuer, Dingsheng Real Estate Appraisers & Associates Firm Institute of Lands, National Chengchi University Head of Yongchen Management Consultants Co., Ltd. Responsible person of Chenhui Land Politics Firm Responsible Person of Chenhui Bookkeeping and Tax Preparation Agency Supervisor, Chung Hua University Chairman of Hsinchu Geographical Research Society Member of Hsinchu City Land Premium and Standard Land Premium Evaluation Committee Member of the Municipal Property Review Committee of Hsinchu City Government Member of the Supervisory Subcommittee of the Central Election Committee - Hsinchu City Election Committee Member of Hsinchu City Real Estate Appraisal Committee Member of the 13th Urban Renewal and Dispute Resolution Committee of Hsinchu City Government	0

Attachments 9

WHA YU INDUSTRIAL CO., LTD. Articles of Incorporation

Chapter 1 General Principles

- Article 1 The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 譚裕實業股份有限公司 in the Chinese language, and WHA YU INDUSTRIAL CO., LTD in the English language.
- Article 2 The scope of business of the Corporation shall be as follows:
C805050 Industrial Plastic Products Manufacturing.
CC01020 Electric Wires and Cables Manufacturing.
CC01080 Electronics Components Manufacturing.
F119010 Wholesale of Electronic Materials.
F219010 Retail Sale of Electronic Materials.
F401010 International Trade.
CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing.
ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company may guarantee and reinvest in other companies for business purposes, and the total amount of the Corporation's reinvestment shall not be subject by Article 13 of the Company Law.
- Article 4 The Corporation shall have its head office in Hsinchu City and may establish branch offices in Taiwan or overseas as necessary with the approval by the board of directors.
- Article 5 Public announcements of the Corporation shall be made in accordance with Article 28 of the Company Act.

Chapter 2 Shares

- Article 6 The total capital stock of the Corporation shall be in the amount of 2,000,000,000 New Taiwan Dollars, divided into 200,000,000 shares, at ten New Taiwan Dollars each. The Company may authorize the Board of Directors to issue new shares in installments when the Company's business needs are determined. The Corporation may issue employee stock options from time to time. A total of 2,000,000 shares among the above total capital stock should be reserved for issuing employee stock options.
- Article 7 The share certificates of the Company shall be in registered form, signed or sealed by the Directors representing the Company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance. For the shares issued by the Company, the printing of share certificates may be exempted; however, the

shares shall be registered with a centralized securities depository enterprise.

Article 8 Registration for transfer of shares shall be done within 60 days prior to the date of the regular meeting, within 30 days prior to the date of the any special meeting of shareholders, or within five days prior to the date on which the Company decides to distribute dividends and bonuses or other benefits.

Article 9 The Company shall administer all shareholder services in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and related regulations.

Chapter 3 Shareholders' Meeting

Article 10 Shareholders' meeting is divided into regular meeting and special meeting. The regular meetings are convened once a year, within six months after the end of each fiscal year, by the Board of Directors in accordance with the law. Ad hoc meetings may be duly convened according to the law if necessary. Resolutions of the shareholders' meeting shall be recorded in the minutes and shall be handled in accordance with Article 183 of the Company Act.

Article 10-1 The Company's shareholders' meetings may be held by video conference or other means as announced by the Ministry of Economic Affairs.

Article 11 If a shareholder is unable to attend a meeting for any reason, he or she may appoint a proxy to attend the meeting by presenting a letter of proxy issued by the Company stating the scope of authority, which shall be signed or stamped by the proxy. In addition to the provisions of Article 177 of the Company Act, the method of shareholder proxy shall be in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authorities.

Article 12 Each shareholder of the Company shall be entitled to one vote per share for each share held, except for those who have no voting right under Article 179-2 of the Company Act.

Article 13 The shareholders' meeting shall be convened by the Board of Directors, the meeting shall be presided over by the Chairman of the Board. In case of his absence, the Chairman shall designate a Director to act on his behalf. In the absence of such designation, the Directors shall elect one person from among themselves to serve as chairman of the meeting. For shareholders' meetings convened by any other person having the convening right other than the Board of Directors, he/she will act as the chairman of that meeting, however, if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 14 Except as provided in the Company Law of the Republic of China, shareholders' meetings may be held if attended by shareholders in person or by proxy representing more than one half of the total issued and outstanding capital stock of the Corporation, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

Chapter 4 Directors and the Audit Committee

- Article 15 The Company shall have seven to eleven directors. The election of Directors shall adopt a candidate nomination system, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The term of office shall be three years, and re-election shall be permissible. Nominations shall be made in accordance with the Article 192-1 of the Company Act. Liability insurance may be purchased for the Company's directors by resolution of the Board of Directors after their election.
- Article 15-1 The aforesaid Board of Directors must have at least two independent directors and shall not be less than one-fifth of the number of directors of the Company. Independent directors are elected through a candidate nomination system and are selected by the shareholders' meeting from a list of independent director candidates. Nominations shall be made in accordance with the Article 192-1 of the Company Act.
- Article 15-2 In accordance with Article 14-4 of the Securities and Exchange Act, the Company has established an Audit Committee consisting of all independent directors, which is responsible for carrying out the duties and responsibilities of the supervisors as stipulated in the Company Act, the Securities and Exchange Act and other laws and regulations. The members of the Audit Committee, the exercise of its powers and functions, and other matters to be followed shall be in accordance with the relevant laws and regulations, and its organizational procedures shall be separately established by the Board of Directors.
- Article 16 The Board of Directors shall be formed by the Directors. The Chairman and Vice Chairman shall be elected by a majority of votes in a meeting attended by over two-thirds of the Directors. The chairman of the board of directors shall be the chairman of the shareholders' meeting and the board of directors' meeting internally and shall represent the Company externally. The directors shall attend the board of directors' meetings in person, and if they are unable to attend the meetings for any reason, they may appoint other directors to act as their proxy, and the proxy shall only act as the proxy for one director.
- Article 16-1 The Meetings of the Company's Board of Directors shall be convened by written, e-mail or fax notice to each Director seven days prior to the scheduled meeting date. The meetings of the Board of Directors may be convened at any time in case of emergency, and may also be convened by written, e-mail or fax notices.
- Article 17 In case the Chairman of the Board of Directors is on leave or cannot exercise his power and authority for any cause, the proxy thereof shall be handled according to the regulation of Article 208 of the Company Act.

Chapter 5 Managerial officers

- Article 18 The Company may have a number of managers, whose appointment, dismissal and remuneration shall be determined in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

- Article 19 After the end of each fiscal year, the Company's Board of Directors shall prepare: 1. Business Report. II. Financial statements. III. The proposal for distribution of earnings or appropriation of losses and other forms shall be submitted to the shareholders' meeting 30 days prior to the meeting in accordance with the statutory procedures for recognition.
- Article 20 The Company shall contribute 10% to 20% of the annual profit as employees' remuneration and not more than 3% as directors' remuneration. Employee remuneration shall be distributed in stocks or in cash
- However, if the Company still has accumulated losses, the amount of compensation shall be retained in advance, and the remuneration to employees and directors shall be provided in proportion to the aforementioned amount.
- Article 20-1 Where the Company has a profit at the end of each fiscal year, the Company shall first make a tax provision to cover the deficit and then set aside 10% as the legal reserve, provided that if the legal reserve has reached the Company's paid-in capital, no further provision shall be made. If there is any remaining surplus after the special reserve is set aside or reversed in accordance with the law or the regulations of the competent authority, the Board of Directors shall prepare a proposal for the appropriation of the surplus and submit it to the shareholders' meeting for resolution, taking into account the accumulated undistributed surplus from previous years.
- In consideration of the Company's future expansion plans, capital requirements and long-term financial planning, as well as the Company's business objectives of sustainable operation, pursuit of shareholders' long-term interests and stable operating performance, the Company will distribute part or all of its distributable earnings as dividends to shareholders, including cash dividends of not less than 10% of the distributable dividends for the year.
- Article 21 Directors of the Company shall be entitled to remuneration for their duties regardless of profit or loss. The Board of Directors is authorized to determine the remuneration within the standards for maximum salaries established in the Company's Remuneration Policy based on the level of their participation in the Company's operations and the value of their contribution. If the Company makes a profit, the remuneration shall be distributed in accordance with Article 20.
- Article 21-1 The Board of Directors of the Company may set up Compensation Committee or other functional committees as necessary for the operation of the business.

Chapter 7 Supplementary Provisions

- Article 22 In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.
- Article 23 The Articles of Incorporation were established on September 24, 1981.
The 1st amendment was made on October 22, 1981.
The 2nd amendment was made on July 18, 1986.

The 3rd amendment was made on April 10, 1988.
The 4th amendment was made on April 24, 1989.
The 5th amendment was made on April 25, 1991.
The 6th amendment was made on August 12, 1997.
The 7th amendment was made on July 1, 1998.
The 8th amendment was made on December 6, 2001.
The 9th amendment was made on October 13, 2002.
The 10th amendment was made on June 20, 2003.
The 11th amendment was made on June 20, 2003.
The 12th amendment was made on March 15, 2004.
The 13th amendment was made on April 29, 2004.
The 14th amendment was made on April 29, 2004.
The 15h amendment was made on June 20, 2005.
The 16th amendment was made on June 28, 2006.
The 17h amendment was made on June 21, 2007.
The 18th amendment was made on January 22, 2009.
The 19th amendment was made on June 19, 2009.
The 20th amendment was made on June 25, 2010.
The 21st amendment was made on June 18, 2012.
The 22nd amendment was made on June 25, 2013.
The 23rd amendment will be made on June 17, 2014
The 24th amendment will be made on June 20, 2016.
The 25th amendment will be made on June 19, 2020.
The 26th amendment was made on June 27, 2022.

WHA YU INDUSTRIAL CO., LTD.
Chairman: Tsou Mi-Fu

Attachments 10

WHA YU INDUSTRIAL CO., LTD. Rules of Procedure for Shareholders' Meeting

- Article 1 The rules of procedures for this Corporation's shareholders meetings shall be as provided in these Rules.
- Article 2 The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
- Shareholders or proxies of the shareholder or the proxy (hereinafter referred to as shareholders) shall attend the shareholders' meeting to attend the shareholders' meeting. The Company shall not offer any other supporting documents to the shareholders' meeting. The Company shall not request the shareholders to attend the meeting for any other supporting documents. The solicitors soliciting the proxy shall bring their identification documents for verification.
- The Company shall maintain a sign-in book for the attending shareholders to sign in person or by proxy (hereinafter referred to as shareholders), or the attending shareholders shall present a sign-in card to sign in on their behalf. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
- Article 3 The shareholders' meeting shall be convened by the Board of Directors and chaired by the Chairman of the Board; if the chairman of the board of directors is absent from work or is unable to attend for any reason, the vice chairman of the board of directors may act as proxy. If there is no vice chairman of the board of directors or if the vice chairman of is also absent from work or unable to attend for any reason, the chairman of the board of directors shall designate a director to act as proxy; if such proxy is not appointed, the directors shall appoint one director from them to chair the meeting.
- The Deputy Chairman served by one of the Directors as specified in the preceding paragraph shall be a Director who serves as a Director for six months or more and understand the Company's financial operations. The same shall apply if the chairman is a director representative of an institutional investor.
- The Chairman of the Board of Directors shall preside in person at the shareholders' meetings called by the Board of Directors, and a majority of the Board of Directors shall be present in person, and the attendance shall be recorded in the minutes of the shareholders' meetings.
- If a shareholders' meeting is convened by a person other than the Board of Directors, that person shall chair the meeting. If there are more than two persons with the right to convene,

one of them shall be elected as the chair of the meeting.

Article 4 If a shareholder of the Company is unable to attend a shareholders' meeting in person, he/she may appoint a proxy by presenting a proxy form issued by the Company specifying the scope of authority.

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

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. However, a declaration made to cancel the previous proxy appointment is not subject to the aforementioned rule.

Article 5 When a shareholders' meeting is attended by shareholders (or proxies) representing more than half of the total number of issued shares, the chairman will declare the meeting open and announce the number of non-voting shares and the number of shares present at the same time. If the quorum is not reached at the time of the meeting, the chairman may adjourn the meeting for up to two (2) times, and the total adjournment time shall not exceed one (1) hour. If the number of shares is not sufficient for two adjournments, and if more than one-third of the total number of issued shares are represented by shareholders (or proxies), the ordinary resolution may be passed with the consent of a majority of the votes of the attending shareholders (or proxies). If the number of shares represented by the attending shareholders (or proxies) is sufficient to constitute a quorum after the preceding dummy resolution is made, the chairman may propose a dummy resolution to the meeting for voting.

Article 6 If the shareholders' meeting is convened by the Board of Directors, the agenda of the meeting shall be set by the Board of Directors, and the meeting shall be held in accordance with the procedures set forth in the agenda and shall not be changed without a resolution.

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

The chairman may not adjourn the meeting without a resolution before the conclusion of the first two scheduled agenda items (including extempore motions). If the chairman violates the rules of procedure and adjourns the meeting, a majority of the attending shareholders may vote to elect a chairman to continue the meeting.

After the meeting is adjourned, the shareholders shall not elect another chairman for the meeting at the same place or find another place for the meeting, except for the case mentioned above.

- Article 7 When a shareholder (or proxy) delivers a speech, he/she must first fill out a speech slip with the attendance card number, the name of the account, and the purpose of the speech, and the chairman will determine the priority of his/her speech. If a shareholder (or a proxy) attending the meeting merely mentions a speech but does not deliver it, he/she shall be deemed not to have spoken. If the content of the speech does not correspond to that of the speech, the content of the confirmed speech shall prevail.
- Article 8 The proposals shall be made in writing. In addition to the proposals listed on the agenda, the shareholders (or proxies) shall second any amendment or substitute to the original proposal or any other motion proposed by way of a motion for adjournment, and the same applies to any changes to the agenda and motions for adjournment.
- Article 9 The proposal shall be explained within five minutes and questions or answers shall be made within three minutes per person, which may be extended by three minutes with the permission of the chairman. If a shareholder's (or proxy's) speech is out of time, out of order or out of scope, the chairman may stop him/her from speaking. When an attending shareholder (or proxy) is delivery speech, other shareholders (or proxies) shall not intervene the speech without the permit of the chairman and the shareholder (or proxy) delivering the speech, and anyone violating this article will be subject to Article 18.
- Article 10 For the same proposal, one shareholder shall not deliver more than two speeches. When a juristic person is entrusted to attend a shareholders' meeting, only one representative of the juristic person shall attend. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, , only one of the representatives so appointed may speak on the same proposal.
- Article 11 After an attending shareholder (or proxy) has spoken, the chair may respond in person or direct relevant personnel to respond. During the discussion of a proposal, the chairman may announce the end of the discussion at an appropriate time and, if necessary, adjourn the discussion.
- Article 12 After the discussion of a proposal ended or is stopped, the chairman shall ask for voting to the proposal. Any matters that is not a proposal shall not be discussed or voted. The Chairman of the Board of Directors shall designate a person to monitor and count the votes for the proposal, and such person shall be a shareholder.
- Article 13 The voting rights of shareholders are based on the number of shares held by them, with each share having one voting right. In the event that the shareholders' meeting elects directors, the election of directors shall be conducted in accordance with the Regulations Governing the Election of Directors.
- Article 14 Except as otherwise provided in the law, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same

day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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 shall be announced on site at the meeting, and recorded.

Article 15 During the meeting, the chairman may declare a break at his discretion.

Article 16 In the event of an air attack warning drill during the meeting, the meeting will be suspended and evacuated, and the meeting will continue after the warning has been lifted for one hour.

Article 17 The chair may direct the proctors (or security personnel to help maintain order at the meeting venue.

Article 18 The shareholders (or proxies) shall obey the directions of the chairman, the inspector (or the security officer) regarding the maintenance of order, and the chairman or the inspector (or the security officer) may exclude any person who disrupts the shareholders' meeting.

Article 19 All matters not provided for in these rules shall be governed by the Company Act, the Securities and Exchange Act and other relevant laws and regulations.

Article 20 These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. Subsequent amendments thereto shall be effected in the same manner.

WHA YU INDUSTRIAL CO., LTD.

Rules for Election of Directors

- Article 1 Unless otherwise provided in the Company Law and the Articles of Incorporation, the directors of this Company shall be elected in accordance with the rules specified herein.
- Article 2 The election of directors of this Company shall be conducted at the shareholders' meeting.
- Article 3 In the election of directors of this Company, each share shall have voting rights equivalent to the number of seats to be elected and such voting rights can be combined to vote for one person or divided to vote for several persons. When electing directors, independent directors and non-independent directors shall be elected at the same time and the number of independent directors and non-independent directors elected shall be calculated separately. Those who receive more votes representing the right to vote are elected as independent directors and non-independent directors.
- Article 4 The directors of this Company shall be elected according to the number of seats provided for in this Company's Articles of Incorporation. Those receiving more votes shall take the office. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 5 The election ballots shall be made and issued by the Company with the attendance card number and the number of election rights, which shall bear the Company's seal.
- Article 6 At the beginning of the election, the chairman shall appoint several persons each to check and record the ballots. The vote monitoring personnel to check the ballots shall be shareholders.
- Article 7 The ballot boxes for the election shall be prepared by this Company and checked in public by the vote monitoring personnel to check the ballots before the voting.
- Article 8 If the electee is a shareholder, the election ballot shall record the name of the electee, the shareholder's account number and the number of votes; if the electee is not a shareholder, the election ballot shall contain the name of the electee, the identity number and the number of votes.
- When the legal person is the electee, the election ballot shall contain the full account name of the legal person, and the full name of the legal entity and the name of its representative may be included.
- The electee shall have the ability to act according to the law.
- Article 9 Ballots shall be deemed void under the following circumstances.
- (I) Election ballots that have not been put in the ballot box.
 - (II) The election ballots that are not complying with these Regulations.
 - (III) Blank ballots that are not filled in by the voters.

- (IV) Items specified in Article 8-1 and Article 8-2 that are not recorded fully.
- (V) The account name and account number filled for the electee are not in line with those recorded in the shareholder registry.
- (VI) The name and ID of the electee do not match.
- (VII) In addition to the items specified in Article 8-1 and Article 8-2, other symbols or texts are added in the ballots.
- (VIII) The words on the ballots are unreadable.
- (IX) The items specified in Article 8-1 and Article 8-2 that are recorded on the ballots are altered.
- (X) The name of the candidates filled in the ballots being the same as another shareholder's name, but no information such as shareholder account number or ID number has been provided for identification.
- (XI) The total number of votes cast by the electors exceeds the number of election rights held by them.

Article 10 The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.

Article 11 The Rules shall be implemented after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Attachments 12

WHA YU INDUSTRIAL CO., LTD.

Shareholdings of All Directors

Record Date: April 21, 2023

Title	Name	Date of election	Current Shareholding (Shares)	Shareholding (%)
Chairman	Tsou Mi-Fu	2020.12.30	3,272,570	2.72%
Director	Chen, Shih Chung	2020.06.19	224,514	0.19%
Director	Sun, Cheng-Pen	2020.06.19	2,528,222	2.10%
Director	Huang Kun-Chang	2020.06.19	2,153,138	1.79%
Director	Chuang Ming-Yuan	2020.06.19	1,245,622	1.03%
Director	Lu, Te-Mao	2020.06.19	1,002,888	0.83%
Director	MegaPlus Asset Management Ltd.	2020.12.30	1,423,952	1.18%
Independent Director	Liu, Heng-Yih	2020.06.19	0	0.00%
Independent Director	Chan, Ting-Hsun	2020.06.19	0	0.00%
Independent Director	Lue, Wen-Chia	2020.06.19	0	0.00%

Shareholding of all directors and percentage of issued shares

11,850,906 shares

9.84%

Note 1: The paid-in capital of the Company is NT\$1,204,804,170 and 120,480,417 shares have been issued.

Note 2: In accordance with the Rules Governing the Implementation of Shareholding and Audit of Directors and Supervisors of Listed Companies, the minimum number of shares to be held by all directors of the Company is 8,000,000 shares, as the Company has three independent directors and the shareholding percentage of directors is reduced to 80% in accordance with the aforementioned rules. The number of shares held by all directors of the Company has reached the legal standard.

Thank you for attending the shareholders' meeting!
We welcome your comments and suggestions!