



WAH LEE INDUSTRIAL CORP.

2022 Annual Shareholder Meeting Handbook

Date: May 27th, 2022

Venue: 5F., No. 230, Zhongzheng 4th Rd., Qianjin Dist.,

Kaohsiung City

(Room 501, Taiwan Academy of Banking and Finance Southern
Branch)

Table of Contents

Meeting Procedure	1
Meeting Agenda.....	2
Report items (Company Reports).....	3
Ratification Items	4
Discussion Items.....	5
Election.....	5
Extemporaneous Motions.....	6
Attachment	
(1) 2021 Business Report	7
(2) 2021 Audit Committee’s Review Report	10
(3) Status of Endorsement and Guarantee of 2021	11
(4) Status of Loaning of Company Funds of 2021.....	13
(5) Implementation of Investments in the PRC of 2021	14
(6) Implementation of third Domestic Unsecured Convertible Bonds of 2021	16
(7) 2021 Independent Auditor’s Report, Individual and Consolidated Financial Statements.....	17
(8) 2021 Distribution of Net Earnings	37
(9) Amendments to “Articles of Incorporation of the Company” and the Comparisons Amendments to “ Procedures of Assets Acquisition and Disposal” and the Comparisons	38
Appendix	
(1) Rules of Procedure for Shareholders Meetings.....	42
(2) Articles of Incorporation (before amendment).....	47
(3) Procedures for Elections of Directors.....	53
(4) Directors Shareholding	55
(5) Other Explanation Items.....	56

WAH LEE INDUSTRIAL CORP.
2022 ANNUAL SHAREHOLDER MEETING PROCEDURE

One. Call Meeting to Order

Two. Chairman Remarks

Three. Report items (Company Reports)

Four. Ratification Items

Five. Discussion Items

Six. Election

Seven. Extemporaneous Motions

Eight. Adjournment

WAH LEE INDUSTRIAL CORP.

2022 ANNUAL SHAREHOLDERS MEETING Agenda

Time: 09:30 a.m., Friday, May 27, 2022

Venue : 5F., No. 230, Zhongzheng 4th Rd., Qianjin Dist., Kaohsiung City

(Room 501, Taiwan Academy of Banking and Finance Southern Branch)

Convention of physical shareholders' meeting

One. Call Meeting to Order [Announce shares held by shareholders present in person or by proxy]

Two. Chairman Remarks

Three. Report items (Company Reports)

1. 2021 Business Report
2. 2021 Audit Committee's Review Report
3. 2021 Distribution of Employees' Bonus and Remuneration to directors.
4. 2021 Loan Endorsement and Guarantee
5. 2021 Lending Funds to Other Parties
6. 2021 Summary of Investments in Mainland China
7. The issuance of the Company's third unsecured Convertible Corporate Bond.

Four. Ratification Items

1. 2021 Business Report and Financial Statements
2. 2021 Earnings distribution

Five. Discussion Items

Amendments to "Articles of Incorporation"

Six. Election

Election of independent directors.

Seven. Extemporaneous Motions

Eight. Adjournment

Report items (Company Reports)

1. 2021 Business Report. Please review

Note: Please refer to Page 7 to 9 in this Handbook [Attachment 1]

2. 2021 Audit Committee's Review Review. Please review

Note: Please refer to Page 10 in this Handbook [Attachment 2]

3. 2021 Distribution of Employees' Bonus and Remuneration to directors. Please review

Note: The distribution plan is in accordance with Article 20 under the Articles of Incorporation and the Board Meeting on March 22, 2021. The Company is to allocate 1.15% of 2021 profit before tax, or NT\$42,161,000 to director's remuneration; and 9% of profit before tax, or NT\$329,953,000 for employees' bonus. Both employees' bonus and remuneration for directors are distributed in cash.

4. 2021 Loan Endorsement and Guarantee. Please review

Note: Please refer to Page 11 to 12 in this Handbook [Attachment 3]

5. 2021 Lending Funds to Other Parties. Please review

Note: Please refer to Page 13 in this Handbook [Attachment 4]

6. 2020 Summary of investments in Mainland China. Please review

Note: Please refer to Page 14 to 15 in this Handbook [Attachment 5]

7. The issuance of the Company's third unsecured Convertible Corporate Bond. Please review.

Note: Please refer to Page 16 in this Handbook [Attachment 6]

Ratification Items

Item 1. (Proposed by Board of directors)

Proposal: 2021 business reports and financial statements.

Description: 1. The Company has compiled the business report and both individual and consolidated financial statements for 2021. The financial reports were audited and certified by Certified Public Accountant, Chiu-Yen Wu and Chen-Li Chen from Deloitte & Touche.

2. For current Business Report, Financial Statements and Independent Auditor's Report, please refer to Page 7 to 9 [Attachment 1] and Page 17 to 36 [Attachment 7] in this Handbook.

Resolution:

Item 2. (Proposed by Board of directors)

Proposal: 2021 Earnings distribution

Description: 1. The appropriation is based on 2021 distributable earnings and the number of current floating shares, 236,017,941 units. A cash dividend to shareholders of NT\$1,604,921,999, or NT\$6.8 per common share, is proposed.

2. Cash dividend will be rounded up to New Taiwan Dollar(NTD). Dividends of less than one NTD shall be aggregated and reordered according to decimal digit from high to low and shareholder account number from the first to the last until the distribution matches the total distribution amount.

3. In the case of change of the distribution ratio derived from a different number of floating shares caused by subsequent capital change, the Board shall be authorized to resolve such matter by the Annual Meeting of Shareholders.

4. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board be authorized to resolve the ex-dividend date, ex-rights date, and other relevant issues.

5. For 2021 profit distribution table, please refer to Page 37 in this Handbook [Attachment 8]

Resolution:

Discussion Items

Item1. (Proposed by Board of directors)

Proposal: Please vote for the amendments in Articles of Incorporation.

Description: 1. The Company has amended part of stipulations in “Articles of Corporation” following requirements of authorities and current legal regulations.

2. For the table of comparison of stipulations in “Articles of Corporation” before and after amendments, please refer to page 38 to 41 of the Handbook [Attachment 9].

3. For Articles of Corporation before amendment, please refer to Page 47 to 52 in this Handbook [Attachment 2].

Resolution:

Election

(Proposed by Board of directors)

Proposal: Please vote for elections of the independent director.

Description: 1. The Company has one vacancy for one independent director. And the Company plans to elect one independent director in this year’s shareholders’ meeting from the nominated candidates.

2. The new independent director who gets elected will serve the rest of the term until May 27, 2023.

3. Candidates of the independent directors are as follows:

Name	Education	Experience	Current position	Possessed shares
Chen, Ru Zhong	City University of New York, Baruch College Master of Science University of North Carolina, Charlotte Master of Business Administration	General manager, HSBC General manager, Capital group, LS Loomis Sayles, Loomis Sayles General manager, First Financial Holding Co., Ltd. (First Financial Holding Group)	Chairperson, Greater China Financial and Economic Development Association	0

4. This election was held according to “Procedures for Elections of Directors” of the Company. Please refer to page 53 to 54 of the Handbook [Appendix 3].

Result of election:

Extemporaneous Motions

Adjournment

WAH LEE INDUSTRIAL CORP.

I. 2021 Business Report

2021 was a year full of on and off lockdowns. The Covid-19 confirmed cases often forced factories to halt production, which disrupted the supply chain into a chaotic situation. The disruptions made the service industry employees take unpaid leaves and even close the businesses. Ports congestion, ships, and container shortages in the shipping industry had increased a lot of difficulties in business operations. However, in such a difficult situation and full of challenges, Wah Lee Industrial Corp.'s management team and its employees demonstrated creative management strategies and business resilience with full flexibility to create another operational peak in 2021. Our revenues and profits hit a new high since the company was established. Though the epidemic was unforeseeable, it drove us to speed up upgrading our business promotion model. The slogan, "Seek for changes, adapt to changes", has become a necessity for our business growth. This year, how to break a new record again for Wah Lee's operations in the environment of worldwide inflations and interest rate hikes by global central banks will be the goal of every person in the company. Let's make our best efforts and work together.

The following is a brief report on the financial performance in 2021: the consolidated revenue for 2021 exceeded the NT\$70 billion mark; we reached NT\$70.52 billion level with an annual growth of almost 20%. The consolidated operating gross profit amounted to NT\$6 billion, an annual growth rate of 25%. Consolidated operating profit reached NT\$3.1 billion, with an annual growth rate of 46%. The increased amount of gross profit came from the increase in gross profit margin made by our continuous optimization of product portfolios. Better growth in operating profit was driven by improved operating efficiency and economies of scale from our continued expansion in revenue. In addition, the equity method investment companies made good profits last year and contributed a lot to the non-operating incomes, making the consolidated pre-tax net profit reach NT\$4 billion. The consolidated net profit after tax was NT\$3.1 billion, and the earnings per share were NT\$12.05, an increase of 52% over the previous year and setting record highs since the company was listed. Regarding the financial indicators, the consolidated current and quick ratios of Wah Lee Industrial Corp in 2021 were 161% and 124%, respectively. The number of cash turnover days decreased by 9 days compared with the previous year to 77 days. At the same time, the return on equity for the year was 19% which also hit a new high in the last ten years. Consolidated cash inflow from operating activities was approximately NT\$2.3 billion. The strong performance showed in all financial indicators.

The rapid development of advanced manufacturing processes for the major customers in semiconductors had resulted in a shortage of production capacity. Wah Lee is known as one of the concept stocks of the world-leading foundry group because Wah Lee is the largest supplier of consumable raw materials. The consumables included photoresist, electronic grade chemicals,

specialty gases, stripper, CMP slurry, and spare parts for equipment, which were in rapid growth driven by global wafer shortages and technology upgrades.

The demand for 5G applications, including high-end servers, routers, switches, Antenna in Modules, and communication equipment has double increased and led to a significant expansion of PCB and IC substrate factories. It also resulted in the rapid growth of Wah Lee's 5G printed circuit board-related materials, including low-dk, low-df 5G high-frequency Copper Clad Laminate, DI grade high-resolution dry film for the production process, PCB equipment, high-frequency connectors, electronic components, and ICs.

The automotive market has become the most promising industry for engineering plastics in recent years. Plastics have occupied the market share of automobile interior materials, and the application of exterior parts was increasing day by day. Due to the increasingly stringent emission regulations in many countries, automakers are focusing on light-weighting when they develop new vehicles, and replacing metal with plastic is the key. Wah Lee's high-end engineering plastics have been actively cultivating traditional automotive parts for many years, and have also entered the market of motor electronics devices for electric vehicles, including connectors for ECU (vehicle's computer motherboard), car navigation and speedometer, and even connectors for transmission such as car cameras, as well as charging stations. In recent years, the awareness of environmental protection has increased, and world-class plastic manufacturers have started to supply PCR (Post Consumer Recycle). Wah Lee has also obtained the distribution right to supply a number of PCR products, and the trend of increasing demand will accelerate the expansion. We will make more efforts to sustain the environment of the earth.

The epidemic enabled "zero-touch" business opportunities, such as work from home and online learning. The market demands for PCs, NBs, servers, and 5G mobile phones have increased dramatically and driven strong demand for Wah Lee's high-temperature resistant nylon materials. The flat-panel displays, video-related electronic products, driver ICs, electronic components, and automation equipment supplied by Wah Lee's Opto-Electronic Division, the upstream and downstream products, and overseas electronic product sales have also increased rapidly.

The need for electricity stability in Taiwan is becoming more and more urgent, and the demand for carbon neutrality in the world has also doubled significantly. Wah Lee's customers in various technology industries need to obtain Renewable Energy Certificates (RECs) and green energy power generation before 2025. Wah Lee Green Energy Power Generation has rich experience due to its early development. Last year, the company was awarded the Topsolar Award for high-quality solar power generation by the President. At present, the solar power generation capacity that has been put online for power supply has reached 55MW, which can be increased by 50~100MW every year, and a platform for cooperation and investment with large international funds has been

established. Wah Lee can provide customers with a full range of solutions, including RECs, carbon rights trading, and production materials and services so that customers can meet the international carbon neutrality requirements, and the supply-demand relationship with Wah Lee will be further deepened. It also strengthens Wah Lee's performance in ESG investment and demonstrates Wah Lee's contributions to corporate social responsibilities.

Taiwan's technology industry logistics will be significantly in short supply in the next five years. Based on the business philosophy of Wah Lee's total solution provision, it will build Taiwan's largest high-tech professional logistics center to solve some of Taiwan's serious logistics service shortages. Therefore, Wah Lee continues to strengthen its core competitive advantages. At the beginning of this year, the board of directors approved the investment to establish the Southern Logistics Center. The needs of customers in the semiconductor and high-tech industries in the south will quickly catch up with the needs of logistics in the central and northern parts. This move will further consolidate Wah Lee's leading position in the logistics operation center and enhance the value-add to Wah Lee's customer service.

Finally, we will speed up the deployment in emerging industries such as 5G, AIOT, Metaverse, Internet of Things, biomedical, electric vehicles, and expand our internationalized operations, as we move towards our goal of becoming the world leader in technology application integration solutions. Once again, we would like to thank our shareholders for their long-term support and all of our employees for their best efforts.

Chairman: Ray-Ching Chang

Vice Chairman: Chun-Ying Chen

CEO: Tsun-Hsien Chang

Audit Committee review reporting

After the Board of Director reviewed 2021 business report, financial statements, and earnings distribution proposal and appointed Deloitte & Touche for an audit, Wah Lee Industrial Corp's business reports, the parent company only financial statements, and the consolidated financial statements were audited by Deloitte & Touche and the audit report has been generated. The business report, financial statements, and earnings distribution proposal were sent to the audit committee and were deemed to abide by Securities Exchange Act and Company Act.

Respectfully present

Wah Lee Industrial Corp.

Audit committee convener: Shyu, So-De

Date: March 25, 2022

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED FOR THE YEAR ENDED DECEMBER 31, 2021 (In Thousands of New Taiwan Dollars)

No.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement /Guarantee Given on Benefit of Each Party (Notes 1-7)	Maximum Amount Endorsed /Guaranteed During the Year	Outstanding Endorsement /Guarantee at The End of the Year (Notes 8)	Actual Borrowing Amount (Notes 8)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Notes 1-7)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Relationship											
0	The Company	Nagase Wahlee Plastics Corp.	Shareholder of an investee provides endorsements/guarantees to the company in proportion to the shareholding percentage	\$ 3,139,660	\$ 1,080,000	\$ 600,000	\$ 490,472	\$ -	3.82	\$ 15,698,299	N	N	N	
0	The Company	Asahi Kasei Wah Lee Hi-tech Corp.	Shareholder of an investee provides endorsements/guarantees to the company in proportion to the shareholding percentage	3,139,660	50,388	25,194	-	-	0.16	15,698,299	N	N	N	
0	The Company	Shanghai Yikang	Subsidiary of the Company	3,139,660	190,213	138,400	9,664	-	0.88	15,698,299	Y	N	Y	
0	The Company	Dongguan Hua Gang	Subsidiary of the Company	4,709,490	255,510	-	-	-	-	15,698,299	Y	N	Y	
0	The Company	Raycong H.K., Shanghai Yikang and Dongguan Hua Gang	Subsidiary of the Company	3,139,660	120,000	120,000	120,000	-	0.76	15,698,299	Y	N	Y	
0	The Company	Shanghai Hua Chang Trading Co., Ltd.	Shareholder of an investee provides endorsements/guarantees to the company in proportion to the shareholding percentage	3,139,660	1,501,831	822,096	553,848	-	5.24	15,698,299	N	N	Y	
0	The Company	WL Singapore	Subsidiary of the Company	4,709,490	753,324	536,992	294,146	-	3.42	15,698,299	Y	N	N	
0	The Company	Sakuragawa Solar Ltd.	Subsidiary of the Company	3,139,660	171,651	69,898	66,868	-	0.45	15,698,299	Y	N	N	
0	The Company	Miyazaki Solar Ltd.	Subsidiary of the Company	3,139,660	309,896	207,927	204,808	-	1.32	15,698,299	Y	N	N	
0	The Company	WL Indonesia	Subsidiary of the Company	3,139,660	172,670	130,096	-	-	0.83	15,698,299	Y	N	N	
0	The Company	WL Vietnam	Subsidiary of the Company	4,709,490	489,228	265,728	154,198	-	1.69	15,698,299	Y	N	N	
0	The Company	WT Industrial	Subsidiary of the Company	3,139,660	549,822	390,639	138,620	-	2.49	15,698,299	Y	N	N	
0	The Company	Wah Lee Philippines Inc.	Subsidiary of the Company	3,139,660	111,400	55,360	-	-	0.35	15,698,299	Y	N	N	
0	The Company	KS Corp.	Subsidiary of the Company	3,139,660	277,081	277,081	277,081	277,081	1.77	15,698,299	Y	N	N	
1	Shanghai Yikang	Shanghai Yadi	Subsidiary of the Company	1,030,790	123,637	121,612	70,580	-	2.36	2,576,976	Y	N	Y	
2	KS Corp.	KSA Corp.	Subsidiary of the Company	176,094	1,382	1,382	1,353	-	0.22	352,188	Y	N	N	
2	KS Corp.	KSB Corp.	Subsidiary of the Company	2,113,128	200,000	200,000	17,434	11,130	31.80	3,521,880	Y	N	N	

(Continued)

No.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement /Guarantee Given on Benefit of Each Party (Notes 1-7)	Maximum Amount Endorsed /Guaranteed During the Year	Outstanding Endorsement /Guarantee at The End of the Year (Notes 8)	Actual Borrowing Amount (Notes 8)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Notes 1-7)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Relationship											
2	KS Corp.	KSA Corp.	Subsidiary of the Company	\$ 2,113,128	\$ 500,000	\$ 500,000	\$ 117,819	\$ 61,300	79.51	\$ 3,521,880	Y	N	N	
2	KS Corp.	KSD Corp.	Subsidiary of the Company	2,113,128	500,000	500,000	103,427	67,000	79.51	3,521,880	Y	N	N	
2	KS Corp.	KSC Corp.	Subsidiary of the Company	2,113,128	1,500,000	1,500,000	-	1,000	238.52	3,521,880	Y	N	N	
3	KSA Corp.	KSB Corp.	The Company is required to provide guarantees or endorsements for the construction project based on the construction contract	6,130,000	100,000	-	-	-	-	9,195,000	N	N	N	
3	KSA Corp.	KS Corp.	The Company is required to provide guarantees or endorsements for the construction project based on the construction contract	6,130,000	1,800,000	-	-	-	-	9,195,000	N	Y	N	
4	KSB Corp.	KSA Corp.	The Company is required to provide guarantees or endorsements for the construction project based on the construction contract	2,226,000	400,000	-	-	-	-	4,452,000	N	N	N	
4	KSB Corp.	KS Corp.	The Company is required to provide guarantees or endorsements for the construction project based on the construction contract	2,226,000	1,800,000	-	-	-	-	4,452,000	N	Y	N	
5	Dongguan Hua Gang	Guangjou Shing Shian	Subsidiary of the Company	820,799	177,898	174,249	84,492	-	6.37	1,367,999	Y	N	Y	
6	Raycong H.K.	Xiamen Hua Chen Da	Subsidiary of the Company	1,478,397	28,535	27,680	8,782	-	0.37	3,695,992	Y	N	Y	

(Concluded)

Note 1: The limit on endorsement/guarantee given on behalf of each party shall not exceed 20% of the equity of the Company. If the Company directly or indirectly holds 100% of the equity of the endorsee or guarantee, the limit on endorsement/guarantee given on behalf of each party shall not exceed 30% of the equity of the Company. The maximum total amount of endorsement/guarantee shall not exceed 100% of the equity of the Company.

Note 2: The limit on endorsement/guarantee given on behalf of each party shall not exceed 20% of the equity of Shanghai Yikang. The maximum total amount of endorsement/guarantee shall not exceed 50% of the equity of Shanghai Yikang.

Note 3: The limit on endorsement/guarantee given on behalf of each party shall not exceed 30% of the equity of Dongguan Hua Gang. The maximum total amount of endorsement/guarantee shall not exceed 50% of the equity of Dongguan Hua Gang.

Note 4: The limit on endorsement/guarantee given on behalf of each party shall not exceed 20% of the equity of Raycong H.K.. The maximum total amount of endorsement/guarantee shall not exceed 50% of the equity of Raycong H.K..

Note 5: The limit on endorsement/guarantee given to each party, based on the construction project, shall not exceed 600% of the paid-in capital of KS Corp.; the maximum total amount of endorsement/guarantee shall not exceed 1000% of the paid-in capital of KS Corp. The limit on endorsement/guarantee given to each party, not based on the construction project, shall not exceed 50% of the paid-in capital of KS Corp. The total amount of endorsement/guarantee shall not exceed 100% of the paid-in capital of KS Corp.

Note 6: The limit on endorsement/guarantee given to each party, based on the construction project, shall not exceed 10,000% of the paid-in capital of KSA Corp.; the maximum total amount of endorsement/guarantee shall not exceed 15,000% of the paid-in capital of KSA Corp.

Note 7: The limit on endorsement/guarantee given to each party, based on the construction project, shall not exceed 20,000% of the paid-in capital of KSB Corp.; the maximum total amount of endorsement/guarantee shall not exceed 40,000% of the paid-in capital of KSB Corp.

Note 8: USD is converted by spot exchange USD1=NT\$27.68; JPY is converted by spot exchange JPY1=NT\$0.2405; RMB is converted by spot exchange RMB=NT\$4.3433; THB is converted by spot exchange THB1=NT\$0.8347.

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS FOR THE YEAR ENDED DECEMBER 31, 2021 (In Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Year	Ending Balance (Note 1)	Actual Amount Drawn (Notes 1 and 4)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-Term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 2)	Note
													Item	Value			
0	The Company	KS Corp.	Other receivables - related parties	Yes	\$ 150,000	\$ 150,000	\$ -	-	Financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 251,548	\$ 1,569,830	
1	Shanghai Yikang	Fenghuang Xingwah Shouzheng	Other receivables - related parties	Yes	17,453	17,373	2,653	5.92	Short-term financing	-	Operating capital	-	-	-	1,546,185	1,546,185	
1	Shanghai Yikang	Shanghai Yadi	Other receivables - related parties	Yes	65,448	65,150	46,690	5.31	Short-term financing	-	Operating capital	-	-	-	1,546,185	1,546,185	
2	Shenzhen Huaying	Xiamen Hua Chen Da	Other receivables - related parties	Yes	8,831	8,687	-	-	Short-term financing	-	Operating capital	-	-	-	63,696	63,696	
4	KS Corp.	KSA Corp.	Other receivables - related parties	Yes	30,000	15,000	-	-	Short-term financing	-	Operating capital	-	-	-	188,661	188,661	

Note 1: RMB is converted by the spot exchange RMB=NT\$4.3433.

Note 2: The aggregate financing limit for the subsidiaries in need of short-term financing shall not exceed 10% of the Company's equity; the financing limit for each counterparty shall not exceed 5% of the Company's equity and shall not exceed 40% of each counterparty's equity.

Note 3: The individual and aggregate financing limit for the subsidiaries included in the consolidated financial statements of the parent company shall not exceed 30% of the financing company's equity.

Note 4: It was eliminated on consolidation.

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA FOR THE YEAR ENDED DECEMBER 31, 2021 (In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
Dongguan Hua Gang	Trading business of industrial materials	\$ 1,132,384	Invested through the third region, Raycong H.K.	\$ -	\$ -	\$ -	\$ -	\$ 415,100	100.00	\$ 415,100	\$ 2,731,099	\$ -	
Shanghai Yikang	Trading business of industrial materials	986,547	Invested through the third region, Raycong H.K.	340,629	-	-	340,629	742,632	70.00	519,842	3,624,985	-	
Shenzhen Huaying	Supply chain management and consultancy service	23,982	Invested through the third region, Raycong H.K.	-	-	-	-	5,368	100.00	5,368	212,321	-	
Shanghai Wah Chang Trading Co., Ltd.	International trading and trading consulting; trading agent and commercial simple processing within enterprises in the bonded area	66,432	Invested through the third region, SHC Holding Ltd.	43,714	-	-	43,714	437,440	30.00	131,232	706,718	-	
Shanghai Yadi	Import and export of goods and technology	13,030	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	3,132	49.00	1,535	19,817	-	
Shanghai Lihuang	Medical devices and equipment	14,463	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	2,920	48.98	(511)	6,229	-	
Fenghuang Xinwah Shouzheng	Medical devices manufacturing technology developing and consulting	21,717	Invested through Chinese corporation, Shanghai Yikang	-	-	-	-	(1,679)	52.50	(882)	10,516	-	
Guangjou Shing Shian	Hospital management, medical equipment repair, wholesale of medical supplies	21,717	Invested through Chinese corporation, Dongguan Hua Gang	-	-	-	-	6,743	100.00	6,743	50,912	-	
Xiamen Hua Chen Da	Warehouse logistics	13,030	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	(1,725)	70.00	(1,207)	6,246	-	
Xiamen Jian Yuan Rong Logistics Ltd.	Warehouse logistics	34,747	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	(157)	30.00	(47)	9,299	-	
Xiamen Jia Cheng Yuan Trading and Development Co. Ltd.	Warehouse logistics	8,687	Invested through Chinese corporation, Shenzhen Huaying	-	-	-	-	(60)	30.00	(18)	2,955	-	
Kaiping Huaxinkang	Medical service	1	Invested through Chinese corporation, Guangjou Shing Shian	-	-	-	-	-	90.00	-	-	-	

(Continued)

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021 (Note 3)	Investment Amount Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
The Company	\$ 384,343	\$ 2,480,528	\$ -

Note 1: The disclosure of investment gains and losses this period are based on the following:

1. Dongguan Hua Gang and Shanghai Yikang: audited by the Company's CPA.
2. Others are based on unaudited financial statements.

Note 2: The difference of \$2,096,185 thousand between accumulated outward remittance for investment in mainland China and investment amount authorized by investment commission, MOEA is due to investment of \$1,338,686 thousand (USD8,488 thousand and HKD267,000 thousand) through Raycong H.K., investment of \$111,175 thousand (USD3,572 thousand) through Wah Yuen Technology Holding Limited, transferred capital from retained earnings of \$434,385 thousand (USD13,790 thousand) of Shanghai Yikang, investment of \$14,500 thousand (USD500 thousand) through SHC Holding Ltd., investment without significant influence of \$42,644 thousand and the invested amount of \$154,795 thousand which had already been liquidated but not yet revoked.

Note 3: Under the "Principles Governing the Review of Investments or Technical Cooperation in Mainland China" issued by the Investment Commission on August 29, 2008, the Company had obtained the certificate issued by the Industrial Bureau of the Ministry of Economic Affairs in accordance with the business scope of the operating headquarters; thus, the amount that can be invested in companies located in mainland China is unlimited.

(Concluded)

WAH LEE INDUSTRIAL CORP.

Implementation of third Domestic Unsecured Convertible Bonds of 2021

Types of Corporate Bonds		third Domestic Unsecured Convertible Bonds
Date of Issurance (Implementation)		August 24, 2021
Denomination		NT\$ 100,000 for each issued bond
Venue for issuance and trading		Taipei Exchange , TPEx
Offering price		NT\$100.25 (issuance at a premium)
Total Amount		NT\$ 2,000,000,000
Interest rate		0%
Due date		3years. Due date: August 24, 2024
Guarantee Institutions		None
Trustee		Hua Nan Commercial Bank, Ltd. Hua Nan Bank, Department of Trusts
Underwriting institution		Yuanta Securities Co., Ltd.
Certified lawyers		Taipelaws Attorneys-at-law Co., Ltd., Pei-sheng Huang, Chung-Xhi Chen
Certified Public Accountant		Deloitte Touche Tohmatsu Limited. (Deloitte Taiwan), Chiu-yen Wu, Zheng-Li Chen
Methods of refund		Advance conversion, advance refund by the Company, or redemption in cash on the due date.
Unfunded liability		NT\$ 2,000,000,000
Stipulations for redemptions or advanced redemption		Refer to the Company's Procedures for issuance and conversion of corporate bonds
Restrictive covenants		Refer to the Company's Procedures for issuance and conversion of corporate bonds
Name of credit rating institution, date of credit rating, rating of corporate bonds, etc.		None
Additional rights	Amount of converted (exchanged, or recognized) common shares, depository receipt, or other marketable securities as to the printing date of the annual report	None
	Procedures for issuing and converting (exchanging or recognizing stocks	Refer to issuance information in credits and bonds section on the market observatory post system
Procedures for issuing, converting, exchanging, or recognizing stocks, possible stock dilution caused by issuance conditions, and influence on the current stock holders		If all owners of convertible corporate bonds request to convert the bonds at the current price of NT\$98.1 for each unit, the maximal dilutive rate is 8.63%, which shows a limited dilution effect.
Name of the trustee institutions for exchange subject		None

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Wah Lee Industrial Corporation

Opinion

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

In our opinion, based on our audits and the reports of other auditors (refer to Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2021. 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.

The key audit matter identified in the Company's parent company only financial statements for the year ended December 31, 2021 is described as follows:

Occurrence of revenue from specific customers

The operating revenue from specific customers of the Company for the year ended December 31, 2021 showed significant growth over the past year. In addition, based on the ROC GAAS, revenue recognition is presumed to have a significant risk. Therefore, we considered the occurrence of revenue from specific customers as a key audit matter.

Refer to Note 4 to the parent company only financial statements for the related accounting policy on revenue recognition.

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

1. We obtained an understanding and tested the design and operating effectiveness of the internal controls relevant to shipment and revenue recognition.
2. We selected samples and verified the occurrence of recorded revenue from specific customers against supporting documents, including shipping and collection documents, and we checked and confirmed that the payer is the same as the buyer.

Other Matter

The financial statements of certain investees accounted for using the equity method in the Company's parent company only financial statements for the years ended December 31, 2021 and 2020 were audited by other independent auditors; accordingly, our opinion insofar as it relates to the amounts and information disclosed, is based solely on the reports of other independent auditors.

The carrying values of the investments accounted for using the equity method as of December 31, 2021 and 2020 were NT\$811,217 thousand and NT\$728,537 thousand, respectively, both representing 2% and 3% of total parent company only assets; and the amounts of the share of profit of associates for the years ended December 31, 2021 and 2020 were NT\$188,987 thousand and NT\$111,793 thousand, representing 6% and 5% of parent company only profit before income tax, respectively.

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chiu-Yen Wu and Chen-Li Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 22, 2022

Notice to Readers

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

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

WAH LEE INDUSTRIAL CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Note 6)	\$ 1,656,213	5	\$ 1,194,704	4
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,200	-	-	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	209,000	1	119,600	-
Notes receivable (Notes 4 and 9)	173,345	-	131,614	1
Accounts receivable, net (Notes 4, 5 and 9)	9,019,030	27	6,534,683	24
Accounts receivable - related parties (Notes 4, 5, 9 and 27)	955,337	3	800,694	3
Other receivables	39,869	-	42,422	-
Other receivables - related parties (Note 27)	187,351	1	253,266	1
Merchandise (Notes 4, 5 and 10)	2,090,639	6	1,824,901	7
Prepayments for purchases (Note 27)	1,841,991	5	1,004,155	4
Other current assets	<u>11,848</u>	<u>-</u>	<u>12,136</u>	<u>-</u>
Total current assets	<u>16,185,823</u>	<u>48</u>	<u>11,918,175</u>	<u>44</u>
NONCURRENT ASSETS				
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4 and 8)	735,329	2	634,098	2
Investments accounted for using the equity method (Notes 4, 11 and 28)	15,263,525	45	12,812,080	48
Property, plant and equipment (Notes 4, 12, 27 and 28)	885,210	3	711,059	3
Right-of-use assets (Notes 4 and 13)	19,348	-	21,427	-
Investment properties (Notes 4, 14 and 28)	432,970	1	436,599	2
Other intangible assets	17,020	-	23,619	-
Deferred tax assets (Notes 4 and 23)	226,916	1	236,455	1
Refundable deposits	52,284	-	54,114	-
Prepayments for investments	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Total noncurrent assets	<u>17,632,602</u>	<u>52</u>	<u>14,939,451</u>	<u>56</u>
TOTAL	<u>\$ 33,818,425</u>	<u>100</u>	<u>\$ 26,857,626</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 15)	\$ 5,206,357	15	\$ 4,013,494	15
Contract liabilities - current (Notes 21 and 27)	356,220	1	305,104	1
Notes payable (Notes 17 and 27)	37,996	-	30,157	-
Accounts payable (Note 17)	4,731,417	14	3,602,416	13
Accounts payable - related parties (Notes 17 and 27)	488,737	1	271,663	1
Other payables (Notes 18 and 27)	928,882	3	771,384	3
Current tax liabilities (Note 23)	207,672	1	82,325	-
Provisions - current (Note 4)	30,086	-	-	-
Lease liabilities - current (Notes 4 and 13)	11,110	-	8,043	-
Current portion of long-term borrowings (Note 15)	21,203	-	433,577	2
Refund liabilities - current	175,002	1	173,956	1
Other current liabilities	<u>20,530</u>	<u>-</u>	<u>15,358</u>	<u>-</u>
Total current liabilities	<u>12,215,212</u>	<u>36</u>	<u>9,707,477</u>	<u>36</u>
NONCURRENT LIABILITIES				
Bonds payable (Notes 4 and 16)	1,972,752	6	-	-
Long-term borrowings (Note 15)	2,342,319	7	2,785,247	11
Provision for employee benefits - noncurrent	14,760	-	14,760	-
Deferred tax liabilities (Notes 4 and 23)	1,281,669	4	1,155,352	4
Lease liabilities - noncurrent (Notes 4 and 13)	8,569	-	13,663	-
Net defined benefit liabilities - noncurrent (Notes 4 and 19)	281,736	1	300,009	1
Guarantee deposits received	<u>3,109</u>	<u>-</u>	<u>3,109</u>	<u>-</u>
Total noncurrent liabilities	<u>5,904,914</u>	<u>18</u>	<u>4,272,140</u>	<u>16</u>
Total liabilities	<u>18,120,126</u>	<u>54</u>	<u>13,979,617</u>	<u>52</u>
EQUITY (Note 20)				
Share capital	<u>2,360,179</u>	<u>7</u>	<u>2,313,901</u>	<u>8</u>
Capital surplus	<u>1,690,292</u>	<u>5</u>	<u>1,331,725</u>	<u>5</u>
Retained earnings				
Legal reserve	2,412,040	7	2,228,083	8
Special reserve	636,618	2	980,087	4
Unappropriated earnings	<u>8,783,793</u>	<u>26</u>	<u>6,660,831</u>	<u>25</u>
Total retained earnings	<u>11,832,451</u>	<u>35</u>	<u>9,869,001</u>	<u>37</u>
Other equity	<u>(184,623)</u>	<u>(1)</u>	<u>(636,618)</u>	<u>(2)</u>
Total equity	<u>15,698,299</u>	<u>46</u>	<u>12,878,009</u>	<u>48</u>
TOTAL	<u>\$ 33,818,425</u>	<u>100</u>	<u>\$ 26,857,626</u>	<u>100</u>

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

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

WAH LEE INDUSTRIAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 27)	\$ 42,882,108	100	\$ 33,236,491	100
OPERATING COSTS (Notes 10, 22 and 27)	<u>39,900,737</u>	<u>93</u>	<u>30,967,419</u>	<u>93</u>
GROSS PROFIT	2,981,371	7	2,269,072	7
UNREALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	(6,949)	-	(2,234)	-
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	<u>2,234</u>	<u>-</u>	<u>22,361</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>2,976,656</u>	<u>7</u>	<u>2,289,199</u>	<u>7</u>
OPERATING EXPENSES (Notes 9, 22 and 27)				
Selling and marketing expenses	1,406,309	3	1,265,698	4
General and administrative expenses	407,557	1	344,463	1
Expected credit loss	<u>28,107</u>	<u>-</u>	<u>38,697</u>	<u>-</u>
Total operating expenses	<u>1,841,973</u>	<u>4</u>	<u>1,648,858</u>	<u>5</u>
OPERATING INCOME	<u>1,134,683</u>	<u>3</u>	<u>640,341</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 27)				
Interest income	602	-	709	-
Other income	196,524	-	189,594	1
Other gains and losses	(45,560)	-	(49,813)	-
Finance costs	(70,499)	-	(79,298)	-
Share of profit of subsidiaries, associates and joint ventures	<u>2,078,285</u>	<u>5</u>	<u>1,402,936</u>	<u>4</u>
Total non-operating income and expenses	<u>2,159,352</u>	<u>5</u>	<u>1,464,128</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	3,294,035	8	2,104,469	7
INCOME TAX EXPENSE (Notes 4 and 23)	<u>450,758</u>	<u>1</u>	<u>245,349</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>2,843,277</u>	<u>7</u>	<u>1,859,120</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (Notes 20 and 23)				

(Continued)

WAH LEE INDUSTRIAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2021		2020	
	Amount	%	Amount	%
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 8,080	-	\$ (4,470)	-
Unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income	135,795	-	110,390	-
Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	677,658	1	236,698	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	(2,131)	-	7,804	-
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive gain (loss) of subsidiaries and associates accounted for using the equity method	(119,286)	-	28,450	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>20,462</u>	<u>-</u>	<u>(4,571)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>720,578</u>	<u>1</u>	<u>374,301</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,563,855</u>	<u>8</u>	<u>\$ 2,233,421</u>	<u>7</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 12.05</u>		<u>\$ 7.88</u>	
Diluted	<u>\$ 11.64</u>		<u>\$ 7.66</u>	

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

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

(Concluded)

WAH LEE INDUSTRIAL CORPORATION

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

			Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity Unrealized Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Subtotal	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE AT JANUARY 1, 2020	\$ 2,313,901	\$ 1,318,065	\$ 2,084,659	\$ 679,347	\$ 6,029,012	\$ (607,512)	\$ (372,575)	\$ (980,087)	\$ 11,444,897
Appropriation of 2019 earnings									
Legal reserve	-	-	143,424	-	(143,424)	-	-	-	-
Special reserve	-	-	-	300,740	(300,740)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(763,587)	-	-	-	(763,587)
	-	-	143,424	300,740	(1,207,751)	-	-	-	(763,587)
Changes in capital surplus from investments in associates accounted for using the equity method	-	14,506	-	-	(50,382)	-	-	-	(35,876)
Net profit for the year ended December 31, 2020	-	-	-	-	1,859,120	-	-	-	1,859,120
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(2,328)	23,879	352,750	376,629	374,301
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	1,856,792	23,879	352,750	376,629	2,233,421
Changes in percentage of ownership interests in subsidiaries (Note 11)	-	(846)	-	-	-	-	-	-	(846)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	18,567	-	(18,567)	(18,567)	-
Associates disposed the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	14,593	-	(14,593)	(14,593)	-
BALANCE AT DECEMBER 31, 2020	2,313,901	1,331,725	2,228,083	980,087	6,660,831	(583,633)	(52,985)	(636,618)	12,878,009
Appropriation of 2020 earnings									
Legal reserve	-	-	183,957	-	(183,957)	-	-	-	-
Special reserve	-	-	-	(343,469)	343,469	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,018,117)	-	-	-	(1,018,117)
	-	-	183,957	(343,469)	(858,605)	-	-	-	(1,018,117)
Equity component of convertible bond issued by the Company (Note 16)	-	34,200	-	-	-	-	-	-	34,200
Changes in capital surplus from investments in associates accounted for using the equity method	-	359,432	-	-	(98,681)	3,828	(35,031)	(31,203)	229,548
Issuance of share dividends from capital surplus	46,278	(46,278)	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	2,843,277	-	-	-	2,843,277
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	6,441	(98,824)	812,961	714,137	720,578
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	2,849,718	(98,824)	812,961	714,137	3,563,855
Disposals of investments accounted for using the equity method	-	(26,711)	-	-	-	-	-	-	(26,711)
Actual disposal or acquisition of interest in subsidiaries (Note 11)	-	37,924	-	-	(409)	-	-	-	37,515
Associates disposed the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	230,939	-	(230,939)	(230,939)	-
BALANCE AT DECEMBER 31, 2021	\$ 2,360,179	\$ 1,690,292	\$ 2,412,040	\$ 636,618	\$ 8,783,793	\$ (678,629)	\$ 494,006	\$ (184,623)	\$ 15,698,299

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

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

WAH LEE INDUSTRIAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,294,035	\$ 2,104,469
Adjustments for:		
Depreciation expense	58,199	58,658
Amortization expense	6,977	6,770
Expected credit loss	28,107	38,697
Net gain of financial assets at fair value through profit or loss	(1,000)	-
Finance costs	70,499	79,298
Interest income	(602)	(709)
Dividend income	(23,888)	(16,696)
Share of profit of subsidiaries and associates accounted for using the equity method	(2,078,285)	(1,402,936)
Gain on disposal of property, plant and equipment	(30)	(2,375)
Gain (loss) on disposal of investments accounted for using the equity method	(8,491)	3,371
Impairment loss recognized on inventories	55,979	3,785
Unrealized gain on transactions with subsidiaries	6,949	2,234
Realized gain on transactions with subsidiaries	(2,234)	(22,361)
Net loss on foreign currency exchange	1,066	37,629
Loss provision recognized	30,086	-
Changes in operating assets and liabilities		
Notes receivable	(41,731)	24,190
Accounts receivable	(2,513,322)	(1,078,059)
Accounts receivable - related parties	(153,775)	213,591
Other receivables	2,553	(16,251)
Other receivables - related parties	90,220	113,216
Merchandise	(321,717)	2,844
Prepayments for purchases	(837,836)	(313,810)
Other current assets	288	1,977
Contract liabilities	51,116	45,951
Notes payable	7,839	(293,950)
Accounts payable	1,129,001	728,787
Accounts payable - related parties	217,074	(3,092)
Other payables	144,326	93,135
Refund liabilities	1,046	18,137
Other current liabilities	5,172	3,957
Net defined benefit liabilities	(10,193)	(7,467)
Cash generated from (used in) operations	(792,572)	422,990
Interest received	602	709
Dividends received	583,655	493,329
Interest paid	(61,313)	(86,910)
Income tax paid	(171,220)	(164,049)
Net cash generated from (used in) operating activities	(440,848)	666,069

(Continued)

WAH LEE INDUSTRIAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (59,836)	\$ (50,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	47,285
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	15,000	1,288
Purchase of investments accounted for using the equity method	(106)	(37,005)
Proceeds from disposal of investments accounted for using the equity method	97,840	-
Acquisition of a subsidiary	(500)	-
Proceeds from the capital reduction of investments accounted for using equity method	700	3,000
Payments for property, plant and equipment	(204,362)	(47,420)
Proceeds from disposal of property, plant and equipment	30	17,194
Decrease (increase) in refundable deposits	1,830	(4,538)
Increase in other intangible assets	(378)	(5,850)
Prepayments for investments	-	(10,000)
Net cash used in investing activities	<u>(149,782)</u>	<u>(86,046)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	1,191,797	658,903
Proceeds from issuance of convertible bonds	1,999,693	-
Proceeds from long-term borrowings	1,000,000	200,000
Repayment of long-term borrowings	(1,856,743)	(232,527)
Increase in guarantee deposits received	-	89
Repayment of the principal portion of lease liabilities	(11,822)	(7,560)
Cash dividends	(1,018,117)	(763,587)
Acquisition of additional interests in subsidiaries	<u>(252,669)</u>	<u>(33,422)</u>
Net cash generated from (used in) financing activities	<u>1,052,139</u>	<u>(178,104)</u>
NET INCREASE IN CASH	461,509	401,919
CASH AT THE BEGINNING OF THE YEAR	<u>1,194,704</u>	<u>792,785</u>
CASH AT THE END OF THE YEAR	<u>\$ 1,656,213</u>	<u>\$ 1,194,704</u>

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

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

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Wah Lee Industrial Corporation

Opinion

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

In our opinion, based on our audits and the reports of other auditors (refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2021 is described as follows:

Occurrence of revenue from specific customers

The operating revenue from specific customers of the Group for the year ended December 31, 2021 showed significant growth over the past year. In addition, based on the ROC GAAS, revenue recognition is presumed to have a significant risk. Therefore, we considered the occurrence of revenue from specific customers as a key audit matter.

Refer to Note 4 to the consolidated financial statements for the related accounting policy on revenue recognition.

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

1. We obtained an understanding and tested the design and operating effectiveness of the internal controls relevant to shipment and revenue recognition.
2. We selected samples and verified the occurrence of recorded revenue from specific customers against supporting documents, including shipping and collection documents, and we checked and confirmed that the payer is the same as the buyer.

Other Matter

The financial statements of certain investees accounted for using the equity method in the Group's consolidated financial statements for the years ended December 31, 2021 and 2020 were audited by other independent auditors; accordingly, our opinion insofar as it relates to the amounts and information disclosed, is based solely on the reports of other independent auditors.

The carrying values of the investments accounted for using the equity method as of December 31, 2021 and 2020 were NT\$811,217 thousand and NT\$728,537 thousand, respectively, both representing 2% of total consolidated assets; and the amounts of the share of profit of associates for the years ended December 31, 2021 and 2020 were NT\$188,987 thousand and NT\$111,793 thousand, were representing 5% and 4% of consolidated profit before income tax.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a

matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chiu-Yen Wu and Chen-Li Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 22, 2022

Notice to Readers

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

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

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 3,275,337	7	\$ 3,053,182	8
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	163,804	1	211,665	1
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	209,000	1	119,600	-
Notes receivable (Note 9)	1,787,044	4	2,399,770	6
Notes receivable - related parties (Notes 9 and 28)	-	-	6,925	-
Accounts receivable, net (Notes 5 and 9)	16,754,286	37	15,111,761	39
Accounts receivable - related parties (Notes 5, 9 and 28)	117,195	-	113,442	-
Other receivables	140,043	-	132,686	-
Other receivables - related parties (Note 28)	86,298	-	59,752	-
Current tax assets (Note 24)	7	-	114	-
Merchandise (Notes 4, 5 and 10)	5,194,090	11	4,286,609	11
Prepayments for purchases	2,289,881	5	1,398,090	4
Other financial assets - current (Notes 11 and 29)	2,668,676	6	838,212	2
Other current assets	160,819	-	209,496	1
Total current assets	32,846,480	72	27,941,304	72
NONCURRENT ASSETS				
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4 and 8)	735,329	2	634,098	2
Investments accounted for using the equity method (Notes 4 and 13)	5,956,734	13	4,826,082	12
Property, plant and equipment (Notes 4, 14, 28 and 29)	4,740,804	10	3,785,578	10
Right-of-use assets (Notes 4 and 15)	657,852	1	624,245	2
Goodwill (Note 4)	111,203	-	111,809	-
Other intangible assets	208,299	-	205,407	1
Deferred tax assets (Notes 4 and 24)	348,894	1	345,131	1
Prepayments for equipment	30,727	-	20,663	-
Prepayments for investments	-	-	10,000	-
Other financial assets - noncurrent (Notes 11 and 29)	217,564	1	196,403	-
Other noncurrent assets	33,084	-	54,249	-
Total noncurrent assets	13,040,490	28	10,813,665	28
TOTAL	\$ 45,886,970	100	\$ 38,754,969	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 8,286,959	18	\$ 7,400,936	19
Short-term bills payable (Note 16)	59,822	-	59,917	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	127	-	280	-
Contract liabilities - current (Notes 22 and 28)	562,914	1	345,351	1
Notes payable (Note 18)	390,681	1	102,174	-
Notes payable - related parties (Notes 18 and 28)	-	-	1,261	-
Accounts payable (Note 18)	8,045,912	18	7,066,208	18
Accounts payable - related parties (Notes 18 and 28)	567,881	1	378,004	1
Dividends payable	-	-	1,400	-
Other payables (Notes 19 and 28)	1,363,912	3	1,223,813	3
Current tax liabilities (Note 24)	371,005	1	272,968	1
Provisions - current (Notes 4 and 30)	80,450	-	-	-
Lease liabilities - current (Notes 4 and 15)	95,358	-	64,747	-
Current portion of long-term borrowings (Note 16)	376,940	1	538,534	2
Refund liabilities - current	178,776	-	174,275	1
Other current liabilities	26,271	-	29,053	-
Total current liabilities	20,407,008	44	17,658,921	46
NONCURRENT LIABILITIES				
Bonds payable (Notes 4 and 17)	1,972,752	4	-	-
Long-term borrowings (Note 16)	3,562,794	8	4,107,003	11
Provision for employee benefits - noncurrent (Note 4)	52,007	-	41,875	-
Lease liabilities - noncurrent (Notes 4 and 15)	595,710	1	566,902	1
Net defined benefit liabilities - noncurrent (Notes 4 and 20)	295,578	1	314,840	1
Guarantee deposits received	2,634	-	1,616	-
Deferred tax liabilities (Notes 4 and 24)	1,281,669	3	1,155,352	3
Total noncurrent liabilities	7,763,144	17	6,187,588	16
Total liabilities	28,170,152	61	23,846,509	62
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)				
Share capital	2,360,179	5	2,313,901	6
Capital surplus	1,690,292	4	1,331,725	3
Retained earnings				
Legal reserve	2,412,040	5	2,228,083	6
Special reserve	636,618	2	980,087	3
Unappropriated earnings	8,783,793	19	6,660,831	17
Total retained earnings	11,832,451	26	9,869,001	26
Other equity	(184,623)	(1)	(636,618)	(2)
Total equity attributable to owners of the Company	15,698,299	34	12,878,009	33
NON-CONTROLLING INTERESTS (Note 21)	2,018,519	5	2,030,451	5
Total equity	17,716,818	39	14,908,460	38
TOTAL	\$ 45,886,970	100	\$ 38,754,969	100

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

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

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 28)	\$ 70,515,303	100	\$ 59,080,920	100
OPERATING COSTS (Notes 10, 23 and 28)	<u>64,532,617</u>	<u>92</u>	<u>54,280,230</u>	<u>92</u>
GROSS PROFIT	<u>5,982,686</u>	<u>8</u>	<u>4,800,690</u>	<u>8</u>
OPERATING EXPENSES (Notes 9, 23 and 28)				
Selling and marketing expenses	2,272,525	3	2,051,331	4
General and administrative expenses	591,317	1	531,187	1
Expected credit loss	<u>46,134</u>	<u>-</u>	<u>110,257</u>	<u>-</u>
Total operating expenses	<u>2,909,976</u>	<u>4</u>	<u>2,692,775</u>	<u>5</u>
OPERATING INCOME	<u>3,072,710</u>	<u>4</u>	<u>2,107,915</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 28)				
Interest income	49,554	-	52,018	-
Other income	155,584	-	151,737	-
Other gains and losses	(73,245)	-	(51,449)	-
Finance costs	(169,443)	-	(204,649)	-
Share of profit of associates and joint ventures	<u>980,823</u>	<u>1</u>	<u>580,063</u>	<u>1</u>
Total non-operating income and expenses	<u>943,273</u>	<u>1</u>	<u>527,720</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	4,015,983	5	2,635,635	4
INCOME TAX EXPENSE (Notes 4 and 24)	<u>906,811</u>	<u>1</u>	<u>589,519</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>3,109,172</u>	<u>4</u>	<u>2,046,116</u>	<u>3</u>
OTHER COMPREHENSIVE INCOME (Notes 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	8,080	-	(4,470)	-
Unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income	135,795	-	110,390	-
Share of other comprehensive income of associates accounted for using the equity method	677,658	1	236,698	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	(2,131)	-	7,804	-

(Continued)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ (130,195)	-	\$ 16,626	-
Share of other comprehensive gain (loss) of associates accounted for using the equity method	(18,985)	-	9,920	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>20,462</u>	<u>-</u>	<u>(4,571)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>690,684</u>	<u>1</u>	<u>372,397</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,799,856</u>	<u>5</u>	<u>\$ 2,418,513</u>	<u>4</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,843,277	4	\$ 1,859,120	3
Non-controlling interests	<u>265,895</u>	<u>-</u>	<u>186,996</u>	<u>-</u>
	<u>\$ 3,109,172</u>	<u>4</u>	<u>\$ 2,046,116</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,563,855	5	\$ 2,233,421	4
Non-controlling interests	<u>236,001</u>	<u>-</u>	<u>185,092</u>	<u>-</u>
	<u>\$ 3,799,856</u>	<u>5</u>	<u>\$ 2,418,513</u>	<u>4</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 12.05</u>		<u>\$ 7.88</u>	
Diluted	<u>\$ 11.64</u>		<u>\$ 7.66</u>	

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

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

(Concluded)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company										
						Other Equity		Subtotal	Total	Non-Controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
			Legal Reserve	Special Reserve							
BALANCE AT JANUARY 1, 2020	\$ 2,313,901	\$ 1,318,065	\$ 2,084,659	\$ 679,347	\$ 6,029,012	\$ (607,512)	\$ (372,575)	\$ (980,087)	\$ 11,444,897	\$ 1,839,706	\$ 13,284,603
Appropriation of 2019 earnings											
Legal reserve	-	-	143,424	-	(143,424)	-	-	-	-	-	-
Special reserve	-	-	-	300,740	(300,740)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(763,587)	-	-	-	(763,587)	-	(763,587)
	-	-	143,424	300,740	(1,207,751)	-	-	-	(763,587)	-	(763,587)
Changes in capital surplus from investments in associates accounted for using the equity method	-	14,506	-	-	(50,382)	-	-	-	(35,876)	-	(35,876)
Net profit for the year ended December 31, 2020	-	-	-	-	1,859,120	-	-	-	1,859,120	186,996	2,046,116
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(2,328)	23,879	352,750	376,629	374,301	(1,904)	372,397
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	1,856,792	23,879	352,750	376,629	2,233,421	185,092	2,418,513
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	-	(3,196)	(3,196)
Changes in percentage of ownership interests in subsidiaries (Note 12)	-	(846)	-	-	-	-	-	-	(846)	846	-
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	18,567	-	(18,567)	(18,567)	-	-	-
Associates disposed the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	14,593	-	(14,593)	(14,593)	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	8,003	8,003
BALANCE AT DECEMBER 31, 2020	2,313,901	1,331,725	2,228,083	980,087	6,660,831	(583,633)	(52,985)	(636,618)	12,878,009	2,030,451	14,908,460
Appropriation of 2020 earnings											
Legal reserve	-	-	183,957	-	(183,957)	-	-	-	-	-	-
Special reserve	-	-	-	(343,469)	343,469	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,018,117)	-	-	-	(1,018,117)	-	(1,018,117)
	-	-	183,957	(343,469)	(858,605)	-	-	-	(1,018,117)	-	(1,018,117)
Equity component of convertible bond issued by the Company	-	34,200	-	-	-	-	-	-	34,200	-	34,200
Changes in capital surplus from investments in associates accounted for using the equity method	-	359,432	-	-	(98,681)	3,828	(35,031)	(31,203)	229,548	-	229,548
Issuance of share dividends from capital surplus	46,278	(46,278)	-	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	2,843,277	-	-	-	2,843,277	265,895	3,109,172
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	6,441	(98,824)	812,961	714,137	720,578	(29,894)	690,684
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	2,849,718	(98,824)	812,961	714,137	3,563,855	236,001	3,799,856
Disposals of investments accounted for using the equity method	-	(26,711)	-	-	-	-	-	-	(26,711)	(3,189)	(29,900)
Actual disposal or acquisition of interest in subsidiaries (Note 12)	-	37,924	-	-	(409)	-	-	-	37,515	(232,104)	(194,589)
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	-	(18,070)	(18,070)
Associates disposed the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	230,939	-	(230,939)	(230,939)	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	5,430	5,430
BALANCE AT DECEMBER 31, 2021	\$ 2,360,179	\$ 1,690,292	\$ 2,412,040	\$ 636,618	\$ 8,783,793	\$ (678,629)	\$ 494,006	\$ (184,623)	\$ 15,698,299	\$ 2,018,519	\$ 17,716,818

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

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

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,015,983	\$ 2,635,635
Adjustments for:		
Depreciation expense	320,581	277,884
Amortization expense	43,168	41,073
Expected credit loss	46,134	110,257
Net (gain) loss of financial instruments at fair value through profit or loss	(980)	6,464
Finance costs	169,443	204,649
Interest income	(49,554)	(52,018)
Dividend income	(23,888)	(16,696)
Share of profit of associates accounted for using the equity method	(980,823)	(580,063)
Loss (gain) on disposal of property, plant and equipment	1,389	(24,182)
Loss on disposal of foreign operations	-	3,371
Loss (gain) on disposal of investments accounted for using the equity method	(20,810)	4,688
Impairment loss recognized (reversed) on inventories	153,553	(9,074)
Net loss on foreign currency exchange	1,058	38,430
Loss provision recognized	80,450	-
Others	(102)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	1,811	778
Notes receivable	612,703	(427,110)
Notes receivable - related parties	6,925	8,613
Accounts receivable	(1,686,879)	(1,739,094)
Accounts receivable - related parties	(2,885)	(9,033)
Other receivables	6,359	(10,692)
Other receivables - related parties	(2,241)	(5,746)
Merchandise	(1,059,294)	(340,836)
Prepayments for purchases	(891,791)	(379,995)
Other current assets	48,677	86,540
Financial liabilities held for trading	(9,537)	(9,837)
Contract liabilities	217,563	55,871
Notes payable	288,507	(233,040)
Notes payable - related parties	(1,261)	1,060
Accounts payable	979,704	1,533,227
Accounts payable - related parties	189,877	23,294
Other payables	91,662	117,421
Refund liabilities	4,501	12,782
Other current liabilities	(2,782)	13,504
Net defined benefit liabilities	(10,100)	(9,540)
Cash generated from operations	2,537,121	1,328,585
Interest received	35,838	51,433
Dividends received	578,130	485,434
Interest paid	(166,721)	(202,930)
Income tax paid	(668,330)	(454,447)
Net cash generated from operating activities	<u>2,316,038</u>	<u>1,208,075</u>

(Continued)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (59,836)	\$ (50,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	47,285
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	15,000	1,288
Purchase of financial assets at fair value through profit or loss	(408,641)	(478,692)
Proceeds from disposal of financial assets at fair value through profit or loss	466,128	443,877
Purchase of investments accounted for using the equity method	(44,926)	(7,005)
Proceeds from disposal of investments accounted for using the equity method	195,680	82,897
Net cash outflow on acquisition of subsidiaries	-	(3,000)
Payments for property, plant and equipment	(1,169,347)	(348,003)
Proceeds from disposal of property, plant and equipment	7,701	137,265
Payments for intangible assets	(37,667)	(5,850)
Decrease (increase) in other financial assets	(1,851,625)	12,493
Increase in other noncurrent assets	-	(9,031)
Prepayments for investments	-	(10,000)
Net cash used in investing activities	<u>(2,887,533)</u>	<u>(186,476)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	901,982	551,400
Increase in short-term bills payable	-	59,840
Proceeds from issuance of convertible bonds	1,999,693	-
Proceeds from long-term borrowings	1,372,954	347,317
Repayment of long-term borrowings	(2,039,534)	(464,533)
Increase in guarantee deposits received	1,018	1,197
Repayment of the principal portion of lease liabilities	(75,770)	(66,892)
Cash dividends	(1,018,117)	(763,587)
Change in non-controlling interests	<u>(208,629)</u>	<u>(4,145)</u>
Net cash generated from (used in) financing activities	<u>933,597</u>	<u>(339,403)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>(139,947)</u>	<u>22,460</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	222,155	704,656
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,053,182</u>	<u>2,348,526</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,275,337</u>	<u>\$ 3,053,182</u>

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

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

(Concluded)

WAH LEE INDUSTRIAL CORP.

PROFIT DISTRIBUTION TABLE

Year 2021

Unit: NTD \$

Items	Amount	
	Subtotal	Total
Beginning retained earnings		5,802,225,940
Add: Accumulated gain or loss transferred from equity instruments on fair value through other comprehensive income	230,939,716	
Less: Retained earnings adjustment for equity investments	(98,681,809)	
Add: Defined benefit plans recognized under retained earnings	6,440,964	
Less: Changes in equity for subsidiaries recognized as retained earnings	(409,545)	
Undistributed earnings after adjustments		5,940,515,266
Add: net profit after tax	2,843,277,079	
Less: 10% legal reserve	(298,156,641)	
Add: Reversal of special reserve	451,994,880	
Distributable net profit in current period		8,937,630,584
Distributable items:		
Dividend to shareholders- cash dividend (NT\$ 6.8/share)	(1,604,921,999)	
Unappropriated retained earnings		7,332,708,585

Note: 2021 earnings will be first to be distributed.

Chairman: Ray-Ching Chang General Manager : Tsun-Hsien Chang

Accounting Supervisor: Kuo-Ping Li

WAH LEE INDUSTRIAL CORP.

Amendments to “Articles of Incorporation of the Company” and the Comparisons

Article	Content		Amendment basis and reasons
	Before amendment	After amendment	
Article 12.1	(new)	<u>The Company can have its shareholders' meetings convened through video conferencing or other ways announced by central authorities and be implemented according to regulations by authorities of securities.</u>	1.The new article is added 2. The company provides shareholders a channel to participate in the Shareholders' meeting, following the amendment in Article 172.2 of Company Act and the policy of authorities to promote video conferencing as well as to respond advent of a digital era.
Article 13	The Company shall have seven to eleven Directors. All Directors shall have a term of three years and be eligible for re-election upon expiry of such term. In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. The percentage of all directors' shareholdings is subject to the provisions separately prescribed by the competent authority in charge of securities affairs. Of the number of seats for Directors mentioned above, there shall be three Independent Directors, who shall be elected by a shareholders' meeting from a list of independent director candidates. The relevant professional qualifications, restrictions on shareholdings and concurrent	The Company shall have seven to eleven Directors. All Directors shall have a term of three years and be eligible for re-election upon expiry of such term. In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. The percentage of all directors' shareholdings is subject to the provisions separately prescribed by the competent authority in charge of securities affairs. Of the number of seats for Directors mentioned above, there shall be <u>at least</u> three Independent Directors, who shall be elected by a shareholders' meeting from a list of independent director candidates. The relevant professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination and election, and other matters	The Company follows Article 4 of “Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers.”

Article	Content		Amendment basis and reasons
	Before amendment	After amendment	
	positions held, method of nomination and election, and other matters of compliance with respect to Independent Directors shall be governed by the relevant laws and regulations.	of compliance with respect to Independent Directors shall be governed by the relevant laws and regulations	
Article 20.1	<p>When there is net income, after all taxes have been paid and accumulated losses have been covered, it shall first set aside 10% of such profits as a legal reserve to the point that such legal reserve has reached the Company's total paid-in capital. If necessary, it may set aside or reverse a special reserve in accordance with the relevant laws. from the balance plus undistributed earnings. After that, if there's surplus from the year, plus the retained earnings, it may distribute preferred stock dividends under Article 5-1 herein, and after that it may distribute <u>common stock dividends</u> from the balance, and the Board shall draw up a surplus earnings distribution proposal to be resolved in shareholders' meeting.</p> <p>The Company's dividend policy is based on its current and future development plans, consideration of the investment environment, capital requirements, domestic and international competition, and shareholders' interests. Distribution to common shareholders shall not be less than 10% of distributable earnings, no distribution shall be made if the balance is less than 1% of paid-in capital. Dividends may be distributed to shareholders in cash or</p>	<p>When there is net income, after all taxes have been paid and accumulated losses have been covered, it shall first set aside 10% of such profits as a legal reserve to the point that such legal reserve has reached the Company's total paid-in capital. If necessary, it may set aside or reverse a special reserve in accordance with the relevant laws. from the balance plus undistributed earnings. After that, if there's surplus from the year, plus the retained earnings, it may distribute preferred stock dividends under Article 5-1 herein, and after that it may distribute <u>common stock dividends</u> from the balance, and <u>when new stocks are to be issued as a way to draw up a surplus earnings distribution, the Board shall make proposal to be resolved in shareholders' meeting. <u>The Board should approve it when the dividend is to be issued in cash.</u></u></p> <p><u>The Company follows Article 240 and 241 to authorize the Board to approve issuing the dividend and bonus, part or all of paid-in capital or legal surplus in cash with consensus of two thirds of the attendees on a meeting with over half of directors present, and report the resolution on the shareholders' meeting. The approval of shareholders' meeting is necessary when new stocks are to be issued for issuing the dividends.</u></p>	The Company follows Article 240 and 241 of the Company Act.

Article	Content		Amendment basis and reasons
	Before amendment	After amendment	
	in shares, with cash dividends being no less than 50% of the total dividends.	The Company's dividend policy is based on its current and future development plans, consideration of the investment environment, capital requirements, domestic and international competition, and shareholders' interests. Distribution to common shareholders shall not be less than 10% of distributable earnings, no distribution shall be made if the balance is less than 1% of paid-in capital. Dividends may be distributed to shareholders in cash or in shares, with cash dividends being no less than 50% of the total dividends.	
Article 24	These Articles of Incorporation were established on August 22, 1968. The 1st amendment was made on July 13, 1974, 2nd on September 21, 1974, 3rd on February 5, 1975, 4th on July 13, 1977, 5th on August 29, 1981, 6th on September 18, 1983, 7th on November 22, 1984, 8th on October 8, 1976, 9th on September 25, 1979, 10th on December 7, 1989, 11th on September 7, 1990, 12th on September 15, 1991, 13th on January 24, 1992, 14th on October 21, 1993, 15th on November 20, 1993, 16th on January 27, 1994, the 17th on November 5, 1995, 18th on June 25, 1996, 19th on July 31, 1996, 20th on October 3, 1996, 21st on December 29, 1996, 22nd on June 15, 1997, 23rd on September 4, 1997, 24th on October 17, 1997, 25th on November 22, 1997, 26th on June 11, 1998, 28th on October 17, 1998, 29th on June 11, 1999, 30th on May 15, 2000, 31st on April 30, 2001,	These Articles of Incorporation were established on August 22, 1968. The 1st amendment was made on July 13, 1974, 2nd on September 21, 1974, 3rd on February 5, 1975, 4th on July 13, 1977, 5th on August 29, 1981, 6th on September 18, 1983, 7th on November 22, 1984, 8th on October 8, 1976, 9th on September 25, 1979, 10th on December 7, 1989, 11th on September 7, 1990, 12th on September 15, 1991, 13th on January 24, 1992, 14th on October 21, 1993, 15th on November 20, 1993, 16th on January 27, 1994, the 17th on November 5, 1995, 18th on June 25, 1996, 19th on July 31, 1996, 20th on October 3, 1996, 21st on December 29, 1996, 22nd on June 15, 1997, 23rd on September 4, 1997, 24th on October 17, 1997, 25th on November 22, 1997, 26th on June 11, 1998, 27th on May 15, 1998, 28th on October 17, 1998, 29th on June 11, 1999, 30th on May 15, 2000, 31st on April 30, 2001, 32nd on May 30, 2002, 33rd on May 30, 2002, and the 34th on June 18, 2003, 35th on May 18th, 2004. 36th on	The date for the latest amendment to be made is added.

Article	Content		Amendment basis and reasons
	Before amendment	After amendment	
	32nd on May 30, 2002, 33rd on May 30, 2002, and the 34th on June 18, 2003, 35th on May 18th, 2004. 36th on June 7th, 2005, 37th correction May 24, 2005, 38th on June 13th, 2007, 39th on June 18, 2004, 40th on June 8th, 2010, 41st on 3 June 2013, 42nd on 17 June 2016, 43rd on 26 May 2017, 44th on 30 May 2019, 45th on 28 May 2020, and 46th on July 28, 2021.	June 7th, 2005, 37th correction May 24, 2005, 38th on June 13th, 2007, 39th on June 18, 2004, 40th on June 8th, 2010, 41st on 3 June 2013, 42nd on 17 June 2016, 43rd on 26 May 2017, 44th on 30 May 2019, 45th on 28 May 2020, 46th on July 28, 2021, <u>and 47th on May 27th, 2022.</u>	

WAH LEE INDUSTRIAL CORP.
Rules of Procedure for Shareholders Meetings

Approved in the shareholders' meeting on July 28, 2021

1. Shareholders' meeting convened by the Company will follow the rules, unless the laws or regulation specify others.
2. Shareholders attending the meeting shall sign in by signing the sign-in cards.
The number of shares represented by shareholders attending the meeting shall be calculated in accordance with the attendance cards handed in, plus the number of shares exercising voting rights in writing or by electronic transmission. Shareholders or proxies present in a shareholders meeting shall carry along documents for identity verification at attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
3. A shareholders meeting shall be, unless specified in laws or regulations, convened by the Board of Directors.
The Company shall handle matters regarding calling of shareholders meeting and shareholder proposals in accordance with Article 172 and 172.1 under the Company Act.
The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the Market Observation Post System 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. Fifteen days after shareholders' meeting, the Company shall prepare the shareholders' meeting agenda handbook with supplemental materials available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock registrar and transfer agent, and distributed on-site at the meeting.
The shareholders meeting has been stated for the full re-election of directors and the date of appointment. After the re-election of the shareholders meeting is completed, the same meeting shall not change the date of appointment by Extemporary Motions or other means.
4. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences.
5. If a shareholders meeting is convened by the Board, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairman. If there is no vice chairperson or the vice chairman is for any reason unable to exercise the powers of the duty, the Chairman shall appoint one of the directors to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, as referred above, the director shall be one who has held that position for 6 months or more and understands the financial and business conditions of the Company. The same shall be true for a representative of an institutional director that serves as chair.

Shareholders meetings convened by the Board shall be chaired by the Chairman in person and attended by a majority of the directors in person with at one representative in person from each functional committee. The attendance shall be recorded in the meeting minutes.

When a shareholders' meeting is convened by any other person having the convening right, he/she shall act as the chairman of that meeting. If there are two or more persons having the convening right, the meeting chair shall be elected from among themselves.

6. The Company may appoint its attorneys, certified public accountants, or related persons to attend shareholders' meetings.

7. The Company, beginning from the time it accepts shareholder attendance registrations, shall make a non-stop audio and video recording of the registration procedure, the proceedings of the meeting and the voting and vote counting procedures.

The recorded materials shall be retained for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with Article 189 of the Company Act, the materials of the meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting and handled in accordance with Article 183 in the Company Act.

8. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is still not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 under the Company Act.

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

9. If a shareholders meeting is convened by the Board, the meeting agenda shall be set by the Board. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions aforementioned apply to a shareholders meeting convened by a party with the power to convene other than the Board of directors.

The meeting chair may not declare the adjournment prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. During the session of a shareholders' meeting, if the chair declares the adjournment of the meeting in a manner violating such rules governing the proceedings of meetings, a new meeting chair may be elected by a resolution to

be adopted by a majority of the voting rights represented by the attending shareholders to continue.

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

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

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

11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 3 minutes.

The chair has the power to restrain the shareholder's speech when he/she continues speaking after the time limit or beyond the subject matter or violating the meeting procedures. The chair has the power to ban the shareholder's speech if he/she continues speaking after the restraint.

12. When a juridical person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

When appointing two or more representatives to attend a meeting, only one of the representatives appointed may speak on the same proposal.

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

14. The chair shall allow ample opportunity during the meeting for explanation and discussion of amendments proposed or extraordinary motions put forward by the shareholders. When the chair believes that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

15. When voting on a proposal, the monitoring and counting personnel shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for proposals or elections shall be conducted in public at the venue of the shareholders' meeting. The voting results, including the statistical tallies of the number of votes and the list of elected candidates, shall be announced on-site at the meeting right after vote counting has been completed and put on record.

All ballots counted from the voting mentioned above shall be kept properly for no less than a year. However, if a lawsuit has been instituted by any shareholder in accordance with Article 189 of the Company Act, the materials of the meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

Rights of shareholders of the company shall be based on records in the shareholders' roster.

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

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights in writing. The method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights in writing or electronic means will be deemed to have attended the meeting in person but they have waived his/her/its rights with respect to the extraordinary motions and amendments to original proposals of that meeting. It is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

In case a shareholder elects to exercise the voting power in writing or by way of electronic transmission, the declaration of intention shall be served to the Company two days prior to the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

In case a shareholder who has exercised the voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he/she/it shall, two days prior to the shareholders' meeting and in the same manner previously used in exercising the voting power, serve a separate declaration of intention to rescind the previous declaration of intention made in exercising the voting power under the previous section. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. In case a shareholder has exercised the voting power in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting in his/her/its behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.

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

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.

17. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
18. The chair may direct the disciplinary officers (or the security guard) to help maintain order at the Meeting place. Such disciplinary officers (or security guards) shall wear badges marked "Disciplinary Officers" for identification purposes.
19. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

Before the meeting (including Extemporaneous Motions) is finalized on the agenda set by the shareholders meeting, and the meeting venue cannot be used at that time, the shareholders meeting may decide to find another venue to continue the meeting.

20. In case a shareholders' meeting is discontinued for any reason, a resolution may be adopted before adjournment to defer or resume the meeting within five days in accordance with Article 182 of the Company Act. Paragraph 2, this shall not apply to procedures detailed on Paragraph 2, Article 172 of the Company Act.
21. Matters not provided in these Rules and Procedures shall be handled in accordance with the relevant provisions of the Company Act and the Company's Articles of Incorporation.
22. These rules, and any amendments hereto, shall be implemented from the date it is adopted by the shareholders' meeting.

Articles of Incorporation Of WAH LEE INDUSTRIAL CORP.

CHAPTER I General Provisions

Article 1: The Company, under the Company Act, shall name this entity WAH LEE INDUSTRIAL CORP in Chinese language and

WAH LEE INDUSTRIAL CORP. in English language

Article 2: The business scope of the Company is as follows:

1. F401010 International Trade
2. F107120 Wholesale of Precision Chemical Materials
3. F107140 Wholesale of Raw Plastic Material
4. F119010 Wholesale of Electronic Materials.
5. F113110 Wholesale of Batteries.
6. F113070 Wholesale of Telecommunication Apparatus.
7. F213010 Retail Sale of Electrical Appliances.
8. F108031 Wholesale of Medical Devices.
9. F107130 Wholesale of Synthetic Resin.
10. F107150 Wholesale of Synthetic Rubber
11. F107170 Wholesale of Industrial Catalyst.
12. F113100 Wholesale of Pollution Controlling Equipments.
13. F120010 Wholesale of Refractory Materials.
14. F107990 Wholesale of Other Chemical Products (photoresist, stripper, metal oxides, silicon oxide polishing compound, silicon carbide heating element, glass substrate, conductive glass, liquid crystal, dry film resist, foaming agent, refrigerant, air conditioner coolant, automobile and refrigerator coolant, elastic fiber, glass fiber, carbon fiber, boron fiber, polyethylene fiber).
15. F113030 Wholesale of Precision Instruments.
16. F103010 Wholesale of Animal Feeds
17. F202010 Retail Sale of Feeds
18. D101060 Self-usage Power Generation Equipment Utilizing Renewable Energy Industry.
19. E601010 Electric Appliance Construction
20. IG03010 Energy Technical Services
21. I301010 Information Software Services
22. I301020 Data Processing Services
23. J101040 Waste Treatment
24. J101060 Wastewater (Sewage) Treatment.
25. J101080 Resource Recycling
26. F106040 Wholesale of Plumbing Materials
27. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
28. F106050 Wholesale of Ceramic and Glassware.
29. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company shall have its head office in Kaohsiung City, Taiwan, Republic of China, and shall be free, upon approval of the Board, to set up representative and branch offices at various locations within and without the territory of the Taiwan, whenever the Company deems it necessary to carry out any or all of its

activities.

Article 4: Any and all public announcements to be made by the Company shall comply with associated articles under Company Act.

CHAPTER II Capital Stock

Article 5: The total authorized capital stock of the Company shall be in the amount of NT\$5,000,000,000, divided into 500,000,000 shares, at NT10 each, of which, the unissued portion shall be authorized to the Board to make issuance plan through various lots, either in common shares or preferred shares.

An amount of NT\$100,000,000 of the capital stock stated above shall be reserved for issuances of 10,000,000 shares, through various shares, including stock warrant, convertible bound, preferred shares with warrant, at NT10 each, upon Board's resolutions.

Article 5-1: The rights and obligations and other important issuance terms of preferred shares of the Company are as follows:

1. The dividend for preferred shares shall be capped at 8% per annum, calculated by the issue price per share, and the dividend may be distributed in cash once every year. After the financial statements and the profit distribution proposal are approved by the general shareholders' meeting, the Board shall determine a record date to pay the distributable dividends of the previous year. The distribution amount of dividends in the year of issuance and redemption shall be calculated by the actual number of issue days the preferred shares remained outstanding in that year. The issue date shall be defined as the record date for the capital increase via issuance of the preferred shares.
2. The Corporation has sole discretion over the dividend distribution of preferred shares. The Company may decide not to distribute dividends of preferred shares, as resolved in the shareholders' meeting. If there are no earnings for the fiscal year or if the shareholders' meeting resolves not to distribute dividends, the undistributed dividends shall not be cumulative and shall not be paid in arrears in a future year when there are earnings.
3. Except for the dividends prescribed in Subparagraph 2 of this Article, preferred shareholders may not participate in the distribution of cash or stock dividends for common shares derived from earnings or capital reserves.
4. Preferred shareholders are entitled to distribution priority on the residual property of the Company compared with common shareholders and shall rank *pari passu* with holders of other preferred shares issued by the Company, and the preferential right of the preferred shareholders shall be only inferior to general creditors; the amount of such distribution shall not exceed the amount of the issued and outstanding preferred shares at the time of such distribution calculated by the issue price.
5. Preferred shareholders have no voting right at the shareholders' meeting but may be elected as directors and have the right to vote in preferred shareholders' meetings or shareholders' meetings that involve the rights and obligations of preferred shareholders.
6. Preferred shares are not convertible to common shares.
7. Preferred shares have no maturity date, and preferred shareholders shall not request the Company to redeem preferred shares held thereby. Notwithstanding the foregoing, the Corporation may redeem all or part of the preferred shares at any time on the next day after five years of issuance at the original issue price.

The rights and obligations set forth in the in the foregoing paragraphs will remain unchanged to the unredeemed preferred shares. If the Company decides to distribute dividends in a year, the amount of dividends that shall be distributed until the redemption date shall be calculated based on the actual days in the redemption year up to the redemption date.

8. The capital reserve received from the issuance of preferred shares in excess of par value shall not be capitalized during the issue period of the preferred shares. The Board is authorized to determine the name, issuance date and specific issuance terms upon actual issuance after considering the situation of capital market and the willingness of investors in accordance with this Articles and related laws and regulations.

Article 6: The Company's stock certificates shall be in registered form and signed by three or more Directors or having their seals affixed to the certificate, and issued upon certification by the regulating authority or the agency authorized to handle the registration of issuance of stock certificates.

Printing of share certificates for a particular new issuance shall be centralized according to the number of new shares and kept by a centralized securities depository enterprise.

The Company may be exempted from printing any share certificate for a new issuance and register the issued shares with a centralized securities depository enterprise.

Article 7: All matters related to the Company's shares shall be handled in accordance with the relevant regulations of the governing authority.

Article 8: (Deleted)

Chapter III Shareholders' meeting

Article 9: The shareholders' meeting shall be divided into two types: Annual General meeting of shareholders and Extraordinary General meeting of shareholders. Annual General meeting of shareholders will be held once every year within six months after close of each fiscal year. The Extraordinary General meeting of shareholders will be called, in accordance with applicable laws and regulations, when necessary.

Meeting of the preferred shareholders can be convened in accordance with applicable laws and regulations when necessary.

Article 10: If a shareholder is unable to attend the shareholders' meeting in person, such shareholder may appoint a proxy to attend by showing a proxy issued by the Company and specifying therein the scope of power authorized to the proxy. The proxy provision is stipulated in accordance with "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies," as well as Company Act.

Article 10-1: The Company may transmit documents related to convening of shareholders' meetings and other notices via electronic documents.

Article 11: Every shareholder of the Company shall be entitled to one vote per. The Company has no voting power when it is under Article 179 of the Company Act.

Article 12: A shareholders' meeting shall be convened by the Board and chaired by the Chairman. When the Chairman is unable to do so, the vice chairman shall act in place of the chairman. If there is no vice chairman or the vice chairman is for any reason unable to exercise the powers of the duty, the Chairman shall appoint one director to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair. A shareholders' meeting convened by any other person, outside of the Board, having the convening right, he/she shall act as the chairman of that meeting. If there are two or more persons having the convening right, the meeting chair shall be elected from among themselves.

Chapter IV Directors and the Audit Committee

Article 13: The Company shall have seven to eleven Directors. All Directors shall have a term of three years and be eligible for re-election upon expiry of such term. In case no election of new directors is effected after

expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. The percentage of all directors' shareholdings is subject to the provisions separately prescribed by the competent authority in charge of securities affairs.

Of the number of seats for Directors mentioned above, there shall be three Independent Directors, who shall be elected by a shareholders' meeting from a list of independent director candidates. The relevant professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination and election, and other matters of compliance with respect to Independent Directors shall be governed by the relevant laws and regulations.

Article 13-1: The Audit Committee of the Company shall be composed solely by all Independent Directors in accordance with Article 14-4 under Securities and Exchange Act and is in charge of exercising supervisor duties prescribed under Company Act, Securities and Exchange Act, and related laws and regulations.

The composition of the Audit Committee, their duties and other matter for compliance shall be handled in accordance with the relevant regulations with its rule of organization stipulated by the Board.

The Company shall form a compensation committee or committees of other functions when requested by the relevant regulations or for the operation needs.

Article 13-2 (Deleted)

Article 14: The Board of directors shall elect a chairman of the Board, from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, to handle all business matter of the Company.

The Company may elect another among themselves to serve as the Vice Chairman of the Board.

Article 14-1: A notice setting forth the purpose of the meeting shall be given to each Director no later than seven days prior to a Board meeting; however, a Board meeting may be convened at any time in case of emergency.

A meeting of the Board of Directors shall be called in writing, via e-mail or facsimile.

Article 15: All shareholders' and Board meetings shall be presided over by the Chairman. When the Chairman is unable to do so, the vice chairman shall act in place of the chairman. If there is no vice chairman or the vice chairman is for any reason unable to exercise the powers of the duty, the Chairman shall appoint one director to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

Article 16: Unless otherwise specified in the Company Act, meetings of the Board of Directors shall be convened by the Chairman of the Board. Directors may appoint another director to attend a meeting of the board of directors in his/her/its behalf, he/she/it shall, in each time, shall issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. However, a director may act as the proxy of only one other director.

However, an independent director is unable to attend in person, he or she shall not appoint another non-independent director to attend as his or her proxy, but shall issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 16-1: Resolutions of the Board meeting shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. The meeting minutes shall be affixed with a signature or seal from the meeting chair.

Article 16-2 (Deleted)

Article 16-3 (Deleted)

Chapter V Managerial Officers

Article 17: The Company may institute a chief executive officer and a vice chief executive officer, upon the Board's resolution, to lead and be responsible for operation matters and decisions in the Company and all associated companies.

The Company shall have one general manager to execute business and operation matters within the authorized scope through the Board's guidance.

Employing, dismissing and compensating managerial officers of the Company is handled in accordance with Article 29 in the Company Act.

Chapter VI Accounting

Article 18: At the end of each accounting year, the Board shall compile 1) a business reports; 2) financial statements; 3) proposal concerning appropriation of net profits or making up losses and submit for the approval from the general shareholder's meeting

Article 19: The Directors shall be compensated, regardless of earnings results, for their service to the Company. The compensation scheme is authorized to the Board for decision with reference to their participation in and contribution to the Company's operation, but shall not exceed the highest salary range defined by the salary policy of the Company. In addition, distribution shall be made in accordance with Article 20 when there is operating earning.

The Board Directors shall liable with respect to the damage resulting from exercising their duties during their terms of directorship. The Board shall be authorized to obtain directors liability insurance for the Directors.

Article 20: The Company shall set aside 9%~13% and no more than 2%, respectively, from profit as employee bonus and directors' remuneration. However, the profit shall be retained when there are accumulated losses, not yet covered.

Employee remuneration stated above may be made in cash or stock and shall be allocated to employees fitted to the certain criteria.

The two items above shall be executed according to the Board resolution and reported in the shareholders' meeting.

Article 20-1: When there is net income, after all taxes have been paid and accumulated losses have been covered, it shall first set aside 10% of such profits as a legal reserve to the point that such legal reserve has reached the Company's total paid-in capital. If necessary, it may set aside or reverse a special reserve in accordance with the relevant laws. from the balance plus undistributed earnings. After that, it there's surplus from the year, plus the retained earnings, it may distribute preferred stock dividends under Article 5-1 herein, and after that it may distribute common stock dividends from the balance, and the Board shall draw up a surplus earnings distribution proposal to be resolved in shareholders' meeting. The Company's dividend policy is based on its current and future development plans, consideration of the investment environment, capital requirements, domestic and international competition, and shareholders' interests. Distribution to common shareholders shall not be less than 10% of distributable earnings, no distribution shall be made if the balance is less than 1% of paid-in capital. Dividends may be distributed to shareholders in cash or in shares, with cash dividends being no less than 50% of the total dividends.

Article 20-2: If the Company is to repurchases its own shares for the purpose of transferring them to its employees at less than the average actual share repurchase price, it shall handle the transaction in accordance with Article 10-1 and 13 under "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" after the consent of at least two-thirds of the voting rights present at the most

recent shareholders meeting attended by shareholders representing a majority of total issued shares.

Article 20-3: If the Company is to issue employee stock option for an exercise price less than the actual share price (net book value/share) , it shall handle the transaction in accordance with Article 56-1 and 76 under “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” after the resolution from the shareholders’ meeting.

CHAPTER VII Supplementary Provisions

Article 21: Loan guarantee made by the Company may proceed in accordance with “Rules Governing Making Grantee and Endorsement” of the Company.

Article 22: Investments made by the Company shall be handled in accordance with “Rules Governing Long/Short Investment” of the Company and is not subject to the limit of 40% of invitee's paid-in capital.

Article 23: Matters not covered in these Articles of Incorporation, the Company Act shall govern

Article 24: These Articles of Incorporation were established on August 22, 1968. The 1st amendment was made on July 13, 1974, 2nd on September 21, 1974, 3rd on February 5, 1975, 4th on July 13, 1977, 5th on August 29, 1981, 6th on September 18, 1983, 7th on November 22, 1984, 8th on October 8, 1976, 9th on September 25, 1979, 10th on December 7, 1989, 11th on September 7, 1990, 12th on September 15, 1991, 13th on January 24, 1992, 14th on October 21, 1993, 15th on November 20, 1993, 16th on January 27, 1994, the 17th on November 5, 1995, 18th on June 25, 1996, 19th on July 31, 1996, 20th on October 3, 1996, 21st on December 29, 1996, 22nd on June 15, 1997, 23rd on September 4, 1997, 24th on October 17, 1997, 25th on November 22, 1997, 26th on 19 May 1998, 27th on June 11, 1998, 28th on October 17, 1998, 29th on June 11, 1999, 30th on May 15, 2000, 31st on April 30, 2001, 32nd on May 30, 2002, 33rd on May 30, 2002, and the 34th on June 18, 2003, 35th on May 18th, 2004. 36th on June 7th, 2005, 37th correction May 24, 2005, 38th on June 13th, 2007, 39th on June 18, 2004, 40th on June 8th, 2010, 41st on 3 June 2013, 42nd on 17 June 2016, 43rd on 26 May 2017, 44th on 30 May 2019, 45th on 28 May 2020, and 46th on July 28, 2021.

WAH LEE INDUSTRIAL CORP.

Chairman: Ray-Ching Chang

WAH LEE INDUSTRIAL CORP.

Procedures of Elections of Directors

Amendment approved in the shareholders' meeting on June 17, 2016

Article 1: Elections of the Company's directors shall be conducted in accordance with these Procedures

Article 2: The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders

Article 3: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. Directors should be designated as vote monitoring personnel.

Article 4: 1. The Company's directors should be competent persons elected by Shareholders' meeting. The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

2. Elections of directors of this Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

3. When the number of directors falls below five due to the dismissal of a director for any reason or because of stipulations in Article 13.2 of the Articles of Corporation, the Company shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of directors falls short by one third of the total number prescribed in Article 13.1 in this Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

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

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

Article 5: The Company shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting.

The ballot boxes shall be prepared by the Company and publicly checked by the vote monitoring personnel before voting commences.

Article 6: If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a nonshareholder, the voter shall enter the candidate's full name and identity card number.

When the candidate is a governmental organization or juristic-person shareholder, in addition to shareholder account number, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered.

Article 7: A ballot is invalid under any of the following circumstances:

1. The ballot is prepared according to this Procedure.
2. The ballot has 2 or more marked candidates.
3. The ballot has texts other than the candidate's account name or full name, and the shareholder account number or ID numbers written on it.
4. The words are scribbled and unintelligible.
5. For a candidate who is also a shareholder, the account name and shareholder account number do not correspond to the record on name list of shareholders. For a candidate who is not a shareholder, the name and ID number cannot be proved to be valid.
6. For a candidate whose name is identical to another shareholder's name, and no account number or ID number was provided for distinction.

Article 8: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

Article 9: Matters that are not stipulated in this Procedure shall be conducted according to Company Act, the Company's Articles of Corporation, and other legal regulations.

Article 10: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting. °

WAH LEE INDUSTRIAL CORP.

Directors Shareholding

1. The total paid-in capital of the Company is NT\$2,360,179,410 with 236,017,941 shares issued. In accordance with “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” total shares held by the Board of directors shall be 12,000,000 units or more.
2. As of the date for suspension of share transfer for a shareholders meeting (March 29, 2021) total numbers of shares held by the directors in the shareholders’ list has met the requirement of the minimum percentages of registered shares to be held by directors under Article 26 in Securities and Exchange Act as listed below:

Position	Name	No. of shares held on the date for suspension of share transfer		Name of proxy
		Shares	Shareholding %	
Chairman	Kang Tai Investment Corporation	19,561,338	8.29%	Ray-Ching Chang
Deputy Chairman	Chun-Ying Chen	3,713,934	1.57%	—
Director	Zhi-Hai Lin	2,662,158	1.13%	—
Director	Bao Gung Investment Corporation	2,206,310	0.93%	Shu-Zhen Lin
Director	Kang Tai Investment Corporation	19,561,338	8.29%	Tsun-Hsien Chang
Director	Ching-Pin Yeh	3,423,388	1.45%	—
Independent Director	Yea-Kang Wang,	—	—	—
Independent Director	Hao-Min Chu (note 2)	—	—	—
Independent Director	So-De Shyu	—	—	—
	Directors shareholding, subtotal	31,567,128	13.37%	

Note: 1. Total share ownership figures calculated for Board of directors other than the independent directors is decreased by 20% as there are independent directors in the Company’s Board

2. Resigned for personal matters in September 16th, 2021.

Other explanation notes

Shareholder proposals in this shareholders meeting:

Note: 1. According to Article 172-1 under the Company Act, shareholders holding 1% or more of the total number of outstanding shares of the Company may make a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed and the word count of the proposal is limited to 300.

2. The period of taking shareholders' proposals for this meeting starting from March 18, 2022 to March 29, 2022 and is posted on Market Observation Post System.

3. No shareholder proposal has been received as of the last day of the taking period.