

Stock Code: 6982



WALRUS PUMP Co., Ltd.

**2026 Annual General Shareholders' Meeting
Meeting Handbook**

Convention Method: Physical Shareholders' Meeting

Date and Time: 9:00 a.m., May 27, 2026

**Meeting Venue: No. 83-14, Dapentou, Houcuo Village, Sanzhi
District, New Taipei City**

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WALRUS PUMP Co., Ltd.

2026 Annual General Shareholders' Meeting Procedure

- I. Call the Meeting to Order
- II. Chairperson's Remarks
- III. Report Items
- IV. Ratification Items
- V. Discussion Items
- VI. Election Items
- VII. Other Proposals
- VIII. Extraordinary Motions
- IX. Adjournment

WALRUS PUMP Co., Ltd.

2026 Annual General Shareholders' Meeting Agenda

Date and Time: May 27, 2026 (Wednesday) 9:00 A.M.

Meeting Venue: No. 83-14, Dapentou, Houcuo Village, Sanzhi District, New Taipei City

- I. Call Meeting to Order
- II. Chairperson's Remarks
- III. Report Items:
 - (I) 2025 Business Report.
 - (II) 2025 Audit Committee's Review Report.
 - (III) Report on 2025 Distribution of Employee Remuneration and Directors' Remuneration.
 - (IV) Report on Issuance of First and Second Domestic Unsecured Convertible Corporate Bonds
- IV. Ratification Items:
 - (I) Adoption of the 2025 Financial Statements and Business Report.
 - (II) Adoption of the 2025 Earnings Distribution Proposal.
- V. Discussion Items:
 - (I) Proposal for cash distribution from the Company's capital surplus.
 - (II) Proposal for amendment to the "Procedures for Acquisition or Disposal of Assets" of the Company.
 - (III) Proposal for amendment to the Company's "Sustainable Development Best Practice Principles".
 - (IV) Proposal for issuance of new restricted employee shares of the Company.
- VI. Election Items: Full re-election of the Company's Board of Directors (including independent directors).
- VII. Other Proposals: Proposal for removal of non-compete restrictions for newly appointed directors (including independent directors).
- VIII. Extraordinary Motions
- IX. Adjournment

Report Items

I. 2025 Business Report.

Explanation: For the 2025 Business Report, please refer to page 9 [Attachment 1] of this Handbook.

II. 2025 Audit Committee's Review Report.

Explanation: For the 2025 Audit Committee's Audit Report, please refer to page 11 [Attachment 2] of this Handbook.

III. Report on the 2025 Distribution of Employee Remuneration and Directors' Remuneration.

Explanation:

- I. The remunerations of employees and directors are distributed in accordance with Article 33-1 of the Articles of Incorporation of the Company.
- II. The Company's net profit before tax for the current period before employee remuneration and directors' remuneration in 2025 is NT\$4,909,044. It is proposed that no directors' remuneration is to be allocated, and employee remuneration of NT\$343,633 is to be allocated (to be fully distributed to entry-level employees) and distributed in cash.
- III. According to the Board resolution of the Company dated February 26, 2025, entry-level employees refer to those who are not managers and whose salaries meet the Ministry of Economic Affairs' definition of entry-level employees; and according to the Letter Jing-Qi-Zi No. 11454001070 dated December 31, 2025 issued by the Ministry of Economic Affairs, the salary standard for entry-level employees in 2026 is NT\$ 65,000. Therefore, the current employee remuneration is distributed to entry-level employees whose average monthly recurring salary is less than NT\$65,000.

IV. Report on Issuance of First and Second Domestic Unsecured Convertible Corporate Bonds.

Explanation: Please refer to pages 12-13 [Attachment 3] of this Handbook, for the implementation report of the Company's issuance of first and second domestic unsecured convertible corporate bonds.

Ratification Items

Proposal 1 (proposed by the Board of Directors)

Proposal: 2025 financial statements and business report, submitted for ratification.

Explanation:

- I. The Company's 2025 consolidated financial statements and parent company only financial statements have been audited by CPAs Chin-Chang Chen and Fu-Min Liao of PwC Taiwan, which have been submitted along with the business report to the Audit Committee for review, and an audit report has been issued.
- II. Please refer to page 9 [Attachment 1] and pages 14-37 [Attachment 4 and 5] of this Handbook for the Company's 2025 Business Report, Independent Auditor's Audit Report and Financial Statements of the Company.
- III. Please proceed with the ratification thereof.

Resolution:

Proposal 2 (proposed by the Board of Directors)

Proposal: 2025 earnings distribution proposal, submitted for ratification.

Explanation:

- I. Please refer to page 38 [Attachment 6] of this Handbook for the Company's 2025 Earnings Distribution Table.
- II. The Company intends to appropriate NT\$24,389,460 from the distributable earnings of 2025 for the distribution of cash dividends, and the distribution of cash dividends is NT\$0.6 per share.
- III. The cash dividend is calculated to the nearest dollar based on the percentage of distribution and is rounded up to the nearest NT\$1. The fractional amounts less than NT\$1 are adjusted from the largest to the smallest and from the first to the last in the descending order to match the total cash dividend distribution.
- IV. The General Shareholders' Meeting is proposed to authorize the Chairman to determine the ex-dividend base date, payment date and other related matters. If the Company's subsequent change of capital stock affects the number of outstanding shares, such that change to the dividend yield of shareholders occurs, the Chairman is authorized to handle such matters with full discretion in accordance with relevant laws and regulations.
- V. Please proceed with the ratification thereof.

Resolution:

Discussion Items

Proposal 1 (proposed by the Board of Directors)

Proposal: Proposal for cash distribution from the Company's capital surplus, submitted for discussion.

Explanation:

- I. The Company proposes to appropriate NT\$40,649,100 from capital surplus gained from the issuance at premium exceeding the face value for distribution to the shareholders.
- II. The cash distribution from the capital surplus is calculated based on the number of shares held by shareholders as recorded on the shareholder roster on the record date, at a rate of NT\$1 per share. The distribution will be rounded down to the nearest whole dollar, and any aggregate amount of fractional entitlements will be adjusted in descending order by decimal place and ascending order by account number until the total distribution amount is reached.
- III. The General Shareholders' Meeting is proposed to authorize the Chairman to determine the record date for distribution, payment date, and other related matters. If the Company's capital stock subsequently changes, affecting the number of outstanding shares and consequently altering the shareholder distribution ratio, the Chairman is authorized to handle all related matters with full discretion according to applicable laws and regulations.
- IV. Please proceed with discussion.

Resolution:

Proposal 2 (proposed by the Board of Directors)

Proposal: Proposal for the amendments to the “Procedures Governing the Acquisition or Disposal of Assets” of the Company, submitted for discussion.

Explanation:

- I. In accordance with Taipei Exchange Letter Zheng-Gui-Jian-Zi No. 1140067028 dated July 31, 2025, the Company proposes to amend its “Procedures for Acquisition and Disposal of Assets”. Please refer to pages 39-42 [Attachment 7] of this Handbook for the amendment comparison table.
- II. Please proceed with discussion.

Resolution:

Proposal 3 (proposed by the Board of Directors)

Proposal: Proposal for amendment to the Company's "Sustainable Development Best Practice Principles", submitted for discussion.

Explanation:

- I. In accordance with Taipei Exchange Letter Zheng-Gui-Jian-Zi No. 11400707782 dated September 8, 2025, and to meet practical operational needs, amendment to certain articles of the Company's "Sustainable Development Best Practice Principles" is proposed. Please refer to pages 43-45 [Attachment 8] of this Handbook for the amendment comparison table.
- II. Please proceed with discussion.

Resolution:

Proposal 4 (proposed by the Board of Directors)

Proposal: Proposal for issuance of new restricted employee shares of the Company, submitted for discussion.

Explanation:

- I. To recruit and retain key talents of the Company, and to integrate the interests of employees and shareholders with the ESG results, the Company issues new restricted employee shares in accordance with Paragraph 9 of Article 267 of the Company Act and the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" published by the Financial Supervisory Commission (FSC).
- II. For the present issuance of new restricted employee shares, 300,000 common shares are proposed to be issued at a par value of NT\$10 per share, and the total issuance amount is NT\$3,000,000. If the issuance price is NT\$0, the shares are issued at no consideration. The issuance period is within two years from the date when the notice of effective filing from the competent authority's is served. The issuance may be made all at once or at discrete times depending upon the needs, and the actual issue date and related matters are to be determined by the Board of Directors or by the Chairman authorized by the Board of Directors.
- III. For the details of the issuance criteria, employee qualifications, number of shares allocated or subscribed, the reasons for the necessity of present issuance of new restricted employee shares, possible expenses, dilution of earnings per share, and other impacts on shareholders' equity, please refer to pages 46-48 [Attachment 9] of this Handbook.
- IV. In case where it is necessary to amend any criteria specified for the present issuance of new restricted employee shares due to, such as, amendments of laws and regulations or competent authorities' requirements, etc., the General Shareholders' Meeting is proposed to authorize the Chairman to handle such

matter with full discretion, following which it is then reported to the Board of Directors for supplemental ratification, in order to execute the issuance.

- V. Relevant restrictions and important agreements or matters not specified for present issuance of new restricted employee shares shall be handled in accordance with the relevant laws and the issuance regulations established by the Company.
- VI. For the Company's 2026 Regulations for Issuance of New Restricted Employee Shares, please refer to pages 49-53 [Attachment 10] of this Handbook.
- VII. Please proceed with discussion.

Resolution:

Election Items

Proposal 1 (proposed by the Board of Directors)

Proposal: Proposal for full re-election of the Company's Board of Directors (including independent directors).

Explanation:

- I. The term of office of the Directors and Independent Directors of the Company will expire on August 29, 2026. The Company plans to hold a full re-election at this year's annual general shareholders' meeting.
- II. In accordance with Article 20 of the Company's articles of incorporation, it is proposed to elect nine directors (including four independent directors) through the candidate nomination system. The elected directors will serve a three-year term commencing after their selection at this year's annual general shareholders' meeting.
- III. The list of director candidates (including independent directors) has been approved by the resolution of the Company's Board of Directors on March 5, 2026. Please refer to pages 54-58 [Attachment 11] of this Handbook for details.
- IV. Please proceed with the election.

Resolution:

Other Proposals

Proposal 1 (proposed by the Board of Directors)

Proposal: Proposal for removal of non-compete restriction for new directors (including independent directors), submitted for resolution.

Explanation:

- I. According to Article 209 of the Company Act, “a director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain during the shareholders’ meeting the essential contents of such behavior and secure its approval”.
- II. To leverage the expertise and experience of the Company’s directors and independent directors, the Company proposes to the annual shareholders’ meeting to remove the non-compete restriction for newly appointed directors and independent directors. Please refer to pages 59-60 [Attachment 12] of this Handbook.
- III. Please proceed with discussion.

Resolution:

Extraordinary Motions

Adjournment

WALRUS PUMP Co., Ltd.

Business Report

In 2025, due to the unstable international political and economic situation, the impacts of inflation, the lagged effects of past geopolitical events (such as US-China trade competition and the Russo-Ukrainian War), fluctuations in energy market prices, and significant volatility in global tariffs and exchange rates, the global supply chain synergy still faced challenges, especially regarding semiconductors and other key materials. However, the price trend of bulk metal raw materials remained relatively stable. With the acceleration of technological innovation and digital transformation, the increasing application of artificial intelligence and automation technology was driving a more active overall consumer market demand both domestically and internationally. Accordingly, the Company remains optimistic about the global economic outlook but still continues to face both internal and external challenges. With the great effort of all colleagues, the Company's revenue performance remained stable in 2025, and successfully entered the global liquid cooling market, with its products gaining traction in the technology industry and marking a new milestone. The following is a summary of the 2025 business results and 2026 business plan:

I. 2025 Business Results

- (I) Business plan implementation outcome: The 2025 consolidated revenue of the Walrus Pump was NT\$1,617,553 thousand, an increase of 0.30% from NT\$1,612,759 thousand in 2024. The 2025 consolidated net income after tax was NT\$2,307 thousand, a decrease of 97.72% from NT\$101,158 thousand in 2024.
- (II) Analysis of financial income/expenditure and profitability: Please refer to the attached financial statements for the financial overview of 2025.

II. 2026 Business Plan

- (I) Management policy: The Company upholds the management philosophy of "Innovative Inputs, Outstanding Outputs". While facing an ever-changing business environment, the Company will continue to achieve predefined goals and growth, and is committed to the development of new products and improvement of overall quality management, along with the strengthening of brand marketing of the Company, in order to achieve stable profit growth.
- (II) Overview of expected production and sales: In response to insufficient production capacity, new product development, and overseas market expansion, the Company's new plant construction project that began at the end of 2022 has now been completed and began production operations before the end of 2025. The Company has actively invested in automated production equipment, big data collection, and smart logistics to actively improve smart manufacturing technology and production capacity scale, in order to achieve economies of scale advantage and meet the mass production planning needs of domestic and export markets for domestic water pumps, industrial water pumps, and technology water pumps. Accordingly, the overall production and sales of the Group can be more flexible and production efficiency can be maximized.
- (III) Research and development plan: The Company will continue to invest in the development and design of technologies for pump applications. In addition to the continuous development of BLDC motors, strengthening of IoT smart monitoring modules and the technical after-sales service, the Company also seeks to find product niches based on market trends in conjunction with the liquid cooling market, in order to improve product competitiveness. Furthermore, the Company is committed to obtaining new product patents and optimization of related material applications in order to maintain the Company's long-term competitive advantages.

Looking ahead at 2026, the Company will continue to provide users with comprehensive pump solutions based on the corporate core value of “Common Good, Sunlight, and Continuous Improvement” in order to achieve the objective of providing quality customer services. In addition, the Company will continue to invest in the research and development of new products as well as innovative technologies. WALRUS has been actively focused on ESG sustainability issues. In addition to the establishment of autonomous carbon reduction targets, the Company also incorporates product carbon footprint projects, with the aim of leading the pump industry toward corporate governance, sustainable development, and a friendly supply chain. The Company will continue to strive for excellence with a spirit of innovation and change, and is committed to product performance development, talent cultivation, and corporate governance compliance, in order to ensure the Company's long-term competitive advantages in the future. We sincerely thank all customers, suppliers, shareholders and our employees for their long-term support!

Chairman:
Ching-Feng Huang

President:
Ching-Yun Huang

Accounting Officer:
Wen-Chin Chang

WALRUS PUMP Co., Ltd.
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2025 business report, financial statements and earnings distribution proposal. The interim financial statements have been audited by CPAs Chin-Chang Chen and Fu-Min Liao of PwC Taiwan, and an audit report has been issued. We have reviewed the above business report, financial statements, and the earnings distribution proposal, to which we have found no misstatement, and we hereby issue an audit report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed with the review.

Submitted to

Walrus Pump Co., Ltd. 2026 General Shareholders' Meeting

WALRUS PUMP Co., Ltd.

Audit Committee Convener: Da-Bai Shen

March 5, 2026

WALRUS PUMP Co., Ltd.
Report on Issuance of First and Second Domestic Unsecured Convertible Corporate Bonds

- I. Report on reasons for and details regarding the Company's issuance of corporate bonds in accordance with Article 246 of the Company Act.
- II. To repay bank loans and to replenish working capital, the Company has issued domestic first and second unsecured convertible corporate bonds totaling NT\$300 million and NT\$200 million respectively based on the approval of the Board of Directors on May 9, 2025. The issuance was registered with the Financial Supervisory Commission (FSC) Letters Jin-Guan-Zheng-Fa-Zi No. 1140348287 and No. 11403482871 dated July 1, 2025, and approved by the Taipei Exchange as indicated in Letter Zheng-Gui-Zhai-Zi. No. 11400057562 dated July 16, 2025 and Letter Zheng-Gui-Zhai-Zi. No. 11400059632 dated July 28, 2025, such that the trading of the bonds commenced at securities dealers' business premises on July 23, 2025 and August 4, 2025.
- III. Information on Issuance of Corporate Bonds:

Session/Type	First domestic unsecured convertible bonds	Second domestic unsecured convertible bonds
Approval Date	July 1, 2025	July 1, 2025
Date of Issuance	July 23, 2025	August 4, 2025
Total Issuance Amount	NT\$300,000,000	NT\$200,000,000
Face Value	NT\$100,000	NT\$100,000
Issue price	Issued at 100% of face value.	Issued at 100% of face value.
Proceeds	NT\$300,000,000	NT\$201,270,160 (auction)
Issuance Period	3 years (from July 23, 2025 to July 23, 2028)	3 years (from August 4, 2025 to August 4, 2028)
Coupon Rate	0%	0%
Interest Payment Method	The coupon rate is 0%; therefore, no interest payment date and method need to be specified.	The coupon rate is 0%; therefore, no interest payment date and method need to be specified.
Repayment Method	Unless the bondholders convert the convertible bonds into the Company's common shares in accordance with Article 10 of these Regulations, or exercise the right of early repurchase in accordance with Article 19 of these Regulations, or the Company redeems the bonds early in accordance with Article 18 of these Regulations, or the Company repurchases and cancels the bonds through the securities	Unless the bondholders convert the convertible bonds into the Company's common shares in accordance with Article 10 of these Regulations, or exercise the right of early repurchase in accordance with Article 19 of these Regulations, or the Company redeems the bonds early in accordance with Article 18 of these Regulations, or the Company repurchases and cancels the bonds through the securities

	dealer's business premises, the Company shall repay the convertible bonds held by the bondholders with a lump-sum cash repayment based on the face value of the bond within ten business days after the expiry date of the convertible bonds. If the aforementioned date encounters a non-business day of the Taipei Exchange, it is to be postponed to the next business day.	dealer's business premises, the Company shall repay the convertible bonds held by the bondholders with a lump-sum cash repayment based on the face value of the bond within ten business days after the expiry date of the convertible bonds. If the aforementioned date encounters a non-business day of the Taipei Exchange, it is to be postponed to the next business day.
Trustee	Chang Hwa Commercial Bank, Ltd.	Chang Hwa Commercial Bank, Ltd.
Principal and interest payment agent	CTBC Bank Stock Agency Department	CTBC Bank Stock Agency Department
Financing Plans and Implementation Status	The capital utilization plan has been executed as originally planned, and the filing procedures have been completed as required.	The capital utilization plan has been executed as originally planned, and the filing procedures have been completed as required.

IV. Status of Corporate Bond Conversion:

- (I) The conversion period for the first domestic unsecured convertible corporate bonds commenced on October 24, 2025, and continues until the maturity date. As of the last book closure date for the annual general shareholders' meeting on March 28, 2026, a cumulative total of 6 convertible bonds have been converted.
- (II) The conversion period for the second domestic unsecured convertible corporate bonds commenced on November 5, 2025, and continues until the maturity date. As of the last book closure date for the annual general shareholders' meeting on March 28, 2026, a cumulative total of 56 convertible bonds have been converted.

V. Corporate Bond Balance (as of the last book closure date for the general shareholders' meeting on March 28, 2026):

Session/Type	First domestic issuance Unsecured convertible corporate bonds	Second domestic issuance Unsecured convertible corporate bonds
Number of corporate bonds issued by the Company	3,000 bonds	2,000 bonds
Cumulative number of bonds accepted for conversion	6 bonds	56 bonds
Cumulative number of bonds for which the company exercised its buyback right	0 bond	0 bond
Cumulative number of bonds for which bondholders exercised their put option	0 bond	0 bond
Balance	2,994 bonds	1,944 bonds

[Attachment 4]

Independent Auditors' Report

(115) Cai-Shen-Bao-Zi No. 25004358

To the Board of Directors and Shareholders of Walrus Pump Co., Ltd.,

Audit Opinion

We have audited the accompanying consolidated financial statements of Walrus Pump Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet for the years ended December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for January 1 to December 31, 2025 and 2024, and notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for January 1 to December 31, 2025 and 2024 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) as endorsed and put into effect by the Financial Supervisory Commission of the Republic of China.

Basis of Audit Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the R.O.C.. 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. The auditors of the firm, subject to the independence regulations, have maintained independence from the Group

in accordance with the Code of Ethics of the R.O.C. and have fulfilled other obligations under that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year 2025 are stated as follows:

Key Audit Matters - Evaluation of allowance for inventory valuation loss

Description

For the description of the accounting policies, accounting estimation, assumptions and accounts of the inventory valuation, please refer to Notes IV (XI), V (II) and VI (V) of the financial statements.

The main business of the Group is the manufacturing and sale of pumps. Due to the fierce competition in the pump market, the Group has a higher risk of inventory price declines or obsolete and old pumps. The Group's inventories are measured at the lower value of the cost or net realizable value. Inventories with a specific inventory age are recognized as obsolescence losses in accordance with the Company's policies.

As the management's subjective judgment and estimation of the allowance for reduction of inventory to market involve a high level of uncertainty, and based on the consideration that the allowance for inventory valuation loss has a significant impact on the financial statements of the Group, we believe that the evaluation of the allowance for

reduction of inventory to market is one of the most important matters for the audit of the current year.

Responding Audit Procedures

We summarize the responsive procedures executed for the aforementioned key audit matters as follows:

1. Understanding and evaluating the reasonableness of the policies for the allowance for reduction of inventory to market adopted by the Group.
2. Understanding the process of warehouse storage management of the Group, reviewing the annual inventory count plan and participation in the annual inventory taking, to evaluate the effectiveness of the classification and control of obsolete inventories implemented by the Group.
3. Verifying the appropriateness of the inventory aging report system logic adopted by the management for valuation purposes, in order to determine the correct inventory age range of the inventory items in the report.
4. Obtaining the inventory net realizable value evaluation report, verifying the consistency of the report calculation logic, sampling and testing the data sources of the net realizable value, and recalculating the accuracy of the allowance for inventory valuation loss.

Other Matters – Parent Company Only Financial Statements

Walrus Pump Co., Ltd. (the “Company”) has prepared the parent company only financial statements for the year ended 2025 and 2024, to which we have also issued an independent auditor's report with an unqualified opinion which is provided for reference.

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 R.O.C., and for necessary 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.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term "reasonable assurance" refers to a high level of assurance. Nevertheless, the audit performed according to the Generally Accepted Auditing Standards of R.O.C. cannot guarantee the discovery of material misstatement in the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements 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 the consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the R.O.C., we exercise professional judgment and professional skepticism throughout the audit. We also performed the following tasks:

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and implement appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to serve as the basis for the 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. According to the audit evidence obtained, evaluate appropriateness of the continuous operation accounting basis and whether events or circumstances possibly giving rise to material concerns on the continuous operation ability of the Group have significant uncertainty, and provide conclusion thereto. 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. Nevertheless, future events or circumstances may cause the Group to have no ability for continuous operation.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, 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 for the financial information of individual entities of the Group and provide an opinion on the consolidated

financial statements. We handle the guidance, supervision and execution of the audit of the Group and are responsible for preparing the opinion on the Group.

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 the governance units with statements that we have complied with the relevant independence declaration specified in the Code of Ethics for Professional Accountants of the R.O.C. that may reasonably be thought to impair on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of the auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's 2025 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Chin-Chang Chen

CPAs

Fu-Min Liao

Financial Supervisory Commission

Approval Certificate No.:

Jin-Guan-Zheng-Shen-Zi No. 1060025060

Jin-Guan-Zheng-Shen-Zi No. 1090350620

March 5, 2026

Walrus Pump Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NTD thousands

Assets	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	VI (I)	\$ 157,574	6	\$ 253,819	11
1136	Financial assets measured at amortized cost - current	VI (III) and VIII	25,918	1	11,031	-
1150	Notes receivable, net	VI (IV)	54,640	2	53,339	2
1170	Net accounts receivable	VI (IV)	235,728	9	210,550	9
1200	Other receivables		1,277	-	4,248	-
1220	Current income tax assets		11,173	-	-	-
130X	Inventories	VI (V)	399,554	15	412,373	17
1410	Prepayments		13,868	-	12,836	1
1470	Other current assets		249	-	623	-
11XX	Total current assets		<u>899,981</u>	<u>33</u>	<u>958,819</u>	<u>40</u>
Non-current assets						
1600	Property, plant and equipment	VI (VI) and VIII	1,587,283	58	1,119,647	47
1755	Right-of-use assets	VI (VII), VII and VIII	192,706	7	229,812	10
1780	Intangible assets	VI (VIII)	9,570	-	7,105	-
1840	Deferred income tax assets	VI (XXIV)	8,543	-	7,464	-
1900	Other non-current assets	VI (IX) and VIII	55,358	2	66,118	3
15XX	Total non-current assets		<u>1,853,460</u>	<u>67</u>	<u>1,430,146</u>	<u>60</u>
1XXX	Total assets		<u>\$ 2,753,441</u>	<u>100</u>	<u>\$ 2,388,965</u>	<u>100</u>

(Continued on next page)

Walrus Pump Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NTD thousands

Liabilities and equity		Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	VI (X) and VIII	\$ 170,000	6	\$ 248,000	11
2120	Financial liabilities measured at fair value through profit or loss - current	VI (II)	745	-	-	-
2130	Contract liabilities - current	VI (XX)	3,375	-	8,248	-
2150	Notes payable		7,985	-	8,002	-
2170	Accounts payable		174,668	7	212,579	9
2200	Other payables	VI (XI)	118,412	4	180,752	8
2230	Current income tax liabilities		-	-	7,065	-
2250	Provisions for liabilities - current	VI (XVI)	18,503	1	15,294	1
2280	Lease liabilities - current	VII	19,463	1	22,679	1
2300	Other current liabilities		4,077	-	2,908	-
21XX	Total current liabilities		<u>517,228</u>	<u>19</u>	<u>705,527</u>	<u>30</u>
Non-current liabilities						
2530	Corporate bonds payable	VI (XII)	469,380	17	-	-
2540	Long-term borrowings	VI (XIII) and VIII	722,114	26	563,684	24
2550	Liability reserve - non-current	VI (XVI)	6,652	-	6,742	-
2570	Deferred income tax liabilities	VI (XXIV)	2,397	-	683	-
2580	Lease liabilities - non-current	VII	123,991	5	155,984	6
2600	Other non-current liabilities		2,848	-	233	-
25XX	Total non-current liabilities		<u>1,327,382</u>	<u>48</u>	<u>727,326</u>	<u>30</u>
2XXX	Total liabilities		<u>1,844,610</u>	<u>67</u>	<u>1,432,853</u>	<u>60</u>
Equity						
Share capital		VI (XVII)				
3110	Common share capital		406,491	15	403,491	17
3130	Bond conversion entitlement certificates		256	-	-	-
Capital reserve		VI (XVIII)				
3200	Capital reserve		452,280	17	403,603	17
Retained earnings		VI (XIX)				
3310	Legal reserve		31,083	1	20,967	1
3350	Unappropriated earnings		30,519	1	123,061	5
Other equity						
3400	Other equity		(11,798)	(1)	4,990	-
3XXX	Total equity		<u>908,831</u>	<u>33</u>	<u>956,112</u>	<u>40</u>
Significant Contingent Liabilities and Unrecognized Commitments		IX				
Significant subsequent events		XI				
3X2X	Total liabilities and equity		<u>\$ 2,753,441</u>	<u>100</u>	<u>\$ 2,388,965</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ching-Feng Huang

Managerial Officer: Ching-Yun Huang

Accounting Officer: Wen-Chin Chang

Walrus Pump Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the Years Ended December 31, 2025 and 2024

Unit: NTD thousands
(Except for earnings per share in NTD)

Item	Notes	2025		2024	
		Amount	%	Amount	%
4000 Operating revenue	VI (XVI) (XX)	\$ 1,617,553	100	\$ 1,612,759	100
5000 Operating cost	VI (V) (XXIII)	(1,226,448)	(76)	(1,149,027)	(71)
5900 Operating gross profit		<u>391,105</u>	<u>24</u>	<u>463,732</u>	<u>29</u>
Operating expenses	VI (XXIII)				
6100 Selling and marketing expenses		(111,626)	(7)	(103,254)	(6)
6200 Administrative expenses		(176,693)	(11)	(187,122)	(12)
6300 R&D expenses		(74,296)	(4)	(63,580)	(4)
6450 Expected credit impairment loss (gain)	XII (II)	<u>776</u>	<u>-</u>	<u>(220)</u>	<u>-</u>
6000 Total operating expenses		<u>(361,839)</u>	<u>(22)</u>	<u>(354,176)</u>	<u>(22)</u>
6900 Operating profit		<u>29,266</u>	<u>2</u>	<u>109,556</u>	<u>7</u>
Non-operating income and expenses					
7100 Interest income	VI (III)	2,917	-	3,609	-
7010 Other income	VI (XXI)	2,382	-	2,415	-
7020 Other gains and losses	VI (II) (XXII)	(12,770)	(1)	8,856	1
7050 Finance costs	VI (XVII) and VII	(16,674)	(1)	(8,427)	(1)
7000 Total non-operating income and expenses		<u>(24,145)</u>	<u>(2)</u>	<u>6,453</u>	<u>-</u>
7900 Net Income before tax		<u>5,121</u>	<u>-</u>	<u>116,009</u>	<u>7</u>
7950 Income tax expense	VI (XXIV)	(2,814)	-	(14,851)	(1)
8200 Net income for the period		<u>\$ 2,307</u>	<u>-</u>	<u>\$ 101,158</u>	<u>6</u>
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
8361 Exchange differences in translation of the financial statements of foreign operations		<u>\$ 750</u>	<u>-</u>	<u>\$ 2,547</u>	<u>-</u>
8300 Other comprehensive profit and loss (net)		<u>\$ 750</u>	<u>-</u>	<u>\$ 2,547</u>	<u>-</u>
8500 Total comprehensive income for the period		<u>\$ 3,057</u>	<u>-</u>	<u>\$ 103,705</u>	<u>6</u>
Net income attributable to:					
8610 Owner of the parent company		<u>\$ 2,307</u>	<u>-</u>	<u>\$ 101,158</u>	<u>6</u>
Total comprehensive income attributable to:					
8710 Owner of the parent company		<u>\$ 3,057</u>	<u>-</u>	<u>\$ 103,705</u>	<u>6</u>
Basic earnings per share	VI (XXV)				
9750 Basic earnings per share		<u>\$ 0.06</u>	<u>\$ 2.85</u>		
Diluted earnings per share	VI (XXV)				
9850 Diluted earnings per share		<u>\$ 0.06</u>	<u>\$ 2.83</u>		

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ching-Feng Huang

Managerial Officer: Ching-Yun Huang

Accounting Officer: Wen-Chin Chang

Walrus Pump Co., Ltd. and Subsidiaries
Consolidated Statement of Changes Equity
For the Years Ended December 31, 2025 and 2024

Unit: NTD thousands

	Equity attributable to owners of the parent company										Total equity	
	Share capital		Capital reserve			Retained earnings		Other equity				
	Notes	Common share capital	Bond conversion entitlement certificates	Capital surplus - issuance premium	Capital surplus - stock options	Capital surplus - restricted employee shares	Legal reserve	Unappropriated earnings	Exchange differences in translation of the financial statements of foreign operations	Remeasurements of defined benefit plans		Other equity - other
<u>2024</u>												
Balance on January 1		\$ 353,491	\$ -	\$ 181,313	\$ -	\$ -	\$ 13,647	\$ 85,782	\$ 100	\$ 2,343	\$ -	\$ 636,676
Net income for the period		-	-	-	-	-	-	101,158	-	-	-	101,158
Other comprehensive income (loss) for the period		-	-	-	-	-	-	-	2,547	-	-	2,547
Total comprehensive income for the period		-	-	-	-	-	-	101,158	2,547	-	-	103,705
2023 Appropriation and distribution of retained earnings:	VI (XIX)											
Appropriation of legal reserve		-	-	-	-	7,320	(7,320)	-	-	-	-	-
Cash dividends		-	-	-	-	-	(56,559)	-	-	-	-	(56,559)
Capital increase in cash	VI (XVII)	50,000	-	213,882	-	-	-	-	-	-	-	263,882
Share-based payments	VI (XV)	-	-	8,408	-	-	-	-	-	-	-	8,408
Balance on December 31		\$ 403,491	\$ -	\$ 403,603	\$ -	\$ 20,967	\$ 123,061	\$ 2,647	\$ 2,343	\$ -	\$ -	\$ 956,112
<u>2025</u>												
Balance on January 1		\$ 403,491	\$ -	\$ 403,603	\$ -	\$ 20,967	\$ 123,061	\$ 2,647	\$ 2,343	\$ -	\$ -	\$ 956,112
Net income for the period		-	-	-	-	-	2,307	-	-	-	-	2,307
Other comprehensive income (loss) for the period		-	-	-	-	-	-	750	-	-	-	750
Total comprehensive income for the period		-	-	-	-	-	2,307	750	-	-	-	3,057
2024 Appropriation and distribution of retained earnings:	VI (XIX)											
Appropriation of legal reserve		-	-	-	-	10,116	(10,116)	-	-	-	-	-
Cash dividends		-	-	-	-	-	(84,733)	-	-	-	-	(84,733)
Issuance of new restricted employee shares	VI (XVII)	3,000	-	-	-	18,210	-	-	-	(21,210)	-	-
Remuneration cost of new restricted employee shares	VI (XV)	-	-	-	-	-	-	-	-	3,672	-	3,672
Issuance of convertible corporate bonds	VI (XII)	-	-	-	29,223	-	-	-	-	-	-	29,223
Conversion of convertible corporate bonds	VI (XII)	-	256	1,424	(180)	-	-	-	-	-	-	1,500
Balance on December 31		\$ 406,491	\$ 256	\$ 405,027	\$ 29,043	\$ 18,210	\$ 31,083	\$ 30,519	\$ 3,397	\$ 2,343	(\$ 17,538)	\$ 908,831

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ching-Feng Huang

Managerial Officer: Ching-Yun Huang

Accounting Officer: Wen-Chin Chang

Walrus Pump Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
For the Years Ended December 31, 2025 and 2024

Unit: NTD thousands

	Notes	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash flow from operating activities</u>			
Net income before tax for the current period		\$ 5,121	\$ 116,009
Adjustments			
Adjustments to reconcile profit and loss			
Net loss on financial assets or liabilities at fair value through profit or loss	VI (II) (XXII)	315	-
Depreciation expense	VI (VI) (VII) (XXIII)	82,781	71,963
Amortization expenses	VI (VIII) (XXIII)	3,308	4,197
Interest income		(2,917)	(3,609)
Interest expenses		16,674	8,427
Loss (gain) on disposal of property, plant and equipment	VI (XXII)	52	(106)
Expected credit impairment losses (gains)	XII (II)	(776)	220
Share-based remuneration payment costs	VI (XV)	3,672	8,408
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets and liabilities measured at fair value through profit or loss		(45)	-
Notes receivable, net		(1,301)	946
Net accounts receivable		(24,402)	(25,796)
Other receivables		2,984	(1,603)
Inventories		12,819	(78,789)
Prepayments		(1,032)	(3,228)
Other current assets		374	105
Other non-current assets		(489)	8,800
Net changes in liabilities relating to operating activities			
Contract liabilities - current		(4,873)	(473)
Notes payable		(17)	2,895
Accounts payable		(37,911)	89,233
Other payables		(14,752)	27,547
Provisions for liabilities - current		3,209	7,572
Other current liabilities		1,169	604
Liability reserve - non-current		(90)	(1,310)
Other non-current liabilities		2,615	-
Cash inflow from operating activities		46,488	232,012
Interest received		2,904	3,794
Interest paid		(17,262)	(8,105)
Income tax paid		(20,417)	(9,179)
Net cash inflow from operating activities		11,713	218,522
<u>Cash flow from investing activities</u>			
Decrease (Increase) in financial assets measured at amortized cost		(14,887)	51,074
Acquisition of property, plant and equipment	VI (XXVI)	(560,460)	(315,928)
Disposal of property, plant and equipment		69	114
Acquisition of intangible assets	VI (VIII)	(5,774)	(1,696)
Increase in refundable deposits		(540)	(827)
Net cash outflow from investing activities		(581,592)	(267,263)
<u>Cash flow from financing activities</u>			
Loaning of short-term borrowings	VI (XXVII)	1,204,574	1,088,291
Repayment of short-term borrowings	VI (XXVII)	(1,282,574)	(1,297,291)
Decrease in lease liabilities	VI (XXVII)	(23,349)	(20,104)
Issuance of convertible corporate bonds	VI (XXVII)	501,270	-
Loaning of long-term borrowings	VI (XXVII)	208,430	214,916
Repayment of long-term borrowings	VI (XXVII)	(50,000)	(103,089)
Capital increase in cash	VI (XVII)	-	263,882
Cash dividends paid	VI (XIX)	(84,733)	(56,559)
Net cash inflow from financing activities		473,618	90,046
Exchange rate effects		16	2,256
Increase (decrease) in cash and cash equivalents		(96,245)	43,561
Balance of cash and cash equivalents at beginning of the current period		253,819	210,258
Balance of cash and cash equivalents at end of the current period		\$ 157,574	\$ 253,819

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ching-Feng Huang

Managerial Officer: Ching-Yun Huang

Accounting Officer: Wen-Chin Chang

[Attachment 5]

Independent Auditors' Report

(115) Cai-Shen-Bao-Zi No. 25003802

To the Board of Directors and Shareholders of Walrus Pump Co., Ltd.,

Audit Opinion

We have audited the accompanying parent company only financial statements of Walrus Pump Co., Ltd. (the "Company"), which comprise the parent company only balance sheet as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements for January 1 to December 31, 2025 and 2024, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for January 1 to December 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Audit Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the R.O.C.. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the R.O.C., and we have fulfilled our other ethical responsibilities in

accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the Company for the year ended 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the 2025 parent company only financial statements of the Company are stated as follows:

Key Audit Matters - Evaluation of allowance for inventory valuation loss

Description

For the description of the accounting policies, accounting estimates, assumptions and accounts of the inventory valuation, please refer to Notes IV (X), V (II) and VI (V) of the financial statements.

The main business of the Company is the manufacturing and sale of pumps. Due to the fierce competition in the pump market, the Group has a higher risk of inventory price declines or obsolete and old pumps. The Company's inventories are measured at the lower of cost and net realizable value. Inventories with a specific inventory age are recognized as obsolescence losses in accordance with the Company's policies.

As the management's subjective judgment and estimation of the allowance for reduction of inventory to market involve a high level of uncertainty, and based on the consideration that the allowance for inventory valuation loss has a significant impact on the financial statements of the Company, we believe that the evaluation of the allowance

for reduction of inventory to market is one of the most important matters for the audit of the current year.

Responding Audit Procedures

We summarize the responsive procedures executed for the aforementioned key audit matters as follows:

1. Understanding and evaluating the reasonableness of the policies for the allowance for reduction of inventory to market adopted by the Company.
2. Understanding the process of warehouse storage management of the Company, reviewing the annual inventory count plan and participating in the annual inventory taking, in order to evaluate the effectiveness of the classification and control of obsolete inventories implemented by the Company.
3. Verifying the appropriateness of the inventory aging report system logic adopted by the management for valuation purposes, in order to determine the correct inventory age range of the inventory items in the report.
4. Obtaining the inventory net realizable value evaluation report, verifying the consistency of the report calculation logic, sampling and testing the data sources of the net realizable value, and recalculating the accuracy of the allowance for inventory valuation loss.

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 the necessary internal controls as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term "reasonable assurance" refers to a high level of assurance. Nevertheless, the audit performed in accordance with the Generally Accepted Auditing Standards of the R.O.C. cannot guarantee the discovery of a material misstatement in the parent company only financial statements. Misstatements can arise from fraud or error. Misstatements 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 R.O.C., we exercise professional judgment and professional skepticism throughout the audit. We also performed the following tasks:

1. Identify and assess 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 internal control of the Company.
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 ability of the Company 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 relevant notes, and whether the parent company only 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 the entity of the Company, and express an opinion on the unconsolidated financial statements. We are responsible for the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the parent company only financial statements.

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 the governance units with statements that we have complied with the relevant independence declaration specified in the Code of Ethics for Professional Accountants of the R.O.C. that may reasonably be thought to impair on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of the auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Company's 2025 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Chin-Chang Chen

CPAs

Fu-Min Liao

Financial Supervisory Commission

Approval Certificate No.:

Jin-Guan-Zheng-Shen-Zi No. 1060025060

Jin-Guan-Zheng-Shen-Zi No. 1090350620

March 5, 2026

WALRUS PUMP CO., LTD.
Parent Company Only Balance Sheet
December 31, 2025 and 2024

Unit: NTD thousands

Assets	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	VI (I)	\$ 112,829	4	\$ 209,661	9
1136	Financial assets measured at amortized cost - current	VI (III) and VIII	25,918	1	11,031	-
1150	Notes receivable, net	VI (IV)	45,586	2	51,275	2
1170	Net accounts receivable	VI (IV)	210,073	8	180,949	8
1180	Accounts receivable - related parties, net	7	9,315	-	7,881	-
1200	Other receivables		660	-	3,710	-
1220	Current income tax assets		11,173	-	-	-
130X	Inventories	VI (V)	370,161	14	393,877	17
1410	Prepayments		13,560	-	12,064	1
1470	Other current assets		95	-	30	-
11XX	Total current assets		<u>799,370</u>	<u>29</u>	<u>870,478</u>	<u>37</u>
Non-current assets						
1550	Investment Accounted for Under Equity Method	VI (VI)	92,180	4	80,044	3
1600	Property, plant and equipment	VI (VII) and VIII	1,583,850	58	1,115,898	47
1755	Right-of-use assets	VI (VIII), VII and VIII	190,541	7	224,420	10
1780	Intangible assets	VI (IX)	9,550	-	7,065	-
1840	Deferred income tax assets	VI (XXV)	8,543	-	7,464	-
1900	Other non-current assets	VI (X) and VIII	54,361	2	65,186	3
15XX	Total non-current assets		<u>1,939,025</u>	<u>71</u>	<u>1,500,077</u>	<u>63</u>
1XXX	Total assets		<u>\$ 2,738,395</u>	<u>100</u>	<u>\$ 2,370,555</u>	<u>100</u>

(Continued on next page)

WALRUS PUMP CO., LTD.
Parent Company Only Balance Sheet
December 31, 2025 and 2024

Unit: NTD thousands

Liabilities and equity	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term borrowings	VI (XI) and VIII	\$ 170,000	6	\$ 248,000	11
2120	Financial liabilities measured at fair value through profit or loss - current	VI (II)	745	-	-	-
2130	Contract liabilities - current	VI (XXI)	3,375	-	8,248	-
2150	Notes payable		7,985	-	8,002	-
2170	Accounts payable		165,332	6	204,067	9
2180	Accounts payable - related party	VII	386	-	589	-
2200	Other payables	VI (XII)	114,108	4	176,388	7
2230	Current income tax liabilities		-	-	7,065	-
2250	Provisions for liabilities - current	VI (XVII)	18,503	1	15,294	1
2280	Lease liabilities - current	VII	18,001	1	19,250	1
2300	Other current liabilities		3,802	-	2,787	-
21XX	Total current liabilities		<u>502,237</u>	<u>18</u>	<u>689,690</u>	<u>29</u>
Non-current liabilities						
2530	Corporate bonds payable	VI (XIII)	469,380	17	-	-
2540	Long-term borrowings	VI (XIV) and VIII	722,114	27	563,684	24
2550	Liability reserve - non-current	VI (XVII)	6,652	-	6,742	-
2570	Deferred income tax liabilities	VI (XXV)	2,397	-	683	-
2580	Lease liabilities - non-current	VII	123,991	5	153,644	7
2600	Other non-current liabilities		2,793	-	-	-
25XX	Total non-current liabilities		<u>1,327,327</u>	<u>49</u>	<u>724,753</u>	<u>31</u>
2XXX	Total liabilities		<u>1,829,564</u>	<u>67</u>	<u>1,414,443</u>	<u>60</u>
Equity						
Share capital						
3110	Common share capital	VI (XVIII)	406,491	15	403,491	17
3130	Bond conversion entitlement certificates		256	-	-	-
Capital reserve						
3200	Capital reserve	VI (XIX)	452,280	17	403,603	17
Retained earnings						
3310	Legal reserve	VI (XX)	31,083	1	20,967	1
3350	Unappropriated earnings		30,519	1	123,061	5
Other equity						
3400	Other equity		(11,798)	(1)	4,990	-
3XXX	Total equity		<u>908,831</u>	<u>33</u>	<u>956,112</u>	<u>40</u>
Significant Contingent Liabilities and Unrecognized Commitments						
Significant subsequent events						
3X2X	Total liabilities and equity		<u>\$ 2,738,395</u>	<u>100</u>	<u>\$ 2,370,555</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements. Please refer to them altogether.

Chairman: Ching-Feng Huang

Managerial Officer: Ching-Yun Huang

Accounting Officer: Chang, Wen-Chin

WALRUS PUMP CO., LTD.
Parent Company Only Statement of Comprehensive Income
For the Years Ended December 31, 2025 and 2024

Unit: NTD thousands
(Except for earnings per share in NTD)

Item	Notes	2025		2024	
		Amount	%	Amount	%
4000 Operating revenue	VI (XVII) (XXI) and VII	\$ 1,529,717	100	\$ 1,532,852	100
5000 Operating cost	VI (V) (XXIV) and VII	(1,165,560)	(76)	(1,089,442)	(71)
5900 Operating gross profit		364,157	24	443,410	29
Operating expenses	VI (XXIV) and VII				
6100 Selling and marketing expenses		(107,637)	(7)	(99,782)	(6)
6200 Administrative expenses		(165,465)	(11)	(176,601)	(12)
6300 R&D expenses		(74,296)	(5)	(63,580)	(4)
6450 Expected credit impairment loss (gain)	XII (II)	776	-	(220)	-
6000 Total operating expenses		(346,622)	(23)	(340,183)	(22)
6900 Operating profit		17,535	1	103,227	7
Non-operating income and expenses					
7100 Interest income	VI (III)	2,917	-	3,300	-
7010 Other income	VI (XXII)	1,826	-	2,280	-
7020 Other gains and losses	VI (II) (XXIII)	(12,543)	(1)	9,676	1
7050 Finance costs	VI (VIII) and VII	(16,556)	(1)	(8,195)	-
7070 Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	VI (VI)	11,386	1	5,342	-
7000 Total non-operating income and expenses		(12,970)	(1)	12,403	1
7900 Net Income before tax		4,565	-	115,630	8
7950 Income tax expense	VI (XXV)	(2,258)	-	(14,472)	(1)
8200 Net income for the period		\$ 2,307	-	\$ 101,158	7
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
8361 Exchange differences in translation of the financial statements of foreign operations		\$ 750	-	\$ 2,547	-
8300 Other comprehensive profit and loss (net)		\$ 750	-	\$ 2,547	-
8500 Total comprehensive income for the period		\$ 3,057	-	\$ 103,705	7
Basic earnings per share	VI (XXVI)				
9750 Basic earnings per share		\$	0.06	\$	2.85
Diluted earnings per share	VI (XXVI)				
9850 Diluted earnings per share		\$	0.06	\$	2.83

The accompanying notes are an integral part of the parent company only financial statements. Please refer to them altogether.

Chairman: Ching-Feng Huang

Managerial Officer: Ching-Yun Huang Accounting Officer: Chang, Wen-Chin

WALRUS PUMP CO., LTD.
Parent Company Only Statement of Changes in Equity
For the Years Ended December 31, 2025 and 2024

Unit: NTD thousands

Notes	Share capital		Capital reserve			Retained earnings		Other equity			Total equity
	Common share capital	Bond conversion entitlement certificates	Capital surplus - issuance premium	Capital surplus - stock options	Capital surplus - restricted employee shares	Legal reserve	Unappropriated earnings	Exchange differences in translation of the financial statements of foreign operations	Remeasurements of defined benefit plans	Other equity - other	
<u>2024</u>											
Balance on January 1	\$ 353,491	\$ -	\$ 181,313	\$ -	\$ -	\$ 13,647	\$ 85,782	\$ 100	\$ 2,343	\$ -	\$ 636,676
Net income for the period	-	-	-	-	-	-	101,158	-	-	-	101,158
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	2,547	-	-	2,547
Total comprehensive income for the period	-	-	-	-	-	-	101,158	2,547	-	-	103,705
2023 Appropriation and distribution of retained earnings: VI (XX)											
Appropriation of legal reserve	-	-	-	-	-	7,320	(7,320)	-	-	-	-
Cash dividends	-	-	-	-	-	-	(56,559)	-	-	-	(56,559)
Capital increase in cash VI (XVIII)	50,000	-	213,882	-	-	-	-	-	-	-	263,882
Share-based payments VI (XVI)	-	-	8,408	-	-	-	-	-	-	-	8,408
Balance on December 31	\$ 403,491	\$ -	\$ 403,603	\$ -	\$ -	\$ 20,967	\$ 123,061	\$ 2,647	\$ 2,343	\$ -	\$ 956,112
<u>2025</u>											
Balance on January 1	\$ 403,491	\$ -	\$ 403,603	\$ -	\$ -	\$ 20,967	\$ 123,061	\$ 2,647	\$ 2,343	\$ -	\$ 956,112
Net income for the period	-	-	-	-	-	-	2,307	-	-	-	2,307
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	750	-	-	750
Total comprehensive income for the period	-	-	-	-	-	-	2,307	750	-	-	3,057
2024 Appropriation and distribution of retained earnings: VI (XX)											
Appropriation of legal reserve	-	-	-	-	-	10,116	(10,116)	-	-	-	-
Cash dividends	-	-	-	-	-	-	(84,733)	-	-	-	(84,733)
Issuance of new restricted employee shares VI (XVIII)	3,000	-	-	-	18,210	-	-	-	-	(21,210)	-
Remuneration cost of new restricted employee shares VI (XVI)	-	-	-	-	-	-	-	-	-	3,672	3,672
Issuance of convertible corporate bonds VI (XIII)	-	-	-	29,223	-	-	-	-	-	-	29,223
Conversion of convertible corporate bonds VI (XIII)	-	256	1,424	(180)	-	-	-	-	-	-	1,500
Balance on December 31	\$ 406,491	\$ 256	\$ 405,027	\$ 29,043	\$ 18,210	\$ 31,083	\$ 30,519	\$ 3,397	\$ 2,343	(\$ 17,538)	\$ 908,831

The accompanying notes are an integral part of the parent company only financial statements. Please refer to them altogether.

Chairman: Ching-Feng Huang

Managerial Officer: Ching-Yun Huang

Accounting Officer: Chang, Wen-Chin

WALRUS PUMP CO., LTD.
Parent Company Only Statement of Cash Flow
For the Years Ended December 31, 2025 and 2024

Unit: NTD thousands

	Notes	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash flow from operating activities</u>			
Net income before tax for the current period		\$ 4,565	\$ 115,630
Adjustments			
Adjustments to reconcile profit and loss			
Net loss on financial assets or liabilities at fair value through profit or loss	VI (II) (XXIII)	315	-
Depreciation expense	VI (VII) (VIII) (XXIV)	79,261	67,984
Amortization expenses	VI (IX) (XXIV)	3,289	4,177
Expected credit impairment losses (gains)	XII (II)	(776)	220
Interest income		(2,917)	(3,300)
Interest expenses		16,556	8,195
Gains on disposal of property, plant, and equipment	VI (XXIII)	(10)	(106)
Share of profit or loss recognized under the equity method	VI (VI)		
Share-based remuneration payment costs	VI (XVI)	3,672	8,408
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets and liabilities measured at fair value through profit or loss		(45)	-
Notes receivable, net		5,689	3,010
Net accounts receivable		(28,348)	(14,113)
Accounts receivable - related parties, net		(1,434)	1,961
Other receivables		3,063	(1,603)
Inventories		23,716	(80,697)
Prepayments		(1,496)	(2,809)
Other current assets		(65)	15
Other non-current assets		(424)	8,506
Net changes in liabilities relating to operating activities			
Contract liabilities - current		(4,873)	(473)
Notes payable		(17)	2,895
Accounts payable		(38,735)	86,278
Accounts payable - related party		(203)	272
Other payables		(15,383)	26,329
Provisions for liabilities - current		3,209	7,572
Other current liabilities		1,015	520
Liability reserve - non-current		(90)	(1,310)
Other non-current liabilities		2,793	-
Cash inflow from operating activities		40,941	232,219
Interest paid		(17,145)	(7,873)
Interest received		2,904	3,485
Income tax paid		(19,861)	(8,799)
Net cash inflow from operating activities		6,839	219,032
<u>Cash flow from investing activities</u>			
Decrease (Increase) in financial assets measured at amortized cost		(14,887)	51,074
Acquisition of property, plant and equipment	VI (XXVII)	(560,271)	(315,928)
Disposal of property, plant and equipment		10	114
Acquisition of intangible assets	VI (IX)	(5,774)	(1,696)
Increase in refundable deposits		(540)	(827)
Net cash outflow from investing activities		(581,462)	(267,263)
<u>Cash flow from financing activities</u>			
Loaning of short-term borrowings	VI (XXVIII)	1,204,574	1,088,291
Repayment of short-term borrowings	VI (XXVIII)	(1,282,574)	(1,297,291)
Decrease in lease liabilities	VI (XXVIII)	(19,176)	(17,796)
Issuance of convertible corporate bonds	VI (XXVIII)	501,270	-
Loaning of long-term borrowings	VI (XXVIII)	208,430	214,916
Repayment of long-term borrowings	VI (XXVIII)	(50,000)	(103,089)
Capital increase in cash	VI (XVIII)	-	263,882
Cash dividends paid	VI (XX)	(84,733)	(56,559)
Net cash inflow from financing activities		477,791	92,354
Increase (decrease) in cash and cash equivalents		(96,832)	44,123
Balance of cash and cash equivalents at beginning of the current period		209,661	165,538
Balance of cash and cash equivalents at end of the current period		\$ 112,829	\$ 209,661

The accompanying notes are an integral part of the parent company only financial statements. Please refer to them altogether.

Chairman: Ching-Feng Huang

Managerial Officer: Ching-Yun Huang

Accounting Officer: Chang, Wen-Chin

WALRUS PUMP Co., Ltd.
Earnings Distribution Table
2025

Unit: NT\$

Item	Amount
Unappropriated earnings at beginning of the period	28,212,910
Add: Net income after tax of the current year	2,307,011
Adjusted undistributed earnings	30,519,921
Less: 10% of legal reserve recognized	(230,701)
Distributable earnings	30,289,220
Distribution item	
Stock Dividends	-
Cash dividends - \$0.6 per share (40,649,100*0.6)	24,389,460
Undistributed earnings at the end of the period	5,899,760

Chairman:
Ching-Feng Huang

President:
Ching-Yun Huang

Accounting Officer:
Wen-Chin Chang

WALRUS PUMP Co., Ltd.

Comparison Table for Amendments of “Procedures for Acquisition and Disposal of Assets”

Clause After Amendment	Current Clause	Explanation
<p>Chapter 6 Article 15 Paragraphs 1, 2 and 3 omitted. IV. The positions held for the derivatives trading <u>shall be assessed at least once weekly</u>. However, for hedge trading performed due to business needs, such trades shall be assessed at least twice monthly, and the assessment report shall be submitted to the President.</p>	<p>Chapter 6 Article 15 Paragraphs 1, 2 and 3 omitted. IV. The positions held for the derivatives trading and hedge trading performed due to business needs shall be assessed at least twice monthly, and the assessment report shall be submitted to the President.</p>	Amended according to Paragraph 4 of Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
<p>Chapter 8 Article 24 I. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within two days counting inclusively from the date of occurrence of the event: Paragraphs (1), (2) and (3) omitted. (IV) Where the type of asset referring to equipment or right-of-use assets thereof for business use is acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p>	<p>Chapter 8 Article 24 I. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within two days counting inclusively from the date of occurrence of the event: Paragraphs (1), (2) and (3) omitted. (IV) Where the type of asset referring to equipment or right-of-use assets thereof for business use is acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p>	Amendment made in accordance with Taipei Exchange Letter Zheng-Gui-Jian-Zi No. 1140067028 dated July 31, 2025.

<p>1. For a public company with paid-in capital less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>2. For a public company with paid-in capital reaching NT\$10 billion or more, <u>but less than NT\$50 billion</u>, the transaction amount reaches NT\$1 billion or more.</p> <p>3. <u>For a public company with paid-in capital of NT\$50 billion or more, the transaction amount must exceed 5% of the company's paid-in capital.</u></p> <p>Paragraphs (5) and (6) omitted.</p> <p><u>(VII) For a public company with paid-in capital of NT\$50 billion or more, government bonds, ordinary corporate bonds, and general financial bonds not involving equity (excluding subordinated bonds) that are listed on the stock exchange or traded through securities firms are not subject to the exceptions outlined in the proviso of Article 8, provided the counterparty is not a related party and the transaction amount exceeds 5% of the company's paid-in capital.</u></p> <p><u>(VIII) Where an asset</u></p>	<p>1. For a public company with paid-in capital less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>2. For a public company with paid-in capital reaching NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>Paragraphs (5) and (6) omitted.</p> <p>(VII) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the Mainland China area reaches 20% or more of paid-in capital or NT\$300 million; Later content omitted.</p>	
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<p>transaction other than those referred to in the preceding <u>seven</u> subparagraphs, a financial institution's disposal of claims, or an investment in mainland China reaches 20% or more of paid-in capital or NT\$300 million. Later content omitted.</p>		
<p>Chapter 11 Article 30 Paragraph 1 omitted II. In the case of a company whose shares have no par value or a par value other than NT\$10, then regarding the calculation of transaction amounts of 20% of paid-in capital specified in these Procedures, 10% of equity attributable to owners of the parent shall be substituted; <u>the provisions in these Procedures regarding the transaction amount equivalent to 5% of the paid-in capital shall be calculated as 2.5% of the equity attributable to owners of the parent company</u>; regarding the calculations of transaction amounts relative to paid-in capital reaching NT\$10 billion specified in these Procedures, NT\$20 billion of equity attributable to owners of the parent shall be substituted; <u>the provisions in these Procedures regarding the transaction amount when the paid-in capital reaches NT\$50 billion shall be calculated as NT\$100 billion of the equity attributable to owners of the parent company.</u></p>	<p>Chapter 11 Article 30 Paragraph 1 omitted II. In the case of a company whose shares have no par value or a par value other than NT\$10, then regarding the calculation of transaction amounts of 20% of paid-in capital specified in these Procedures, 10% of equity attributable to owners of the parent shall be substituted; regarding the calculations of transaction amounts relative to paid-in capital reaching NT\$10 billion specified in these Procedures, NT\$20 billion of equity attributable to owners of the parent shall be substituted.</p>	<p>Amendment made in accordance with Taipei Exchange Letter Zheng-Gui-Jian-Zi No. 1140067028 dated July 31, 2025.</p>
<p>Article 31</p>	<p>Article 31</p>	<p>Newly added the</p>

<p>I. These Procedures, and any amendments hereto, shall be approved by the Board of Directors, and shall be reported to a shareholders' meeting for approval before implementation. The same shall be applied to amendments to these Procedures.</p> <p>II. These Procedures were duly enacted on June 6, 2022.</p> <p>III. The 1st amendment was made on May 27, 2025.</p> <p>IV. <u>The second amendment was made on May 27, 2026.</u></p>	<p>I. These Procedures, and any amendments hereto, shall be approved by the Board of Directors, and shall be reported to a shareholders' meeting for approval before implementation. The same shall be applied to amendments to these Procedures.</p> <p>II. These Procedures were duly enacted on June 6, 2022.</p> <p>III. The 1st amendment was made on May 27, 2025.</p>	<p>amendment date.</p>
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WALRUS PUMP Co., Ltd.

Comparison Table of Amendments to the “Sustainable Development Best Practice Principles”

Amended Clause	Current Clause	Explanation
<p>Article 5 Deleted</p>	<p>Article 5 The Company shall take the correlation between the development of domestic and international sustainability issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders into consideration, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, and shall be reported to the Board of Directors, followed by reporting to the shareholders’ meeting. When a shareholder proposes a motion involving sustainable development, the company’s Board of Directors is advised to review and consider including it in the shareholders’ meeting agenda.</p>	<p>Sustainability-related policies and plans of the Company are reviewed by the Sustainability Committee and submitted to the Board of Directors, and relevant information is disclosed on the Company’s website in a timely manner. In addition, in accordance with the Company Act, if a shareholder proposes a motion regarding sustainability matters, the Board of Directors may still include it on the agenda as required by law. Therefore, to improve meeting efficiency, this clause has been deleted.</p>

Amended Clause	Current Clause	Explanation
<p>Article 15 The Company is advised to take the effect of business operations on ecological efficiency into account, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment, <u>living things</u> and human beings from the business operations:</p> <ol style="list-style-type: none"> I. Reduce resource and energy consumption of the products and services. II. Reduce emission of pollutants, toxins and waste, and dispose of waste properly. III. Improve recyclability and reusability of raw materials or products. IV. Maximize the sustainability of renewable resources. V. Enhance the durability of products. VI. Improve efficiency of products and services. VII. <u>Enhance the preservation of marine or terrestrial biodiversity and ecosystems, sustainable resource utilization, and fair and equitable benefits.</u> 	<p>Article 15 The Company is advised to take the effect of business operations on ecological efficiency into account, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from the business operations:</p> <ol style="list-style-type: none"> I. Reduce resource and energy consumption of the products and services. II. Reduce emission of pollutants, toxins and waste, and dispose of waste properly. III. Improve recyclability and reusability of raw materials or products. IV. Maximize the sustainability of renewable resources. V. Enhance the durability of products. VI. Improve efficiency of products and services. 	<p>In accordance with Taipei Exchange Letter Zheng-Gui-Jian-Zi No. 11400707782 dated September 8, 2025, the amendment is made with reference to the United Nations (UN) Convention on Biological Diversity and relevant laws and regulations regarding marine and natural conservation.</p>
<p>Article 21 The Company is advised to establish a proper environment for the career development of employees, and shall establish effective career competency development training programs. <u>The Company is advised to establish an industry-academia collaboration program to cultivate talent for industry development.</u> The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.) and shall appropriately reflect the business performance or</p>	<p>Article 21 The Company is advised to establish a proper environment for the career development of employees, and shall establish effective career competency development training programs. The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.) and shall appropriately reflect the business performance or achievements in the employee remuneration, in order to ensure the recruitment, retention, and motivation of human resources, and</p>	<p>In accordance with Taipei Exchange Letter Zheng-Gui-Jian-Zi. No. 11400707782 dated September 8, 2025, the amendment is made to promote the integration of industry and academia and student career development.</p>

Amended Clause	Current Clause	Explanation
<p>achievements in the employee remuneration, in order to ensure the recruitment, retention, and motivation of human resources, and to achieve the objective of sustainable operations.</p>	<p>to achieve the objective of sustainable operations.</p>	
<p>Article 31 Implementation and amendment records</p> <p>I. These Principles shall be approved by the Board of Directors before implementation. The same shall be applied to amendments to these Principles.</p> <p>II. These Principles were duly enacted on February 21, 2024. <u>The 1st amendment was made on May 27, 2026.</u></p>	<p>Article 31 Implementation and amendment records</p> <p>I. These Principles and any amendments hereto, shall be approved by the Board of Directors, and shall be reported to a shareholders' meeting for approval before implementation. The same shall be applied to amendments to these Principles.</p> <p>II. These Principles were duly enacted on February 21, 2024.</p>	<p>In view of the annual nature of the shareholders' meeting, to improve decision-making efficiency, amendment is made to adopt the resolution of the Board of Directors. In addition, the amendment date is further included.</p>

WALRUS PUMP Co., Ltd.

Description of Issuance of New Restricted Employee Shares in 2026

I. Total Issuance Amount

300,000 new restricted employee common shares are intended to be issued at NT\$10 per share, for a total issuance amount of NT\$3,000,000.

The Company may issue the shares at once or at discrete times within two years from the date of receipt of the notice of effective registration from the competent authority, if necessary, and the actual date of issuance and related matters shall be determined by the Board of Directors or the Chairman authorized by the Board of Directors.

II. Issuance Criteria

(I) Issue price: The present issuance is at no consideration, and the issue price is NT\$0 per share.

(II) Type of shares issued: New common shares of the Company.

(III) Vesting Conditions:

1. The indicators set forth in these Regulations shall be complied with, and the employees shall still be employed on each vesting date after being allotted the new restricted employee shares, and shall meet the overall financial performance goals set by the Company, and the personal performance evaluation indicators (i.e., the performance evaluation ratings of at least “85 points/A+” in the most recent year of the vesting period), and shall not violate these Regulations in that year.

2. The vesting conditions are as follows:

(1) Key personnel:

- 20% vested share may be vested for each year after one year of service.
- 20% vested share may be vested for each year after two years of service.
- 20% vested share may be vested for each year after three years of service.
- 20% vested share may be vested for each year after four years of service.
- 20% vested share may be vested for each year after five years of service.

(2) Personnel with high relevance and influence on the Company's operation, future strategic development, or who meet the qualification criteria:

- 30% vested share may be vested for each year after one year of service.
- 30% vested share may be vested for each year after two years of service.
- 40% vested share may be vested for each year after three years of service.

3. After the employee has received the new restricted employee shares allotted by the Company, if there is any violation of the labor contract or work rules, or any violation of these Regulations, the Company shall have the right to recall the new restricted employee shares without consideration and cancel the same.

(IV) The handling method for employees who do not meet the vesting conditions or have a succession: It shall be handled in accordance with the Regulations Governing the Issuance of Shares established by the Company.

III. Employee qualification and number of shares for allotment or subscription:

(I) Qualification criteria of employees

1. The new restricted employee shares are limited to full-time official employees of the Company prior to the date of allotment.
2. The qualifications of employees who actually have the right to subscribe shall be determined based on the following conditions:
 - (1) Key personnel.
 - (2) Personnel with high relevance and influence on the Company's operation and future strategic development.
 - (3) The evaluation takes into account the seniority, rank, performance evaluation, overall contribution and special achievement, or other conditions that need to be considered in the management.

The distribution standards shall be approved by the Chairman and submitted to the Board of Directors for resolution. However, for an employee who is a director or managerial officer of the Company, the approval of the remuneration committee shall be obtained in advance. For an employee who is not a director or managerial officer of the Company, the approval of the audit committee shall be obtained in advance.

(II) Number of shares allocated

The cumulative number of shares exercisable through employee stock options granted to a single employee by the Company in accordance with Paragraph 1 of Article 56-1 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" shall not exceed 0.3% of the total number of issued shares, plus the total number of new restricted employee shares acquired by the Company, and shall not exceed 1% of the total number of issued shares in accordance with Paragraph 1 of Article 56-1 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers". However, if the central competent authority has provided approval as a special case, the total number of employee stock warrants and new restricted employee shares acquired by a single employee may be exempted from the aforementioned restrictions.

IV. Reason for the necessity of present issuance of new restricted employee shares

For the purpose of recruiting and retaining key personnel, and the purpose of integrating employee benefits and shareholders' interests with respect to the ESG results, the Company plans to issue new restricted employee shares.

V. Expensable amount, dilution of the Company's earnings per share and other impacts on shareholders' equity

(I) Expensable amount

According to the closing price of NT\$57.7 per share on February 24, 2026 (one business day before the mailing of the meeting notice by the Board of Directors), the estimated total expensable amount when all the vested conditions are met is NT\$17,310 thousand; according to the vested conditions, the estimated expensable amount for the period from 2026 to 2030 is NT\$8,636 thousand, NT\$4,597 thousand, NT\$2,577 thousand, NT\$1,039 thousand, and NT\$461 thousand, respectively.

(II) Dilution of the Company's earnings per share and other impacts on shareholders' equity

According to the Company's 40,749,145 outstanding ordinary shares on February 24, 2026 (one business day before the mailing of the meeting notice by the Board of Directors), the amount of possible decrease in earnings per share for the period from 2026 to 2030 is NT\$0.21, NT\$0.11, NT\$0.06, NT\$0.03 and NT\$0.01, respectively. The dilution of earnings per share of the Company is considered limited; therefore, there is no significant impact on the shareholders' equity.

WALRUS PUMP Co., Ltd.

Regulations for 2026 Issuance of New Restricted Employee Shares

I. Purpose of Issuance

To recruit and retain key talents of the Company, and to integrate the interests of employees and shareholders with the ESG results, the Company issues new restricted employee shares in accordance with Paragraph 9 of Article 267 of the Company Act and the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” (referred to as the “Regulations for Offering and Issuance of Securities”) published by the Financial Supervisory Commission (FSC), and has established the Regulations for 2026 Issuance of New Restricted Employee Shares (referred to as these “Regulations”) of the Company.

II. Issuance Period

The Company may issue the shares at once or at discrete times within two years from the date of receipt of the notice of effective registration from the competent authority, if necessary, and the actual date of issuance and related matters shall be determined by the Board of Directors or the Chairman authorized by the Board of Directors.

III. Qualifications of employees and the numbers of shares for allotment

(I) Qualification criteria of employees:

1. The new restricted employee shares are limited to full-time official employees of the Company prior to the date of allotment.
2. The qualification of employees who actually have the right to receive the shares allotted shall be determined based on the following conditions:
 - (1) Key personnel.
 - (2) Personnel with high relevance and influence on the Company's operation and future strategic development.
 - (3) The evaluation takes into account the seniority, rank, performance evaluation, overall contribution and special achievement, or other conditions that need to be considered in the management.

The distribution standards shall be approved by the Chairman and submitted to the Board of Directors for resolution. However, for an employee who is a director or managerial officer of the Company, the approval of the Remuneration and Nomination Committee shall be obtained in advance. For an employee who is not a director or managerial officer of the Company, the approval of the Audit Committee shall be obtained in advance.

(II) Number of shares allocated:

The cumulative number of shares exercisable through employee stock options granted to a single employee by the Company in accordance with Paragraph 1 of Article 56-1 of the “Regulations for Offering and Issuance of Securities” shall not exceed 0.3% of the total number of issued shares, plus the total number of new restricted employee shares acquired by the Company, and shall not exceed 1% of the total number of issued shares

in accordance with Paragraph 1 of Article 56-1 of the “Regulations for Offering and Issuance of Securities”. However, if the central competent authority has provided approval as a special case, the total number of employee stock warrants and new restricted employee shares acquired by a single employee may be exempted from the aforementioned restrictions.

IV. Total amount of issuance

300,000 new restricted employee shares are issued in accordance with these Regulations, with a par value of NT\$10 per share, for a total of NT\$3,000,000.

V. Issuance criteria

(I) Issue price: The present issuance is at no consideration, and the issue price is NT\$0 per share.

(II) Type of shares issued: New common shares of the Company.

(III) Vesting conditions:

1. The indicators set forth in these Regulations shall be complied with, and the employees shall still be employed on each vesting date after being allotted the new restricted employee shares, and shall meet the overall financial performance goals set by the Company, and the personal performance evaluation indicators (i.e. the performance evaluation ratings of at least “85 points/A+” in the most recent year of the vesting period), and shall not violate these Regulations in that year.

2. The vesting conditions are as follows:

(1) Key personnel:

- 20% vested share may be vested for each year after one year of service.
- 20% vested share may be vested for each year after two years of service.
- 20% vested share may be vested for each year after three years of service.
- 20% vested share may be vested for each year after four years of service.
- 20% vested share may be vested for each year after five years of service.

(2) Personnel with high relevance and influence on the Company's operation, future strategic development, or who meet the qualification criteria:

- 30% vested share may be vested for each year after one year of service.
- 30% vested share may be vested for each year after two years of service.
- 40% vested share may be vested for each year after three years of service.

3. After the employee has received the new restricted employee shares allotted by the Company, if there is any violation of the labor contract or work rules, or any violation of these Regulations, the Company shall have the right to recall the new restricted employee shares without consideration and cancel the same.

(IV) For employees failing to meet the vesting conditions or in case of inheritance, the handling method is as follows:

1. If an employee is not qualified for the vesting conditions set forth in Paragraph (III) of Article 5 of these Regulations, the Company will recall the shares without consideration and write off the same.

2. Voluntary resignation, discharge, lay-off, retirement, and absence without pay:

In the event that an employee resigns, is dismissed, is discharged, retired, or is unable to resume his/her duties due to any reason, the new restricted employee shares not vested in him/her shall be forfeited on the date of resignation, and the Company will recall the shares without consideration and write off the same.

3. Leave without pay:

For an employee applying for leave without pay is approved by the Company, the Company may recall the new restricted employee shares which have not yet been acquired and write off the same on the effective date of the new restricted employee shares which have not yet been acquired, except for those that have been approved by the Board of Directors. The Board of Directors is authorized to resolve the new restricted employee shares which have not yet been acquired.

4. Normal death:

(1) Any death other than the occupational hazard death described in Subparagraph 5 of Paragraph (IV) of Article 5 of these Regulations shall be regarded as normal death.

(2) The new restricted employee shares not yet acquired are deemed to have not qualified the vesting conditions on the date of death, and the Company will recall the shares without consideration and write off the same.

5. Disabled or deceased due to occupational accident:

(1) If an employee is unable to continue his/her duties due to physical disability caused by occupational accident, the new restricted employee shares not yet vested in him/her shall be deemed to have met the vesting conditions on the effective date of resignation of the employee.

(2) In case of death due to occupational accident, the new restricted employee shares not yet vested in the employee shall be deemed to have been vested in the employee on the date of death. After the heir has completed the necessary statutory procedures and provided relevant documents, the heir may apply for the shares or disposed equity for inheritance.

6. Job transfer:

(1) Employee requesting transfer to an affiliated enterprise: In case of any employee's request for transfer to an affiliated enterprise, the new restricted employee shares not meeting the vesting conditions shall be handled in the same way as employees applying for voluntary resignation.

(2) Transfer to an affiliated enterprise assigned by the Company: If the vesting conditions are not met, the new restricted employee shares shall still be subject to the vesting conditions of Paragraph III of Article 5 of these Regulations, and the employee shall continue to be serve in the affiliated enterprise assigned by the Company on the vesting date, and the Chairman of the Company shall review the performance evaluation of the employee assigned to the affiliated enterprise in order to determine whether the performance evaluation of the employee has qualified the vesting conditions.

7. If an employee declares in writing that he/she is willing to abandon the new restricted employee shares granted, the Company shall recall the shares without consideration and cancel the same.

VI. Restricted rights after allotment of new shares before qualifying the vesting conditions

- (I) After becoming eligible for the allotment of new shares but before meeting the vesting conditions, except in the case of inheritance, the employee shall not sell, pledge, transfer or give the new restricted employee shares to any others, or create mortgage thereof, or dispose of the same in any other manners.
- (II) After an employee is granted the new shares but before he/she qualifies for the vesting conditions, the rights for attending the shareholders' meeting, submitting proposals, making speeches, voting and election rights shall be the same as those of the common shares issued by the Company, and both are entrusted to a trust custodian institution for execution according to the contract.
- (III) Before the vesting conditions are qualified, other rights vested in the new restricted employee shares allotted to employees in accordance with these Regulations, including but not limited to the right to receive bonuses, dividends, legal reserve and capital reserve, and the right to subscribe for new shares issued by the Company, shall be the same as those related to common shares issued by the Company. Relevant operations shall be executed in accordance with the trust custody contract.
- (IV) From the share transfer registration suspension date and the cash dividend registration suspension date, cash capital increase share subscription registration suspension date, share transfer suspension date of shareholders' meeting specified in Paragraph 3 of Article 165 of the Company Act, or other statutory registration suspension date of occurrence of events of the Company to the rights distribution base date, for employees satisfying the vesting conditions during such period, the share restriction cancellation time and procedure shall be handled according to the trust custody contract or relevant laws and regulations.
- (V) During the vesting period, if the Company executes a capital reduction by cash or capital reduction to offset losses, etc. except for the reduction required by law, new restricted employee shares shall be canceled proportionally. If the capital reduction is done by cash return, the returned cash shall be kept in trust, and shall be paid to employees after vesting conditions are qualified; if the employee does not qualify the vesting conditions, the Company may recover the cash.

VII. Handling for mergers and acquisitions

The rights and obligations of the new restricted employee shares not yet vested in the employees are not affected, or may be changed by the merger or acquisition related contracts or plans.

VIII. Other agreements

- (I) After the issuance of new restricted employee shares, the shares shall be submitted for trust custody. Before the vesting conditions are met, employees may not ask the trustee to return the new restricted employee shares for any reason or via any means.
- (II) During the period when the new restricted employee shares are submitted for trust custody, the Company or designated person of the Company shall have the full authority to perform (including but not limited to) trust contract negotiation, signing, amendment, extension, cancellation, termination, and making instructions on trust

property delivery, use and disposal on behalf of the employees with the share trust agency and the Company.

IX. Contract signing and confidentiality

- (I) Employees who are allotted new restricted employee shares shall complete the “New Restricted Employee Share Receipt Agreement” requested by the handling unit of the Company and shall also complete relevant trust procedures before receiving the new restricted employee share. For any employee failing to complete the signing of relevant documents, he or she shall be deemed to have waived the right to receive the new restricted employee shares.
- (II) Any owner of the new restricted employee shares and the derivative equity under the Regulations shall comply with the Regulations and the “New Restricted Employee Share Receipt Agreement”. Otherwise, he/she shall be deemed failing to qualify the vesting conditions, in addition, they shall also comply with relevant confidentiality requirements, unless required by law or competent authorities, it is prohibited to inquire about the quantity and details of the new restricted employee shares granted, or share any information related to this case and personal rights and interests to others. In case of any violation, for the new restricted employee shares not yet qualifying the vesting conditions, the Company shall have the right to recover these shares without consideration and cancel the same.

X. Taxation

Relevant taxes of the new restricted employee shares granted to employees under these Regulations shall be handled in accordance with applicable tax law at that time.

XI. Other important matters

- (I) The Regulations shall become effective for implementation after being approved by more than two-thirds of the directors present at the Board of Directors’ meeting attended by more than one-half of all directors, and shall be reported to the shareholders’ meeting for resolution, followed by reporting to the to the competent authority. The same shall be applied to any amendment thereto before issuance of new restricted employee shares.
- (II) In case where there is a need for amendment due to amendments in laws and regulations or due to competent authority's review request, etc., the Chairman is authorized to amend these Regulations, the issuance of new restricted employee shares may only be made after reporting to the Board of Directors for ratification.
- (III) Any matters not covered by these Regulations shall be handled in accordance with relevant laws and regulations.

WALRUS PUMP Co., Ltd.

Candidate Roster of Directors (Including Independent Directors)

Type	Name	Gender	Educational background	Experience	Current position	Name of government or legal entity represented	Whether the candidate has acted as an independent director for three consecutive terms of office/reason	Number of shares held
Director	Ching-Feng Huang	Male	Department of Electrical Engineering, Southern Taiwan University of Science and Technology	Vice Chairman of Strategic Committee, Walrus Pump Industry Co., Ltd. Vice Chairman of Management Committee, Walrus Pump Industry Co., Ltd. Senior Vice President of Management Committee, Walrus Pump Industry Co., Ltd. Plant Director of Kaohsiung Plant, Walrus Pump Industry Co., Ltd.	Chairman and Chief Strategy Officer, Walrus Pump Industry Co., Ltd. Chairman, Jingxiong Investment Co., Ltd. Director, You Chang Investment Co., Ltd. Supervisor, Jing Zhi Investment Co., Ltd. Director, Suzhou Walrus Pump Co., Ltd.	Jing Zhi Investment Co., Ltd.	Not applicable	2,455,000 shares
Director	Ching-Yun Huang	Female	PhD in Business Administration, European University	General Manager of Management Committee, Walrus Pump Industry Co., Ltd. Acting President of Management Committee, Walrus Pump Industry Co., Ltd. Deputy Vice President of Management Committee, Walrus Pump Industry Co., Ltd. Director of the Production Department, Walrus Pump Industry Co., Ltd. Manager of Management Department, Walrus Pump Industry Co., Ltd. Fourth President of Taiwan Machine Tool & Accessory Builders' Association (TMBA) Elimi Alumni Association	Director and President, Walrus Pump Industry Co., Ltd. Chairman, You Chang Investment Co., Ltd. Chairman, Jingshun Investment Co., Ltd. Director, Jingxiong Investment Co., Ltd. Chairman, Walrus International Marketing Co., Ltd. Director, Hewo Technology Co., Ltd. Director, Changrun Investment Consulting Co., Ltd. Director, Suzhou Walrus Pump Co., Ltd. Director, Elegant Leader in Manufacturing Industry Association	You Chang Investment Co., Ltd.	Not applicable	9,680,000 shares
Director	Chien-Hua Shen	Male	Executive Master of Business Administration (EMBA), National Sun Yat-sen University	Plant Director of Sanzhi Plant, Walrus Pump Industry Co., Ltd. Special Assistant to Chairman, Walrus Pump Industry Co., Ltd. Assistant Manager, You Ji Machine Industrial Co., Ltd.	Director & Deputy President/Chief Technology Officer, Walrus Pump Industry Co., Ltd. Chairman, Wen Hua Investment Co., Ltd. Director, You Chang Investment Co., Ltd. Director, Jingxiong Investment Co., Ltd. Supervisor, Suzhou Walrus Pump Co., Ltd.	Wen Hua Investment Co., Ltd.	Not applicable	2,455,000 shares

Type	Name	Gender	Educational background	Experience	Current position	Name of government or legal entity represented	Whether the candidate has acted as an independent director for three consecutive terms of office/reason	Number of shares held
Director	Chin-Chen Huang	Male	Santa Monica College Computer Science	Manager of International Business Department, Walrus Pump Industry Co., Ltd.	Director and Deputy President, Walrus Pump Industry Co., Ltd. Chairman, Jing Yu Investment Co., Ltd. Director, You Chang Investment Co., Ltd. Director, Jingxiong Investment Co., Ltd. Chairman, Suzhou Walrus Pump Co., Ltd.	Jing Yu Investment Co., Ltd.	Not applicable	2,455,000 shares
Director	Tzung-Lin Kuo	Male	Master of Accounting, Soochow University	CFO, Pili International Multimedia Co., Ltd. Associate Director of Audit Department, PwC Taiwan	Director, Walrus Pump Industry Co., Ltd. Chairman, Hungsheng International Co., Ltd. Independent Director, Hua Jung Components Co., Ltd. Independent Director, Grand Green Energy Co., Ltd. Supervisor, Property Management Agency Company Supervisor, Shih Fang Cultural and Travel Co., Ltd. Supervisor, Hub Hotel Ximen Co., Ltd. Supervisor, Property Management Agency Company Supervisor, Hub Hotel Banqiao Co., Ltd. Supervisor, Shifang International Development Co., Ltd. Supervisor, Fame Boutique Hotel Co., Ltd. Supervisor, Royal Fine Hotel Co., Ltd. Supervisor, Hub Hotel Kaohsiung Co., Ltd. Supervisor, Hub Hotel Taichung Wenxin Co., Ltd. Supervisor, Amazing Integrated Marketing Co., Ltd. Supervisor, Hub Hotel Banqiao Inn Co., Ltd. Supervisor, Giorgio Hub Co., Ltd. Supervisor, Taiwan Youth Hostel & Capsule Hotel Supervisor, Hub Hotel Kaohsiung Co., Ltd. Supervisor, Hub Hotel Chiayi Alishan Co., Ltd. Supervisor, Hub Hotel Xintai Co., Ltd. Practicing Accountant, Hong Sheng Accounting	None	Not applicable	61,000 shares

Type	Name	Gender	Educational background	Experience	Current position	Name of government or legal entity represented	Whether the candidate has acted as an independent director for three consecutive terms of office/reason	Number of shares held
					Firm Chairman, Taiwan Investor Relations Institute			
Independent Director	Da-Bai Shen	Male	Ph.D. in Financial Economics, Tulane University, USA	Director, ESG Sustainability Development Research Center, Soochow University Valuation Standard Committee Member, Accounting Research and Development Foundation Secretary General, Taiwan Ratings Corporation Independent Director, KGI Life Insurance Co., Ltd. Independent Director, Pili International Multimedia Co., Ltd. Independent Director, Dimension Computer Technology Co., Ltd. Supervisor, Asia-Pacific Financial Consultant Co., Ltd. Supervisor, LianLian Technology Co., Ltd. Director, Wanchang Venture Capital Co., Ltd.	Independent Director, Walrus Pump Industry Co., Ltd. Professor of Accounting of Department of Accounting and Dean of Continuing Education Bachelor Program in Business, Soochow University Secretary General, Taiwan Ratings Corporation Independent Director, Dimension Computer Technology Co., Ltd. Supervisor, Asia-Pacific Financial Consultant Co., Ltd. Supervisor, LianLian Technology Co., Ltd. Director, Wanchang Venture Capital Co., Ltd.	None	None	0 shares
Independent Director	Cher-Min Fong	Male	Ph.D. in Strategic Management, University of Maryland, USA	Professor, National Sun Yat-sen University Associate Professor, Department of Business Management, National Sun Yat-sen University Dean of Asia-Pacific EMBA Program, College of Management, and EMBA Program Director, College of Management, National Sun Yat-sen University Project Leader of Branding Strategy Practice Program, Taiwan Excellence Brand Association (TEBA) Project Leader of Brand Management Strategy CEO Program, Taiwan Excellence Brand Association (TEBA) Convener of Program for Assisting Industries in Developing International Markets funded by the Bureau of Foreign Trade, Ministry of Economic Affairs Overseas Marketing Subsidy Program Review Committee Member, Taiwan External Trade	Independent Director, Walrus Pump Industry Co., Ltd. Adjunct Professor, National Sun Yat-sen University Project Leader of Branding Strategy Implementation, Taiwan Excellence Brand Association (TEBA) Project Leader of Brand Management Strategy CEO Program, Taiwan Excellence Brand Association (TEBA) Convener of Program for Assisting Industries in Developing International Markets funded by the Bureau of Foreign Trade, Ministry of Economic Affairs Overseas Marketing Subsidy Program Review Committee Member, Taiwan External Trade Development Council Member of Board of Examiners for Senior and Junior Civil Service Examinations, Ministry of	None	None	0 shares

Type	Name	Gender	Educational background	Experience	Current position	Name of government or legal entity represented	Whether the candidate has acted as an independent director for three consecutive terms of office/reason	Number of shares held
				<p>Development Council</p> <p>Member of Board of Examiners for Senior and Junior Civil Service Examinations, Ministry of Examination, Examination Yuan</p> <p>Project Leader of Special Research Project, Ministry of Science and Technology, Executive Yuan</p> <p>Project Leader of Little Giant Award Selection Program, Small and Medium Enterprise Administration, Ministry of Economic Affairs</p> <p>Juridical Person Project Review Committee Member and Industry Project Review Committee Member, Ministry of Economic Affairs</p> <p>Convener of Innovation Research Award, Review Committee Member for Technology-intensive Cluster Counseling Programs, Review Committee Member for SME Marketing Value Enhancement Programs, Selection Committee Member for SME Mutual Cooperation Counseling Programs, Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs</p> <p>Curriculum Accreditation Review Committee Member, Adult Education Research Center, Department of Social Education, Ministry of Education</p> <p>Management Strategy Consultant, Metal Industries Research & Development Centre</p> <p>Advisory Consultant, Service Industry Internationalization Knowledge Integration and Establishment Project, Commerce Development Research Institute</p> <p>Senior Researcher, Director of R&D Department, China Productivity Center</p>	<p>Examination, Examination Yuan</p> <p>Project Leader of Special Research Project, Ministry of Science and Technology, Executive Yuan</p> <p>Project Leader of Little Giant Award Selection Program, Small and Medium Enterprise Administration, Ministry of Economic Affairs</p> <p>Independent Director, Yen Sun Technology Corp.</p> <p>Independent Director, New Advanced Electronics Technologies Co., Ltd.</p> <p>Independent Director, Jong Shyn Shipbuilding Group</p>			
Independent Director	Ming-Hung Hsieh	Male	Ph.D. in Business Administration,	Associate Professor of Department of Accounting, China University of Technology	Independent Director, Walrus Pump Industry Co., Ltd.	None	None	0 shares

Type	Name	Gender	Educational background	Experience	Current position	Name of government or legal entity represented	Whether the candidate has acted as an independent director for three consecutive terms of office/reason	Number of shares held
			National Taipei University	Accounting System Analyst, Accenture Co., Ltd.	Professor and Director of Ph.D. Program, College of Management, Shih Chien University Associate Dean of College of Management, Shih Chien University			
Independent Director	Hsin Sun	Female	Master of Laws in Financial Law, Boston University, USA	Senior Consultant of Tax and Investment Department, KPMG Taiwan Executive Consultant and Head of Financial Compliance Services, KPMG Law Firm Assistant Manager of Legal Division, China Development Financial Holding Corporation and China Development Industrial Bank Jones Day Baker McKenzie Taipei Morris, Manning & Martin, LLP, Atlanta, USA Central Legal Department, Hon Hai Precision Industry Co., Ltd. Republic of China (Taiwan) Attorney-at-law New York State Attorney-at-law	Independent Director, Walrus Pump Industry Co., Ltd. Partner and Attorney, Innovatus Law Firm Independent Director, Foxtron Vehicle Technologies Co., Ltd.	None	None	0 shares

WALRUS PUMP Co., Ltd.

Details for Removal of Non-compete Restriction of Directors
(Including Independent Directors)

Name	Title	Positions concurrently held in other companies
Jing Zhi Investment Co., Ltd. Representative: Ching-Feng Huang	Director	Chairman, Jingxiong Investment Co., Ltd. Director, You Chang Investment Co., Ltd. Supervisor, Jing Zhi Investment Co., Ltd. Director, Suzhou Walrus Pump Co., Ltd.
You Chang Investment Co., Ltd. Representative: Ching-Yun Huang		
Wen Hua Investment Co., Ltd. Representative: Chien-Hua Shen	Director	Chairman, You Chang Investment Co., Ltd. Chairman, Jingshun Investment Co., Ltd. Director, Jingxiong Investment Co., Ltd. Chairman, Walrus International Marketing Co., Ltd. Director, Hewo Technology Co., Ltd. Director, Changrun Investment Consulting Co., Ltd. Director, Suzhou Walrus Pump Co., Ltd. Director, Elegant Leader in Manufacturing Industry Association
Jing Yu Investment Co., Ltd. Representative: Chin-Chen Huang		
Jing Yu Investment Co., Ltd. Representative: Chin-Chen Huang	Director	Chairman, Wen Hua Investment Co., Ltd. Director, You Chang Investment Co., Ltd. Director, Jingxiong Investment Co., Ltd. Supervisor, Suzhou Walrus Pump Co., Ltd.
Jing Yu Investment Co., Ltd. Representative: Chin-Chen Huang		
Tzung-Lin Kuo	Director	Chairman, Hong Sheng International Co., Ltd. Independent Director, Hua Jung Components Co., Ltd. Independent Director, Grand Green Energy Co., Ltd. Supervisor, Property Management Agency Company Supervisor, Shih Fang Cultural and Travel Co., Ltd. Supervisor, Hub Hotel Ximen Co., Ltd. Supervisor, Property Management Agency Company Supervisor, Hub Hotel Banqiao Co., Ltd. Supervisor, Shifang International Development Co., Ltd. Supervisor, Fame Boutique Hotel Co., Ltd. Supervisor, Royal Fine Hotel Co., Ltd. Supervisor, Hub Hotel Kaohsiung Co., Ltd. Supervisor, Hub Hotel Taichung Wenxin Co., Ltd. Supervisor, Amazing Integrated Marketing Co., Ltd. Supervisor, Hub Hotel Banqiao Inn Co., Ltd. Supervisor, Giorgio Hub Co., Ltd. Supervisor, Taiwan Youth Hostel & Capsule Hotel Supervisor, Hub Hotel Kaohsiung Co., Ltd.

Name	Title	Positions concurrently held in other companies
		Supervisor, Hub Hotel Chiayi Alishan Co., Ltd. Supervisor, Hub Hotel Xintai Co., Ltd. Practicing Accountant, Hong Sheng Accounting Firm Chairman, Taiwan Investor Relations Institute
Da-Bai Shen	Independent Director	Professor of Accounting of Department of Accounting and Dean of Continuing Education Bachelor Program in Business, Soochow University Secretary General, Taiwan Ratings Corporation Independent Director, Dimension Computer Technology Co., Ltd. Supervisor, Asia-Pacific Financial Consultant Co., Ltd. Supervisor, LianLian Technology Co., Ltd. Director, Wanchang Venture Capital Co., Ltd.
Cher-Min Fong	Independent Director	Adjunct Professor, National Sun Yat-sen University Project Leader of Branding Strategy Implementation, Taiwan Excellence Brand Association (TEBA) Project Leader of Brand Management Strategy CEO Program, Taiwan Excellence Brand Association (TEBA) Convener of Program for Assisting Industries in Developing International Markets funded by the Bureau of Foreign Trade, Ministry of Economic Affairs Overseas Marketing Subsidy Program Review Committee Member, Taiwan External Trade Development Council Member of Board of Examiners for Senior and Junior Civil Service Examinations, Ministry of Examination, Examination Yuan Project Leader of Special Research Project, Ministry of Science and Technology, Executive Yuan Project Leader of Little Giant Award Selection Program, Small and Medium Enterprise Administration, Ministry of Economic Affairs Independent Director, Yen Sun Technology Corp. Independent Director, New Advanced Electronics Technologies Co., Ltd. Independent Director, Jong Shyn Shipbuilding Group
Ming-Hung Hsieh	Independent Director	Professor and Director of Ph.D. Program, College of Management, Shih Chien University Associate Dean of College of Management, Shih Chien University
Hsin Sun	Independent Director	Partner and Attorney, Innovatus Law Firm Independent Director, Foxtron Vehicle Technologies Co., Ltd.

WALRUS PUMP Co., Ltd.
**Procedures for Acquisition or Disposal of Assets (Before
Amendment)**

Chapter 1 General Rules

Article 1 Legal Basis

These Procedures are established in accordance with Article 36-1 of the “Securities and Exchange Act” and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies (hereinafter referred to as the “Regulations”). Any matters not covered by these Procedures shall be handled in accordance with relevant laws and regulations.

Article 2 Scope

The applicable scope of the assets referred to in these Procedures is as follows:

- I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call/put warrants, beneficial interest securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, investment property) and equipment.
- III. Memberships.
- IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other major assets.

The Company's subsidiaries shall comply with these Procedures during acquisition or disposal of assets. However, this is not applicable when a subsidiary has established its Procedures for Acquisition and Disposal of Assets according to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.

Article 3 Definition of Terms

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other

variables or other interest instruments, etc.; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, the Financial Holding Company Act, the Financial Institution Merger Act and other laws, or shares transferred from another company through issuance of the Bank’s new shares as the consideration therefor (referred to as “transfer of shares”) under Article 156-3 of the Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Board of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- VIII. Over-the-counter venue (“OTC venue”, “OTC”): “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial

institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4

Related regulations governing the provision of appraisal reports and opinions

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

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

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-disciplinary rules of its own industrial association and the following:

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

Article 5 Evidentiary documentation issued the court substituted for the appraisal report or CPA opinion

Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may replace an appraisal report or CPA opinion.

Article 6 Limit of the investment in non-operating real estate and securities by the Company and its subsidiaries

The total amount of real estate and right-of-use assets thereof, total amount of securities, and limits on individual securities acquired by the Company and its subsidiaries for non-business use are as follows:

- I. The total amount of real estate and right-of-use assets thereof not for business use acquired by the Company and its subsidiaries shall not exceed 40% of the net worth of the company acquiring the asset indicated in the most recent financial statements.
- II. The total amount of securities invested by the Company and its subsidiaries shall not exceed 40% of the net worth of the company acquiring the asset indicated in the most recent financial statements.
- III. The amount of securities invested by the Company and its subsidiaries individually shall not exceed 20% of the net worth of the company acquiring the asset indicated in the most recent financial statements.

Chapter 2 Acquisition or Disposal of Real Property, Equipment or Right-of-use Assets

Article 7 Procedures for acquisition or disposal of real property, equipment or right-of-use assets thereof

I. Evaluation procedure

(I) Price determination method

The procurement-related unit is responsible for the price inquiry, price comparison and negotiation, and then shall prepare an analysis report and submits it to the relevant responsible supervisors for approval.

(II) Reference basis

The reference shall be made to the announced present value, the assessed present value, the actual transaction price of the neighboring property, and the appraisal report issued in accordance with Paragraph 3 of this article.

II. Operating procedures

(I) Authorization level

Procedure shall be handled according to the internal approval authority.

(II) Executing unit

The executing unit of the Company for property, equipment or right-of-use assets refers to the user and related responsible units.

(III) Transaction process

1. For the acquisition of assets, the executing unit shall conduct feasibility assessment, in order to proceed with the implementation and control according to the content of the plan.
2. For the disposal of assets, the user shall fill out the application form or submit as a project for approval. The reasons for the disposal and the method of disposal shall be explained, and disposal of assets shall be executed only after approval is obtained.

III. Appraisal report

In acquiring or disposing of real property, equipment or right-of-use assets thereof, where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions.

- (I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- (II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant ("CPA") shall render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.

2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
- (IV) No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.
- (V) The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 2 of Article 24.

Chapter 3 Acquisition or Disposal of Securities

Article 8 Procedures for acquisition or disposal of securities

I. Evaluation procedure

(I) Price determination method

1. For the acquisition or disposal of securities traded at the centralized securities exchange market or OTC, it shall be determined based on the equity or bond price at that time.
2. For the acquisition or disposal of securities not traded at the securities exchange or over-the-counter market, the net value per share, profitability, future development potential, market interest rate, bond interest rate and debtor's credit shall be considered, and decisions shall be made with the consideration of the opinions of the securities experts and the transaction price at that time.

(II) Reference basis

For the acquisition or disposal of securities of the Company, it is necessary to obtain the financial statements of the most recent period of the subject company certified or audited by CPA before the transaction occurrence date as the reference for evaluating the transaction price, and the experts' opinions described in Paragraph 3 of this article shall be considered.

II. Operating procedures

(I) Authorization level

Procedure shall be handled according to the internal approval authority.

(II) Executing unit

The financial unit is responsible for the execution.

(III) Transaction process

An assessment team is established by the executing unit in order to proceed further after feasibility assessment is completed.

(IV) The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 2 of Article 24.

III. Expert opinions

Where the Company acquires or disposes of securities and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.

Chapter 4 Acquisition or Disposal of Memberships, Intangible Assets, or Right-of-use Assets

Article 9 Procedures for acquisition or disposal of memberships, intangible assets or right-of-use assets

I. Evaluation procedure

(I) Price determination method

After the executing unit has prepared an analysis report, it shall be submitted to the responsible supervisor for approval.

(II) Reference basis

1. The memberships shall be based on the market price.
2. For the intangible assets, expert opinions described in Paragraph 3 of this article shall be considered.

II. Operating procedures

(I) Authorization level

Procedure shall be handled according to the internal approval authority.

(II) Executing unit.

The user and the related responsible unit are responsible for the implementation.

(III) Transaction process

An assessment team is established by the executing unit in order to proceed further after feasibility assessment is completed.

(IV) The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 2 of Article 24.

III. Expert opinions

When the transaction amount of acquisition or disposal of memberships, intangible assets or right-of-use assets thereof reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

Chapter 5 Related Party Transactions

Article 10 Procedures for transactions with related parties

- I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised according to the provisions of Article 7 to this article of these Procedures, if the transaction amount reaches 10% or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion according to regulations. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 3 of this article. In addition, to judge whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
- II. When the Company intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following documents have been submitted to the Board of Directors with approved and approved by the supervisors (when audit committee is established after the public offering of the Company, the approval of the audit committee shall be obtained, followed by approval of the Board of Directors):
 - (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 - (II) The reason for choosing the related party as a transaction counterparty.

- (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 11 and Article 12.
 - (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
 - (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
 - (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
 - (VII) Restrictive covenants and other important stipulations associated with the transaction.
- III. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 2 of Article 24, and the term “within the preceding year” described refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted and approved by the supervisors according to these Procedures, or to the audit committee when the supervisors are substituted by the audit committee established after public offering of the Company, and the Board of Directors, need not be counted toward the transaction amount.
- IV. With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries or between subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or authorized capital, the Board of Directors may authorize the Chairman, according to Subparagraph 1 of Paragraph 2 of Article 7, to decide such matters when the transaction is within the following amount and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting:
- (I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
 - (II) Acquisition or disposal of real property right-of-use assets held for business use.

Where the position of independent director has been established by the Company according to the Regulations, when a matter is submitted for

discussion by the Board of Directors pursuant to Paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors' meeting.

If an audit committee has been established in accordance with the provisions of these Regulations, the matters to be approved by the supervisors as stated in Paragraph 1 shall be approved by more than half of the members of the audit committee and submitted to the Board of Directors for resolution. The provisions of Paragraph 4 and Paragraph 5 of Article 6 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" shall apply *mutatis mutandis*.

If a public company or a subsidiary thereof that is not a domestic public company will have a transaction set out in Paragraph 1 and the transaction amount will reach 10% or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of Paragraph 1 to the shareholders' meeting for approval before the transaction contract may be entered into and any payment made. However, such restriction shall not be applicable to transactions between the public company and the parent or subsidiaries, or between subsidiaries.

Article 11 Reasonableness assessment of transaction cost of acquisition or disposal of real estate or right-of-use assets thereof from related parties

- I. The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
 - (I) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - (II) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided that the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one year or more. However, this

shall not apply where the financial institution is a related party of one of the transaction counterparties.

- II. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- III. The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the Paragraph 1 and Paragraph 2 of this article shall also engage a CPA to check the appraisal and render a specific opinion.
- IV. Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 10, and the preceding three paragraphs do not apply:
 - (I) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - (II) More than five years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - (III) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 - (IV) The real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.

Article 12 If the appraisal price of the real estate or its right-of-use assets acquired from a related party is lower than the transaction price, evidence indicating the reasonableness of the transaction price shall be provided.

- I. If the appraisal result of the Company in accordance with Paragraph 1 and Paragraph 2 of the preceding article is lower than the transaction price, it shall be handled according to Article 13. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

- (I) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - 1. Where undeveloped land is appraised in accordance with the means in the preceding article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - 2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
- (II) Where the Company acquiring real property or obtaining real property right-of-use assets through leasing from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding 1 year.

II. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Article 13 Handling of acquisition of real estate or its right-of-use assets from a related party at a price lower than the appraised price

I. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance

with Article 11 and Article 12 are uniformly lower than the transaction price, the following steps shall be taken:

- (I) The Company shall set aside a special reserve in accordance with Paragraph 1 of Article 41 of the Act against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Paragraph 1 of Article 41 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
 - (II) The audit committee shall comply with Article 218 of the Company Act and related procedures.
 - (III) Actions taken pursuant to Subparagraph 1 and Subparagraph 2 of this paragraph shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
- II. The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss from decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
 - III. When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition is not an arm's length transaction.

Chapter 6 Operating Procedures for Derivatives Transactions

Article 14 Transaction principles and guidelines for derivatives

- I. Transaction type
The types and scope of derivatives that the Company may engage in are defined in accordance with the items of Paragraph 1 of Article 3.
- II. Management (hedging) strategy
The Company's derivative trading shall be for hedging trades in principle, and its trading instruments shall be selected to avoid risks arising from the

Company's business operations. The currency held shall be consistent with the Company's actual foreign currency required for import and export trading, and the overall internal position of the Company (refers to foreign currency income and expenses) shall be self-netted to reduce the overall foreign exchange risks and to save foreign exchange operating costs.

III. Delegation of responsibilities:

The trading personnel are responsible for placing orders with the counterparties; the confirmation personnel are responsible for confirmation of the order placement of the traders; the settlement personnel are responsible for handling settlement matters due.

The financing unit shall be responsible for the transaction and settlement of derivatives. The accounting unit shall be responsible for the confirmation of derivatives transactions. The aforementioned functions shall ensure that the transaction, confirmation and settlement procedures are not executed by the same person. If there is any conflict of function, the President will appoint appropriate personnel to handle such conflict.

IV. Limit of total trading contract amounts

The total amount of derivative contracts shall not exceed 10% of the total assets of the Company, and the amount of each trade shall not exceed 5% of the total paid-in capital of the Company.

V. Loss Upper Limit

The upper limit of the total and individual contract loss is specified in the following:

(I) Hedging trades:

Trades shall be conducted by trading personnel within the authorized limit. The individual trading contract loss is limited to 20% of the trading contract amount.

(II) Trades of specific purposes:

Trades shall be conducted by trading personnel within the authorized limit. The individual trading contract loss is limited to 20% of the trading contract amount.

VI. Performance evaluation guideline

(I) Gain/loss targets shall be specified according to the derivatives positions, which shall be reviewed periodically.

(II) The evaluation of performance shall be made to compare the evaluation criteria that are set in advance on the evaluation date, in order to use it as the reference for future decision-making.

VII. Authorization limit and level:

Procedure shall be handled according to the internal approval authority.

Article 15

Risk management measures required for derivative trading

When the Company engages in derivatives trading, the Company shall adopt the following risk management measures:

- I. The scope of risk management shall include credit, market price, liquidity, cash flow, operations, and legal risks.
- II. Personnel engaging in derivatives trading shall not concurrently act as the operators for the confirmation and delivery of transactions.
- III. Risk measurement, supervision and control personnel shall be from departments different from the personnel described in the preceding paragraph, and shall report to the Board of Directors or senior supervisor responsible for the position decision making.
- IV. The positions held for the derivatives trading and hedge trading performed due to business needs shall be assessed at least twice monthly, and the assessment report shall be submitted to the President.
- V. Other important risk management measures.

Article 16

Supervision management principles for Board of Directors for derivative trading engaged by the Company

When the Company engages in derivatives trading, the Board of Directors shall execute the supervision management according to the following principles:

- I. Designated senior supervisor shall be aware of the supervision and control of derivatives trading risk.
- II. Periodically assess whether the performance of the derivatives trading complies with the predefined management strategies and whether the risk borne is within the acceptable range of the Company.

Senior management personnel authorized by the Board of Directors shall manage the derivatives transactions according to the following principles:

- I. Periodically assess whether the risk management measures currently adopted are appropriate and properly handle matters according to the procedures for handling derivatives trading stipulated by the Company.
- II. Supervise transactions and profit or loss condition. In case of discovery of any abnormality, necessary responsive measures shall be adopted, and shall report to the Board of Directors immediately. The Board of Directors' meeting shall be attended by the independent directors and opinions shall be provided.

When the Company engages in derivative transaction, where relevant personnel are authorized according to these Procedures, it is necessary to report to the most recent Board of Directors' meeting after such transaction.

Article 17 Establishment of record book for derivative trading

The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under Subparagraph 4 of Article 15, Subparagraph 2 of Paragraph 1 and Subparagraph 1 of Paragraph 2 of Article 16, shall be recorded in detail in the log book.

The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the audit committee shall be notified in writing.

Chapter 7 Operating Procedures for Merger, Demerger, Acquisition or Transfer of Shares

Article 18 Procedures for merger, demerger, acquisition or transfer of shares

I. Assessment of merger, demerger, acquisition or transfer of shares

(I) Price determination method

To conduct merger, demerger, acquisition or transfer of shares, the Company is recommended to appoint attorney, CPA and securities underwriter to jointly establish the statutory procedure and predefined schedule, and organize project team to execute according to the statutory procedure. In addition, prior to convening a Board of Directors' meeting to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to provide opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for discussion and approval.

However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of the public company's merger of a subsidiary in which it directly or indirectly holds 100% of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100% of the respective subsidiaries' issued shares or authorized capital.

(II) Reference basis

Expert opinions described in the preceding paragraph.

II. Procedures for merger, demerger, acquisition or transfer of shares

(I) Authorization level

1. The Company shall submit the aforementioned report to the Board of Directors for discussion and approval according to the provision of the preceding paragraph.
2. When the Company participates in a merger, demerger, acquisition, or transfer of shares, it shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to in the preceding paragraph when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger, or acquisition; where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.
3. When the Company participates in a merger, demerger, acquisition, or transfer of shares, if the shareholders' meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.

(II) Executing unit

Relevant units of the Company shall execute the same in accordance with the statutory procedures.

(III) Procedures for Convening Shareholders' Meetings and Board of Directors' Meetings

1. When the Company participates in a merger, demerger or acquisition, it shall convene a Board of Directors' meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
2. When the Company participates in a transfer of shares, it shall call a Board of Directors' meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

3. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for five years for reference:
 - (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors' meeting.
 - (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors' meetings.
 - (4) When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within two days counting inclusively from the date of passage of a resolution by the Board of Directors, report, via the prescribed format and via the Internet-based information system, the information set out in Subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.
 - (5) Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of this article.

Article 19 Written non-disclosure agreement

All personnel of the Company participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written agreement of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the

name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 20 The percentage of share exchange or acquisition price shall not be changed arbitrarily

Unless the law specifies otherwise, the Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

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

Article 21 Content required to be specified in contracts for merger, division, acquisition or transfer of shares

The contract for participation by the Company in a merger, demerger, acquisition, or transfer of shares shall record the rights and obligations of the Company, and shall also record the following:

- I. Handling of breach of contract.
- II. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
- III. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
- IV. The manner of handling changes in the number of participating entities or companies.

V. Preliminary progress schedule for plan execution, and anticipated completion date.

VI. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 22 Merger, division, acquisition or share transfer with other companies after public disclosure of information on merger, division, acquisition or share transfer

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

Article 23 Merger, demerger, acquisition or transfer of shares participated by non-public company

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Subparagraph 3 of Paragraph 2 of Article 18, Article 19 and Article 22.

Chapter 8 Public Disclosure of Information

Article 24 Procedures for public announcement and report

I. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within two days counting inclusively from the date of occurrence of the event:

(I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more; this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or

redemption of money market funds issued by domestic securities investment trust enterprises.

- (II) Merger, demerger, acquisition, or transfer of shares.
- (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- (IV) Where the type of asset referring to equipment or right-of-use assets thereof for business use is acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - 1. For a public company with paid-in capital less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - 2. For a public company with paid-in capital reaching NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- (V) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
- (VI) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- (VII) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the Mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:

1. Trading of domestic government bonds or foreign government bonds of credit rating not inferior to the authority rating of or nation.
 2. Where done by professional investors-securities trading on securities exchanges or over-the-counter markets, or subscription of foreign government bonds or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of index investment securities, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. The amount of transactions described in the preceding paragraph shall be calculated as follows:
- (I) The amount of any individual transaction.
 - (II) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
 - (III) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
 - (IV) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
- III. The “within the preceding year” described in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. The portion duly announced according to these Procedures need not be counted toward the transaction amount.
- IV. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding three paragraphs, a public report of relevant information shall be made on the information reporting website

designated by the FSC within two days from the date of occurrence of the event:

- (I) Change, termination, or rescission of a contract signed in regard to the original transaction.
- (II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
- (III) Change to the originally publicly announced and reported information.

V. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

Article 25 Announcement and reporting of subsidiaries

- I. Where a subsidiary of the Company is not a domestic public company, when its acquisition or disposal of assets reaches the announcement and report standards under these Procedures or Chapter 3 of these Regulations, the Company shall handle the public announcement and report on the behalf of such subsidiary.
- II. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary described in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Paragraph 1 of Article 24 of these Procedures.

Article 26 Correction of public disclosure of information

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

Article 27 Preservation of documents

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for five years except where another act provides otherwise.

Chapter 9 Control Procedures for the Acquisition or Disposal of Assets by Subsidiaries

Article 28 Control procedures for the acquisition or disposal of assets by subsidiaries

- I. The Company's control procedures for the acquisition or disposal of assets by subsidiaries are based on the “Procedures for Supervision and Management of Subsidiaries” of the Company.
- II. The Company shall request its subsidiaries to establish and implement the “Procedure for the Acquisition or Disposal of Assets” in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.

Chapter 10 Penalties

Article 29 Penalties

In case where a managerial officer or main case handler of the Company violates the Regulations or these Procedures, punishment shall be imposed in accordance with relevant personnel management regulations and performance evaluation of the Company depending upon the severity of the violation.

Chapter 11 Supplementary Provisions

Article 30 Requirements for total assets and paid-in capital

- I. For requirements related to the calculation of 10% of total assets described in these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” shall be used.
- II. In the case of a company whose shares have no par value or a par value other than NT\$10, then regarding the calculation of transaction amounts of 20% of paid-in capital specified in these Procedures, 10% of equity attributable to owners of the parent shall be substituted; regarding the for calculations of transaction amounts relative to paid-in capital reaching NT\$10 billion specified in these Procedures, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

Article 31 Implementation, revision and amendment records

- I. These Procedures, and any amendments hereto, shall be approved by the Board of Directors, and shall be reported to a shareholders’ meeting for approval before implementation. The same shall be applied to amendments to these Procedures.

II. Amendment History

Version	Content	Amendment	Effective Date
1.0	Original Version.	Audit Office	2022/06/06 (Shareholders' Meeting)
2.0	Version 2.0	Audit Office	2025/05/27 (Shareholders' Meeting)

WALRUS PUMP Co., Ltd.

Sustainable Development Best Practice Principles (Before Amendment)

(Chapter 1 General Rules)

- Article 1 To fulfill its corporate social responsibility and promote economic, environmental, and social progress towards sustainable development, the Company has established these Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and relevant laws and regulations to ensure compliance.
- Article 2 The Principles apply to all operating activities of the Company and its group enterprises.
- The Company actively fulfills the sustainable development in the course of the business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as a responsible corporate citizen, and to enhance competitive edges built on sustainable development.
- Article 3 In promoting sustainable development initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.
- The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.
- Article 4 To implement sustainable development initiatives, the Company is advised to follow the principles below:
- I. Implement corporate governance.
 - II. Foster a sustainable environment.
 - III. Preserve public welfare.
 - IV. Enhance disclosure of sustainable development information.
- Article 5 The Company shall take the correlation between the development of domestic and international sustainability issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders into consideration, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for

sustainable development programs, and shall be reported to the Board of Directors, followed by reporting to the shareholders' meeting.

When a shareholder proposes a motion involving sustainable development, the company's Board of Directors is advised to review and consider including it in the shareholders' meeting agenda.

(Chapter 2 Implement Corporate Governance)

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

Article 7 The directors of the Company shall exercise the due care of good administrators to urge the company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.

The Board of Directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the Company's furtherance of its sustainable development initiatives:

- I. Identifying the Company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines.
- II. Making sustainable development the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives.
- III. Ensuring the timeliness and accuracy of the disclosure of sustainable development information.

The Board of Directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the Board of Directors. The handling procedures and the responsible person for each relevant issue shall be specific and clear.

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

Article 9 For the purpose of managing sustainable development initiatives, the Company is advised to establish a governance structure for promoting sustainable development,

and to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the Board of Directors on a periodic basis.

The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.

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

(Chapter 3 Foster a Sustainable Environment)

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

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

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

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

Article 14 The Company is advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and shall hold environment

education courses for the managerial officers and other employees on a periodic basis.

- Article 15 The Company is advised to take the effect of business operations on ecological efficiency into account, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from the business operations:
- I. Reduce resource and energy consumption of the products and services.
 - II. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
 - III. Improve recyclability and reusability of raw materials or products.
 - IV. Maximize the sustainability of renewable resources.
 - V. Enhance the durability of products.
 - VI. Improve efficiency of products and services.

- Article 16 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.
- The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use the best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

- Article 17 The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures.

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

- I. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
- II. Indirect greenhouse gas emissions: emissions resulting from the input of electricity, use of energy of heating, or steam.
- III. Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy, but are from other sources of emissions owned or controlled by the Company.

The Company is advised to statistically analyze the greenhouse gas emission, water usage and waste total weight and establish policies for energy saving, carbon reduction, greenhouse emission reduction, reduction of water usage or other waste management and include the carbon right acquisition in the carbon reduction strategy planning of the Company, and shall be implemented properly,

in order to reduce the impact of the Company's operating activities on the climate change.

(Chapter 4 Preserve Public Welfare)

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

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

- I. Presenting a corporate policy or statement on human rights.
- II. Assessing the impact of the Company's business operations and internal management on human rights, and adopting corresponding handling processes.
- III. Reviewing the effectiveness of the corporate policy or statement on human rights periodically.
- IV. In the event of any infringement of human rights, the Company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

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

The Company shall provide an effective and appropriate complaint filing mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the complaint filing process. The complaint filing channel shall be clear, convenient, and unobstructed, and appropriate responses to complaints filed by employees shall be provided.

Article 19 The Company shall provide information to employees such that the employees have knowledge of the labor laws and the rights they are entitled to in the countries where the business operation is located.

Article 20 The Company is advised to provide safe and healthful work environments for employees, including necessary health and first-aid facilities and shall endeavor to reduce hazardous factors to employees' safety and health, in order to prevent occupational accidents.

The Company is advised to organize safety and health education and training for employees periodically.

Article 21 The Company is advised to establish a proper environment for the career development of employees, and shall establish effective career competency development training programs.

The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.) and shall appropriately reflect the business performance or achievements in the employee remuneration, in order to ensure the recruitment, retention, and motivation of human resources, and to achieve the objective of sustainable operations.

Article 22 The Company shall establish a channel to facilitate regular communication with employees in order to allow employees to obtain relevant information on the business management activities and decisions of the Company and to have the right for obtaining information and expressing opinions.

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

The Company shall adopt reasonable method to inform employees of operation changes that may cause material impacts.

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

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

Article 24 The Company shall ensure the quality of its products and services in accordance with the laws and regulations of the government and relevant industrial standards.

The Company shall comply with relevant laws, regulations and international guidelines with respect to the customer health and safety and customer privacy, and marketing and labeling of, the products and services, and shall not deceive, mislead, commit fraud or engage in any other acts that may betray consumers' trust or damage consumers' rights or interests.

Article 25 The Company is advised to assess and manage all types of risks that may cause operational interruptions, in order to reduce impact on consumers and society.

The Company is advised to provide a clear and effective procedure for accepting consumer complaints in order to fairly and timely handle consumer complaints. In addition, the Company shall comply with the Personal Data Protection Act and other relevant laws and regulations, in order to properly respect consumer privacy and to protect the personal data provided by consumers.

Article 26 The Company is advised to assess the impact of procurement on the society and the environment of the community of the supply source, and shall cooperate with suppliers to jointly implement the corporate social responsibility properly.

The Company is advised to establish supplier management policies and to request suppliers to comply with relevant regulations of environmental protection, occupational safety and health or labor rights. In addition, prior to engaging in business dealings, the Company is also advised to assess whether suppliers have any record of impact on the environment and society, and it is necessary to avoid engaging in business dealings with suppliers violating the corporate social responsibility policy.

When the Company is executing a contract with its main suppliers, the content of the contract shall include terms stipulating mutual compliance with corporate social responsibility policy, and the contract shall also specify clauses stating that the contract may be canceled at any time in case where the supplier has violated such policy and has caused significant adverse impact on the environment and society of the community of the supply source.

Article 27 The Company shall assess the impact of its business operation on the community, and shall adequately employ personnel from the location of the business operation of the Company, in order to enhance community acceptance.

The Company is advised to, through equity investment, commercial activities, endowments, volunteer service, or other charitable professional services, dedicate resources to organizations that commercially resolve social or environmental issues, or participate in events held by citizen organizations, charities and government agencies relating to community development and community education, in order to promote community development.

Article 27-1 The Company is advised to adopt the methods of donation, sponsorship, investment, purchase, strategic collaboration, corporate voluntary technical service or other supporting model, to invest resources in cultural and arts activities or cultural and creative industry continuously, thereby promoting cultural development.

(Chapter 5 Enhance Disclosure of Sustainable Development Information)

Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX listed Companies, and shall fully disclose relevant and reliable information relating to the sustainable development, in order to improve information transparency. Relevant information relating to sustainable development disclosed by the Company shall be as follows:

- I. Policies, systems or relevant management guidelines, and specific promotion plans for sustainable development initiatives, as resolved by the Board of Directors.
- II. Risks and impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
- III. Goals and measures established by the Company for promoting sustainable development, and implementation performance thereof.
- IV. Major stakeholders and their concerns.
- V. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
- VI. Other information relating to sustainable development.

Article 29 The Company shall adopt internationally widely recognized standards or guidelines to prepare the sustainability report, in order to disclose the status of implementation of sustainable development. In addition, it is also advisable to obtain a third-party assurance or guarantee on the report, in order to enhance the reliability of the information in the report. The content of the report is advised to include:

- I. Policies, systems, or relevant management guidelines and specific promotion plans for implementing sustainable development.
- II. Major stakeholders and their concerns.
- III. Implementation performance and review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development of the Company.
- IV. Future improvements and goals.

(Chapter 6 Supplementary Provisions)

Article 30 The Company shall, at all times, monitor the development of domestic and international sustainable development standards and any change of the business environment, in order to examine and improve the established sustainable development framework, thereby enhancing the implementation performance of sustainable development.

Article 31 Implementation and Amendment Records

I. These Principles and any amendments hereto, shall be approved by the Board of Directors, and shall be reported to a shareholders' meeting for approval before implementation. The same shall be applied to amendments to these Principles.

II. Amendment History

Version	Content of Amendment	Amendment Made By	Effective Date
1.0	Original Version.	Audit Office	2024/02/21 (Shareholders' Meeting)

WALRUS PUMP Co., Ltd.

Rules of Procedure for Shareholders' Meetings

- Article 1 To establish a proper governance system and sound supervisory capabilities for the shareholders' meetings of the Company, and to strengthen management capabilities, these Rules are adopted in accordance with Article 5 of the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" for compliance.
- Article 2 The rules of procedures for shareholders' meeting of the Company, except as otherwise provided by law, regulations or the articles of incorporation, shall follow these Rules.
- Article 3 Unless otherwise provided by law or regulation, the shareholders' meetings of the Company shall be convened by the Board of Directors.
- When the Company convenes a virtual shareholders' meeting, unless the Regulations Governing the Administration of Shareholder Services of Public Companies specify others, the articles of incorporation shall describe procedures in detail, and the resolution of the Board of Directors shall be adopted, and the virtual shareholders' meeting shall be attended by more than two-thirds of the directors of the Board and with resolution made based on the consents of a majority of attending directors.
- Changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than the mailing of the shareholders' meeting notice.
- The Company, after public issuing, shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) thirty days before the date of an ordinary shareholders' meeting or fifteen days before the date of an extraordinary shareholders' meeting. In addition, the Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS twenty-one days before the date of an ordinary shareholders' meeting or fifteen days before the date of an extraordinary shareholders' meeting. If, however, the Company's paid-in capital reaches NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding percentage of foreign shareholders and China (PRC) shareholders reaches 30% or more as recorded in the roster of shareholders of the shareholders'

meeting held in the immediately preceding year, transmission of these electronic files shall be made by thirty days before the general shareholders' meeting. Furthermore, fifteen days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

For the meeting agenda and supplemental meeting materials described in the preceding paragraph, the Company shall provide them to the shareholders for review on the convention date of the shareholders' meeting according to the following method:

- I. When a physical shareholders' meeting is convened, such material shall be distributed on-site at the shareholders' meeting.
- II. When a virtual shareholders' meeting is convened, such materials shall be distributed on-site at the shareholders' meeting, and an electronic file of such materials shall be uploaded to the video conference platform.
- III. When a virtual shareholders' meeting is convened, electronic files shall be transmitted via the virtual meeting platform.

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

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or demerger of the Company, or any matter in the Subparagraphs of Paragraph 1 of Article 185 of the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the shareholders' meeting. None of the above matters may be raised by an extempore motion.

Where the notice to convene a shareholders' meeting has indicated the full re-election of directors and supervisors, and the date of assumption of position has been specified, then after the completion of the re-election in such shareholders' meeting, the date of assumption of the position shall not be changed via extraordinary motion or other methods.

Shareholder(s) holding one percent or more of the total number of outstanding shares of a company may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. When the circumstances of any Subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Shareholders may submit suggestive proposals for urging the Company to promote public interests or fulfill its social responsibilities, provided that the procedure shall comply with relevant provisions of Article 172-1 of the Company Act, and the number of items so proposed shall be limited to one only, and no proposal containing more than one item shall be included in the meeting agenda.

Prior to the book closure date before an ordinary shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than ten days.

Shareholder-submitted proposals are limited to 300 words, and for a proposal containing more than 300 words, such proposal is not be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this Article. At a shareholders' meeting, the Board of Directors shall explain the reasons for exclusion of any shareholders' proposals not included in the agenda.

Article 4 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail; except when a declaration is made to cancel the earlier declaration of intent.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or

electronically, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the shareholders' meeting via the video conferencing method, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 (Principles for shareholders' meeting convention time and venue)

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. After the Company has established the independent directors, full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual shareholders' meeting.

Article 6 (Preparation of documents such as the attendance book)

The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively referred to as "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations are accepted, as stated in the preceding paragraph, shall be at least thirty minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform thirty minutes before the meeting starts. Shareholders completing registration are deemed as attending the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings by presenting the attendance cards, sign-in cards, or other certificates of 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.

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

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

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

In the event of a virtual shareholders' meeting, shareholders planning to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders' meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least thirty minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 (Convention of virtual shareholders' meeting, and required particulars for shareholders' meeting notice)

To convene a virtual shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice:

- I. Methods for the shareholders to attend the virtual meeting and to exercise their rights.
- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (II) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 - (III) When a video-assisted shareholders' meeting is convened, and the virtual meeting cannot continue, if the total number of shares represented at the meeting, after deduction of those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining

from voting on all proposals on meeting agenda of that shareholders' meeting.

(IV) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

III. To convene a virtual shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified. Except for the circumstances under Paragraph 6 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders with at least connection equipment and necessary assistance and state the period during which shareholders may apply to the Company for such equipment or assistance and other relevant matters to be noted.

Article 7 (Chair and Non-voting Participants of Shareholders' Meeting)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the Chairman shall appoint one of the managing directors to act as Chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as the Chair.

When a managing director or a director serves as the Chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as the Chair.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman of the Board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the shareholders' meeting minutes.

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall jointly elect a Chair from among themselves.

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

Article 8 (Documentation of a shareholders meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations of a shareholders' meeting, shall make an uninterrupted audio and/or video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

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

Where a shareholders' meeting is held via video conferencing, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

For a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

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

The Chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the Chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

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

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

Article 10 Where a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on 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 of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

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

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

Article 11 (Shareholders' speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of their talking point, his/her shareholder account number (or attendance

card number), and account name. The order in which shareholders speak will be set by the Chair.

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

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

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

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

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

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting may raise questions in writing at the virtual meeting platform from the Chair declaring the meeting open until the Chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders' meeting shall be calculated based on the number of shares.

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

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

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

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

Article 13 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 Paragraph 2 of Article 179 of the Company Act.

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

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of 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.

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

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. 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. In addition, on the same day after the conclusion of the shareholders' meeting, 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.

When there is an amendment or 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 anyone among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chair, provided that all monitoring personnel shall have the identity of shareholders of the Company.

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

When the Company convenes a virtual shareholders' meeting, after the Chair declares the meeting open, shareholders attending the virtual meeting shall cast votes on proposals and elections on the virtual meeting platform before the Chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the Chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a virtual shareholders' meeting, if shareholders who have registered to attend the virtual meeting in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the virtual shareholders' meeting.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the virtual shareholders' meeting, except for extraordinary motions, they may not exercise

voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

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

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. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chair of the meeting and shall be distributed to all shareholders of the Company within twenty days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

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

When convening a virtual shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting.

Article 16 (Public announcement)

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

During the virtual shareholders' meeting convened by the Company, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place)

Meeting affairs personnel handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

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

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

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

Article 18 (Recess and resumption of a shareholders' meeting)

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

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

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

Article 19 (Disclosure of information at virtual meetings)

In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least fifteen minutes after the Chair has announced the meeting adjourned.

Article 20 (Location of Chair and secretary of virtual shareholders' meeting)

When the Company convenes a virtual shareholders' meeting, both the Chair and secretary shall be in the same location, and the Chair shall declare the address of their location when the meeting is called to order.

Article 21 (Handling of disconnection)

In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the Chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the Chair has announced the meeting adjourned, and the obstruction continues for more than thirty minutes, the virtual meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected virtual shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under Paragraph 2, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the virtual meeting, but do not attend the postpone or

resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a video-assisted shareholders' meeting, and the virtual meeting cannot continue as described in Paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and postponement or resumption of the meeting under Paragraph 2 is not required.

Under the circumstances where a meeting shall continue as described in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to Paragraph 2, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under second half of Article 12 and Paragraph 3 of Article 13 of Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies, and Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under Paragraph 2.

Article 22 (Handling of digital divide)

During the convention of a virtual shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending the virtual shareholders' meeting online. Except for the circumstances under Paragraph 6 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall

provide shareholders with at least connection equipment and necessary assistance and state the period during which shareholders may apply to the Company for such equipment or assistance and other relevant matters to be noted.

Article 23 (Implementation, revision and amendment records)

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

II. Amendment History

Version	Content	Amendment	Effective Date
1.0	Original Version.	Audit Office	2022/06/06 (Shareholders' Meeting)
2.0	Amendment made in accordance with the amendment of the law.	Audit Office	2023/08/30 (Shareholders' Meeting)

WALRUS PUMP CO., LTD. Articles of Incorporation

Chapter 1 General Rules

- Article 1 The Company is incorporated under the Company Act and shall be named 大井泵浦工業股份有限公司, with the English name of WALRUS PUMP CO., LTD.
- Article 2 The business items of the Company are as follows:
- CA01050 Iron and Steel Rolling, Drawing, and Extruding
 - CB01010 Machinery and Equipment Manufacturing
 - CB01990 Other Machinery Manufacturing Not Elsewhere Classified
 - CD01010 Ship and Parts Manufacturing
 - CE01030 Optical Instruments Manufacturing
 - CP01010 Hand Tool Manufacturing
 - F106010 Wholesale of Ironware
 - F113010 Wholesale of Machinery
 - F113990 Wholesale of Other Machinery and Equipment
 - F199990 Other Wholesale Trade
 - F206010 Retail Sale of Hardware
 - F213080 Retail Sale of Machinery and Equipment
 - F213990 Retail Sale of Other Machinery and Equipment
 - F399990 Retail Sale of Other Integrated
 - F401010 International Trade
 - I301030 Electronic Information Supply Services
 - JA02990 Other Repair Services
 - ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 The reinvestment total amount of the Company, for business needs, may not be restricted by the regulation related to reinvestment total amount specified in Article 13 of the Company Act.
- Article 3 The Company shall be registered in New Taipei City, and when it is determined to be necessary, upon the resolution of the Board of Directors, branch offices may be established domestically or overseas.

The Company may provide endorsements and guarantees to the external for business needs.

Article 4 The public announcement of the Company shall be handled in accordance with the Article 28 of the Company Act and other relevant laws and regulations.

Chapter 2 Shares

Article 5 The Company's total capital is NT\$800 million, divided into 80 million shares. The amount per share is NT\$10. The Board of Directors is authorized to issue the unissued shares in discrete times.

An amount of NT\$96 million of the aforementioned total capital is reserved for the issuance of employee stock warrants and new restricted employee shares, for a total of 9.6 million shares, at a par value of NT\$10 per share. The Board of Directors is authorized to issue the shares in discrete times according to the law.

Article 5-1 The share certificates of the Company shall be in registered form, and shall be affixed with the signatures or personal seals of the director representing the Company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the law before issuance thereof. The Company may be exempted from printing any share certificate, but shall register with a centralized securities depository.

Article 5-2 Unless otherwise provided by law and securities regulations, after the public offering, the Company's stock affairs shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies".

Article 6 (Deleted).

Article 7 Shareholders of the Company shall use their own names. If the organization or legal person is a shareholder, the name of the organization or legal person shall be recorded, and no separate account name or representative shall be permitted.

Article 8 Shareholders shall submit the seal samples to the Company for recordation and preservation. The same shall apply to any changes thereto. Shareholders' claim of dividends or exercise of any other rights shall be made with their seals identical to the ones preserved by the Company.

Article 9 When a shareholder plans to transfer his/her shares, he/she shall fill out the transfer share application, and the transferor and the transferee shall be registered with the Company along with the signatures and seals of the transferor and the transferee,

and the name change and transfer registration shall be recorded in the shareholders' roster before such transfer may be used vis-à-vis the Company.

Article 10 In case of loss or damage of shares, the Company shall seek the proper guarantor to fill out the guarantee form and upload the full version of the declaration form to the Company along with the photocopies of the guarantor's announcement and report. The Company shall only re-issue the shares after the Company has verified the accuracy of the declaration.

Article 11 The provisions of the preceding article shall apply mutatis mutandis to the loss or damage of the shareholder's seal preserved on record.

Article 12 The entries in the shareholders' roster shall not be altered within thirty days prior to the convening date of an ordinary shareholders' meeting, or within fifteen days prior to the convening date of an extraordinary shareholders' meeting, or within five days prior to the target date fixed by the issuing company for distribution of dividends, bonuses, or other benefits.

After the public offering of the Company, any change and transfer registration of shareholders roster shall be prohibited within sixty days prior to the ordinary shareholders' meeting, thirty days prior to the extraordinary shareholders' meeting, or five days prior to the record date for the distribution of dividends, bonuses or other interests by the Company.

Chapter 3 Shareholders' Meeting

Article 13 The shareholders' meeting shall be classified into two types of the ordinary shareholders' meeting and extraordinary shareholders' meeting. The ordinary shareholders' meeting shall be convened at least once per year, and shall be convened within six months after the close of each fiscal year. The extraordinary shareholders' meeting shall be convened whenever necessary according to laws.

Article 14 The procedures for convening a shareholders' meeting and an extraordinary shareholders' meeting of the Company shall be handled in accordance with Article 172 of the Company Act. The notice shall indicate the reasons for meeting convention, and if it is agreed by the recipient, it may be made via electronic means. For shareholders holding registered shares less than 1,000 shares, the aforementioned convention notice may be made via the announcement method.

Article 14-1 During the convention of a shareholders' meeting, unless the Company Act specifies otherwise, the Chairman shall be the Chair of the meeting.

- Article 15 Resolutions in the shareholders' meeting, unless otherwise specified for in the Company Act, shall be adopted by a majority vote in the meeting which is attended by shareholders who represent a majority of the total issued shares.
- Article 16 Each shareholder of the Company shall have one voting right for each share in his/her/its possession, except where the shares are considered to have no voting right under circumstances described in Article 179 of the Company Act. However, this is not applicable to shares that are restricted shares or are deemed non-voting shares according to the Company Act or other securities laws. When the Company convenes a shareholders' meeting, shareholders may exercise their voting rights in writing or by way of electronic transmission, and they shall be deemed to have attended the shareholders' meeting in person; however, the shareholders are deemed to have waived their voting rights on any extempore motions or amendments to the original motions at such shareholders' meeting, and their expression of intent shall be handled in accordance with Article 172-2 of the Company Act. After the Company is listed on the Emerging Stock Market and TWSE/TPEX, electronic voting shall be one of the methods for shareholders to exercise their voting rights at a shareholders' meeting. Shareholders may exercise their voting rights in writing or by way of electronic transmission. Shareholders exercising their voting rights by way of electronic transmission shall be deemed to have attended the meeting in person. When voting rights are exercised by way of electronic transmission, the voting right exercise method shall be specified in the shareholders' meeting notice. A shareholders' meeting may be held by virtual conferencing or any other means as announced by the central competent authority. Where a shareholders' meeting is held by virtual conferencing, any shareholder attending the meeting by virtual conferencing shall be deemed as having attended the meeting in person.
- Article 17 Where a shareholder for any reasons cannot attend a shareholders' meeting in person, he or she may appoint a proxy to attend the shareholders' meeting on his/her/its behalf by signing/sealing a power of attorney stating therein the scope of power authorized to the proxy. After the Company's public offering, the shareholders may entrust a proxy to attend the meeting, except for the provisions of Article 177 of the Company Act, and shall comply with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" announced by the competent authority.
- Article 18 The Chair of a shareholders' meeting shall be handled in accordance with the

provisions of Article 182-1 and Paragraph 3 of Article 208 of the Company Act.

Article 19 The resolutions of a shareholders' meeting shall be recorded in the meeting minutes on record, which shall be signed or sealed by the Chair, and kept together with the shareholders' attendance book and proxy forms at the Company. The preparation and distribution of the aforementioned meeting minutes shall be handled in accordance with Article 183 of the Company Act.

Article 19-1 After the public offering of the Company, in case where the public offering is to be canceled, in addition to the approval of the Board of Directors, a shareholders' meeting shall be held and attended by shareholders representing two-thirds of the total number of the Company's outstanding shares in person, and shall be executed based on the majority of the voting rights of attending shareholders, in order to execute relevant matters for cancellation of the public offering of the Company. If the total number of shares represented by the attending shareholders is insufficient to meet the quorum described in the preceding paragraph, the meeting may be conducted with the attendance of shareholders representing a majority of the total number of outstanding shares and based on the consents of more than two-thirds of the voting rights of the attending shareholders. This article shall remain unchanged during the Emerging Stock Market and TWSE/TPEX listing periods.

Chapter 4 Board of Directors

Article 20 The Company shall have five to nine directors, who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The term of office of the directors (including independent directors) shall be three years, and shall be eligible for re-elections.

Article 20-1 The election of directors (including independent directors) of the Company shall adopt the single name registration cumulative election method, and each share shall have the voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The candidates with ballots representing greater number of voting rights shall be elected as the directors.

Article 20-2 The aforementioned number of directors of the Company described in Paragraph may include no fewer than three independent directors that represent no lesser than one-fifth of all directors. The election of independent directors shall be handled according to Article 192-1 of the Company Act, the candidate nomination system shall be adopted, and the shareholders shall elect independent directors from the

independent directors' roster.

Article 20-3 Relevant matters of the professional qualification, concurrent job position limitation, nomination and election methods, exercise of authorities of the independent director as well as other necessary requirements shall comply with relevant regulations specified by the competent authority in charge of securities.

Article 20-4 After the Company's public offering, the total shareholding ratio of all directors and supervisors shall be handled in accordance with the relevant regulations of the competent authority in charge of securities.

Article 20-5 The Company shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convener, and at least one of whom shall have accounting or financial expertise. The audit committee and its members are responsible for performing the duties of supervisors under applicable laws and regulations.

Article 20-6 During the term of office of the directors, the Company shall purchase liability insurances for the directors for their indemnification liabilities within the scope of their official services according the laws.

Article 21 The Board of Directors shall be formed by the directors. With the attendance of more than two-thirds of the directors and the consent of more than half of the directors present, the Chairman shall be elected among the directors. The Chairman shall act as the chair of shareholders' meeting and the Board of Directors' meeting, shall represent the Company externally, and manage all important affairs of the Company. In the absence of the Chairman, the Chairman shall designate a director to act as the proxy, or the directors shall nominate one among themselves to act as the proxy.

When the number of vacancies of directors reaches one-third of the total number of directors, the Board of Directors shall convene an extraordinary shareholders' meeting according to the law in order to fill the vacancies, and the term of office thereof shall be limited to fulfill the unexposed term of office of the predecessor.

In case where no election of new directors is effected after the 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.

Article 22 In case the Chairman of the Board is on leave or unable to exercise his/her

functional duties for any reason, the person who acts on his/her behalf shall be appointed in accordance with the Article 208 of the Company Act. In case where a director cannot attend a Board of Directors' meeting for some reason, he or she may issue a power of attorney to appoint another director to act as his/her proxy for attending the meeting on his or her behalf according to Article 205 of the Company Act; provided that the proxy shall only accept the appointment of one director only. The Board of Directors' meeting of the Company may be held in the method of virtual meeting method, and directors attending the meeting through virtual meeting shall be deemed to attend the meeting in person.

Article 22-1 The Board of Directors' meetings of the Company shall be convened at shall least once quarterly. During the convention of a Board of Directors' meeting, notices indicating the reasons of the convention shall be delivered to all directors (including independent directors) seven days in advance; provided that in case of emergencies, such meeting may be convened at any time. The Board of Directors' convention notices of the Company may be made in writing, facsimile or electronic method.

Article 23 The Board of Directors' meeting shall be convened by the Chairman. Unless otherwise specified by the Company Act, resolutions of a Board of Directors' meeting shall be adopted by a majority of the directors present at the meeting attended by a majority of the directors. If there is an equality of votes, the Chairman shall make the decision on the votes, and meeting minutes shall be prepared.

Article 24 The functions and powers of the Board of Directors are as follows:

- I. Review of the Company's various important rules and regulations.
- II. Decision of the Company's business policy.
- III. Preparation and review of the Company's final accounts.
- IV. Determination of distribution of earnings.
- V. Determination of capital increase or decrease of the Company.
- VI. Other powers granted by the Company Act and the shareholders' meeting.
- VII. Preparation and review of the annual business report.

Article 25 Resolutions of the Board of Directors' meeting shall be recorded in the meeting minutes. They shall be signed or stamped by the Chair of the meeting and distributed to each director within twenty days after the meeting. The meeting minutes shall record the date, time, venue, name of the Chair, resolution method and a summary of the essential points of the proceedings and the result of the discussion. The attendance book bearing the signatures of the directors present at

the meeting and the power of attorney of the proxies shall be preserved altogether with the meeting minutes at the Company permanently for the duration of existence of the Company. The meeting minutes may be produced and distributed in electronic form.

Article 26 (Deleted)

Article 27 (Deleted)

Article 28 When the Company's directors (including independent directors) perform the Company's duties, the Board of Directors is authorized to determine the level of participation and contribution to the Company's operations based on the level of participation and contribution of the directors to the Company's operations along with the consideration of the standards of the domestic and foreign industries.

Chapter 5 Managerial Officers

Article 29 (Deleted)

Article 30 The Company may appoint managerial officers, and the appointment, removal and remuneration thereof shall be governed by Article 29 of the Company Act.

Article 31 (Deleted)

Chapter 6 Accounting

Article 32 At the end of each fiscal year, the Board of Directors shall prepare the following reports and statements, and submit them to the audit committee for review thirty days prior to the date of the general shareholders' meeting, and the audit committee shall also prepare the following reports and statements for submission to the general shareholders' meeting for ratification.

I. Business Report

II. Financial Statements

III. Proposal for distribution of earnings or covering losses.

Article 33: The industrial development of the Company is currently under the growth stage, and the Company's policy on the distribution of dividends shall be determined based on the factors of the present and future investment environment, fund demand, domestic/overseas competition and capital budget etc. along with the benefits of shareholders, balance of dividends and the long-term planning of the Company. The earnings distribution proposal is to be established by the Board of Directors each year, and the proposal is submitted to the shareholders' meeting. The

distribution of earnings may be made in the form of cash dividends and stock dividends depending upon the funding needs and dilution of earnings per share. However, the total dividends distributed from earnings shall not be less than 10% of the distributable earnings for that year, and the cash dividends shall not be less than 20% of the total dividends.

Article 33-1

If the Company makes a profit at the end of a fiscal year, the following shall be appropriated:

- I. 3%-10% of the profit shall be appropriated as the remuneration of employees, of which 2% shall be appropriated as the remuneration for entry-level employees.
- II. No more than 2% of the profit shall be appropriated as the remuneration of directors/supervisors.

However, if the Company still has accumulated losses, the Company shall first reserve the amount to offset the losses, followed by appropriating amounts according to the ratios described in the preceding paragraph as remunerations of employees and directors/supervisors.

The distribution of remunerations of employees and directors/supervisors shall be approved by a majority of the directors present at a Board of Directors' meeting attended by more than two-thirds of the total number of directors, and shall also be reported to the shareholders' meeting.

The remuneration of employees and the remuneration of entry-level employees described in the preceding paragraph may be disbursed in the form of shares or cash, and the payment recipients may include employees of the controlling or subordinate companies satisfying certain criteria, and only the remuneration to directors and supervisors shall be paid in cash. The distribution of remuneration to employees and directors/supervisors shall be handled in accordance with relevant laws and regulations, and shall be resolved by the Board of Directors.

The Company's treasury stock may be transferred to employees, and the payment recipients of employee stock warrants, new restricted employee shares, and new shares of capital increase with cash reserved for employee subscription, may include employees of the Company's controlled or subordinate companies satisfying certain criteria.

Article 34

When the Company has a net income after tax for the final account of a fiscal year, the accumulated loss shall be compensated first, following by appropriating 10%

thereof as the legal reserve; however, when the legal reserve has reached the paid-in capital of the Company, such appropriation may be exempted. For the remaining amount, special reserve shall be set aside or reversed according to the law and regulations. Subsequently, if there is still remaining amount, it shall be combined with the accumulated undistributed earnings for the Board of Directors to establish an earnings distribution proposal, followed by submission to the general shareholders' meeting for resolution on the distribution of shareholders' dividends and bonuses or retention thereof.

Article 35 (Deleted)

Chapter 7 Supplemental Provisions

Article 36 Any matters not covered by these Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 37 These Articles of Incorporation were duly enacted on March 11, 1978.

The 1st amendment was made on August 30, 1987.

The 2nd amendment was made on February 25, 1988.

The 3rd amendment was made on April 25, 1989.

The 4th amendment was made on March 9, 1992.

The 5th amendment was made on August 6, 1992.

The 6th amendment was made on May 30, 1994.

The 7th amendment was made on July 18, 1994.

The 8th amendment was made on August 9, 1994.

The 9th amendment was made on June 3, 1996.

The 10th amendment was made on June 1, 1998.

The 11th amendment was made on September 28, 1998.

The 12th amendment was made on May 24, 2000.

The 13th amendment was made on May 22, 2001.

The 14th amendment was made on January 23, 2002.

The 14th amendment was made on August 2, 2004.

The 16th amendment was made on November 10, 2006.

The 17th amendment was made on January 10, 2007.

The 18th amendment was made on September 5, 2014.

The 19th amendment was made on September 8, 2015.

The 20th amendment was made on June 30, 2017.

The 21st amendment was made on October 20, 2020.

The 22nd amendment was made on July 23, 2021.

The 23rd amendment was made on June 6, 2022.

The 24th amendment was made on May 19, 2023.

The 25th amendment was made on August 30, 2023.

The 26th amendment was made on February 21, 2024.

The 27th amendment was made on June 3, 2024.

The 28th amendment was made on May 27, 2025.

WALRUS PUMP Co., Ltd.

Chairman: Ching-Feng Huang

WALRUS PUMP Co., Ltd.
Procedures for Election of Directors

Article 1 Purpose of Establishment and Basis

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”.

Article 2 Applicable Scope

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

Article 3 Board Composition and Competency

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

- I. Basic requirements and values: Gender, age, nationality, and culture.
- II. Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.

Each Board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the Board as a whole are as follows:

- I. Ability to make operational judgments.
- II. Ability to make operational judgments.
- III. Ability to conduct management administration.
- IV. Ability to handle crisis.
- V. Knowledge of the industry.
- VI. International market perspective.
- VII. Ability to lead.
- VIII. Decision-making ability

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

The Board of Directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 4 Qualifications of Independent Director

- I. The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.
- II. The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, and shall be conducted in accordance with Article 24 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”.

Article 5 Nomination and By-election of Directors

- I. The elections of directors of the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.
- II. When the number of directors falls below five due to a director leaving office for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders’ meeting. When the number of directors falls short by one-third of the total number prescribed in the Company’s Articles of Incorporation, the Company shall call a special shareholders' meeting within sixty days from the date of occurrence to hold a by-election to fill the vacancies.
- III. Where the number of independent directors falls below the number prescribed in the proviso of Paragraph 1 of Article 14-2 of Securities and Exchange Act, the Company shall hold a by-election at the most recent shareholders’ meeting. When all independent directors are dismissed, the Company shall convene an extraordinary shareholders’ meeting within sixty days from the occurrence of such event to hold a by-election for the independent directors.

Article 6 Cumulative Voting Method

The cumulative voting method shall be used for the election of the directors of the Company. 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.

Article 7 Preparation of Ballots

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

Article 8 Voting Method

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

Article 9 Vote Monitoring and Counting Method

Before the election begins, the Chair shall appoint a number of shareholders to perform the respective duties of vote monitoring and vote counting. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10 Grounds for Invalid Ballots

A ballot is invalid under any of the following circumstances:

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

Article 11 Vote Counting Procedure and Ballot Preservation

- I. 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.
- II. 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. However, if 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 12 Mailing of Election Notification Letters

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

Article 13 Implementation and Amendment Records

- I. These Procedures shall be approved by the Audit Committee and approved by the Board of Directors by resolution, and shall take effect after adoption by the shareholders' meeting. The same procedure shall also apply to any amendments of these Procedures.
- II. Amendment History:

Version	Content	Amendment	Effective Date
1.0	Original Version.	Audit Office	2023/05/19 (Shareholders' Meeting)
2.0	Amendment made in accordance with the amendment of the law.	Audit Office	2024/02/21 (Shareholders' Meeting)

Shareholding of Directors

- I. Up to the book closure date (March 29, 2026) of the present general shareholders' meeting of the Company, the number of actual outstanding shares of the Company is 40,749,145 shares.
- II. In accordance with Article 26 of the "Securities and Exchange Act" and Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies":
The minimum number of shares required to be held by all directors: 3,600,000 shares.
- III. As of the book closure date (March 29, 2026) for the present general shareholders' meeting:
Actual number of shares held by all directors: 17,106,000 shares
Details as follows:

Title	Name	Book closure date for general shareholders' meeting Number of shares recorded in the shareholders' roster	
		Number of shares held	Percentage (%)
Chairman	Jing Zhi Investment Co., Ltd. Representative: Ching-Feng Huang	2,455,000	6.02%
Director	You Chang Investment Co., Ltd. Representative: Ching-Yun Huang	9,680,000	23.76%
Director	Wen Hua Investment Co., Ltd. Representative: Chien-Hua Shen	2,455,000	6.02%
Director	Jing Yu Investment Co., Ltd. Representative: Chin-Chen Huang	2,455,000	6.02%
Director	Tzung-Lin Kuo	61,000	0.15%
Independent Director	Da-Bai Shen	0	0%
Independent Director	Cher-Min Fong	0	0%
Independent Director	Ming-Hung Hsieh	0	0%
Independent Director	Hsin Sun	0	0%
Total number of shares held by all directors		17,106,000	41.97%