



Stock Code: 3624

Viking Tech Corporation

2020 Shareholders' Meeting

Meeting Handbook

June 22, 2020

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Viking Tech Corporation

Meeting Procedures for 2020 Shareholders' Meeting

I. Call Meeting to Order

II. Chairman's Address

III. Report Items

IV. Proposed Adoptions

V. Proposed Resolutions

VI. Other Business and Special Motion

VII. Meeting Adjourned

Viking Tech Corporation
Meeting Agenda for 2020 Shareholders' Meeting

ONE. Time: 9:00 a.m., Monday June 22, 2020

TWO. Place: Hsinchu Industrial Park, 2F, No. 22, Chunghwa Road, Hukou Township,
Hsinchu County, Taiwan.

THREE. Agenda:

- I. Call Meeting to Order
- II. Chairman's Address
- III. Report Items
 1. 2019 Business Report
 2. 2019 Audit Committee's Review Report
 3. 2019 Employees' and Directors' Compensation Report
 4. Amendment to the "Rules of Procedure for Board of Directors Meetings"
- IV. Proposed Adoptions
 1. 2019 Business Report and Financial Statements
 2. 2019 Earnings Distribution Proposal
- V. Proposed Resolutions
 1. Amendment to "Rules and Procedures of Shareholders' Meeting" of the Company
- VI. Other Business and Special Motion
- VII. Meeting Adjourned

Report Items

Report I: 2019 Business Report.

Explanatory Notes: 2019 Business Report, please refer to Page 6 Attachment II of this Manual.

Report II: 2019 Audit Committee's Review Report.

Explanatory Notes: Audit Committee's Review Report, please refer to Page 34 Attachment XII of this Manual.

Report III: 2019 Employees' and Directors' Compensation Report.

Explanatory Notes: In accordance with the provisions of Article 24-2 of the Articles of Incorporation, the employees' and directors' compensation is approved by the board of directors of the Company, the distribution of the 2019 profit performance is NTD20,681,836 (10% of the profit) as the employees' compensation and is NTD10,340,918 (5% of the profit) as the directors' compensation. The said amounts are to be distributed in cash and be consistent with the estimated amounts recognized as the expense.

Report IV: Amendment to the "Rules of Procedure for Board of Directors Meetings"

Explanatory Notes: The amendment was made according to the Financial Supervisory Commission Letter Jin-Guan-Zheng-Fa No. 1080361934. For the Comparison Table for Rules of Procedure for Board of Directors Meetings before and after Amendment, please refer to Attachment XIV on Page 36 of this Manual.

Proposed Adoptions

Proposal I: (Proposed by the Board of Directors)

Matters of Deliberation: 2019 Business Report and Financial Statements is proposed for adoption.

Explanatory Notes : 1.2019 Business Report and Financial Statements have been prepared, and the financial statements have been reviewed and verified by the two independent auditors, Lin Yukuan and Zheng Yahui of KPMG Taiwan, and unqualified opinions were issued.

2.The aforesaid financial statements and the business report have been reviewed by the Audit Committee (please refer to pages 6 to 33 of this Manual).

3.Be proposed for adoption.

Resolution:

Report II: (Proposed by the Board of Directors)

Matters of Deliberation: 2019 Earnings Distribution Proposal, hereby propose to be adopted.

Explanatory Notes :

1. 2019 Earnings Distribution Table of the Company is detailed in Attachment XIII (please refer to page 35 of this Manual).
2. The proposed earnings distribution is allocated from Earnings in 2019 Available for Distribution. Each common share holder will entitled to receive a cash dividend of NTD0.7 per share. When distributing cash dividends, the dividend for individual shareholders will be distributed down to dollar, while the decimals will be rounded down to dollar. The decimal following the integer dollar will be rounded off, and the odd sum will also be included in the other income accounts of this Company. And after the approval of the shareholders' meeting, the board of directors is authorized to set the record date of dividend payout. If the shareholder's dividend rate is changed due to the number of shares outstanding that are affected by shares buyback, the transfer of treasury shares or cash capital increase, etc., hereby the proposal is made to the shareholders' meeting to authorize the board of directors to handle the matter with full authority.
3. Be proposed for adoption.

Resolution:

Proposed Resolutions

Proposal I: (Proposed by the Board of Directors)

Matters of Deliberation: Amendment to “Rules and Procedures of Shareholders’ Meeting” of the Company is submitted for discussion.

Explanatory Notes :

1. Propose to amend the “Rules and Procedures of Shareholders’ Meeting” of the Company in response to the Financial Supervisory Commission Letter Jin-Guan-Zheng-Fa No. 1080361934 ,
2. Comparison Table for Provisions Before and After Revision as Attachment XV (Please refer to Page 38 of this Manual).
3. Be submitted for discussion.

Resolution:

Other Business and Special Motion

Meeting Adjourned

Viking Tech Corporation

2019 Business Report

I. Business Policy

The Company is mainly engaged in the production of high-end and special function passive components and actively promotes the Viking brand through local agents, distributors and branch offices around the world. The main sales are still high margin thin film precision resistors, MELF resistors, current sensing resistors and high voltage, surge resistor, anti sulfured and that applies in various electronic devices, especially the electronic components related to China electric digital meters, power management market, global equipment and instruments for industrial purpose, In ternet of Things IOT, automotive electronic control devices, etc.

In early 2019, the passive components market continued to be desperately short of stock. In addition to excess MLCC orders from European countries and the U.S., thick film resistors were desperately short of stock. The first quarter saw better results, while the second half of the year experienced a market slump due to excess stocks, especially in China and America. The development of 5G technology and electric vehicles fell below the expectations, which was also a factor in reduced revenue in 2019.

The Company relies on the advantages of the market subsegment of precision passive components, and actively adjusts the customer structure and product structure by using the industry economic cycle. First, the production expansion for the automotive grade resistor, thin film resistor, and metal alloy resistor or expansion in response to high demand, especially the expansion for MELF precision columnar resistor to meet market demand; Second, focusing on consolidating and expanding the market share on automobile industry, industrial control and high-end consumer electronics, to take the opportunity to introduce more international companies to enhance the market position of the Company; Third, rationally planning the layout of Wuxi, Taiwan Hsinchu and Kaohsiung production lines, to strengthen the construction of supporting infrastructure, and to lay the foundation for the subsequent development of the Company; Fourth, expanding the industry synergy with major shareholders, Guangdong Fenghua Advanced Technology Holding Co., Ltd., and same industry professions, and actively introducing new types of multi-function, precision passive components to

provide customers with full range of total solution services.

The Company is also committed to research and development of various high-end, high reliability and high power components to meet the special needs of customers, to continuously develop products based on competitive advantages in niche markets, and to improve the product yield rate and reduce costs to improve competitiveness in response to the intensive business environment.

II. General Condition of Implementation

After the implementation of the original 2019 business policy, the annual achievement rate against the annual forecast revenue figures for 2019 was 79%, and the revenue growth was 19% lower than that of the previous period. In the coming year, the passive components remain desperately short of stock globally. After the Company invests in expanding the production of high-end components, revenue will continue to increase, indicating that the current business policy is in line with market demand.

III. Result of Implementation of Business Plan

The revenue under 2019 business plan is NTD 2,700,000 thousand and net income before tax is NTD 417,289 thousand, and after actual execution, the revenue is NTD 2,144,527 thousand, and net income before tax is NTD 179,900 thousand.

IV. Execution of the Budget Derivative of Operating Revenue and Expenditure:

Unit: In Thousands of New Taiwan Dollars

Item	BUDGET	FINAL	Achievement Rate%
Operating Revenue	2,700,000	2,144,527	79%
Operating Costs	(1,836,000)	(1,631,531)	89%
Gross Profit	864,000	512,996	59%
Operating Expenses	(449,702)	(335,674)	75%
Income from Operations	414,298	177,322	43%
Non-Operating Income and Expenses	2,991	2,578	86%
Net Income Before Tax	417,289	179,900	43%

Note: The aforesaid financial information is in adoption of the consolidated financial statements.

V. Profitability Analysis

Financial Structure	Debt Ratio (%)	18.23
	Long-term Fund to Property, Plant and Equipment Ratio (%)	215.30
Solvency	Liquidity Ratio (%)	431.70
	Quick Ratio (%)	292.65
	Interest Coverage Ratio	55.81
Operating Performance	Accounts Receivable Turnover (times)	4.06
	Average Collection Days	90
	Inventory Turnover (times)	2.58
	Accounts Payable Turnover(times)	6.72
	Average Inventory Turnover Days	142
	Property, Plant and Equipment Turnover (Times)	1.80
	Total Assets Turnover (times)	0.66
Profitability	Return on total assets (%)	4.56
	Return on Equity (%)	5.71
	Pre-tax Income to Paid-in Capital Ratio (%)	15.33
	Net Margin (%)	6.73
	Earnings per share (in one of New Taiwan Dollar)	1.22

Note: The aforesaid financial information is in adoption of the consolidated financial statements.

VI. Research and Development

1. Successfully developed the high power jumper resistor - LRJ 0603/0805.
2. Successfully developed the 4-terminal current sensing chip resistor - 1206/2010.
3. Successfully developed the high power resistor - 0603/0805/1206/2512 Pulse Withstanding.
4. Successfully developed the power resistor 3W - 1225 Thick Film.
5. Successfully mass-produced the thin film power resistor - ARN 1206.
6. Successfully developed the tantalum nitride thin film resistor - TAR 0402/0603/0805/1206.
7. Successfully mass-produced the high power thin film resistor - AR 2010/2512.
8. Successfully developed the high current jumper resistor - 0603/0805/1206 Pulse Withstanding.
9. Successfully developed the resistor - 0204/0207 Metal Film Precision Low TCR.

Responsible person:

Tsai Kao-Ming

Managerial Personnel:

Hu Chuan-Bin

Accountant in charge of

the Company

Li Shun-He

【 Attachment II 】

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM
CHINESE
PWCR19000352

To the Board of Directors and Shareholders of VIKING TECH CORPORATION

Opinion

We have audited the accompanying balance sheets of VIKING TECH CORPORATION (the “Company”) as at December 31, 2019 and 2018, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

Basis for opinion

We conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”, "Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020” and generally accepted auditing standards in the Republic of China (ROC GAAS); and in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and ROC GAAS for our audit of the financial statements as of and for the year ended December 31, 2018. Our responsibilities under those standards are further described in the Auditor’s 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 Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters in relation to the parent company only financial statements for the year ended December 31, 2019 are outlined as follows:

Cut-off risk error of revenue recognition

Description

Refer to Note 4(26) for accounting policy on revenue recognition. The Company is primarily engaged in export and offers different credit terms to their customers. The credit terms for some customers are upon delivery to a specific location and the timing for transferring the control of goods is based on the customer confirmation documents. Given that the revenue recognition process relies on manual processes and the large volume of daily sales transactions which are material to the financial statements, we thus consider sales cut-off as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of the sales recognition accounting policy.
2. Understood and tested the design and effectiveness of relevant internal controls when recognising the sales revenue.
3. Sampled delivery orders and customer confirmation documents during a certain period before and after the balance sheet date to ensure the accuracy of cut-off of sales revenue.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(12) for accounting policies on inventory, Note 5 for significant accounting estimates and assumptions of inventory, and Note 6(6) for details of allowance for inventory valuation losses.

The Company manufactures and sells thick and thin film passive components products. Due to the competitive market in the industry and the fluctuating prices, there is a higher risk of inventory losing value or becoming obsolete. The inventories are stated at the lower of cost and net realisable value and the possible losses arising from aged and obsolete inventories are also assessed. Given that the evaluation on the aged and obsolete inventories involves subjective judgement which results in estimation uncertainty and the impact of aged inventories and allowance for inventory valuation losses are material to the financial statements, we thus consider assessment of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Understood and assessed the reasonableness of allowance for inventory valuation losses policy including the historical sources of inventory clearance process.
2. Obtained the inventory assessment report prepared by the management and checked the completeness of the information on the inventory aging report.
3. Verified the accuracy of the intervals and relevant information used on the inventory aging report, ensured that the allowance loss valuation and the provision policy are consistently applied and further assessed the reasonableness of the estimations of allowance for inventory valuation losses.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease

operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

Lin, Yu-Kuan

Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2020

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

【 Attachment III 】

VIKING TECH CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 387,272	13	\$ 501,809	15
1110	Financial assets at fair value through profit or loss - current	6(2)	199,463	7	49,656	2
1120	Current financial assets at fair value through other comprehensive income	6(3)	-	-	59,096	2
1136	Current financial assets at amortised cost, net	6(4)	-	-	50,000	2
1150	Notes receivable, net	6(5)	2,508	-	11,288	-
1170	Accounts receivable, net	6(5)	227,492	8	385,903	12
1180	Accounts receivable - related parties	6(5) and 7	175,219	6	210,517	6
1200	Other receivables		4,854	-	19,094	1
1210	Other receivables - related parties	7	492	-	19,568	1
1220	Current income tax assets	6(25)	13,711	-	2,129	-
130X	Inventories, net	6(6)	427,754	14	468,824	14
1410	Prepayments		26,575	1	16,606	-
1479	Other current assets	8	1,972	-	1,008	-
11XX	Total current assets		<u>1,467,312</u>	<u>49</u>	<u>1,795,498</u>	<u>55</u>
Non-current assets						
1550	Investments accounted for under equity method	6(7)	210,483	7	186,526	6
1600	Property, plant and equipment	6(8)(10)(27) and 8	1,199,472	40	1,107,238	34
1755	Right-of-use assets	6(9)	7,475	-	-	-
1780	Intangible assets		4,691	-	3,608	-
1840	Deferred income tax assets	6(25)	32,788	1	46,510	1
1900	Other non-current assets	6(27)	76,046	3	122,221	4
15XX	Total non-current assets		<u>1,530,955</u>	<u>51</u>	<u>1,466,103</u>	<u>45</u>
1XXX	Total assets		<u>\$ 2,998,267</u>	<u>100</u>	<u>\$ 3,261,601</u>	<u>100</u>

(Continued)

VIKING TECH CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(11)(28)	\$ 30,000	1	\$ 20,000	1
2150	Notes payable		2,080	-	3,154	-
2170	Accounts payable	7	95,719	3	204,200	6
2200	Other payables	6(12)(24) and 7	162,558	6	218,834	7
2230	Current income tax liabilities	6(25)	-	-	57,319	2
2280	Current lease liabilities	6(9)	2,207	-	-	-
2320	Long-term liabilities, current portion	6(13)(28) and 8	27,578	1	29,076	1
2399	Other current liabilities		2,851	-	3,575	-
21XX	Total current Liabilities		<u>322,993</u>	<u>11</u>	<u>536,158</u>	<u>17</u>
Non-current liabilities						
2540	Long-term borrowings	6(13)(28) and 8	138,406	5	171,673	5
2570	Deferred income tax liabilities	6(25)	133	-	209	-
2580	Non-current lease liabilities	6(9)	5,312	-	-	-
2600	Other non-current liabilities		8,903	-	29,205	1
25XX	Total non-current liabilities		<u>152,754</u>	<u>5</u>	<u>201,087</u>	<u>6</u>
2XXX	Total Liabilities		<u>475,747</u>	<u>16</u>	<u>737,245</u>	<u>23</u>
Equity						
Share capital						
		6(15)				
3110	Ordinary share		1,173,408	39	1,173,408	36
Capital surplus						
		6(16)				
3200	Capital surplus		730,121	24	730,121	22
Retained earnings						
		6(17)				
3310	Legal reserve		178,592	6	150,954	5
3320	Special reserve		7,524	-	3,510	-
3350	Unappropriated retained earnings		445,140	15	473,887	14
Other equity interest						
		6(3)(18)				
3400	Other equity interest		(12,265)	-	(7,524)	-
3XXX	Total equity		<u>2,522,520</u>	<u>84</u>	<u>2,524,356</u>	<u>77</u>
Significant Contingent Liabilities and 9						
Unrecognised Contract Commitments						
Significant events after the balance 11						
sheet date						
3X2X	Total liabilities and equity		<u>\$ 2,998,267</u>	<u>100</u>	<u>\$ 3,261,601</u>	<u>100</u>

【 Attachment IV 】

VIKING TECH CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

Years ended December 31

Items	Notes	2019		2018	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19) and 7	\$ 1,750,018	100	\$ 2,165,515	100
5000 Operating costs	6(6)(23)(24) and 7	(1,348,322)	(77)	(1,459,800)	(67)
5900 Gross Profit		401,696	23	705,715	33
5910 Unrealized profit from sales		(4,556)	-	(25,650)	(1)
5920 Realized profit from sales		25,650	1	10,762	-
5950 Net operating margin		422,790	24	690,827	32
Operating expenses	6(23)(24) and 7				
6100 Selling expenses	7	(85,286)	(5)	(88,591)	(4)
6200 General and administrative expenses		(138,164)	(8)	(148,477)	(7)
6300 Research and development expenses		(55,113)	(3)	(50,754)	(2)
6450 Expected credit loss	12(2)	(94)	-	(1,173)	-
6000 Total operating expenses		(278,657)	(16)	(288,995)	(13)
6900 Operating profit		144,133	8	401,832	19
Non-operating income and expenses					
7010 Other income	6(3)(4)(20)	5,195	-	12,493	-
7020 Other gains and losses	6(2)(10)(21)	(730)	-	(168,423)	(8)
7050 Finance costs	6(22)	(2,958)	-	(3,641)	-
7070 Share of profit of associates and joint ventures accounted for using equity method, net	6(7)	30,156	2	81,410	4
7000 Total non-operating income and expenses		31,663	2	(78,161)	(4)
7900 Profit before income tax		175,796	10	323,671	15
7950 Income tax expense	6(25)	(32,082)	(2)	(47,295)	(2)
8200 Profit for the year		\$ 143,714	8	\$ 276,376	13
Other comprehensive income, net					
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Other comprehensive income, before tax, exchange differences on translation	6(18)	(\$ 6,199)	-	(\$ 2,208)	-
8367 Unrealised gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	6(3)(18)	1,458	-	(1,806)	-
8500 Total comprehensive income for the year		\$ 138,973	8	\$ 272,362	13
Earnings per share					
9750 Basic earnings per share	6(26)	\$ 1.22		\$ 2.36	
Diluted earnings per share from continuing operations					
9850 Diluted earnings per share	6(26)	\$ 1.21		\$ 2.33	

【 Attachment V 】

VIKING TECH CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Retained earnings				Other equity interest			Total equity	
		Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		Unrealized gain or loss on available-for-sale financial assets
<u>Year ended December 31, 2018</u>										
Balance at January 1, 2018		\$ 1,173,408	\$ 730,121	\$ 142,221	\$ 5,105	\$ 263,320	(\$ 3,858)	\$ -	\$ 348	\$ 2,310,665
Restrospective application and effect of retrospective restatement		-	-	-	-	-	-	348	(348)	-
Balance at 1 January after adjustments		<u>1,173,408</u>	<u>730,121</u>	<u>142,221</u>	<u>5,105</u>	<u>263,320</u>	<u>(3,858)</u>	<u>348</u>	<u>-</u>	<u>2,310,665</u>
Profit for the year		-	-	-	-	276,376	-	-	-	276,376
Other comprehensive loss for the year	6(3)(18)	-	-	-	-	-	(2,208)	(1,806)	-	(4,014)
Total comprehensive income		-	-	-	-	<u>276,376</u>	<u>(2,208)</u>	<u>(1,806)</u>	<u>-</u>	<u>272,362</u>
Distribution of retained earnings of 2017:										
Leagal reserve	6(17)	-	-	8,733	-	(8,733)	-	-	-	-
Special reserve	6(17)	-	-	-	(1,595)	1,595	-	-	-	-
Cash dividends	6(17)	-	-	-	-	(58,671)	-	-	-	(58,671)
Balance at December 31, 2018		<u>\$ 1,173,408</u>	<u>\$ 730,121</u>	<u>\$ 150,954</u>	<u>\$ 3,510</u>	<u>\$ 473,887</u>	<u>(\$ 6,066)</u>	<u>(\$ 1,458)</u>	<u>\$ -</u>	<u>\$ 2,524,356</u>
<u>Year ended December 31, 2019</u>										
Balance at January 1, 2019		<u>\$ 1,173,408</u>	<u>\$ 730,121</u>	<u>\$ 150,954</u>	<u>\$ 3,510</u>	<u>\$ 473,887</u>	<u>(\$ 6,066)</u>	<u>(\$ 1,458)</u>	<u>\$ -</u>	<u>\$ 2,524,356</u>
Balance at 1 January after adjustments		<u>1,173,408</u>	<u>730,121</u>	<u>150,954</u>	<u>3,510</u>	<u>473,887</u>	<u>(6,066)</u>	<u>(1,458)</u>	<u>-</u>	<u>2,524,356</u>
Profit for the year		-	-	-	-	143,714	-	-	-	143,714
Other comprehensive (loss) income for the year	6(3)(18)	-	-	-	-	-	(6,199)	1,458	-	(4,741)
Total comprehensive income (loss)		-	-	-	-	<u>143,714</u>	<u>(6,199)</u>	<u>1,458</u>	<u>-</u>	<u>138,973</u>
Distribution of retained earnings of 2018:										
Leagal reserve	6(17)	-	-	27,638	-	(27,638)	-	-	-	-
Special reserve	6(17)	-	-	-	4,014	(4,014)	-	-	-	-
Cash dividends	6(17)	-	-	-	-	(140,809)	-	-	-	(140,809)
Balance at December 31, 2019		<u>\$ 1,173,408</u>	<u>\$ 730,121</u>	<u>\$ 178,592</u>	<u>\$ 7,524</u>	<u>\$ 445,140</u>	<u>(\$ 12,265)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,522,520</u>

【Attachment VI】

VIKING TECH CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31,	
		2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 175,796	\$ 323,671
Adjustments			
Adjustments to reconcile profit (loss)			
Provision for expected credit loss	12(2)	94	1,172
Depreciation	6(8)(9)(23)	187,023	182,132
Amortisation of intangible assets	6(23)	3,485	2,976
Interest income	6(3)(4)(20)	(2,527)	(3,483)
Interest expense	6(22)	2,958	3,641
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(30,156)	(81,410)
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(21)	(4,473)	4,372
(Gain) loss on disposal of property, plant and equipment	6(8)(21)	(5,723)	34,335
Impairment loss	6(8)(10)(21)	-	135,374
Loss on disposal of investments	6(21)	777	-
Gain on foreign exchange remeasurement of financial assets at fair value through other comprehensive income	6(3)	(3,461)	(1,872)
(Realized) unrealized profit on sales		(21,094)	14,888
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss	6(2)	(145,334)	(13,172)
Notes receivable	6(5)	8,780	(4,105)
Accounts receivable	6(5)	158,317	(134,436)
Accounts receivable - related parties	6(5) and 7	35,298	(77,725)
Other receivables		13,832	(9,895)
Other receivables - related parties	6(6)	19,076	(19,565)
Inventories		41,070	(119,003)
Prepayments		(9,969)	3,319
Other current assets		36	(163)
Changes in operating liabilities			
Notes payable		(1,074)	(2,099)
Accounts payable	7	(108,481)	67,090
Other payables	6(12) and 7	(42,204)	46,072
Other current liabilities		(724)	2,076
Cash inflow generated from operations		271,322	354,190
Interest received		2,875	3,398
Interest paid		(2,857)	(3,670)
Income tax paid		(87,337)	(24,730)
Net cash flows from operating activities		<u>184,003</u>	<u>329,188</u>

(Continued)

VIKING TECH CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31,	
		2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets carried at cost		\$ 63,298	\$ -
Acquisition of financial assets at amortized cost	6(4)	(56,000)	(50,000)
Proceeds from disposal of financial assets at amortized cost	6(4)	106,000	-
Increase in other current financial assets	8	(1,000)	-
Acquisition of property, plant and equipment	6(8)(27)	(249,617)	(299,913)
Proceeds from disposal of property, plant and equipment	6(8)	10,588	62,035
Acquisition of intangible assets		(4,568)	(4,637)
Increase in refundable deposits		(118)	-
Net cash flows used in investing activities		(131,417)	(292,515)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(11)(28)	70,000	30,000
Repayments of short-term borrowings	6(11)(28)	(60,000)	(140,000)
Increase in long-term borrowings	6(13)(28)	-	57,380
Repayments of long-term borrowings	6(13)(28)	(34,765)	(26,766)
Repayments of principal portion of lease liabilities	6(9)	(2,341)	-
Increase in guarantee deposits received		792	110
Cash dividends paid	6(17)	(140,809)	(58,671)
Net cash flows used in financing activities		(167,123)	(137,947)
Net decrease in cash and cash equivalents		(114,537)	(101,274)
Cash and cash equivalents at beginning of year	6(1)	501,809	603,083
Cash and cash equivalents at end of year	6(1)	\$ 387,272	\$ 501,809

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

PWCR19000353

To the Board of Directors and Shareholders of VIKING TECH CORPORATION

Opinion

We have audited the accompanying consolidated balance sheets of VIKING TECH CORPORATION and its subsidiaries (the “Group”) as at December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, 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 at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”, "Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020” and generally accepted auditing standards in the Republic of China (ROC GAAS); and in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and ROC GAAS for our audit of the consolidated financial statements as of and for the year ended December 31, 2018. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the 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 current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters in relation to the consolidated financial statements for the year ended December 31, 2019 are outlined as follows:

Cut-off risk error of revenue recognition

Description

Refer to Note 4(26) for accounting policy on revenue recognition. The Company is primarily engaged in exports and offers different credit terms to their customers. The credit terms for some customers are delivered at place and the timing for transferring the control of goods is based on the customer confirmation documents. Given that the revenue recognition process relies on manual processes and the large volume of daily sales transactions which are material to the financial statements, we thus consider sales cut-off as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of the sales recognition accounting policy.
2. Understood and tested the design and effectiveness of relevant internal controls when recognising the sales revenue.
3. Sampled delivery orders and customer confirmation documents during a certain period before and after the balance sheet date to ensure the accuracy of cut-off of sales revenue.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(13) for accounting policies on inventory, Note 5 for significant accounting estimates and assumptions of inventory, and Note 6(6) for details of allowance for inventory valuation losses.

The Company manufactures and sells thick and thin film passive components products. Due to the competitive market in the industry and the fluctuating prices, there is a higher risk of inventory losing value or becoming obsolete. The inventories are stated at the lower of cost and net realisable value and the possible losses arising from aged and obsolete inventories are also assessed. Given that the evaluation on the aged and

obsolete inventories involves subjective judgement which results in estimation uncertainty and the impact of aged inventories and allowance for inventory valuation losses are material to the financial statements, we thus consider assessment of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Understood and assessed the reasonableness of allowance for inventory valuation losses policy including the historical sources of inventory clearance process.
2. Obtained the inventory assessment report prepared by the management and checked the completeness of the information on the inventory aging report.
3. Verified the accuracy of the intervals and relevant information used on the inventory aging report, ensured the allowance loss valuation and the provision policy are consistently applied and further assessed the reasonableness of the estimations of allowance for inventory valuation losses.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Viking Tech Corporation, as at and for the years ended December 31, 2019 and 2018.

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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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.

Lin, Yu-Kuan

Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan
March 11, 2020

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

【 Attachment VIII 】

VIKING TECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 515,947	17	\$ 612,806	18
1110	Financial assets at fair value through profit or loss - current	6(2)	199,463	6	49,656	2
1120	Current financial assets at fair value through other comprehensive income	6(3)	-	-	59,096	2
1136	Current financial assets at amortised cost, net	6(4)	12,915	-	63,416	2
1150	Notes receivable, net	6(5)	14,701	1	14,929	-
1170	Accounts receivable, net	6(5)	393,390	13	615,166	18
1180	Accounts receivable - related parties	6(5) and 7	305	-	9	-
1200	Other receivables		6,980	-	22,517	1
1210	Other receivables - related parties	7	492	-	1,581	-
1220	Current income tax assets	6(24)	13,711	-	2,129	-
130X	Inventories, net	6(6)	514,545	17	568,210	17
1410	Prepayments		33,533	1	22,936	1
1479	Other current assets	8	2,103	-	1,088	-
11XX	Total current assets		<u>1,708,085</u>	<u>55</u>	<u>2,033,539</u>	<u>61</u>
Non-current assets						
1600	Property, plant and equipment	6(7)(9)(26) and 8	1,238,377	40	1,143,587	34
1755	Right-of-use assets	6(8)	30,351	1	-	-
1780	Intangible assets		4,786	-	3,608	-
1840	Deferred income tax assets	6(24)	32,788	1	46,510	1
1900	Other non-current assets	6(27)	76,919	3	125,956	4
15XX	Total non-current assets		<u>1,383,221</u>	<u>45</u>	<u>1,319,661</u>	<u>39</u>
1XXX	Total assets		<u>\$ 3,091,306</u>	<u>100</u>	<u>\$ 3,353,200</u>	<u>100</u>

(Continued)

VIKING TECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		Notes	December 31, 2019		December 31, 2018	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(10)(27)	\$ 30,000	1	\$ 20,000	1
2150	Notes payable		2,080	-	3,154	-
2170	Accounts payable		150,467	5	280,099	9
2180	Accounts payable - related parties	7	7,587	-	33,508	1
2200	Other payables	6(11)(23)	166,933	6	210,044	6
2230	Current income tax liabilities	6(24)	-	-	63,155	2
2280	Current lease liabilities	6(8)	5,663	-	-	-
2320	Long-term liabilities, current portion	6(12)(27) and 8	27,578	1	29,076	1
2399	Other current liabilities		5,353	-	9,574	-
21XX	Total current liabilities		<u>395,661</u>	<u>13</u>	<u>648,610</u>	<u>20</u>
Non-current liabilities						
2540	Long-term borrowings	6(12)(27) and 8	138,406	4	171,673	5
2570	Deferred income tax liabilities	6(24)	133	-	209	-
2580	Non-current lease liabilities	6(8)	24,919	1	-	-
2600	Other non-current liabilities		4,347	-	3,555	-
25XX	Total non-current liabilities		<u>167,805</u>	<u>5</u>	<u>175,437</u>	<u>5</u>
2XXX	Total Liabilities		<u>563,466</u>	<u>18</u>	<u>824,047</u>	<u>25</u>
Equity attributable to owners of parent						
Share capital						
		6(14)				
3110	Ordinary share		1,173,408	38	1,173,408	35
Capital surplus						
		6(15)				
3200	Capital surplus		730,121	24	730,121	22
Retained earnings						
		6(16)				
3310	Legal reserve		178,592	6	150,954	4
3320	Special reserve		7,524	-	3,510	-
3350	Unappropriated retained earnings		445,140	14	473,887	14
Other equity						
		6(3)(17)				
3400	Other equity interest		(12,265)	-	(7,524)	-
31XX	Total equity attributable to owners of the parent		<u>2,522,520</u>	<u>82</u>	<u>2,524,356</u>	<u>75</u>
36XX	Non-controlling interest		<u>5,320</u>	<u>-</u>	<u>4,797</u>	<u>-</u>
3XXX	Total equity		<u>2,527,840</u>	<u>82</u>	<u>2,529,153</u>	<u>75</u>
Significant Contingent Liabilities and Contract Commitments						
Significant Events After the Balance Sheet Date						
3X2X	Total liabilities and equity		<u>\$ 3,091,306</u>	<u>100</u>	<u>\$ 3,353,200</u>	<u>100</u>

【 Attachment IX 】

VIKING TECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

Years ended December 31

Items	Notes	2019		2018	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(18) and 7	\$ 2,144,527	100	\$ 2,653,960	100
5000 Operating costs	6(6)(22)(23) and 7	(1,631,531)	(76)	(1,808,824)	(68)
5900 Gross profit		<u>512,996</u>	<u>24</u>	<u>845,136</u>	<u>32</u>
Operating expenses	6(22)(23)				
6100 Selling expenses		(124,607)	(6)	(128,469)	(5)
6200 General and administrative expenses		(152,181)	(7)	(165,472)	(6)
6300 Research and development expenses		(55,113)	(2)	(50,754)	(2)
6450 Expected credit loss	12(2)	(3,773)	-	-	-
6000 Total operating expenses		<u>(335,674)</u>	<u>(15)</u>	<u>(344,695)</u>	<u>(13)</u>
6900 Operating profit		<u>177,322</u>	<u>9</u>	<u>500,441</u>	<u>19</u>
Non-operating income and expenses					
7010 Other income	6(3)(4)(19)	6,297	-	15,873	-
7020 Other gains and losses	6(2)(9)(20)	(437)	-	(169,824)	(6)
7050 Finance costs	6(21)	(3,282)	-	(3,641)	-
7000 Total non-operating income and expenses		<u>2,578</u>	<u>-</u>	<u>(157,592)</u>	<u>(6)</u>
7900 Profit before income tax		<u>179,900</u>	<u>9</u>	<u>342,849</u>	<u>13</u>
7950 Income tax expense	6(24)	(35,528)	(2)	(64,823)	(3)
8200 Profit for the year		<u>\$ 144,372</u>	<u>7</u>	<u>\$ 278,026</u>	<u>10</u>
Other comprehensive income, net					
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Cumulative translation differences of foreign operations	6(17)	(\$ 6,334)	-	(\$ 2,080)	-
8367 Unrealised gains (losses) from investments in debt instruments measured at fair value through other comprehensive income, net	6(3)(17)	<u>1,458</u>	<u>-</u>	<u>(1,806)</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>\$ 139,496</u>	<u>7</u>	<u>\$ 274,140</u>	<u>10</u>
Profit, attributable to:					
8610 Owners of the parent		<u>\$ 143,714</u>	<u>7</u>	<u>\$ 276,376</u>	<u>10</u>
8620 Non-controlling interest		<u>\$ 658</u>	<u>-</u>	<u>\$ 1,650</u>	<u>-</u>
Comprehensive income attributable to:					
8710 Owners of the parent		<u>\$ 138,973</u>	<u>7</u>	<u>\$ 272,362</u>	<u>10</u>
8720 Non-controlling interest		<u>\$ 523</u>	<u>-</u>	<u>\$ 1,778</u>	<u>-</u>
Earnings per share	6(25)				
9750 Basic earnings per share		<u>\$</u>	<u>1.22</u>	<u>\$</u>	<u>2.36</u>
Diluted earnings per share	6(25)				
9850 Diluted earnings per share		<u>\$</u>	<u>1.21</u>	<u>\$</u>	<u>2.33</u>

【Attachment X】

VIKING TECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent												
		Retained earnings					Other equity interest							
		Notes	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets		Unrealized gain or loss on available-for-sale financial assets	Total	Non-controlling interest	Total equity
									measured at fair value through other comprehensive income					
<u>Year ended December 31, 2018</u>														
			\$1,173,408	\$ 730,121	\$ 142,221	\$ 5,105	\$ 263,320	(\$ 3,858)	\$ -	\$ 348	\$2,310,665	\$ 3,019	\$2,313,684	
			-	-	-	-	-	-	348	(348)	-	-	-	
			<u>1,173,408</u>	<u>730,121</u>	<u>142,221</u>	<u>5,105</u>	<u>263,320</u>	<u>(3,858)</u>	<u>348</u>	<u>-</u>	<u>2,310,665</u>	<u>3,019</u>	<u>2,313,684</u>	
			-	-	-	-	276,376	-	-	-	276,376	1,650	278,026	
			-	-	-	-	-	(2,208)	(1,806)	-	(4,014)	128	(3,886)	
			-	-	-	-	276,376	(2,208)	(1,806)	-	272,362	1,778	274,140	
Distribution of retained earnings of 2017:														
			-	-	8,733	-	(8,733)	-	-	-	-	-	-	
			-	-	-	(1,595)	1,595	-	-	-	-	-	-	
			-	-	-	-	(58,671)	-	-	-	(58,671)	-	(58,671)	
			<u>\$1,173,408</u>	<u>\$ 730,121</u>	<u>\$ 150,954</u>	<u>\$ 3,510</u>	<u>\$ 473,887</u>	<u>(\$ 6,066)</u>	<u>(\$ 1,458)</u>	<u>\$ -</u>	<u>\$2,524,356</u>	<u>\$ 4,797</u>	<u>\$2,529,153</u>	
<u>Year ended December 31, 2019</u>														
			\$1,173,408	\$ 730,121	\$ 150,954	\$ 3,510	\$ 473,887	(\$ 6,066)	(\$ 1,458)	\$ -	\$2,524,356	\$ 4,797	\$2,529,153	
			-	-	-	-	143,714	-	-	-	143,714	658	144,372	
			-	-	-	-	-	(6,199)	1,458	-	(4,741)	(135)	(4,876)	
			-	-	-	-	143,714	(6,199)	1,458	-	138,973	523	139,496	
Distribution of retained earnings of 2018:														
			-	-	27,638	-	(27,638)	-	-	-	-	-	-	
			-	-	-	4,014	(4,014)	-	-	-	-	-	-	
			-	-	-	-	(140,809)	-	-	-	(140,809)	-	(140,809)	
			<u>\$1,173,408</u>	<u>\$ 730,121</u>	<u>\$ 178,592</u>	<u>\$ 7,524</u>	<u>\$ 445,140</u>	<u>(\$ 12,265)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,522,520</u>	<u>\$ 5,320</u>	<u>\$2,527,840</u>	

【 Attachment XI 】

VIKING TECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31,	
		2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 179,900	\$ 342,849
Adjustments			
Adjustments to reconcile profit (loss)			
Provision for expected credit loss	12(2)	3,773	883
Depreciation	6(7)(8)(22)	198,500	184,546
Amortisation of intangible assets	6(22)	3,501	2,976
Interest income	6(3)(4)(19)	(3,588)	(5,066)
Interest expense	6(21)	3,282	3,641
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(20)	(4,473)	4,372
(Gain) loss on disposal of property, plant and equipment	6(7)(20)	(5,715)	35,524
Impairment loss	6(7)(9)(20)	-	135,374
Loss on disposal of investments	6(20)	777	-
Gain on foreign exchange remeasurement of financial assets at fair value through other comprehensive income	6(3)	(3,461)	(1,872)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss	6(2)	(145,334)	(13,172)
Notes receivable	6(5)	(245)	(5,266)
Accounts receivable	6(5)	211,713	(214,636)
Accounts receivable - related parties	6(5) and 7	(308)	121
Other receivables		15,043	(9,620)
Other receivables - related parties		1,089	(1,581)
Inventories	6(6)	50,120	(165,118)
Prepayments		(10,804)	3,411
Other current assets		(20)	(187)
Changes in operating liabilities			
Notes payable		(1,074)	(2,099)
Accounts payable		(127,282)	99,883
Accounts payable- related parties	7	(25,678)	14,829
Other payables	6(11)	(28,846)	35,128
Other current liabilities		(4,143)	7,503
Cash inflow generated from operations		306,727	452,423
Interest received		3,939	4,981
Interest paid		(2,857)	(3,670)
Income tax paid		(96,619)	(36,307)
Net cash flows from operating activities		<u>211,190</u>	<u>417,427</u>

(Continued)

VIKING TECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31,	
		2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets measured at cost		\$ 63,298	\$ -
Acquisition of financial assets at amortized cost	6(4)	(78,359)	(86,481)
Proceeds from disposal of financial assets at amortized cost	6(4)	128,359	27,361
Increase in other liquid financial assets	8	(1,000)	-
Acquisition of property, plant and equipment	6(7)(26)	(261,480)	(317,369)
Proceeds from disposal of property, plant and equipment	6(7)	10,588	44,138
Acquisition of intangible assets		(4,682)	(4,637)
Decrease (increase) in refundable deposits		2,711	(1,990)
Net cash flows used in investing activities		(140,565)	(338,978)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(10)(27)	70,000	30,000
Repayments of short-term borrowings	6(10)(27)	(60,000)	(140,000)
Increase in long-term borrowings	6(12)(27)	-	57,380
Repayments of long-term borrowings	6(12)(27)	(34,765)	(26,766)
Repayments of principal portion of lease liabilities	6(8)	(6,221)	-
Increase in guarantee deposits received		792	110
Cash dividends paid	6(16)	(140,809)	(58,671)
Net cash flows used in financing activities		(171,003)	(137,947)
Effects of changes in foreign exchange rates		3,519	2,395
Net decrease in cash and cash equivalents		(96,859)	(57,103)
Cash and cash equivalents at beginning of year	6(1)	612,806	669,909
Cash and cash equivalents at end of year	6(1)	\$ 515,947	\$ 612,806

【 Attachment XII】

Audit Committee's Review Report

The Board of Directors has prepared and submitted the 2019 financial statements of the Company that have been reviewed by the independent auditors, Lin Yukuan and Zheng Yahui of KPMG Taiwan, together with the business report and the earnings distribution proposal reviewed by the Audit Committee. The Committee is considered that there is no discrepancy and such reports are prepared in accordance with the provisions of Article 14-4 of Securities and Exchange Act and Article 219 of Company Act. Submitted for review and approval

To
Viking Tech Corporation 2020 Shareholders' Meeting

The convener of the Audit Committee. Shen Bo-Ting

March 11, 2020

【Attachment XIII】

Viking Tech Corporation

Earnings Distribution Table

2019

Unit: In One Dollar of New Taiwan Dollar

Beginning undistributed earnings balance	301,426,274
Add: Net Income After Tax	143,713,707
Minus: Appropriated as 10% legal reserve	(14,371,371)
Appropriated as special reserve	(4,740,739)
Earnings available for distribution	426,027,871
Distribution Items:	
shareholders extra dividend	82,138,589
Ending undistributed Earnings balance	343,889,282

Note 1.The proposed earnings distribution is NTD82,138,589 and each common share holder will be titled to receive a cash dividend of NTD0.7 per share.

Note 2.The record date of dividend payout is set by Board of Directors.

Note 3.The dividend for individual shareholders will be distributed down to dollar, while the decimals will be rounded down to dollar.

Responsible person:
Tsai Kao-Ming

Managerial Personnel:
Hu Chuan-Bin

Accountant in charge of the
Company: Li Shun-He

Viking Tech Corporation
 Rules of Procedure for Board of Directors Meetings
 Comparison Table for the Amended Provisions

Revision Provision	Original Provision	Explanatory Notes
<p>Article 7 :</p> <p>Where a meeting of the Board of Directors is called by the chairperson of the Board, the meeting shall be chaired <u>by the chairperson</u>. However, where the first meeting of each newly elected Board of Directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.</p> <p><u>Where a meeting of the Board of Directors is called by a majority of directors on their own initiative in accordance with Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.</u></p> <p>When the chairperson of the Board is on leave or for any reason is unable to exercise the powers of the chairperson, a director designated by the chairperson shall do so in place of the chairperson, or, if the chairperson does not make such a designation, by a director elected by and from among themselves.</p>	<p>Article 7 :</p> <p>A meeting of the Board of Directors shall be called and chaired by the chairperson of the Board. However, where the first meeting of each newly elected Board of Directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.</p> <p>When the chairperson of the Board is on leave or for any reason is unable to exercise the powers of the chairperson, a director designated by the chairperson shall do so in place of the chairperson, or, if the chairperson does not make such a designation, by a director elected by and from among themselves.</p>	<p>1. The text is amended.</p> <p>2. Paragraph 2 is added according to the Company Act, stipulating that where a meeting of the Board of Directors (including the first meeting of the newly elected Board of Directors) is called by a majority of directors on their own initiative, the directors shall choose one person by and from among themselves to chair the meeting.</p>
<p>Article 15 :</p> <p>If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights</p>	<p>Article 15 :</p> <p>If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director <u>shall state the important aspects of the interested party relationship at the respective meeting</u> and may not participate in discussion or voting on that agenda item, and further,</p>	<p>1. The text is amended.</p> <p>2. Paragraph 2 is added according to the Company Act, stipulating that where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an</p>

Viking Tech Corporation
 Rules of Procedure for Board of Directors Meetings
 Comparison Table for the Amended Provisions

Revision Provision	Original Provision	Explanatory Notes
<p>on that matter. <u>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.</u> The provisions of Paragraph 2, Article 180 of the Company Act, as applied mutatis mutandis under Paragraph 4, Article 206 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding <u>two paragraphs</u> from exercising voting rights.</p>	<p>shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter. The provisions of Paragraph 2, Article 180 of the Company Act, as applied mutatis mutandis under Paragraph 3, Article 206 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding paragraph from exercising voting rights.</p>	<p>interested party with respect to an agenda item, such director shall be deemed to be an interested party with respect to that agenda item.</p>
<p>Article 20 : The Rules were passed on January 31, 2007. The first amendment was made on January 28, 2008. The Rules took effect on June 25, 2008. The second amendment was made on March 24, 2010. The third amendment was made on June 15, 2012. The fourth amendment was made on March 20, 2013. The fifth amendment was made on November 8, 2017. <u>The sixth amendment was made on March 11, 2020.</u></p>	<p>Article 20 : The Rules were passed on January 31, 2007. The first amendment was made on January 28, 2008. The Rules took effect on June 25, 2008. The second amendment was made on March 24, 2010. The third amendment was made on June 15, 2012. The fourth amendment was made on March 20, 2013. The fifth amendment was made on November 8, 2017.</p>	

Viking Tech Corporation
 Rules of procedure for meetings of its Shareholders' meeting
 Comparison Table for the Amended Provisions

Revision Provision	Original Provision	Explanatory Notes
<p>Article 5 :</p> <p>The shareholders' meeting is convened by the Board of Directors, whose agenda is set by the Board of Directors. <u>Relevant proposals (including motions and revisions of original proposals) shall be voted on a case-by-case basis.</u> The meeting shall be held according to the scheduled agenda and may not be changed without the resolution of the shareholders' meeting.</p> <p>he shareholders' meeting shall be convened by others other than the board of directors, and the provisions of the preceding paragraph shall apply.</p> <p>Before the agenda of the first two items is scheduled to be finalized (including extemporary motions), the chairman may not announce the meeting without a resolution. When the shareholders' meeting was held, the chairman violated the rules of procedure and announced end of meeting, the participants could select another chairman by voting for more than half of the shareholders' voting rights and keep the meeting.</p>	<p>Article 5 :</p> <p>The shareholders' meeting is convened by the board of directors, whose agenda is set by the board of directors. The meeting shall be held according to the scheduled agenda and may not be changed without the resolution of the shareholders' meeting.</p> <p>The shareholders' meeting shall be convened by others other than the board of directors, and the provisions of the preceding paragraph shall apply. Before the agenda of the first two items is scheduled to be finalized (including extemporary motions), the chairman may not announce the meeting without a resolution. When the shareholders' meeting was held, the chairman violated the rules of procedure and announced end of meeting, the participants could select another chairman by voting for more than half of the shareholders' voting rights and keep the meeting.</p>	<p>The text is revised in line with electronic voting and the spirit of case-by-case voting.</p>
<p>Article 9 :</p> <p>In the discussion of the proposal and <u>amendments or motions proposed by shareholders, the Chairman shall give an opportunity for shareholders to explain fully before declaring</u> that the discussion has been suspended and the voting has been put to a vote, <u>and shall arrange for enough time to vote.</u></p>	<p>Article 9 :</p> <p>In the discussion of the proposal, the Chairman may declare that the discussion has been suspended and the voting has been put to a vote.</p>	

【Attachment XV】

Viking Tech Corporation
 Rules of procedure for meetings of its Shareholders' meeting
 Comparison Table for the Amended Provisions

Revision Provision	Original Provision	Explanatory Notes
Article 25 : The implementation is on June 17, 2008. The 1st amendment dated on March 12, 2002. The 2nd amendment dated on November 30, 2006. The 3rd amendment dated on May 18, 2007. The 4th amendment dated on June 23, 2013. The 5th amendment dated on June 24, 2019. The 6th amendment dated on June 22, 2020.	Article 25 : The implementation is on June 17, 2008. The 1st amendment dated on March 12, 2002. The 2nd amendment dated on November 30, 2006. The 3rd amendment dated on May 18, 2007. The 4th amendment dated on June 23, 2013. The 5th amendment dated on June 24, 2019.	The date of the amendment will be updated

【Appendix I】

Viking Tech Corporation
Shareholdings of All Directors

1. Director and Supervisor share ownership ratios and shares, as follows:

Types of shares to be issued and total number of shares of the Company: Common shares 117,340,842 shares

The minimum numbers of shares required to be held by the entire bodies of directors 8,000,000 shares

The minimum numbers of shares required to be held by the entire bodies of supervisors Non applicable (Audit Committee has been established)

2. As of the book closure date for that shareholders' meeting dated on April 24, 2020, the shareholdings of all directors are as follows, that has been complied with a percentage of shares standards under Article 26 of the Securities and Exchange Act.

Position Title	Name	Shareholdings	Representative	Note:
President	Huajie Investment Limited Company	200,000	Tsai Kao-Ming	
Director	Guangdong Fenghua Semiconductor Technology Co., Ltd. (China)	46,936,337	Hu Chuang-Bin	
Director	Guangdong Fenghua Semiconductor Technology Co., Ltd. (China)		Liang Yao-Ming	
Director	Guangdong Fenghua Semiconductor Technology Co., Ltd. (China)		Liao Wei-Qiang	
Director	Thai Wey Industrial Co., Ltd.	2,427,000	Chen Li-Ming	
Director	Thai Wey Industrial Co., Ltd.		Li Mao-Sheng	
Independent Director	Li Yi-Wen	0		
Independent Director	Shen Bo-Ting	0		
Independent Director	Huang Shi-Bing	0		
Current Shareholdings of All Directors		49,563,337		
The percent of the total issued shares (%)		42.24%		

Viking Tech Corporation Articles of Incorporation

Chapter I General Provisions

- Article 1: The Company is established in accordance with the provisions of the Company Act and is named as Viking Tech Corporation. Viking Tech Corporation
- Article 2: The business scope of the Company is as follows:
CC01080 Electronic Parts and Components Manufacturing (limited to 2620 Electronic Passive Devices Manufacturing and 2699 Other Electronic Parts and Components Manufacturing under the Standard Industrial Classification of the Republic of China)
CA04010 Metal Surface Treating (limited to 2544 Treatment of Metal Surface under the Standard Industrial Classification of the Republic of China)
F119010 Wholesale of Electronic Materials (limited to 4642 Wholesale of Electronic Equipment and Parts under the Standard Industrial Classification of the Republic of China)
- Article 3: The restrictions on the investments in other enterprises under Article 13 of the Company Act does not apply on the total amount of investments in other enterprises of the Company.
- Article 4: The Company may provide the guarantee externally with a prior approval of the board of directors.
- Article 5: The Company shall have its head office in Hsinchu County, Taiwan, and shall be free, upon approval of government authorities in charge, to set up representative and branch offices at various locations within and without the territory of Taiwan.
- Article 6: The public announcement of the Company shall be handled in accordance with the provisions of Article 28 of the Company Act.

Chapter II Shares

- Article 7: The total capital stock of the Company shall be in the amount of 500,000,000 New Taiwan Dollars, divided into 150,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments with the resolution of Board of Directors.
The Company may issue employee stock options from time to time. A total of 15,000,000 shares among the above total capital stock should be reserved for issuing employee stock options.
- Article 8: The share certificates of the Company shall all be name-bearing share certificates with signature of seal of three more directors and that will be issued after the attestation of share certificates. After the public offering of the Company, in the event of the issuance of new shares, the Company may jointly print the shares for the total number of shares issued, and it may issue shares without printing share certificate(s).
- Article 9: The handling of the shares business of the Company is handled in accordance with the relevant laws and regulations and the regulations of the competent authorities.
- Article 10: The entries in its shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting.

Viking Tech Corporation Articles of Incorporation

Chapter III Shareholders' Meetings

Article 11: There are two types of shareholders' meetings: regular meetings and special meetings:

1. The general shareholders' meeting shall be convened by the board of directors within six months after the end of each fiscal year.
2. Special shareholders' meeting may be held when necessary.

A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 20 days prior to the scheduled meeting date. A notice to convene a special meeting of shareholders shall be given to each shareholder no later than 10 days prior to the scheduled meeting date. After the Company becomes a public company, a notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. In case a public company intends to convene a special meeting of shareholders, a meeting notice shall be given to each shareholders no later than 15 days prior to the scheduled meeting date.

The shareholders' meeting notice shall state the date, place and cause(s) or subject(s) of a meeting of shareholders to be convened.

Article 12: The common shares of the Company, unless otherwise provided by the statutes, have one vote per share.

Article 13: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

In the event that a shareholder of the Company has exercised his/her/its voting power by way of electronic transmission, the relevant laws and Regulations shall be complied.

Article 13-1: The revocation of the public offering by the Company shall be subject to a special resolution of the shareholders' meeting.

Article 14: (Deleted)

Article 15: The board of shareholders' meeting is chaired by the President.

When the president is on leave or for any reason is unable to exercise the powers of the president, the vice president shall do so in place of the president. If the president does not make such a designation, by a director elected by and from among themselves.

Article 16: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting in accordance with Article 183 of the Company Act.

Chapter IV Board of Directors

Article 17: The Company shall have seven to eleven directors to organize the Board of Directors who are elected from among the Canadians with disposing capacity and are approved by the shareholders' meeting.

Viking Tech Corporation Articles of Incorporation

The total number of directors shall include not less than three independent director members. Because of the adoption of the candidates nomination system, the shareholders shall elect independent directors from among the those listed in the slate of independent director candidates.

The term of office of directors shall be three years; re-election shall be permissible. One shall be selected from and by the directors to act as the President.

Article 17-1: The Company sets up the Audit Committee in accordance with

Article 14-4 of 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 convenor, and at least one of whom shall have accounting or financial expertise.

Article 18: The board of directors' meeting is chaired by the President.

When the President for any reason is unable to exercise the powers of the president, the vice president shall do so in place of the president. If the President does not make such a designation, by a director elected by and from among themselves.

Article 19: In addition to the provisions of the Company Act, the following matters shall be followed by the resolution of the board of directors:

1. The approval of the annual budget and the review of the annual final reports (including the review and supervision of the execution of the annual business plan)
2. The approval of acquisition or disposal of major assets.
3. The application of the company to the financial institution or a third party for financing, guarantee, acceptance and other consent or ratification of any credit or debt-raising externally.
4. The approval for the endorsement, guarantee, and acceptance in the name of the company.
5. The proposal to dispose for the property of Company in full or the material portion of the Company, such as dian-transfer, sale, lease, pledge, mortgage or other means; provided it does not apply on matter Provided it is the case to be provided for financial institution as the collateral due to credit terms.
6. The acquisition, assignment, authorization, and leasing of the proprietary technology and patent right and approval, amendment, and termination to the technologies cooperation contracts.
7. The appointment, dismissal of the managerial personnel.
8. The approval for the investment of a company in other enterprises or the transfer of shares.
9. The approval of major transactions between the company and its interested parties (including interested enterprises).
10. The selection, appointment, resignation or dismissal of the external independent auditors.
11. Other functions and powers conferred by laws and regulations and shareholders'

Viking Tech Corporation Articles of Incorporation

meetings.

Article 20: All board directors shall attend board meetings in person; if attendance in person is not possible, they may appoint another director to attend as their proxy. The said proxy accepts a proxy from one person only. Attendance via tele- or video-conference is deemed as attendance in person.

Chapter V Managerial Personnel

Article 21: The Company has one general manager, a number of vice general managers and the appointment, dismissal and salary remuneration thereof in accordance with the provisions of the Company Act.

Article 22: The general manager upholds the resolutions of the board of directors and the order of the President to manage all business of the Company, and the vice general manager assists the general manager to handle matters.

Chapter VI Accounting

Article 23: The fiscal year of the Company begins on January 1 and ends on December 31.

At the end of each fiscal year, after all the accounting books and financial statements are settled, the following statements shall be prepared by the board of directors in accordance with the provisions of the Company Act, and submitted to the general shareholders' meeting for adoption in accordance with the legal procedures.

1. Business Report.
2. Financial Statements.
3. Earnings Distribution or Losses Coverage Proposal

Article 24: When the Company obtains earnings in the final report of each fiscal year, after the losses in previous years have been covered and a legal reserve has been set aside. However, when the legal reserve amounts to the authorized capital, this shall not apply. The special reserve is appropriated or reversed depending on the requirements. The earnings distribution for the earnings balance hereof, together with the undistributed earnings in the previous year, is proposed by the board of directors to be resolved by the shareholders' meeting.

Article 24-1: The dividend distribution for the shareholders of the Company may be issued in cash or shares, but the ratio of cash dividends shall not be less than 20% of the total distributed amounts for the shareholders.

Article 24-2: The Company shall distribute 10% of profit status of the current year as the employees' compensation and 5% of profit status of the current year as the directors' and supervisors' compensation. However, in the event of the accumulated losses, the Company shall cover such losses.

The employees' compensation is distributed in the form of shares or cash and qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements, entitled to receive

Viking Tech Corporation Articles of Incorporation

shares or cash issued.

The Company shall distribute 10% of profit status of the current year as the employees' compensation and 5% of profit status of the current year as the directors' and supervisors' compensation.

The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation and directors' and supervisors' compensation; and in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting.

This provision is in force after the amendment to the provisions of the Company Act on May 1, 2015.

Article 25: The Company authorizes the Board of Directors to determine the remuneration of the directors of the Company in accordance with the value of the directors' participation and contribution and the usual level of industry peers.

The Company may purchase the liability insurance for all directors and supervisors in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and it authorizes the board of directors to resolve the insurance coverage.

Chapter VII Miscellaneous

Article 26: Matters not specified in this Articles shall be handled in accordance with the Company Act and the relevant regulations.

Article 27: The Articles of Incorporation becomes effective after being resolved by the shareholders' meeting in accordance with laws, and the same shall apply to any amendments to the Articles.

Article 28: The promulgation of this Article of Incorporation dated on September 5, 1997.

The 1st amendment dated on June 17, 1998.

The 2nd amendment dated on June 28, 2001.

The 3rd amendment dated on March 12, 2002.

The 4th amendment dated on June 6, 2005.

The 5th amendment dated on May 26, 2006.

The 6th amendment dated on November 30, 2006.

The 7th amendment dated on May 18, 2007.

The 8th amendment dated on November 28, 2007.

The 9th amendment dated on June 25, 2008.

The 10th amendment dated on June 14, 2010.

The 11th amendment dated on June 15, 2012.

The 12th amendment dated on June 23, 2013.

The 13th amendment dated on June 23, 2014.

【Appendix II】

Viking Tech Corporation
Articles of Incorporation

The 14th amendment dated on June 25, 2015.
The 15th amendment dated on June 30, 2016.
The 16th amendment dated on August 23, 2016.
The 17th amendment dated on June 26, 2018.

**Viking Tech Corporation
Shareholders' meeting rules**

1. The company shareholders' meeting, in addition to the stipulations of law, it shall be in accordance with these rules.
2. The shareholders referred to in these Rules refer to the representatives of the shareholders and the shareholders entrusted to attend
3. The company shall indicate the time of receipt of the shareholders, the place of registration, and other matters needing attention in the notice of the meeting.
The time for registration of the shareholders shall be handled at least 30 minutes before the meeting; the registration office shall be clearly marked and have appropriate personnel to handle.
The agent (hereinafter referred to as the shareholder) entrusted by shareholders or shareholders shall attend the shareholders' meeting with attendance certificate, attendance card or other attendance certificate; solicitors who are requesting the power of attorney shall carry the identity document for verification.
The company shall have a signature book for attending shareholders to sign in or the attending shareholders to pay the sign-in card for sign-in. The number of attendances is calculated based on the signature book or the signed card.
4. At the time of the meeting, the chairman shall announce the start of meeting. However, if there is no representative of the total number of shares issued, the chairman may announce the postponement of the meeting. The number of postponements shall be limited to two times, and the total time of postponement shall not exceed one hour.
If postponement is still insufficient and the shareholders representing more than one-third of the total number of shares issued are present, they may make a tentative resolution in accordance with the provisions of Article 175 of the Company Law and notify the shareholders of the tentative resolution. The shareholders' meeting will be convened within one month.
Before the end of the meeting, if the number of shares represented by the shareholders reaches more than half of the total number of issued shares, the chairman may make a tentative resolution and re-invited the meeting to vote in accordance with the provisions of Article 174 of the Company Law.
5. The shareholders' meeting is convened by the board of directors, whose agenda is set by the board of directors. The meeting shall be held according to the scheduled agenda and may not be changed without the resolution of the shareholders' meeting.
The shareholders' meeting shall be convened by others other than the board of directors, and the provisions of the preceding paragraph shall apply.
Before the agenda of the first two items is scheduled to be finalized (including extemporary motions), the chairman may not announce the meeting without a resolution. When the shareholders' meeting was held, the chairman violated the rules of procedure and announced end of meeting, the participants could select another chairman by voting for more than half of the shareholders' voting rights and keep the meeting.
6. During the meeting, the chairman may decide to take a break at a discretion. When an irresistible situation occurs, the chairman may decide to suspend the meeting temporarily and announce the time for the resumption of the meeting as appropriate. If the meeting fails to complete, it may be decided by the shareholders' meeting, extend or renew the assembly within

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A shareholder shall have one voting power in respect of each share in his/her/its possession. five days, and be exempt from notice and announcement.

7. Before attending the speeches of the shareholders, a statement must be included to set out the main points of the speech, the shareholder number (or attendance number) and the name of the household. The chairman shall fix the order of his speech.
A shareholder who makes a statement only and does not speak is considered to have not spoken. If the contents of the speech does not conform to the record of the speech, the contents of the confirmed speech shall prevail.
When a shareholder speaks, other shareholders shall not interfere with the speech except with the consent of the chairman and the speaking shareholder, and the chairman of the violators shall stop it.
8. Each shareholder of the same proposal shall not speak more than twice without the consent of the chairman, and may not exceed five minutes at a time. However, if the attending shareholders' speech violates the provisions of the preceding paragraph or exceeds the scope of the issue, or the order of the meeting is lost, the chairman may stop it or suspend the speech. Other shareholders may also request the chairman to do so.
9. In the discussion of the proposal, the Chairman may declare that the discussion has been suspended and the voting has been put to a vote.
10. The voting on matters, except as otherwise provided for in the Company Act and the Articles of Incorporation herein, is resolved by at least one-half of the voting rights present at the most recent shareholders meeting attended by shareholders. When a proposal comes to a vote, the chairperson or his/her designee shall announce the total number of voting rights of the shareholders of every case processed. The shareholders votes for every case processed and, on the date after the shareholders' meeting, the results of the shareholders' consent, opposition and waiver shall be entered into the Market Observation Post System.
A shareholder shall have one voting power in respect of each share in his/her/its possession. A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two (included) or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excessive voting power shall not be counted.
11. The attendance and voting of the shareholders' meeting shall be based on the shares.
12. The place where the shareholders' meeting is convened shall be at the place where the head office or convenience shareholders of the head office are present and suitable for the meeting of the shareholders' meeting. The start time of the meeting shall not be earlier than 9:00 am or 3 pm.
13. The shareholders' meeting shall be convened by the board of directors. The chairman shall be the chairman of the board of directors. If the chairman of the board of directors asks for leave or fails to exercise his/her powers for any reason, the chairman of the board of directors shall appoint one of the directors. If the chairman does not appoint an agent, the director shall select one person.

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When exercising the powers of authority, the chairman of the board of directors shall appoint one of the directors. If the chairman does not appoint an agent, the director shall select one person.

The chairman of the preceding paragraph is a managing director or a director of the board of directors who has served for more than six months and is a managing director or director of the company's financial operations. If the chairman is a representative of a legal director, is the same.

If the shareholders' meeting shall be convened by persons other than the board of directors, the chairman shall be the convener and the convener shall have one or more persons, then one person will be convener.

14. The company may assign lawyers, accountants or related personnel appointed to attend the shareholders' meeting. The member of the shareholders meeting should wear identification card or armband.
15. During the shareholders' meeting, the company should record the whole process and keep it for at least one year.
16. In addition to the proposals set out in the agenda, other proposals or alternatives proposed by the shareholders, or other amendments to the original proposal, should be seconded by other shareholders. The shareholder's shareholding with the representative of the second party should reach the total of one hundreds of shares of the issued shares.
17. When there is an amendment or alternative to the same proposal, the chairman shall decide the order of voting with the original case. If the first case has been passed, the other proposals are deemed to be vetoed and no further votes are required.
18. When a legal person is entrusted to attend a shareholders meeting, the legal person must assign one representative to attend. When a legal person shareholder assigns more than two representative representatives to attend the shareholders meeting, only one person must be allowed to speak on the same proposal.
19. After attending the speech of the shareholders, the chairman may personally or designate the relevant personnel to reply.
20. The scrutinizer and the counting person of voting on the resolution shall be appointed by the chairman, but the scrutinizer shall be a shareholder. The counting vote person shall be made public in the shareholders' meeting place, and the result of the voting shall be reported and recorded.
21. The Chairman may direct the disciplinary team (or security personnel) to help maintain the order of the meeting. The disciplinary team (or security personnel) should be equipped with the "disciplinary team" badge when assisting in maintaining order.
22. In the event of major disasters such as air strikes, earthquakes, fires, etc., the meeting shall immediately stop or suspend the meeting, evacuate all, and announce the next meeting time by the chairman one hour after the situation is lifted.
23. Matters not covered by these rules are dealt with in accordance with the Company Law, other relevant laws and regulations and the articles of association of the company.
24. These rules are implemented after the resolution of the shareholders' meeting is passed, same as when it is amended

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25. The implementation is on June 17, 2008.
 - The 1st amendment dated on March 12, 2002.
 - The 2nd amendment dated on November 30, 2006.
 - The 3rd amendment dated on May 18, 2007.
 - The 4th amendment dated on June 23, 2013.
 - The 5th amendment dated on June 24, 2019.