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Stock Code: 4942



Chia Chang Co., Ltd.
Handbook for the 2024 Annual Meeting of Shareholders

Method of Convening: Physical Shareholders' Meeting

Date: May 29, 2024

**Place: Tzu Yun Hall of Monarch Skyline Hotel
(B1, No.108, Sec. 1, Nankan Rd., Luzhu Dist.,
Taoyuan City, Taiwan)**

This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there is any inconsistency between the Chinese version and this translation, the Chinese version shall prevail.

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Chia Chang Co., Ltd.
Meeting Procedures of 2024 Annual Shareholders' Meeting

- I. Calling the Meeting to Order**
- II. Chairman Remarks**
- III. Report Items**
- IV. Proposal Items**
- V. Discussion Items**
- VI. Extemporaneous Motions**
- VII. Adjournment**

Chia Chang Co., Ltd.
2024 Annual Shareholders' Meeting Agenda

Method of Convening: Physical Shareholders' Meeting

Time: May 29, 2024 (Wednesday), 9:00 a.m.

**Place: Tzu Yun Hall of Monarch Skyline Hotel (B1, No.108, Sec. 1, Nankan Rd.,
Luzhu Dist., Taoyuan City, Taiwan)**

- I. Calling the Meeting to Order**
- II. Chairman Remarks**
- III. Report Items**
 - (I) To report the business of 2023**
 - (II) Audit Committee's Review Report**
 - (III) To report the distribution of employees' and directors' compensation of 2023**
 - (IV) To report the distribution of 2023 earnings in cash**
- IV. Proposal Items**
 - (I) To accept 2023 Business Report and Financial Statements**
- V. Discussion Items**
 - (I) To revise the " Rules and Procedures of Shareholders' Meeting "**
- VI. Extemporary Motions**
- VII. Adjournment**

[Report Items]

I. To report the business of 2023

(Please refer to Attachment 1 on page 6 of this handbook)

II. Audit Committee's Review Report

(Please refer to Attachment 2 on page 7 of this handbook)

III. To report the distribution of employees' and directors' compensation of 2023

Explanation: The Board of Directors of the Company approved a cash distribution of NT\$33,310,548 to employees and NT\$14,000,000 to directors on February 26, 2024.

IV. To report the distribution of 2023 earnings in cash

Explanation:

- (I) In accordance with Article 22 of the Company's Articles of Incorporation, if earnings distribution is in the form of cash dividends, the Board of Directors is authorized to resolve and report the resolution at the shareholders' meeting.
- (II) At the Board of Directors' meeting held on February 26, 2024, the Company approved to distribute the 2023 distributable earnings in the amount of NT\$327,445,510 in cash dividends, with NT\$2.3 per share, and authorized the Chairman to determine the record date for dividend distribution, payment date and other related matters for the distribution of cash dividends.
- (III) The cash dividends are calculated on a pro rata basis up to the dollar amount, with the amount below the dollar amount being rounded off and the total amount of the deficiency being adjusted from the decimal point from the largest to the smallest and the account number from the front to the back in order to meet the total amount of cash dividend distribution.
- (IV) If there is a change in the distribution ratio due to a change in the number of outstanding shares of the Company, the Chairman is authorized to adjust the distribution ratio based on the actual number of outstanding shares of the Company on the basis of the total distribution amount on the record date for dividend distribution.

[Proposal Items]

Proposal 1: To accept 2023 business report and financial statements

Proposed by the Board of Directors

Explanation:

- I. The Company's 2023 financial statements include: balance sheets, statements of comprehensive income, statements of changes in equity, and statements of cash flows, which were audited by CPAs Mr. Yao-Lin Huang and Mr. Shih-Chieh Chou of Deloitte & Touche.
- II. Please refer to Attachments 1, 3, 4, 5 of pages 6, 8 to 28 of this handbook for the 2023 business report, CPA's review report, the above financial statements and the earnings distribution table.

Resolution:

[Discussion Items]

Proposal 1: To revise the " Rules and Procedures of Shareholders' Meeting "

Proposed by the Board of Directors

Explanation:

- (I) The Company has revised the "Rules and Procedures of Shareholders' Meeting" in accordance with Reference No.1120004167 from the Taiwan Stock Exchange Corporation and in compliance with "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" of the competent authority.
- (II) Please refer to Attachment 6 of page 29 to 30 of this handbook for the comparison table of amendments to the Rules and Procedures of Shareholders' Meeting.

Resolution:

[Extemporary Motions]

[Adjournment]

Attachment I

Chia Chang Co., Ltd. 2023 Business Report

In 2023, the global economy was affected by geopolitics, high inflation, interest rate increases policy of the U.S. Federal Reserve, and China's underperformance in the post-pandemic economy resulted in a weakened demand for global end-use products. A high market inventory led to industries actively working towards reducing their inventory. Furthermore, the expansion of the US-China chip ban, the Russia-Ukraine war and the Israel-Hamas war have influenced global economic development and social stability.

In 2023, Chia Chang's consolidated revenue amounted to NT\$6.074 billion, a year-on-year decrease of 23% from NT\$7.839 billion in 2022. With respect to profit, consolidated net income after tax for 2023 amounted to approximately NT\$613 million, of which NT\$615 million was attributable to the owners of the parent company, and basic earnings per share was NT\$4.32, compared to consolidated net income after tax of NT\$644 million in 2022, of which NT\$645 million was attributable to the owners of the parent company, and basic earnings per share was NT\$4.53, a year-on-year decrease of 5%.

Looking ahead, although inventory has gradually returned to normal levels, uncertainties in the global economy and geopolitics continue to exist. Factors such as the sustainability of consumer momentum in the U.S., trends in raw material prices, the economic outlook of China, and the monetary policy direction of central banks worldwide will all have an impact on the overall global economy. Moreover, the escalation from a trade war to a technology war between the U.S. and China, the two major economic powers, has resulted in a restructuring of the global technology industry supply chain. In light of these global changes and the shift in supply chain dynamics, Chia Chang announced the establishment of a factory in Vietnam in 2023, aiming to diversify its production base meet customer demands, and improve production flexibility. In the future, we will maintain our consistent execution power, strategically allocate resources, continuously create product value, and actively recruit talents from various fields. We will collaborate closely with our supply chain and customers to overcome challenges and grow together. By diversifying our deployment in different sectors and regions, and with a strong financial foundation, Chia Chang will maintain flexibility in the rapidly changing economic environment and pursue long-term growth and operational profitability.

In terms of the regulatory environment, the environmental impacts caused by climate change have an effect on global economic sustainability development. This has led to net-zero emissions becoming the ultimate goal for enterprises. While focusing on operational performance, Chia Chang is committed to global sustainability. We continuously promote energy-saving activities, utilize energy-efficient equipment, reduce energy consumption, and consistently implement the concept of corporate sustainable development.

Meanwhile, Chia Chang has always adhered to our core values and beliefs of creating a friendly environment, giving back to society, caring for employees and sustainable development. Additionally, the Company remains dedicated to rewarding shareholders by distributing stable cash dividends based on its operational achievements. We would like to express our gratitude to all the partners who have supported Chia Chang throughout our journey. We sincerely invite every shareholder and partner to join Chia Chang in its transformation, as we strive to continuously move forward with agility and embrace the new era. Finally, we would like to extend our heartfelt appreciation to all shareholders for their enduring support and concern.

Chairman
Mr. Kuei-Hsiu Sung

Manager
Mr. Tz-Shiuan Chen

Chief Accountant
Mr. Li-Chuan Cheng

Attachment II

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 business report, financial statements and annual earnings distribution proposal. The CPA firm of Deloitte & Touche was retained to audit the Company's financial statements and has issued an audit report relating to the financial statements. The business report, financial statements and annual earnings distribution proposal have been reviewed and determined to be accurate by the Audit Committee. According to relevant regulations of the Securities and Exchange Act and the Company Act, and we hereby submit this report.

Chia Chang Co., Ltd.

Chairman of the Audit Committee: Mr. Jui-Hsin Lin

February 26, 2024

Attachment III

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chia Chang Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Chia Chang Co., Ltd. (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Occurrence of Recognized Sales Revenue

Chia Chang Co., Ltd. and its subsidiaries engage mainly in manufacturing metal stamping of internal and external mechanical parts and related products. Although the overall market demand declined in 2023, there was still an increase in the sales revenue due to sales made to certain customers. Since the amount and proportion of sales revenue are significant, we considered the occurrence of recognized sales revenue from certain customers as a key audit matter to the consolidated financial statements for the year ended December 31, 2023. Refer to Notes 4 and 19 to the consolidated financial statements for the accounting policies on revenue recognition.

The audit procedures we have performed in respect of the above key audit matter included understanding, assessing and testing of the effectiveness of the design and implementation of the internal control related to the sales revenue. We selected sample transactions of those sales for certain customers, selected samples of sales revenue and performed confirmation procedures to verify the occurrence of sales revenue. We conducted alternative audit procedures for those who failed to respond to the confirmation request immediately and validated the relevant transaction documents to verify the occurrence of sales revenue.

Other Matter

We have also audited the parent company only financial statements of Chia Chang Co., Ltd. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including members of the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yao-Lin Huang and Shih-Chieh Chou.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2024

Notice to Readers

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

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

CHIA CHANG CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,672,669	25	\$ 2,078,231	19
Financial assets at fair value through profit or loss - current (Note 4)	44	-	45	-
Notes and accounts receivable, net (Notes 4, 7 and 19)	2,508,844	24	2,658,467	24
Current tax assets (Notes 4 and 21)	92,230	1	142,259	1
Inventories, net (Notes 4 and 8)	341,415	3	397,329	4
Prepayments	69,079	1	61,871	1
Other financial assets - current (Notes 4, 6 and 26)	1,045,619	10	2,083,673	19
Other current assets (Note 4)	<u>120,393</u>	<u>1</u>	<u>155,965</u>	<u>2</u>
Total current assets	<u>6,850,293</u>	<u>65</u>	<u>7,577,840</u>	<u>70</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 9)	303,719	3	191,982	2
Investments accounted for using equity method (Notes 4 and 11)	124,081	1	124,317	1
Property, plant and equipment (Notes 4, 12 and 26)	2,789,591	26	2,489,851	23
Right-of-use assets (Notes 4, 13 and 26)	177,192	2	147,159	2
Investment properties (Notes 4, 14 and 26)	53,214	1	53,991	1
Deferred tax assets (Notes 4 and 21)	29,754	-	31,335	-
Prepayments for machinery and equipment	241,754	2	121,815	1
Other non-current assets (Notes 4 and 17)	<u>23,540</u>	<u>-</u>	<u>29,865</u>	<u>-</u>
Total non-current assets	<u>3,742,845</u>	<u>35</u>	<u>3,190,315</u>	<u>30</u>
TOTAL	<u>\$ 10,593,138</u>	<u>100</u>	<u>\$ 10,768,155</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 15 and 26)	\$ -	-	\$ 190,000	2
Notes payable	132,286	1	212,232	2
Accounts payable	915,616	9	957,242	9
Other payables (Note 16)	510,489	5	574,705	5
Current tax liabilities (Notes 4 and 21)	165,101	1	141,754	1
Lease liabilities - current (Notes 4 and 13)	1,265	-	17,889	-
Other current liabilities	<u>129,630</u>	<u>1</u>	<u>114,607</u>	<u>1</u>
Total current liabilities	<u>1,854,387</u>	<u>17</u>	<u>2,208,429</u>	<u>20</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 15 and 26)	4,335	-	4,409	-
Deferred tax liabilities - non-current (Notes 4 and 21)	200,923	2	201,089	2
Guarantee deposits	<u>1,264</u>	<u>-</u>	<u>830</u>	<u>-</u>
Total non-current liabilities	<u>206,522</u>	<u>2</u>	<u>206,328</u>	<u>2</u>
Total liabilities	<u>2,060,909</u>	<u>19</u>	<u>2,414,757</u>	<u>22</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 18)				
Ordinary shares	<u>1,423,676</u>	<u>14</u>	<u>1,423,676</u>	<u>14</u>
Capital surplus	<u>2,820,797</u>	<u>27</u>	<u>2,820,797</u>	<u>26</u>
Retained earnings				
Legal reserve	954,711	9	890,220	8
Special reserve	435,084	4	597,812	6
Unappropriated earnings	<u>3,407,974</u>	<u>32</u>	<u>3,050,624</u>	<u>28</u>
Total retained earnings	<u>4,797,769</u>	<u>45</u>	<u>4,538,656</u>	<u>42</u>
Other equity	<u>(515,121)</u>	<u>(5)</u>	<u>(435,084)</u>	<u>(4)</u>
Total equity attributable to owners of the Corporation	8,527,121	81	8,348,045	78
NON-CONTROLLING INTERESTS	<u>5,108</u>	<u>-</u>	<u>5,353</u>	<u>-</u>
Total equity	<u>8,532,229</u>	<u>81</u>	<u>8,353,398</u>	<u>78</u>
TOTAL	<u>\$ 10,593,138</u>	<u>100</u>	<u>\$ 10,768,155</u>	<u>100</u>

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

CHIA CHANG CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
SALES REVENUE (Notes 4 and 19)	\$ 6,074,468	100	\$ 7,838,687	100
COST OF GOODS SOLD (Notes 4, 8 and 20)	<u>4,598,033</u>	<u>76</u>	<u>6,167,580</u>	<u>79</u>
GROSS PROFIT	<u>1,476,435</u>	<u>24</u>	<u>1,671,107</u>	<u>21</u>
OPERATING EXPENSES (Notes 4, 7 and 20)				
Selling and marketing expenses	224,889	4	277,643	3
General and administrative expenses	434,829	7	464,670	6
Research and development expenses	<u>77,558</u>	<u>1</u>	<u>77,536</u>	<u>1</u>
Total operating expenses	<u>737,276</u>	<u>12</u>	<u>819,849</u>	<u>10</u>
INCOME FROM OPERATIONS	<u>739,159</u>	<u>12</u>	<u>851,258</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Note 4)				
Other income (Note 20)	28,359	-	54,236	1
Share of profit (loss) of associates accounted for using equity method (Note 11)	34,904	1	(82,051)	(1)
Interest income	93,138	1	64,588	1
Interest expense	(997)	-	(4,439)	-
Exchange gains (Note 27)	37,270	1	195,793	2
Other gains and losses (Note 20)	<u>(1,530)</u>	<u>-</u>	<u>4,601</u>	<u>-</u>
Total non-operating income and expenses	<u>191,144</u>	<u>3</u>	<u>232,728</u>	<u>3</u>
INCOME BEFORE INCOME TAX	930,303	15	1,083,986	14
INCOME TAX EXPENSE (Notes 4 and 21)	<u>317,516</u>	<u>5</u>	<u>440,277</u>	<u>6</u>
NET INCOME	<u>612,787</u>	<u>10</u>	<u>643,709</u>	<u>8</u>

(Continued)

CHIA CHANG CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 34,572	1	\$ (16,852)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	<u>(114,609)</u>	<u>(2)</u>	<u>179,580</u>	<u>2</u>
Other comprehensive income (loss)	<u>(80,037)</u>	<u>(1)</u>	<u>162,728</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 532,750</u>	<u>9</u>	<u>\$ 806,437</u>	<u>10</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 615,032	10	\$ 644,914	8
Non-controlling interests	<u>(2,245)</u>	<u>-</u>	<u>(1,205)</u>	<u>-</u>
	<u>\$ 612,787</u>	<u>10</u>	<u>\$ 643,709</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 534,995	9	\$ 807,642	10
Non-controlling interests	<u>(2,245)</u>	<u>-</u>	<u>(1,205)</u>	<u>-</u>
	<u>\$ 532,750</u>	<u>9</u>	<u>\$ 806,437</u>	<u>10</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 22)				
Basic	<u>\$ 4.32</u>		<u>\$ 4.53</u>	
Diluted	<u>\$ 4.29</u>		<u>\$ 4.47</u>	

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

(Concluded)

CHIA CHANG CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Corporation										Non-controlling Interests	Total Equity
	Ordinary Shares	Capital Surplus	Retained Earnings				Exchange Differences on Translation of Foreign Operations	Other Equity		Total		
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total			
BALANCE AT JANUARY 1, 2022	\$ 1,423,676	\$ 2,820,768	\$ 799,339	\$ 524,565	\$ 2,996,941	\$ 4,320,845	\$ (657,345)	\$ 59,533	\$ (597,812)	\$ 7,967,477	\$ 5,558	\$ 7,973,035
Appropriation of 2021 earnings												
Legal reserve	-	-	90,881	-	(90,881)	-	-	-	-	-	-	-
Special reserve	-	-	-	73,247	(73,247)	-	-	-	-	-	-	-
Cash dividends distributed	-	-	-	-	(427,103)	(427,103)	-	-	-	(427,103)	-	(427,103)
Total appropriation of 2021 earnings	-	-	90,881	73,247	(591,231)	(427,103)	-	-	-	(427,103)	-	(427,103)
Net income (loss) for the year ended December 31, 2022	-	-	-	-	644,914	644,914	-	-	-	644,914	(1,205)	643,709
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	179,580	(16,852)	162,728	162,728	-	162,728
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	644,914	644,914	179,580	(16,852)	162,728	807,642	(1,205)	806,437
Changes in percentage of ownership interests in subsidiaries	-	29	-	-	-	-	-	-	-	29	-	29
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,000	1,000
BALANCE AT DECEMBER 31, 2022	1,423,676	2,820,797	890,220	597,812	3,050,624	4,538,656	(477,765)	42,681	(435,084)	8,348,045	5,353	8,353,398
Appropriation of 2022 earnings												
Legal reserve	-	-	64,491	-	(64,491)	-	-	-	-	-	-	-
Special reserve	-	-	-	(162,728)	162,728	-	-	-	-	-	-	-
Cash dividends distributed	-	-	-	-	(355,919)	(355,919)	-	-	-	(355,919)	-	(355,919)
Total appropriation of 2022 earnings	-	-	64,491	(162,728)	(257,682)	(355,919)	-	-	-	(355,919)	-	(355,919)
Net income (loss) for the year ended December 31, 2023	-	-	-	-	615,032	615,032	-	-	-	615,032	(2,245)	612,787
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	(114,609)	34,572	(80,037)	(80,037)	-	(80,037)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	615,032	615,032	(114,609)	34,572	(80,037)	534,995	(2,245)	532,750
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,000	2,000
BALANCE AT DECEMBER 31, 2023	\$ 1,423,676	\$ 2,820,797	\$ 954,711	\$ 435,084	\$ 3,407,974	\$ 4,797,769	\$ (592,374)	\$ 77,253	\$ (515,121)	\$ 8,527,121	\$ 5,108	\$ 8,532,229

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

CHIA CHANG CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 930,303	\$ 1,083,986
Adjustments for:		
Depreciation	241,531	249,003
Amortization	183,895	199,082
Interest income	(93,138)	(64,588)
Share of profit or loss of associates accounted for using equity method	(34,904)	82,051
Unrealized loss on foreign exchange	14,796	11,322
Write-down of inventories (reversed)	(8,071)	4,406
Dividend income	(4,172)	(15,995)
Gain on disposal and retirement of property, plant and equipment	(1,021)	(9,675)
Interest expense	997	4,439
Expected credit loss recognized (reversed)	(928)	1,150
Net gain on fair value changes of financial assets at fair value through profit or loss	(1)	(619)
Net loss on disposal of investments	-	3,917
Changes in operating assets and liabilities		
Notes and accounts receivable	137,890	839,675
Inventories	60,028	128,695
Prepayments	(7,208)	119,716
Other current assets	(156,065)	(163,379)
Notes payable	(79,946)	21,729
Accounts payable	(39,358)	(609,605)
Other payables	(51,001)	(72,408)
Other current liabilities	<u>15,023</u>	<u>(6,763)</u>
Cash generated by operations	1,108,650	1,806,139
Interest received	105,281	59,600
Income tax paid	<u>(290,854)</u>	<u>(419,751)</u>
Net cash generated by operating activities	<u>923,077</u>	<u>1,445,988</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in other financial assets	2,657,385	2,644,779
Increase in other financial assets	(1,623,629)	(2,597,999)
Payments of property, plant and equipment	(560,440)	(793,923)
Increase in prepayments for machinery and equipment	(144,045)	(82,316)
Purchase of financial assets at fair value through other comprehensive income	(93,811)	(89,440)
Acquisition of right-of-use assets	(58,401)	-
Dividends received	21,812	33,795
Proceeds from disposal of property, plant and equipment	19,500	14,104
Proceeds from capital reduction of investments accounted for using equity method	17,500	30,000

(Continued)

CHIA CHANG CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	\$ 16,918	\$ -
Increase in other non-current assets	(438)	(4,507)
Disposal of financial assets at fair value through profit or loss	<u>-</u>	<u>89,339</u>
Net cash generated by (used in) investing activities	<u>252,351</u>	<u>(756,168)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	(355,919)	(427,103)
Decrease in short-term borrowings	(190,000)	(280,000)
Repayment of the principal portion of lease liabilities	(19,289)	(30,574)
Change in non-controlling interests	2,000	1,000
Interest paid	(1,016)	(4,826)
Increase in guarantee deposits	434	-
Proceeds from long-term borrowings	<u>-</u>	<u>4,409</u>
Net cash used in financing activities	<u>(563,790)</u>	<u>(737,094)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>(17,200)</u>	<u>45,818</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	594,438	(1,456)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>2,078,231</u>	<u>2,079,687</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 2,672,669</u>	<u>\$ 2,078,231</u>

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

(Concluded)

Attachment IV

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chia Chang Co., Ltd.

Opinion

We have audited the accompanying financial statements of Chia Chang Co., Ltd. (the "Corporation"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information. (collectively referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Corporation's financial statements for the year ended December 31, 2023 are described as follows:

Occurrence of Recognized of Sales Revenue

Chia Chang Co., Ltd. engages mainly in manufacturing metal stamping of internal and external mechanical parts and related products. Although the overall market demand declined in 2023, there was still a significant increase in the sales revenue due to sales made to certain customers. Since the amount and proportion of sales revenue are significant, we considered the occurrence of recognized sales revenue from certain customers as a key audit matter of the financial statements for the year ended December 31, 2023. Refer to Notes 4 and 16 to the financial statements for the accounting policies on revenue recognition.

The audit procedures we have performed in respect of the above key audit matter included understanding, assessing and testing of the effectiveness of the design and implementation of the internal control related to the sales revenue. We selected sample transactions of those sales for certain customers, selected samples of sales revenue and performed confirmation procedures to verify the occurrence of sales revenue. We conducted alternative audit procedures for those who failed to respond to the confirmation request immediately and validated the relevant transaction documents to verify the occurrence of sales revenue.

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

Those charged with governance (including members of the audit committee) are responsible for overseeing the Corporation's financial reporting process.

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation 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 and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation 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 for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yao-Lin Huang and Shih-Chieh Chou.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2024

Notice to Readers

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

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

CHIA CHANG CO., LTD.

BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 516,420	6	\$ 298,655	3
Notes and accounts receivable, net (Notes 4, 7, 16 and 22)	533,321	6	715,074	8
Inventories, net (Notes 4 and 8)	109,418	1	164,440	2
Prepayments	35,465	-	31,139	-
Other financial assets - current (Notes 4, 6 and 23)	219,700	2	118,920	1
Other current assets	<u>15,981</u>	<u>-</u>	<u>19,566</u>	<u>-</u>
Total current assets	<u>1,430,305</u>	<u>15</u>	<u>1,347,794</u>	<u>14</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 9)	139,967	2	55,579	1
Investments accounted for using equity method (Notes 4 and 10)	7,155,601	77	7,461,642	79
Property, plant and equipment (Notes 4, 11 and 23)	486,482	5	494,851	5
Investment properties (Notes 4, 12 and 23)	53,214	1	53,991	1
Deferred tax assets (Notes 4 and 18)	8,984	-	7,474	-
Prepayments for machinery and equipment	34,464	-	15,210	-
Other non-current assets	<u>6,031</u>	<u>-</u>	<u>7,291</u>	<u>-</u>
Total non-current assets	<u>7,884,743</u>	<u>85</u>	<u>8,096,038</u>	<u>86</u>
TOTAL	<u>\$ 9,315,048</u>	<u>100</u>	<u>\$ 9,443,832</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 13 and 23)	\$ -	-	\$ 190,000	2
Notes payable	132,286	1	212,232	2
Accounts payable	118,323	1	153,758	2
Other payables (Note 22)	181,873	2	204,593	2
Current tax liabilities (Notes 4 and 18)	136,171	2	98,674	1
Other current liabilities (Note 22)	<u>18,098</u>	<u>-</u>	<u>35,365</u>	<u>1</u>
Total current liabilities	<u>586,751</u>	<u>6</u>	<u>894,622</u>	<u>10</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 18)	200,346	2	200,335	2
Guarantee deposits	<u>830</u>	<u>-</u>	<u>830</u>	<u>-</u>
Total non-current liabilities	<u>201,176</u>	<u>2</u>	<u>201,165</u>	<u>2</u>
Total liabilities	<u>787,927</u>	<u>8</u>	<u>1,095,787</u>	<u>12</u>
EQUITY (Notes 4 and 15)				
Ordinary shares	<u>1,423,676</u>	<u>15</u>	<u>1,423,676</u>	<u>15</u>
Capital surplus	<u>2,820,797</u>	<u>30</u>	<u>2,820,797</u>	<u>30</u>
Retained earnings				
Legal reserve	954,711	10	890,220	10
Special reserve	435,084	5	597,812	6
Unappropriated earnings	<u>3,407,974</u>	<u>37</u>	<u>3,050,624</u>	<u>32</u>
Total retained earnings	<u>4,797,769</u>	<u>52</u>	<u>4,538,656</u>	<u>48</u>
Other equity	<u>(515,121)</u>	<u>(5)</u>	<u>(435,084)</u>	<u>(5)</u>
Total equity	<u>8,527,121</u>	<u>92</u>	<u>8,348,045</u>	<u>88</u>
TOTAL	<u>\$ 9,315,048</u>	<u>100</u>	<u>\$ 9,443,832</u>	<u>100</u>

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

CHIA CHANG CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
SALES REVENUE (Notes 4, 16 and 22)	\$ 1,583,396	100	\$ 2,080,345	100
COST OF GOODS SOLD (Notes 4, 8, 17 and 22)	<u>1,048,469</u>	<u>66</u>	<u>1,572,999</u>	<u>76</u>
GROSS PROFIT	<u>534,927</u>	<u>34</u>	<u>507,346</u>	<u>24</u>
OPERATING EXPENSES (Notes 17 and 22)				
Selling and marketing expenses	43,299	3	45,317	2
General and administrative expenses	175,039	11	181,236	9
Research and development expenses	<u>47,205</u>	<u>3</u>	<u>45,553</u>	<u>2</u>
Total operating expenses	<u>265,543</u>	<u>17</u>	<u>272,106</u>	<u>13</u>
INCOME FROM OPERATIONS	<u>269,384</u>	<u>17</u>	<u>235,240</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Note 4)				
Other income (Notes 17 and 22)	6,751	-	8,782	-
Share of profit of subsidiaries and associates accounted for using equity method (Note 10)	501,034	32	562,955	27
Interest income	13,314	1	4,457	-
Interest expense	(831)	-	(4,249)	-
Other gains and losses (Notes 17 and 24)	<u>9,707</u>	<u>1</u>	<u>72,988</u>	<u>4</u>
Total non-operating income and expenses	<u>529,975</u>	<u>34</u>	<u>644,933</u>	<u>31</u>
INCOME BEFORE INCOME TAX	799,359	51	880,173	42
INCOME TAX EXPENSE (Notes 4 and 18)	<u>184,327</u>	<u>12</u>	<u>235,259</u>	<u>11</u>
NET INCOME	<u>615,032</u>	<u>39</u>	<u>644,914</u>	<u>31</u>

(Continued)

CHIA CHANG CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	\$ 4,388	-	\$ 2,131	-
Share of the other comprehensive income (loss) of subsidiaries and associates for using equity method	30,184	2	(18,983)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	<u>(114,609)</u>	<u>(7)</u>	<u>179,580</u>	<u>9</u>
Other comprehensive income (loss)	<u>(80,037)</u>	<u>(5)</u>	<u>162,728</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 534,995</u>	<u>34</u>	<u>\$ 807,642</u>	<u>39</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 19)				
Basic	<u>\$ 4.32</u>		<u>\$ 4.53</u>	
Diluted	<u>\$ 4.29</u>		<u>\$ 4.47</u>	

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

(Concluded)

CHIA CHANG CO., LTD.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Ordinary Shares		Capital Surplus	Retained Earnings				Exchange Differences on Translation of Foreign Operations	Other Equity		Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	
BALANCE AT JANUARY 1, 2022	142,368	\$ 1,423,676	\$ 2,820,768	\$ 799,339	\$ 524,565	\$ 2,996,941	\$ 4,320,845	\$ (657,345)	\$ 59,533	\$ (597,812)	\$ 7,967,477
Appropriation of 2021 earnings											
Legal reserve	-	-	-	90,881	-	(90,881)	-	-	-	-	-
Special reserve	-	-	-	-	73,247	(73,247)	-	-	-	-	-
Cash dividends distributed	-	-	-	-	-	(427,103)	(427,103)	-	-	-	(427,103)
Total appropriation of 2021 earnings	-	-	-	90,881	73,247	(591,231)	(427,103)	-	-	-	(427,103)
Changes in percentage of ownership interests in subsidiaries	-	-	29	-	-	-	-	-	-	-	29
Net income for the year ended December 31, 2022	-	-	-	-	-	644,914	644,914	-	-	-	644,914
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	-	179,580	(16,852)	162,728	162,728
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	644,914	644,914	179,580	(16,852)	162,728	807,642
BALANCE AT DECEMBER 31, 2022	142,368	1,423,676	2,820,797	890,220	597,812	3,050,624	4,538,656	(477,765)	42,681	(435,084)	8,348,045
Appropriation of 2022 earnings											
Legal reserve	-	-	-	64,491	-	(64,491)	-	-	-	-	-
Special reserve	-	-	-	-	(162,728)	162,728	-	-	-	-	-
Cash dividends distributed	-	-	-	-	-	(355,919)	(355,919)	-	-	-	(355,919)
Total appropriation of 2022 earnings	-	-	-	64,491	(162,728)	(257,682)	(355,919)	-	-	-	(355,919)
Net income for the year ended December 31, 2023	-	-	-	-	-	615,032	615,032	-	-	-	615,032
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	-	(114,609)	34,572	(80,037)	(80,037)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	615,032	615,032	(114,609)	34,572	(80,037)	534,995
BALANCE AT DECEMBER 31, 2023	142,368	\$ 1,423,676	\$ 2,820,797	\$ 954,711	\$ 435,084	\$ 3,407,974	\$ 4,797,769	\$ (592,374)	\$ 77,253	\$ (515,121)	\$ 8,527,121

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

CHIA CHANG CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 799,359	\$ 880,173
Adjustments for:		
Share of profit of subsidiaries and associates accounted for using equity method	(501,034)	(562,955)
Amortization	26,668	45,976
Depreciation	24,842	21,803
Interest income	(13,314)	(4,457)
Unrealized loss on foreign exchange	10,438	3,223
Write-down of inventories	3,093	1,813
Interest expense	831	4,249
Gain on disposal and retirement of property, plant and equipment	(147)	(3,335)
Net loss on disposal of investments	-	3,917
Changes in operating assets and liabilities		
Notes and accounts receivable	169,047	(91,896)
Inventories	51,929	(4,564)
Prepayments	(4,326)	4,495
Other current assets	(21,208)	(33,045)
Notes payable	(79,946)	21,729
Accounts payable	(33,167)	(138,857)
Other payables	(22,684)	33,476
Other current liabilities	(17,267)	(196)
Cash generated by operations	393,114	181,549
Income tax paid	(148,329)	(194,398)
Interest received	13,028	2,970
Net cash generated by (used in) operating activities	<u>257,813</u>	<u>(9,879)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	491,132	802,591
Proceeds from capital reduction of investments accounted for using equity method	341,124	-
Increase in other financial assets	(219,700)	(144,430)
Decrease in other financial assets	118,920	85,510
Acquisition of investments accounted for using equity method	(109,606)	-
Purchase of financial assets at fair value through other comprehensive income	(80,000)	-
Payments of property, plant and equipment	(25,971)	(24,353)
Increase in prepayments for machinery and equipment	(20,469)	(15,210)
Proceeds from disposal of property, plant and equipment	12,665	3,419
Increase in other non-current assets	(1,357)	(1,917)
Net cash generated by investing activities	<u>506,738</u>	<u>705,610</u>

(Continued)

CHIA CHANG CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	\$ (355,919)	\$ (427,103)
Decrease in short-term borrowings	(190,000)	(280,000)
Interest paid	<u>(867)</u>	<u>(4,456)</u>
Net cash used in financing activities	<u>(546,786)</u>	<u>(711,559)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	217,765	(15,828)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>298,655</u>	<u>314,483</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 516,420</u>	<u>\$ 298,655</u>

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

(Concluded)

Attachment V

Chia Chang Co., Ltd.
Earnings Distribution Table
2023

	Unit: NT\$
Unappropriated earnings, beginning balance	2,792,941,421
Net income after tax in 2023	615,032,330
Appropriation to legal reserve (10%)	(61,503,233)
Appropriation to special reserve	(80,036,617)
Distributable earnings for the current period	3,266,433,901
Distribution items:	
Cash dividends to common stock (NT\$2.3 per share)	(327,445,510)
Unappropriated earnings, ending balance	2,938,988,391

Chairman
Mr.Kuei-Hsiu Sung

Manager
Mr. Tz-Shiuan Chen

Chief Accountant
Mr. Li-Chuan Cheng

Note: The cash dividends were approved by the Board of Directors and to be reported at the shareholders' meeting.

Attachment VI

Comparison Table of Amendments to the Rules and Procedures of Shareholders' Meeting

Before Amendments	After Amendments	Explanation
<p>Article 3. Unless otherwise provided by law or regulation, the chairman of the Board of Directors shall convene the shareholders' meeting. The following information has been omitted.</p>	<p>Article 3. Unless otherwise provided by law or regulation, the chairman of the Board of Directors shall convene the shareholders' meeting. <u>Shareholders' meeting convened by the Company via video conference should be specified in the articles of incorporation and approved by the board of directors, in addition to the Regulations Governing the Administration of Shareholder Services of Public Companies. The video conference shareholders' meeting will be implemented when two-thirds or more of the directors of the Board of Directors are present and the majority of attending directors agree.</u> The following information has been omitted.</p>	<p>In accordance with the amendment to Article 3 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings".</p>
<p>Article 6-1. The Company shall set forth the following matters in the notice of shareholders' meeting convened by the Company via video conference: The subparagraph I and II have been omitted. III. For a shareholders' meeting held via video conference, appropriate alternative measures for shareholders who have difficulty participating in the shareholders' meeting by video conference.</p>	<p>Article 6-1. The Company shall set forth the following matters in the notice of shareholders' meeting convened by the Company via video conference: The subparagraph I and II have been omitted. III. For a shareholders' meeting held via video conference, appropriate alternative measures for shareholders who have difficulty participating in the shareholders' meeting by video conference. <u>The Company is required to provide shareholders with at least the necessary equipment for online connection and assistance in addition to otherwise specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Additionally, the Company should specify the period during which shareholders can apply to the Company and provide any other relevant information that needs to be noted.</u></p>	<p>In accordance with the amendment to Article 6-1 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings".</p>
<p>Article 9. Attendance at a shareholders'</p>	<p>Article 9. Attendance at a shareholders' meeting</p>	<p>In accordance with the</p>

<p>meeting shall be calculated based on the number of shares. The number of shares present shall be calculated based on the number of shares reported in the sign-in book or the attendance card and the video conference platform, plus the number of shares exercising the right to vote by written or electronic means.</p> <p>Upon the commencement of the meeting, the chairman shall immediately call the meeting and at the same time announce the number of non-voting shares, the number of shares present <u>and relevant information</u>.</p> <p>The following information has been omitted.</p>	<p>shall be calculated based on the number of shares. The number of shares present shall be calculated based on the number of shares reported in the sign-in book or the attendance card and the video conference platform, plus the number of shares exercising the right to vote by written or electronic means.</p> <p>Upon the commencement of the meeting, the chairman shall immediately call the meeting and at the same time announce the number of non-voting shares <u>and</u> the number of shares present. The following information has been omitted.</p>	<p>amendment to Article 9 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings".</p>
<p>Article 22. For a shareholders' meeting held via video conference, appropriate alternative measures shall be provided for shareholders who have difficulty participating in the shareholders' meeting by video conference.</p>	<p>Article 22. For a shareholders' meeting held via video conference, appropriate alternative measures shall be provided for shareholders who have difficulty participating in the shareholders' meeting by video conference. <u>The Company is required to provide shareholders with at least the necessary equipment for online connection and assistance in addition to otherwise specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Additionally, the Company should specify the period during which shareholders can apply to the Company and provide any other relevant information that needs to be noted</u></p>	<p>In accordance with the amendment to Article 22 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings"</p>

Appendix I

Chia Chang Co., Ltd. Articles of Incorporation

Chapter 1. General Provisions

- Article 1. The Company was organized under the provisions of the Company Act and is named Chia Chang Co.,Ltd.
- Article 2. The scope of businesses of the Company shall be as follows:
CA04010 Surface Treatments
CC01030 Electrical Appliances and Audiovisual Electronic Products
Manufacturing
CC01080 Electronics Components Manufacturing
CC01110 Computer and Peripheral Equipment Manufacturing
CD01030 Motor Vehicles and Parts Manufacturing
CQ01010 Mold and Die Manufacturing
ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval
- Article 3. The Company's head office is located in Taoyuan City and may establish domestic and foreign branches when necessary by resolution of the Board of Directors.
- Article 4. The Company's announcement method shall be in accordance with Article 28 of the Company Act.
- Article 4-1. The Company may provide external endorsements and guarantees in accordance with the Company's endorsement and guarantee procedures.
- Article 4-2. The total amount of the Company's reinvestments shall not be subject to the restriction of not exceed 40% of the paid-in capital as provided in Article 13 of the Company Act.

Chapter 2. Shares

- Article 5. The total capital of the Company is set at NT\$1.8 billion, divided into 180 million shares with a par value of NT\$10 each. The Board of Directors is authorized to issue in installments. The Company may issue employee stock options and reserve 600,000 shares within the aforementioned total shares for the issuance of employee stock options at NT\$10 per share, of which the unissued shares are authorized to be issued by the Board of Directors in installments.
- Article 6. (Deleted)
- Article 7. The Company's share certificates are in registered form and are issued in accordance with the Company Act and related laws and regulations. After the Company's public offering, the shares issued by the Company may be exempted from the printing of share certificates in accordance with the Company Act and related laws and regulations, but should be registered with a securities depository and clearing corporation.
- Article 8. The transfer of shares shall cease within 60 days prior to the date of the shareholders' meeting, within 30 days prior to the date of the special shareholders' meeting, or within 5 days prior to the date on which the Company determines to distribute dividends and bonuses or other benefits.

Chapter 3. Shareholders' Meeting

- Article 9. There are two types of shareholders' meetings, namely, regular meetings and special meetings. Regular meetings are held once a year, within six months after the end of each fiscal year, by the Board of Directors in accordance with the law. Special meetings are convened by law when necessary.
The shareholders' meeting shall be convened by the Board of Directors, with the chairman of the Board of Directors as the chairman. In the absence of the chairman of the Board of Directors, the meeting shall be conducted in accordance with Article 208 of the Company Act. If the meeting is convened by a person with the right to convene other than the Board of Directors, the chairman shall be the convener of the meeting. If there are more than two conveners, one of them shall be elected from among themselves as the chairman.
- Article 10. If a shareholder is unable to attend a shareholders' meeting for any reason, he/she may appoint a proxy to attend the meeting by presenting a letter of proxy, with signature and seal, issued by the Company stating the scope of authority. The method of proxy attendance authorized by shareholders shall be in accordance with Article 177 of the Company Act. Except as otherwise provided in the regulations, shareholders' meetings of the Company may be held by video conference or other means announced by the central competent authority by resolution of the Board of Directors. A shareholder who participates in a shareholders' meeting by video conference is considered to be present in person.
- Article 11. The shareholders of the Company shall have one vote per share, except for those who hold shares in accordance with Article 179 of the Company Act, which shall not be counted.
- Article 12. Unless otherwise provided in the Company Act, resolutions at shareholders' meetings shall be made with the presence of shareholders representing a majority of the total number of outstanding shares and shall be carried out with the consent of a majority of the shareholders present to vote. In accordance with the regulations of the competent authorities, the shareholders of the Company may also exercise their voting rights by electronic means. Shareholders who exercise their voting rights by electronic means are deemed to be present in person and the related matters are handled in accordance with the regulations.
- Article 13. If the Company's shareholder is only one corporate shareholder, the Board of Directors shall exercise the powers and duties of the shareholders' meeting of the Company, and the provisions of the Articles of Incorporation shall not apply to such shareholders' meeting.
- Article 13-1. After the public offering of the Company's shares, if the shares are to be withdrawn from the public offering, a resolution shall be submitted to the shareholders' meeting.

Chapter 4. Director

- Article 14. The Company has nine directors, who shall be nominated as candidates for election, with a term of three years. The shareholders' meeting shall elect a person with the capability to perform duties, and he/she shall be re-elected at the shareholders' meeting. The number of independent directors shall not be less than three among the directors as mentioned in the preceding paragraph.
The professional qualifications of the independent directors, restrictions on shareholding and concurrent employment, recognition of independence, nomination methods and other matters to be followed shall be determined by the competent authorities.

The Company shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall consist of all independent directors, and the audit committee or members of the audit committee shall be responsible for carrying out the duties and responsibilities of the supervisors under the Company Act, the Securities and Exchange Act and other laws and regulations.

Article 14-1. The Company may purchase liability insurance for the directors during their term of office to cover their liability under the law for the execution of their scope of business.

Article 15. The Board of Directors shall be organized by the directors, with at least two-thirds of the directors present, and a majority of the directors present agreeing to elect a Chairman from among themselves, who shall represent the Company externally.

Unless otherwise provided in the Company Act, the chairman of the Board of Directors shall convene the meeting. Unless otherwise provided in the Company Act, a resolution of the Board of Directors shall be made with the presence of a majority of the directors and the consent of a majority of the directors present.

Article 16. If the chairman of the Board of Directors is absent from the meeting or is unable to exercise his/her duties and responsibilities for any reason, his/her proxy shall be arranged in accordance with Article 208 of the Company Act.

A director shall attend a meeting of the Board of Directors in person. If a director is unable to attend for any reason, he/she may appoint another director to act on his/her behalf, and the proxy shall be limited to one person. If the Board of Directors meets by video conference, the directors who participate in the meeting by video conference are considered to be present in person.

Article 17. All directors are entitled to receive compensation for the performance of their duties regardless of operating profit or loss, and their compensation is authorized to be determined by the Board of Directors based on the value of their participation and contribution to the Company's operations at a level not exceeding the highest salary scale set forth in the Company's compensation plan.

Chapter 5. Manager

Article 18. The Company may, by resolution of the Board of Directors, establish of CEO, COO, CFO, Chief Administration Officer, general managers of business groups and a number of consultants, whose appointment, termination and compensation shall be in accordance with Article 29 of the Company Act.

Chapter 6. Accounting

Article 19. The Company's fiscal year is from January 1 to December 31. The accounts shall be finalized at the end of each fiscal year.

Article 20. At the end of each fiscal year, the Board of Directors shall prepare and submit to the annual shareholders' meeting for approval, in accordance with the statutory procedures, the following documents:

I. Business Report.

II. Financial statements.

III. Proposal on earnings distribution or loss coverage.

Article 21. If the Company makes a profit in a year, it shall first set aside not less than 1% of the profit for the year, not more than 15% of the profit for the year as compensation to employees, and less than 5% as compensation to directors.

When there is a cumulative deficit, the Company shall reserve such an amount in advance for compensation. In the event that employee compensation is paid in stock or cash, it shall be paid to employees of the Company's subsidiaries who meet certain criteria. The Board of Directors is authorized to formulate these conditions. The distribution of employee and director's remuneration shall be made by a resolution of the Board of Directors with at least two-thirds of the directors present and consent of a majority of the directors present, and reported to the shareholders' meeting.

Article 22. The earnings, if any, from the Company's annual accounts shall be distributed in the following order:

- I. Payment of taxes.
- II. Make up of losses.
- III. 10% is set aside as legal reserve. However, the legal reserve that has reached the amount of paid-in capital is not subject to the limit.
- IV. Appropriation or reversal of special reserve in accordance with regulations or the regulations of the competent authorities.
- V. The balance of the current year's earnings after deducting paragraphs I to IV is the total amount of distributable earnings for the current year. The Company shall give priority to the distribution of the current year's distributable earnings, with any shortfall being appropriated from undistributed earnings of prior years.

If the Company has a surplus after the annual accounts, the cash dividends shall be 10% to 100% of the total dividends to be distributed to the shareholders, provided that the type and rate of such dividends shall be adjusted according to the actual profits and capital position of the year.

If the above earnings distribution is in the form of cash dividends, the Board of Directors is authorized to resolve and report the resolution at the shareholders' meeting.

In accordance with Article 241 of the Company Act, the Company may distribute new shares or cash from all or part of the legal reserve or capital reserve. If the above distribution is in the form of cash dividends, the Board of Directors is authorized to resolve and report the resolution at the shareholders' meeting.

Chapter 7. Appendices

Article 23. Matters not provided for in the Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 24. The Articles of Incorporation were established on August 22, 1985

The first amendment was made on April 15, 1987

The second amendment was made on September 1, 1991

The third amendment was made on February 6, 1993

The fourth amendment was made on October 5, 1995

The fifth amendment was made on May 15, 2000

The sixth amendment was made on April 27, 2001

The seventh amendment was made on July 1, 2001

The eighth amendment was made on December 25, 2002

The ninth amendment was made on September 20, 2006

The tenth amendment was made on December 20, 2006

The eleventh amendment was made on June 15, 2007

The twelfth amendment was made on August 31, 2007

The thirteenth amendment was made on April 8, 2009
The fourteenth amendment was made on June 5, 2009
The fifteenth amendment was made on June 29, 2010
The sixteenth amendment was made on June 27, 2016
The seventeenth amendment was made on June 11, 2018
The eighteenth amendment was made on July 30, 2021
The nineteenth amendment was made on June 22, 2022
The twentieth amendment was made on May 29, 2023

Appendix II

Chia Chang Co., Ltd.

Rules and Procedures of Shareholders' Meeting (Before Amendments)

Article 1. In order to establish a good governance system for the Company's shareholders' meetings, improve the supervisory function and strengthen the management function, these rules are hereby formulated in accordance with Article 182-1 of the Company Act and Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance.

Article 2. The rules and procedure of the shareholders' meetings of the Company shall be in accordance with the provisions of these rules unless otherwise provided by law or the Articles of Incorporation.

Article 3. Unless otherwise provided by law or regulation, the chairman of the Board of Directors shall convene the shareholders' meeting.

Any change in the manner of convening a shareholders' meeting of the Company shall be resolved by the Board of Directors and shall be made no later than the mailing of the shareholders' meeting notice.

The Company shall submit the notice of the shareholders' meeting, the proxy form, the information on explanation or description of each resolution for approval, discussion, election or dismissal of directors, etc. to the MOPS as an electronic file 30 days before the annual shareholders' meeting or 15 days before the special shareholders' meeting. The shareholders' meeting handbook and supplementary information shall be transmitted to the MOPS as a electronic file 21 days before the annual shareholders' meeting or 15 days before the special shareholders' meeting. However, if the Company's shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the shareholders' register for the most recent fiscal year, the Company should complete the submission of the electronic file 30 days before the annual shareholders' meeting. The meeting handbook and supplementary information of the shareholders' meeting shall be made available to the shareholders at any time 15 days prior to the shareholders' meeting and shall be displayed at the Company and the professional stock agents appointed by the Company.

The aforementioned meeting handbook and supplementary information shall be made available to shareholders on the date of the shareholders' meeting in the following manners:

- I. If a physical shareholders' meeting is held, they shall be distributed on site at the shareholders' meeting.
- II. If a video-assisted shareholders' meeting is convened, they shall be distributed at the shareholders' meeting and transmitted to the video conference platform via electronic files.
- III. If a video shareholders' meeting is convened, they shall be transmitted to the video conference platform via electronic files.

The notice and announcement shall state the reason for the convening of a shareholders' meeting; the notice may be given electronically with the consent of the relevant counterparties.

The election or dismissal of directors, change of Articles of Incorporation, capital reduction, application for suspension of public offering, permission for directors to compete for business, capital increase from earnings, capital increase from reserves, dissolution, merger, division of the Company, or matters under Article 185, Paragraph 1 of the Company Act, Article 26-1 and 43-6 of the Securities and

Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be listed in the cause of convening, the main contents thereof shall be stated, and shall not be proposed by extemporary motions.

Causes of convening a shareholders' meeting have stated the full re-election of directors and the date of their appointment. After the completion of the re-election, the date of appointment shall not be changed at the same meeting by a extemporary motion or otherwise.

A shareholder holding more than 1% of the total number of issued shares may propose a resolution to the Company at an annual shareholders' meeting, subject to the limit of one resolution, and any resolution exceeding one shall not be included in the resolution. In addition, the Board of Directors may not include a resolution submitted by a shareholder under any of the circumstances set forth in Article 172-1, Paragraph 4 of the Company Act. A shareholder may propose a resolution to promote the public interest or fulfill social responsibility of the Company, but the procedure shall be limited to one resolution in accordance with Article 172-1 of the Company Act, and any resolution exceeding one shall not be included in the resolution.

The Company shall announce the acceptance of the shareholders' proposal, the written or electronic acceptance method, the acceptance place and the acceptance period prior to the book closure date before the date of the annual shareholders' meeting; the acceptance period shall not be less than ten days.

A shareholder's proposal shall be limited to 300 words, and if the proposal exceeds 300 words, it shall not be included in the resolution; the proposing shareholder shall attend the annual shareholders' meeting in person or by proxy and participate in the discussion of the resolution.

The Company shall notify the proposing shareholder of the results of the proceedings before the date of the notice of the shareholders' meeting, and shall include in the notice of the meeting the resolutions that comply with the provisions of this Article. The Board of Directors shall state the reasons for not including the proposal at the shareholders' meeting if the resolution is not included.

Article 4. At each shareholders' meeting, shareholders may appoint a proxy to attend the shareholders' meeting by issuing a proxy form issued by the Company, stating the scope of authorization.

A shareholder may issue one proxy form. The authorization is limited to one person. The proxy form shall be delivered to the Company five days prior to the shareholders' meeting. In the event of duplication of proxy forms, the first delivered shall prevail. However, it is not applicable to the authorization prior to the declaration of revocation.

If a shareholder wishes to attend a shareholders' meeting in person or to exercise his/her voting rights in writing or electronically after the proxy is delivered to the Company, he/she shall give written notice of revocation of the proxy to the Company two days prior to the shareholders' meeting; if the proxy form is revoked after that date, the proxy shall be present to exercise his/her voting rights.

If a shareholder wishes to attend a shareholders' meeting via a video conference after the proxy is delivered to the Company, he/she shall give written notice of revocation of the proxy to the Company two days prior to the shareholders' meeting; if the proxy form is revoked after that date, the proxy shall be present to exercise his/her voting rights.

Article 5. The meeting shall be held at the place where the Company is located or at a place convenient for the shareholders to attend and suitable for the shareholders' meeting.

The meeting shall commence no earlier than 9:00 a.m. or later than 3:00 p.m., and the place and time of the meeting shall be held with due consideration to the opinion of the independent directors.

The Company shall not be restricted from the place of convening a meeting as stipulated in the preceding paragraph if it wishes to convene a video shareholders' meeting.

Article 6. The Company shall specify in the notice of the meeting the time and place for the sign-in of shareholders, solicitors and proxies (hereinafter referred to as shareholders), and other notices.

The time for shareholders' sign-in mentioned in the preceding paragraph shall be at least 30 minutes prior to the commencement of the meeting; the sign-in counter shall be clearly marked and adequate and appropriate personnel shall be assigned to handle the sign-in; sign-in for the video conference of the shareholders' meeting shall be accepted at the video conference platform of the shareholders' meeting at least 30 minutes before the commencement of the meeting. Shareholders who have completed the sign-in process are deemed to be present in person at the shareholders' meeting.

Shareholders shall attend the shareholders' meeting with their attendance cards, attendance sign-in cards or other attendance documents. The Company shall not arbitrarily add other documents to the proofs of shareholders' attendance; solicitors soliciting proxy form shall bring the proof of identity for verification.

The Company shall maintain a sign-in book for the attending shareholders to sign in, or the attending shareholders may submit a sign-in card to sign in.

The Company shall deliver to the shareholders present at the shareholders' meeting the meeting handbook, annual report, attendance card, speech slips, voting tickets and other meeting materials; if there is an election of directors, an election ticket shall be attached.

If the government or a juridical person is a shareholder, there shall be no more than one representative attending the shareholders' meeting. If a juridical person is entrusted to attend a shareholders' meeting, it may appoint only one representative to attend the meeting.

If a shareholders' meeting is held by video conference, shareholders who wish to attend the meeting by video should register with the Company at least two days prior to the shareholders' meeting.

If a shareholders' meeting is held by video conference, the Company shall upload the meeting handbook, annual report and other relevant information to the video conference platform at least 30 minutes prior to the commencement of the meeting and continue the disclosures until the close of the meeting.

Article 6-1. The Company shall set forth the following matters in the notice of shareholders' meeting convened by the Company via video conference:

- I. Shareholders' participation in the video conference and how to exercise their rights.
- II. The Company shall at least include the following matters regarding the handling procedures in the event of natural disasters, events, or other force majeure circumstances that cause obstacles to the video conference platform or video conference participation:
 - (I) The time when the meeting must be postponed or adjourned due to the persistence of the obstacles as mentioned in the preceding paragraph, and the date of the postponed or adjourned meeting, if any.
 - (II) Shareholders who have not registered to participate in the original

shareholders' meeting by video conference are not allowed to participate in the postponed or adjourned meeting.

- (III) If a video-assisted shareholders' meeting cannot be adjourned, the shareholders' meeting shall proceed if the total number of shares present reaches the legal quota for the shareholders' meeting after deducting the number of shares present for the video-assisted shareholders' meeting. Shareholders participating by video means shall be counted as the total number of shares of shareholders present and shall be deemed to have abstained from voting on all resolutions at that meeting.
- (IV) In the event that the results of all resolutions have been announced and no extemporary motion has been made, the way to handle the situation.

III. For a shareholders' meeting held via video conference, appropriate alternative measures for shareholders who have difficulty participating in the shareholders' meeting by video conference.

Article 7. If a shareholders' meeting is convened by the Board of Directors, the chairman of the meeting shall be the chairman of the Board of Directors. If the chairman of the Board of Directors is absent from office or is unable to exercise his/her duties for any reason, the vice chairman of the Board of Directors shall act on his/her behalf. If there is no vice chairman of the Board of Directors or if the vice chairman of the Board of Directors is also absent from office or unable to exercise his/her duties for any reason, the chairman of the Board of Directors shall designate one of the managing directors to act on his/her behalf. If the chairman of the Board of Directors does not appoint a proxy, the acting chairman shall be elected by the managing directors or directors from among themselves.

If the chairman as mentioned in the preceding paragraph is represented by a managing director or a director, he/she shall be the person in office for at least six months and understands the Company's financial and business status. The same applies if the chairman is a representative of a corporate director.

The chairman of the Board of Directors shall preside in person at any shareholders' meeting called by the Board of Directors. A majority of the Board of Directors shall be present in person, and at least one member of each functional committee shall be present as a representative. The attendance shall be recorded in the minutes of the shareholders' meeting.

If the shareholders' meeting is convened by a person with the right to convene other than the Board of Directors, the chairman shall be the convener of the meeting. If there are more than two conveners, one of them shall be elected from among themselves as the chairman.

The Company may designate an attorney, CPA or related personnel to attend the shareholders' meeting.

Article 8. The Company shall continuously record the whole process of shareholders' sign-in, meeting and vote counting from the time of receiving the shareholders' sign-in.

The audio and video materials as mentioned in the preceding paragraph shall be kept for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, it shall be retained until the end of the lawsuit.

If a shareholders' meeting is held by video conference, the Company shall keep records of the shareholders' registration, sign-in, attendance, questions, voting, and the Company's vote counting results, and shall continuously record the whole process of the video conference meeting.

The Company shall keep the information and audio and video recordings as mentioned in the preceding paragraph during the entirety of its existence, and provide the audio and video recordings to the person entrusted with the video conference meeting for retention.

If a shareholders' meeting is held by video conference, the Company shall record the operation interface of the backend of the video conference platform.

Article 9. Attendance at a shareholders' meeting shall be calculated based on the number of shares. The number of shares present shall be calculated based on the number of shares reported in the sign-in book or the attendance card and the video conference platform, plus the number of shares exercising the right to vote by written or electronic means.

Upon the commencement of the meeting, the chairman shall immediately call the meeting and at the same time announce the number of non-voting shares, the number of shares present and relevant information.

However, if no shareholder representing more than half of the total number of issued shares is present, the chairman may adjourn the meeting for up to two times, with the total time of the adjournment not exceeding one hour. If less than one-third of the total number of issued shares are present after two adjournments, the chairman shall declare the meeting adjourned. If the meeting is held by video conference, the Company shall also announce the adjournment of the meeting on the video conference platform.

In the event that the two delays as mentioned in the preceding paragraph are still insufficient and the shareholders representing at least one-third of the total number of issued shares are present, a tentative resolution may be made in accordance with Article 175, Paragraph 1 of the Company Act. The shareholders shall be notified of the tentative resolution and a shareholders' meeting shall be reconvened within one month; if the shareholders' meeting is held by video conference, the shareholders who wish to attend by video shall re-register with the Company in accordance with Article 6.

If, before the conclusion of the meeting, the number of shares represented by the shareholders present reaches more than half of the total number of shares issued, the chairman may re-submit the tentative resolution made to the shareholders' meeting for a vote in accordance with Article 174 of the Company Act.

Article 10. If a shareholders' meeting is convened by the Board of Directors, the agenda shall be set by the Board of Directors. The relevant resolutions (including extemporary motions and amendments to original resolutions) shall be voted on a case-by-case basis, and the meeting shall proceed in accordance with the scheduled agenda, which cannot be changed without a resolution of the shareholders' meeting.

If a shareholders' meeting is convened by a person with the right to convene other than the Board of Directors, the preceding paragraph shall apply.

The chairman shall not adjourn the meeting without a resolution before the end of the resolutions (including extemporary motions) in the scheduled agenda as mentioned in the preceding two paragraphs. If the chairman violates the rules and procedures and adjourns the meeting, the other members of the Board of Directors shall promptly assist the shareholders present in accordance with the legal procedures and elect a chairman by a majority of the votes of the shareholders present to continue the meeting.

The chairman of the Board of Directors shall give sufficient opportunity to explain and discuss the resolution and any amendments or extemporary motions proposed by the shareholders. When the chairman deems that the resolution has reached the level of being ready for voting, he/she may announce that the discussion has been

ceased and put to vote, and arrange an appropriate time for voting.

Article 11. Before speaking, the attending shareholder shall fill out a speech slip stating the main points of the speech, the shareholder's account number (or attendance card number) and the name of the account. The chairman shall determine the order of the speech.

A shareholder who merely submits the speech slip but does not make a speech is deemed not to have spoken. If the content of the speech does not correspond to that of the speech slip, the content of the speech shall prevail.

Each shareholder may not speak more than twice on the same resolution without the consent of the chairman, and each time shall not exceed five minutes. However, the chairman may stop a shareholder from speaking if he/she violates the rules or goes beyond the scope of the topic.

When a shareholder is speaking, other shareholders may not interfere with the speech except with the consent of the chairman and the shareholder speaking. The chairman may stop the violator from speaking.

If a corporate shareholder designates two or more representatives to attend a shareholders' meeting, only one person may speak on the same resolution.

After a shareholder has spoken, the chairman may reply in person or designate a relevant person to reply.

If a shareholders' meeting is convened by video conference, shareholders participating by video may ask questions by text on the video conference platform after the chairman calls the meeting and before the meeting is adjourned. The number of questions shall not exceed two for each resolution, and each time shall be limited to 200 words, without applying the provisions of paragraphs 1 to 5.

If the questions as mentioned in the preceding paragraph do not violate the regulations nor exceed the scope of the resolution, the questions shall be disclosed on the video conference platform of the shareholders' meeting for public information.

Article 12. Voting at a shareholders' meeting shall be calculated based on the number of shares. The number of shares of non-voting shareholders in the shareholders' meeting shall not be counted as the total number of shares in issue.

A shareholder may not vote at a meeting if he/she has an interest in the matter that would be detrimental to the Company's interests, and may not exercise his/her voting rights on behalf of another shareholder.

The number of shares that may not be voted as mentioned in the preceding paragraph shall not be counted as the number of voting rights of the shareholders present.

Except for trust enterprises or stock agencies approved by the securities authorities, if a person is appointed by more than two shareholders at the same time, the voting rights of the proxy shall not exceed 3% of the total voting rights of the shares in issue, and the voting rights in excess shall not be counted.

Article 13. Each shareholder shall have one vote per share, except for those who are restricted or have no voting rights as stipulated in Article 179, Paragraph 2 of the Company Act.

The Company shall convene a shareholders' meeting by electronic means and may exercise its voting rights in writing; when exercising its voting rights in writing or electronically, the method of exercise shall be stated in the notice of the shareholders' meeting. A shareholder who exercises his/her voting rights in writing or electronically shall be deemed to be present in person at the shareholders' meeting. However, the extemporary motion and the amendment to the original resolution for such shareholders' meeting shall be deemed to be abstained from

voting. Therefore, the Company is advised to refrain from proposing extemporary motions and amendments to the original resolution.

With respect to the exercise of voting rights in writing or electronically as mentioned in the preceding paragraph, the intention shall be delivered to the Company two days prior to the shareholders' meeting. In the event that there is a duplication of intention, the first one to be delivered shall prevail. However, it is not applicable to the intention prior to the declaration of revocation.

If a shareholder wishes to attend a shareholders' meeting in person or by video conference after exercising his/her voting rights in writing or by electronic means, he/she shall revoke his/her previous intention to exercise his/her voting rights in the same manner as he/she exercised the voting rights two days prior to the shareholders' meeting; if the revocation is made after that time, the voting rights exercised in writing or by electronic means shall prevail. If a voting rights exercised in writing or by electronic means and a proxy is appointed to attend a shareholders' meeting, the voting right exercised by the attending proxy shall prevail.

Unless otherwise provided in the Company Act and the Company's Articles of Incorporation, a resolution shall be approved by a majority of the votes of the shareholders present. In the event of a vote, the chairman or his/her designated person shall announce the total number of voting rights of the shareholders present before voting on a case-by-case basis. The results of the shareholders' approval, disapproval and abstention shall be entered into the MOPS on the day after the shareholders' meeting.

If there are amendments or substitutions to the same resolution, the chairman shall determine the order of voting together with the original resolution. If one of the resolutions has been approved, the other resolutions shall be deemed to be rejected and no further voting shall be required.

The chairman shall designate the person who shall monitor and count the votes on the resolutions. However, the person who monitors the votes shall be a shareholder. The counting of votes for resolutions at a shareholders' meeting or an election shall be conducted in an open place at the shareholders' meeting. The voting results, including the number of voting rights, shall be announced and recorded after the counting of votes is completed.

When the Company convenes a shareholders' meeting by video conference, shareholders participating by video shall vote on each resolution and election proposal through the video conference platform after the chairman calls the meeting, and shall complete the voting before the chairman announces the end of the voting. Those who exceed the time limit are considered to have abstained from voting.

If the shareholders' meeting is convened by video conference, a one-time vote count shall be conducted and the voting and election results shall be announced after the chairman announces the end of voting.

When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video in accordance with Article 6 and wish to attend the physical shareholders' meeting in person shall deregister in the same manner as they have registered two days prior to the shareholders' meeting; if they deregister after that time, they may attend the shareholders' meeting via video conference only.

A shareholder who has exercised his/her voting rights in writing or electronically and has not revoked his or her intention to attend the shareholders' meeting by video means may not exercise his/her voting rights on the original resolution or propose amendments to the original resolution or exercise his/her voting rights on amendments to the original resolution, except for a extemporary motion.

- Article 14. The election of directors at the shareholders' meeting shall be conducted in accordance with the relevant election regulations of the Company. The election results shall be announced at the shareholders' meeting, including the list of elected directors and the number of voting rights as well as the list of unsuccessful directors and the number of voting rights.
- The election ballots for the election as mentioned in the preceding paragraph shall be sealed and signed by the scrutineers and kept appropriately for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, it shall be retained until the end of the lawsuit.
- Article 15. The minutes of the shareholders' meeting shall be prepared, signed or sealed by the chairman, and distributed to the shareholders within 20 days after the meeting. The minutes may be prepared and distributed electronically.
- The minutes as mentioned in the preceding paragraph may be distributed by means of an announcement entered into the MOPS.
- The Company shall record the year, month, day, place, name of the chairman, method of resolution, main points of the proceedings, and voting results (including the number of voting rights) of the meeting, and shall disclose the number of votes received by each candidate in the event of an election of directors. The record shall be kept permanently for the duration of the Company's existence.
- If a shareholders' meeting is convened by video conference, the minutes of the meeting shall include, in addition to the matters required to be recorded in the preceding paragraph, the starting and ending time of the shareholders' meeting, the manner in which the meeting is convened, the names of the chairman and recorder, and the manner and circumstances under which the video conference platform or video participation may be obstructed due to natural disasters, events or other force majeure circumstances.
- In addition to the provisions as mentioned in the preceding paragraph, for a shareholders' meeting held via video conference, alternative measures for shareholders who have difficulty participating in the shareholders' meeting by video conference shall be included in the minutes.
- Article 16. The number of shares solicited by the solicitors, the number of shares represented by proxy and the number of shares attended by shareholders in writing or electronically shall be clearly disclosed in the shareholders' meeting place on the date of the shareholders' meeting in a statistical form prepared in accordance with the prescribed format; if the shareholders' meeting is held by video conference, the Company shall upload the aforementioned information to the video conference platform of the shareholders' meeting at least thirty minutes prior to the commencement of the meeting and continue to disclose it until the close of the meeting.
- The Company shall disclose the total number of shares of shareholders present on the video conference platform at the time of calling the shareholders' meeting when the Company convenes a video conference. The same applies if the total number of shares and voting rights of the shareholders present are also counted during the meeting.
- If the resolution of the shareholders' meeting is a material information required by laws and regulations or by the Taiwan Stock Exchange Corporation (the Taipei Exchange), the Company shall submit the content to the MOPS within the prescribed time.
- Article 17. Staff handling administrative affairs of the shareholders' meeting shall wear identification cards or armbands.
- The chairman of the meeting may direct the disciplinary or security personnel to

assist in maintaining order at the meeting. When the disciplinary or security personnel are present to assist in maintaining order, they shall wear an armband or identification badge with the word "disciplinary personnel".

If the meeting venue is equipped with sound amplifying equipment, the chairman may stop the shareholders from speaking other than through the equipment provided by the Company.

If a shareholder disobeys the chairman's correction for violation of the rules and procedure and obstructs the conduct of the meeting, the chairman may direct the disciplinary or security personnel to ask him/her to leave the meeting room.

Article 18. When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may suspend the meeting at its discretion and announce the time to resume the meeting as and when appropriate.

If the meeting venue cannot be used before the close of the meeting (including extemporaneous motions), the shareholders' meeting may resolve to find another venue to continue the meeting.

The shareholders' meeting may, in accordance with Article 182 of the Company Act, resolve to postpone or resume the meeting within five days.

Article 19. If a shareholders' meeting is held by video conference, the Company shall disclose the voting results of each resolution and election results on the video conference platform of the shareholders' meeting immediately after the end of the voting, and shall continue to do so for at least fifteen minutes after the chairman announces the adjournment of the meeting.

Article 20. The chairman and the recorder shall be present at the same location in Taiwan when the Company holds a video shareholders' meeting. The chairman shall announce the address of their location when the meeting is called to order.

Article 21. If a shareholders' meeting is held by video conference, the Company may provide a simple connection test for shareholders before the meeting and provide related services immediately before and during the meeting to assist in handling technical problems of communication.

For a shareholders' meeting convened by video conference, when the chairman calls the meeting, he/she shall announce separately before the adjournment of the meeting the date of the postponement or resumption of a meeting within five days when there are circumstances under which the video conference platform or video participation may be obstructed due to natural disasters, events or other force majeure circumstances which last for more than 30 minutes, except for the circumstances specified in Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies that do not require the postponement or resumption of the meeting. In such case, the provisions of Article 182 of the Company Act is not applicable.

In the event of a postponement or resumption of a meeting under the preceding paragraph, shareholders who have not registered to participate in the original shareholders' meeting by video conference are not allowed to participate in the postponed or resumed meeting.

In the event of a postponement or resumption of a meeting under the paragraph 2, if a shareholder who has registered to participate in the original shareholders' meeting by video conference and has completed sign-in procedures, but has not participated in the postponed or resumed meeting, the number of shares, voting rights and election rights exercised at the original shareholders' meeting shall be counted as the total number of shares, voting rights and election rights of the shareholders present at the postponed or resumed meeting.

If the shareholders' meeting is postponed or resumed in accordance with the paragraph 2, there is no need to discuss and resolve again on resolutions for which voting and vote counting have been completed and the voting results or the election lists of directors and supervisors have been announced.

If a video-assisted shareholders' meeting cannot be continued under the paragraph 2, the shareholders' meeting shall proceed if the total number of shares present reaches the legal quota for the shareholders' meeting after deducting the number of shares present for the video-assisted shareholders' meeting. There is no need to postpone or resume the meeting in accordance with the paragraph 2.

In the event that a meeting should be continued under the preceding paragraph, the number of shares represented by the shareholders participating in the shareholders' meeting by video conference shall be counted as the total number of shares attended, but the shareholders shall be deemed to have abstained from voting on all resolutions at the shareholders' meeting.

When postponing or resuming a meeting in accordance with the paragraph 2, the Company shall comply with the provisions of Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shall follow the date of the original shareholders' meeting and the relevant preliminary procedures set forth in each of these regulations.

For period set forth under Article 12 and Article 13, Paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies, and Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the date of the shareholders' meeting in accordance with the provisions of paragraph 2.

Article 22. For a shareholders' meeting held via video conference, appropriate alternative measures shall be provided for shareholders who have difficulty participating in the shareholders' meeting by video conference.

Article 23. The rules shall be effective upon approval at a shareholders' meeting. The same applies in the case of amendments.

Appendix III

Shareholdings of All Directors

- (I) As of March 31, 2024 the book closure date for the Company's annual shareholders' meeting, the issued capital of the Company was NT\$1,423,676,130, representing 142,367,613 common stocks.
- (II) The minimum required combined shareholding of all directors by law is 8,542,056 shares. The shareholdings of all directors have reached the statutory percentage.
- (III) Details of the shareholdings of the directors are as follows:

Title	Name	Shareholding (Shares)	Percentage (%)
Director	Mr. Kuei-Hsiu Sung	6,296,338	4.42%
Director	Yung Hsiang Investment CO., LTD. Representative: Mr. Chang-Hai Chen	13,438,441	9.43%
Director	Mr. Tsai-Ho Lu	147,850	0.10%
Director	Mr. Tz-Shiuan Chen	1,757,217	1.23%
Director	Mr. Chyan Yang	-	-
Independent Director	Mr. Jui-Hsin Lin	-	-
Independent Director	Mr. Teh-Jung Kao	-	-
Independent Director	Mr. Ping-Kuen Chen	-	-
Independent Director	Mr. Chia-Hsiang Chu	-	-
Total		21,639,846	15.19%