

Chia Chang Co., Ltd.
2023 Annual Shareholders' Meeting Minutes

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

Time and Date: 9:00 a.m., May 29, 2023

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

Total outstanding shares: 142,367,613 shares

Total shares represented by shareholders present in person or by proxy: 90,491,853 shares
(Percentage of shares held by shareholders present in person or by proxy 63.56%)

Directors present: Kuei-Hsiu Sung (Chairman), Yung Hsiang Investment CO., LTD.

representative: Chang-Hai Chen (Director), Tsai-Ho Lu (Director), Tz-Shiuan Chen (Director), Jui-Hsin Lin (Independent Director, Chairman of the Audit Committee)

Attendees: Li-Chuan Cheng (CFO), Yao-Lin Huang (CPA of Deloitte & Touche), Mao-Wei Li (Attorney)

Chairman: Kuei-Hsiu Sung, Chairman

Recorder: Hui-Shan Chen

I. Calling the Meeting to Order: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

II. Chairman Remarks: omitted.

III. Report Items

1. To report the business of 2022. (Please refer to Attachment 1)
2. Audit Committee's Review Report. (Please refer to Attachment 2)
3. To report the distribution of employees' and directors' compensation of 2022

Explanation: The Board of Directors of the Company approved a cash distribution of NT\$35,943,576 to employees and NT\$14,000,000 to directors on February 23, 2023.

4. To report the distribution of 2022 earnings in cash

Explanation:

- (1) 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.
- (2) At the Board of Directors' meeting held on February 23, 2023, the Company approved to distribute the 2022 distributable earnings in the amount of NT\$355,919,033 in cash dividends, with NT\$2.5 per share, and authorized the Chairman to determine the ex-dividend record date, payment date and other related matters for the distribution of cash dividends.
- (3) 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.
- (4) 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 ex-dividend record date.

IV. Proposal Items

1: To accept 2022 business report and financial statements (Proposed by the Board of Directors)

Explanation:

- (1) The Company's 2022 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.
- (2) Please refer to Attachments 1, 3, 4, 5 for the 2022 business report, CPA's review report, the above financial statements and the earnings distribution table.

Voting Results:

Shares represented at the time of voting: 90,491,853

Voting Results*	% of the total represented share present
Votes in favor: 88,550,778 votes (14,918,371 votes)	97.85%
Votes against: 89,087 votes (89,087 votes)	0.09%
Votes invalid: 0 votes	0.00%
Votes abstained: 1,851,988 votes (1,812,339 votes)	2.04%

* including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

V. Discussion Items

1: To revise the "Articles of Incorporation" (Proposed by the Board of Directors)

Explanation:

- (1) It is proposed to amend the Company's "Articles of Incorporation" to be in line with the Company's operating plan.
- (2) Please refer to Attachment 6 for the comparison table of amendments to the articles of incorporation.

Voting Results:

Shares represented at the time of voting: 90,491,853

Voting Results*	% of the total represented share present
Votes in favor: 89,291,738 votes (15,659,331 votes)	98.67%
Votes against: 90,127 votes (90,127 votes)	0.09%
Votes invalid: 0 votes	0.00%
Votes abstained: 1,109,988 votes (1,070,339 votes)	1.22%

* including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

VI. Extemporaneous Motions

VII. Adjournment (9:09 a.m. of the same day)

There were no questions from shareholders at this shareholders' meeting.

Chairman: Kuei-Hsiu Sung, Chairman

Recorder: Hui-Shan Chen

Attachment I

Chia Chang Co., Ltd. 2022 Business Report

Chia Chang would like to extend our heartfelt gratitude to all shareholders for your support to the Company in the past year.

The global economy was affected by the Russia-Ukraine War in 2022, which resulted in a sharp rise in global energy and raw material prices. China's pandemic prevention and control measures also exerted an impact on the global supply chain. In addition, in view of the continuous inflation in Europe and the U.S., the U.S. Federal Reserve adopted rapid interest rate increases and curtailment of bond purchases to combat inflation, which led to a significant depreciation in non-USD currencies. The obvious decline in global demand for end-use products has driven the world to gradually move toward a new type of development.

In 2022, Chia Chang's consolidated revenue amounted to NT\$7.839 billion, a year-on-year decrease of 10% from NT\$8.718 billion in 2021. With respect to profit, consolidated net income after tax for 2022 amounted to approximately NT\$644 million, of which NT\$645 million was attributable to the owners of the parent company, and basic earnings per share was NT\$4.53, compared to consolidated net income after tax of NT\$908 million in 2021, of which NT\$909 million was attributable to the owners of the parent company, and basic earnings per share was NT\$6.38, a year-on-year decrease of 29%.

Looking ahead, although the impact of the pandemic has gradually eased, we are still facing the impact of geopolitics, climate anomalies, interest rate decisions by the U.S. Federal Reserve, demand for end-use products, and the shift of production capacity in the global supply chain to diversify risks. With a solid financial position and manufacturing experience accumulated over the past years, Chia Chang will continue to adjust its product portfolio, accelerate digital automation and related costs improvement operations, and take more flexible measures to seek more growth opportunities in an attempt to build a solid foundation in the next generation of smart manufacturing.

In terms of the regulatory environment, in addition to focusing on the regulations of corporate governance, the pressure of carbon reduction due to climate change will be one of the most important policy goals in the international community in the future. Chia Chang will also continue to promote energy conservation activities, use energy-saving equipment, reduce energy consumption, work together to reduce global carbon, and fight against global warming to create the next sustainable low-carbon world.

Although we have encountered various challenges from the environment in the short term, over the years, Chia Chang has always adhered to our core value and beliefs of creating a friendly environment, giving back to society, caring for employees and sustainable development, and leading all colleagues and partners to grow together amid constant challenges. We would like to extend our gratitude to all employees, customers, shareholders and partners for their support and trust in Chia Chang over the years. We are confident in the future of the Company and look forward to maintaining a long-term relationship with you to jointly create a prosperous future.

We wish you good health and all the best!

Chairman
Mr. Kuei-Hsiu Sung

Manager
Mr. Kuei-Hsiu Sung

Chief Accountant
Mr. Li-Chuan Cheng

Attachment II

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 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 23, 2023

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, 2022 and 2021, 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 a summary of significant accounting policies (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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

Occurrence of Recognized Sales Revenue

Chia Chang Co., Ltd. and subsidiaries engage mainly in manufacturing metal stamping of internal and external mechanical parts and related products. Although the overall market demand in 2022 declined, 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, 2022. Refer to Notes 4 and 21 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 to certain customers and verified the occurrence of sales revenue. We selected sample balances of accounts receivable from those certain customers and performed confirmation procedures. We conducted alternative audit procedures to those who failed to respond to confirmation request immediately and validated the relevant transaction documents and verified 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, 2022 and 2021 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, 2022 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 23, 2023

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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,078,231	19	\$ 2,079,687	18
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	45	-	45	-
Notes and accounts receivable, net (Notes 4, 8 and 21)	2,658,467	24	3,500,115	31
Current tax assets (Notes 4 and 23)	142,259	1	146,115	1
Inventories, net (Notes 4 and 9)	397,329	4	524,001	5
Prepayments	61,871	1	181,587	2
Other financial assets - current (Notes 4 and 6)	2,083,673	19	2,051,481	18
Other current assets (Note 4)	155,965	2	179,188	2
Total current assets	<u>7,577,840</u>	<u>70</u>	<u>8,662,219</u>	<u>77</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 10)	191,982	2	164,082	1
Investments accounted for using the equity method (Notes 4 and 12)	124,317	1	302,808	3
Property, plant and equipment (Notes 4, 13 and 28)	1,497,306	14	1,535,788	14
Right-of-use assets (Notes 4, 14 and 28)	147,159	2	155,318	1
Investment properties (Notes 4, 15 and 28)	53,991	1	54,768	1
Deferred tax assets (Notes 4 and 23)	31,335	-	23,898	-
Prepayments for machinery and equipment	1,114,360	10	384,566	3
Other non-current assets (Notes 4 and 19)	29,865	-	27,703	-
Total non-current assets	<u>3,190,315</u>	<u>30</u>	<u>2,648,931</u>	<u>23</u>
TOTAL	<u>\$ 10,768,155</u>	<u>100</u>	<u>\$ 11,311,150</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 28)	\$ 190,000	2	\$ 470,000	4
Notes payable (Note 17)	212,232	2	190,503	2
Accounts payable (Note 17)	957,242	9	1,564,413	14
Other payables (Note 18)	574,705	5	648,661	6
Current tax liabilities (Notes 4 and 23)	141,754	1	116,788	1
Lease liabilities - current (Notes 4 and 14)	17,889	-	18,463	-
Other current liabilities	114,607	1	121,370	1
Total current liabilities	<u>2,208,429</u>	<u>20</u>	<u>3,130,198</u>	<u>28</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 16 and 28)	4,409	-	-	-
Deferred tax liabilities - non-current (Notes 4 and 23)	201,089	2	201,147	2
Lease liabilities - non-current (Notes 4 and 14)	-	-	5,940	-
Guarantee deposits	830	-	830	-
Total non-current liabilities	<u>206,328</u>	<u>2</u>	<u>207,917</u>	<u>2</u>
Total liabilities	<u>2,414,757</u>	<u>22</u>	<u>3,338,115</u>	<u>30</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 20)				
Ordinary shares	1,423,676	14	1,423,676	12
Capital surplus	2,820,797	26	2,820,768	25
Retained earnings				
Legal reserve	890,220	8	799,339	7
Special reserve	597,812	6	524,565	5
Unappropriated earnings	3,050,624	28	2,996,941	26
Total retained earnings	<u>4,538,656</u>	<u>42</u>	<u>4,320,845</u>	<u>38</u>
Other equity	(435,084)	(4)	(597,812)	(5)
Total equity attributable to owners of the Corporation	8,348,045	78	7,967,477	70
NON-CONTROLLING INTERESTS	5,353	-	5,558	-
Total equity	<u>8,353,398</u>	<u>78</u>	<u>7,973,035</u>	<u>70</u>
TOTAL	<u>\$ 10,768,155</u>	<u>100</u>	<u>\$ 11,311,150</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, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
SALES REVENUE (Notes 4 and 21)	\$ 7,838,687	100	\$ 8,718,498	100
COST OF GOODS SOLD (Notes 4, 9 and 22)	<u>6,167,580</u>	<u>79</u>	<u>6,717,203</u>	<u>77</u>
GROSS PROFIT	<u>1,671,107</u>	<u>21</u>	<u>2,001,295</u>	<u>23</u>
OPERATING EXPENSES (Notes 4, 8 and 22)				
Selling and marketing expenses	277,643	3	291,491	4
General and administrative expenses	464,670	6	457,661	5
Research and development expenses	<u>77,536</u>	<u>1</u>	<u>76,871</u>	<u>1</u>
Total operating expenses	<u>819,849</u>	<u>10</u>	<u>826,023</u>	<u>10</u>
INCOME FROM OPERATIONS	<u>851,258</u>	<u>11</u>	<u>1,175,272</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES (Note 4)				
Share of profit (loss) of associates using equity method (Note 12)	(82,051)	(1)	109,821	1
Interest income	64,588	1	57,990	1
Other income (Note 22)	58,837	1	28,010	-
Interest expense	(4,439)	-	(4,855)	-
Exchange gains (loss) (Note 29)	<u>195,793</u>	<u>2</u>	<u>(53,557)</u>	<u>-</u>
Total non-operating income and expenses	<u>232,728</u>	<u>3</u>	<u>137,409</u>	<u>2</u>
INCOME BEFORE INCOME TAX	1,083,986	14	1,312,681	15
INCOME TAX EXPENSE (Notes 4 and 23)	<u>440,277</u>	<u>6</u>	<u>404,588</u>	<u>4</u>
NET INCOME	<u>643,709</u>	<u>8</u>	<u>908,093</u>	<u>11</u>

(Continued)

CHIA CHANG CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	\$ (16,852)	-	\$ (13,697)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	<u>179,580</u>	<u>2</u>	<u>(59,550)</u>	<u>(1)</u>
Other comprehensive income (loss)	<u>162,728</u>	<u>2</u>	<u>(73,247)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 806,437</u>	<u>10</u>	<u>\$ 834,846</u>	<u>10</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 644,914	8	\$ 908,801	10
Non-controlling interests	<u>(1,205)</u>	<u>-</u>	<u>(708)</u>	<u>-</u>
	<u>\$ 643,709</u>	<u>8</u>	<u>\$ 908,093</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 807,642	10	\$ 835,554	10
Non-controlling interests	<u>(1,205)</u>	<u>-</u>	<u>(708)</u>	<u>-</u>
	<u>\$ 806,437</u>	<u>10</u>	<u>\$ 834,846</u>	<u>10</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 24)				
Basic	<u>\$ 4.53</u>		<u>\$ 6.38</u>	
Diluted	<u>\$ 4.47</u>		<u>\$ 6.31</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, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Corporation						Other Equity		Total	Non-controlling Interests	Total Equity	
	Ordinary Shares	Capital Surplus	Retained Earnings			Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
			Legal Reserve	Special Reserve	Unappropriated Earnings			Total				
BALANCE AT JANUARY 1, 2021	\$ 1,423,676	\$ 2,820,599	\$ 731,633	\$ 588,402	\$ 2,447,928	\$ 3,767,963	\$ (597,795)	\$ 73,230	\$ (524,565)	\$ 7,487,673	\$ 6,266	\$ 7,493,939
Appropriation of 2020 earnings												
Legal reserve	-	-	67,706	-	(67,706)	-	-	-	-	-	-	-
Special reserve	-	-	-	(63,837)	63,837	-	-	-	-	-	-	-
Cash dividends distributed	-	-	-	-	(355,919)	(355,919)	-	-	-	(355,919)	-	(355,919)
Total appropriation of 2020 earnings	-	-	67,706	(63,837)	(359,788)	(355,919)	-	-	-	(355,919)	-	(355,919)
Net income for the year ended December 31, 2021	-	-	-	-	908,801	908,801	-	-	-	908,801	(708)	908,093
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	(59,550)	(13,697)	(73,247)	(73,247)	-	(73,247)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	908,801	908,801	(59,550)	(13,697)	(73,247)	835,554	(708)	834,846
Changes in percentage of ownership interests in subsidiaries	-	169	-	-	-	-	-	-	-	169	-	169
BALANCE AT DECEMBER 31, 2021	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

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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,083,986	\$ 1,312,681
Adjustments for:		
Depreciation	249,003	240,970
Amortization	199,082	146,304
Share of profit or loss of associates	82,051	(109,821)
Interest income	(64,588)	(57,990)
Dividend income	(15,995)	(13,073)
Unrealized loss (gain) on foreign exchange	11,322	(3,862)
Gain on disposal and retirement of property, plant and equipment	(9,675)	(2,604)
Interest expense	4,439	4,855
Impairment loss recognized on non-financial assets	4,406	10,639
Net loss on disposal of investments	3,917	-
Expected credit loss recognized	1,150	2,270
Net gain on fair value changes of financial assets at fair value through profit or loss	(619)	(1)
Changes in operating assets and liabilities:		
Notes and accounts receivable	839,675	(420,195)
Inventories	128,695	(137,714)
Prepayments	119,716	(120,721)
Other current assets	(163,379)	(172,854)
Notes payable	21,729	90,225
Accounts payable	(609,605)	246,057
Other payables	(72,408)	76,551
Other current liabilities	(6,763)	93,338
Cash generated from operations	1,806,139	1,185,055
Interest received	59,600	67,806
Income tax paid	(419,751)	(306,931)
Net cash generated by operating activities	<u>1,445,988</u>	<u>945,930</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in other financial assets	2,641,769	3,897,057
Increase in other financial assets	(2,597,999)	(3,680,223)
Increase in prepayments for machinery and equipment	(763,344)	(365,482)
Acquisition of property, plant and equipment	(112,895)	(147,916)
Purchase of financial assets at fair value through profit or loss	(89,440)	-
Disposal of financial assets at fair value through profit or loss	89,339	-
Dividends received	33,795	15,913
Proceeds from capital reduction of investments accounts for using the equity method	30,000	-
Proceeds from disposal of property, plant and equipment	14,104	13,128

(Continued)

CHIA CHANG CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Increase in other non-current assets	\$ (4,507)	\$ (15,794)
Acquisition of right-of-use assets	-	(68,455)
Acquisition of investments accounted for using the equity method	<u>-</u>	<u>(50,000)</u>
Net cash used in investing activities	<u>(759,178)</u>	<u>(401,772)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	(427,103)	(355,919)
Increase (decrease) in short-term borrowings	(280,000)	12,000
Repayment of the principal portion of lease liabilities	(30,574)	(28,094)
Interest paid	(4,826)	(5,145)
Proceeds from long-term borrowings	4,409	-
Change in non-controlling interests	1,000	-
Proceeds from guarantee deposits	<u>-</u>	<u>230</u>
Net cash used in financing activities	<u>(737,094)</u>	<u>(376,928)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>48,828</u>	<u>(9,260)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,456)	157,970
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>2,079,687</u>	<u>1,921,717</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 2,078,231</u>	<u>\$ 2,079,687</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, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.(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, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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, 2022. 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, 2022 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 2022, 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, 2022. Refer to Notes 4 and 17 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 to certain customers to verify the occurrence of sales revenue. We selected sample balances of accounts receivable from those certain customers and performed confirmation procedures. We conducted alternative audit procedures to those who failed to respond to 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, 2022 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 23, 2023

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, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 298,655	3	\$ 314,483	3
Notes and accounts receivable, net (Notes 4, 7 and 17)	715,074	8	623,967	7
Current tax assets (Notes 4 and 19)	-	-	8,272	-
Inventories, net (Notes 4 and 8)	164,440	2	161,689	2
Prepayments	31,139	-	35,634	-
Other financial assets - current (Notes 4 and 6)	118,920	1	60,000	1
Other current assets	<u>19,566</u>	-	<u>29,914</u>	-
Total current assets	<u>1,347,794</u>	<u>14</u>	<u>1,233,959</u>	<u>13</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 9)	55,579	1	8,696	-
Investments accounted for using the equity method (Notes 4 and 10)	7,461,642	79	7,589,321	81
Property, plant and equipment (Notes 4, 11 and 24)	494,851	5	490,901	5
Investment properties (Notes 4, 12 and 24)	53,991	1	54,768	1
Deferred tax assets (Notes 4 and 19)	7,474	-	2,365	-
Prepayments for machinery and equipment	15,210	-	707	-
Other non-current assets	<u>7,291</u>	-	<u>6,470</u>	-
Total non-current assets	<u>8,096,038</u>	<u>86</u>	<u>8,153,228</u>	<u>87</u>
TOTAL	<u>\$ 9,443,832</u>	<u>100</u>	<u>\$ 9,387,187</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 13 and 24)	\$ 190,000	2	\$ 470,000	5
Notes payable (Note 14)	212,232	2	190,503	2
Accounts payable (Notes 14 and 23)	153,758	2	290,181	3
Other payables	204,593	2	171,324	2
Current tax liabilities (Notes 4 and 19)	98,674	1	60,989	1
Other current liabilities (Note 23)	<u>35,365</u>	<u>1</u>	<u>35,561</u>	-
Total current liabilities	<u>894,622</u>	<u>10</u>	<u>1,218,558</u>	<u>13</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 19)	200,335	2	200,322	2
Guarantee deposits	<u>830</u>	-	<u>830</u>	-
Total non-current liabilities	<u>201,165</u>	<u>2</u>	<u>201,152</u>	<u>2</u>
Total liabilities	<u>1,095,787</u>	<u>12</u>	<u>1,419,710</u>	<u>15</u>
EQUITY (Notes 4 and 16)				
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>2,820,768</u>	<u>30</u>
Retained earnings				
Legal reserve	890,220	10	799,339	8
Special reserve	597,812	6	524,565	6
Unappropriated earnings	<u>3,050,624</u>	<u>32</u>	<u>2,996,941</u>	<u>32</u>
Total retained earnings	<u>4,538,656</u>	<u>48</u>	<u>4,320,845</u>	<u>46</u>
Other equity	<u>(435,084)</u>	<u>(5)</u>	<u>(597,812)</u>	<u>(6)</u>
Total equity	<u>8,348,045</u>	<u>88</u>	<u>7,967,477</u>	<u>85</u>
TOTAL	<u>\$ 9,443,832</u>	<u>100</u>	<u>\$ 9,387,187</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, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
SALES REVENUE (Notes 4 and 17)	\$ 2,080,345	100	\$ 1,779,283	100
COST OF GOODS SOLD (Notes 8, 18 and 23)	<u>1,572,999</u>	<u>76</u>	<u>1,447,109</u>	<u>82</u>
GROSS PROFIT	<u>507,346</u>	<u>24</u>	<u>332,174</u>	<u>18</u>
OPERATING EXPENSES (Note 18)				
Selling and marketing expenses	45,317	2	36,112	2
General and administrative expenses	181,236	9	176,858	10
Research and development expenses	<u>45,553</u>	<u>2</u>	<u>41,268</u>	<u>2</u>
Total operating expenses	<u>272,106</u>	<u>13</u>	<u>254,238</u>	<u>14</u>
INCOME FROM OPERATIONS	<u>235,240</u>	<u>11</u>	<u>77,936</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries and associates accounted for using the equity method	562,955	27	998,939	56
Interest income	4,457	-	2,290	-
Interest expense	(4,249)	-	(4,240)	-
Other income and expenses (Notes 18, 23 and 25)	<u>81,770</u>	<u>4</u>	<u>(7,323)</u>	<u>-</u>
Total non-operating income and expenses	<u>644,933</u>	<u>31</u>	<u>989,666</u>	<u>56</u>
PROFIT BEFORE INCOME TAX	880,173	42	1,067,602	60
INCOME TAX EXPENSE (Notes 4 and 19)	<u>235,259</u>	<u>11</u>	<u>158,801</u>	<u>9</u>
NET INCOME	<u>644,914</u>	<u>31</u>	<u>908,801</u>	<u>51</u>

(Continued)

CHIA CHANG CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	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	\$ 2,131	-	\$ 1,921	-
Share of the other comprehensive loss of subsidiaries and associates for using the equity method	(18,983)	(1)	(15,618)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	<u>179,580</u>	<u>9</u>	<u>(59,550)</u>	<u>(3)</u>
Other comprehensive income (loss)	<u>162,728</u>	<u>8</u>	<u>(73,247)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 807,642</u>	<u>39</u>	<u>\$ 835,554</u>	<u>47</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 20)				
Basic	<u>\$ 4.53</u>		<u>\$ 6.38</u>	
Diluted	<u>\$ 4.47</u>		<u>\$ 6.31</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, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Ordinary Shares		Capital Surplus	Retained Earnings				Exchange Differences on Translation of Foreign Operations	Other Equity		Total Equity
	Share (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, 2021	142,368	\$ 1,423,676	\$ 2,820,599	\$ 731,633	\$ 588,402	\$ 2,447,928	\$ 3,767,963	\$ (597,795)	\$ 73,230	\$ (524,565)	\$ 7,487,673
Appropriation of 2020 earnings											
Legal reserve	-	-	-	67,706	-	(67,706)	-	-	-	-	-
Special reserve	-	-	-	-	(63,837)	63,837	-	-	-	-	-
Cash dividends distributed	-	-	-	-	-	(355,919)	(355,919)	-	-	-	(355,919)
Total appropriation of 2020 earnings	-	-	-	67,706	(63,837)	(359,788)	(355,919)	-	-	-	(355,919)
Changes in percentage of ownership interests in subsidiaries	-	-	169	-	-	-	-	-	-	-	169
Net income for the year ended December 31, 2021	-	-	-	-	-	908,801	908,801	-	-	-	908,801
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	-	(59,550)	(13,697)	(73,247)	(73,247)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	908,801	908,801	(59,550)	(13,697)	(73,247)	835,554
BALANCE AT DECEMBER 31, 2021	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

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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 880,173	\$ 1,067,602
Adjustments for:		
Share of profit of subsidiaries and associates for using the equity method	(562,955)	(998,939)
Amortization	45,976	19,802
Depreciation	21,803	22,273
Interest income	(4,457)	(2,290)
Interest expense	4,249	4,240
Net loss on disposal of investments	3,917	-
Gain on disposal and retirement of property, plant and equipment, net	(3,335)	(118)
Unrealized loss (gain) on foreign exchange	3,223	(4,693)
Impairment losses recognized on non-financial assets	1,813	46
Changes in operating assets and liabilities:		
Notes and accounts receivable	(91,896)	(152,963)
Inventories	(4,564)	(80,917)
Prepayments	4,495	(16,109)
Other current assets	(33,045)	(31,282)
Notes payable	21,729	90,225
Accounts payable	(138,857)	82,834
Other payables	33,476	44,406
Other current liabilities	(196)	(1,797)
Cash generated from operations	181,549	42,320
Income tax paid	(194,398)	(95,232)
Interest received	2,970	2,558
Net cash used in operating activities	<u>(9,879)</u>	<u>(50,354)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	802,591	635,585
Increase in other financial assets	(144,430)	(140,060)
Decrease in other financial assets	82,500	139,289
Acquisitions of property, plant and equipment	(24,353)	(18,718)
Increase in prepayments for machinery and equipment	(15,210)	(707)
Proceeds from disposal of property, plant and equipment	3,419	118
Increase in other non-current assets	(1,917)	(2,232)
Acquisitions of investments accounted for using the equity method	-	(50,000)
Net cash generated by investing activities	<u>702,600</u>	<u>563,275</u>

(Continued)

CHIA CHANG CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	\$ (427,103)	\$ (355,919)
Increase (decrease) in short-term borrowings	(280,000)	12,000
Interest paid	(4,456)	(4,229)
Proceeds from guarantee deposits	<u>-</u>	<u>230</u>
Net cash used in financing activities	<u>(711,559)</u>	<u>(347,918)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>3,010</u>	<u>771</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,828)	165,774
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>314,483</u>	<u>148,709</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 298,655</u>	<u>\$ 314,483</u>

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

(Concluded)

Attachment V

Chia Chang Co., Ltd.
Earnings Distribution Table
2022

	Unit: NT\$
Unappropriated earnings, beginning balance	2,405,710,463
Net income after tax in 2022	644,913,713
Appropriation to legal reserve (10%)	(64,491,371)
Reversal of special reserve	162,727,649
Distributable earnings for the current period	3,148,860,454
Distribution items:	
Cash dividends to common stock (NT\$2.5 per share)	(355,919,033)
Unappropriated earnings, ending balance	2,792,941,421

Chairman
Mr.Kuei-Hsiu Sung

Manager
Mr. Kuei-Hsiu Sung

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 Articles of Incorporation

Before Amendments	After Amendments	Explanation
<p>Article 2: The scope of businesses of the Company shall be as follows:</p> <p>I. <u>Manufacturing, processing, and trading of precision machinery (machine tools, medical beds) and related mechanical parts and molds.</u></p> <p>II. <u>Manufacturing, processing, and trading of mechanical steel mold textile machine parts.</u></p> <p>III. <u>Manufacturing, processing, and trading of computer peripheral equipment.</u></p> <p>IV. <u>IV. Manufacturing, processing, and trading of electrical products (industrial insecticidal lamps, dryers, heating appliances, small refrigerators).</u></p>	<p>Article 2: The scope of businesses of the Company shall be as follows:</p> <p><u>CA04010 Surface Treatments</u></p> <p><u>CC01030 Electrical Appliances and Audiovisual Electronic Products</u></p> <p><u>Manufacturing</u></p> <p><u>CC01080 Electronics Components</u></p> <p><u>Manufacturing</u></p> <p><u>CC01110 Computer and Peripheral Equipment Manufacturing</u></p> <p><u>CD01030 Motor Vehicles and Parts</u></p> <p><u>Manufacturing</u></p> <p><u>CQ01010 Mold and Die</u></p> <p><u>Manufacturing</u></p> <p><u>ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval</u></p>	<p>Amendments are made to meet the actual needs and be in line with business item code table retrieval system of the the Ministry of Economic Affairs.</p>
<p>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</p>	<p>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</p>	<p>Addition to the date of amendment.</p>

<p>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</p>	<p>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 <u>The twentieth amendment was made on May 29, 2023</u></p>	
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