

**Chia Chang Co., Ltd.**  
**2024 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.)

Type of Meeting: Physical Shareholders' Meeting

Time and Date: 9:00 a.m., May 29, 2024

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: 88,156,013 shares  
(Percentage of shares held by shareholders present in person or by proxy 61.92%)

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, Convener 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 2023. (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 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.
4. 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.

#### IV. Proposal Items

1: To accept 2023 business report and financial statements (Proposed by the Board of Directors)

Explanation:

- (1) 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.
- (2) Please refer to Attachments 1, 3, 4, 5 for the 2023 business report, CPA's review report, the above financial statements and the earnings distribution table.

Voting Results:

Shares represented at the time of voting: 88,156,013

Voting Results*	% of the total represented share present
Votes in favor: 84,621,963 votes (12,312,113 votes)	95.99%
Votes against: 49,835 votes (49,835 votes)	0.05%
Votes invalid: 0 votes	0.00%
Votes abstained: 3,484,215 votes (3,484,215 votes)	3.95%

\* including votes casted electronically (numbers in brackets)

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

#### V. Discussion Items

1: To revise the " Rules and Procedures of Shareholders' Meeting " (Proposed by the Board of Directors)

Explanation:

- (1) 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.
- (2) Please refer to Attachment 6 for the comparison table of amendments to the Rules and Procedures of Shareholders' Meeting.

Voting Results:

Shares represented at the time of voting: 88,156,013

Voting Results*	% of the total represented share present
Votes in favor: 85,369,008 votes (13,059,158 votes)	96.83%
Votes against: 30,835 votes (30,835 votes)	0.03%
Votes invalid: 0 votes	0.00%
Votes abstained: 2,756,170 votes (2,756,170 votes)	3.12%

\* including votes casted electronically (numbers in brackets)

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

#### VI. Extemporary Motions

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

There was no question raised by shareholders at this shareholders' meeting.

Chairman: Kuei-Hsiu Sung, Chairman

Recorder: Hui-Shan Chen

## 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	%
<b>CURRENT ASSETS</b>				
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>
<b>NON-CURRENT ASSETS</b>				
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>
<b>TOTAL</b>	<u>\$ 10,593,138</u>	<u>100</u>	<u>\$ 10,768,155</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
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>
<b>NON-CURRENT LIABILITIES</b>				
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>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 18)</b>				
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
<b>NON-CONTROLLING INTERESTS</b>	<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>
<b>TOTAL</b>	<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											
	Ordinary Shares	Capital Surplus	Retained Earnings				Exchange Differences on Translation of Foreign Operations	Other Equity		Non-controlling Interests	Total Equity	
			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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	<u>(17,200)</u>	<u>45,818</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	594,438	(1,456)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR</b>	<u>2,078,231</u>	<u>2,079,687</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<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	%
<b>CURRENT ASSETS</b>				
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>19,566</u>	-
Total current assets	<u>1,430,305</u>	<u>15</u>	<u>1,347,794</u>	<u>14</u>
<b>NON-CURRENT ASSETS</b>				
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>7,291</u>	-
Total non-current assets	<u>7,884,743</u>	<u>85</u>	<u>8,096,038</u>	<u>86</u>
<b>TOTAL</b>	<u>\$ 9,315,048</u>	<u>100</u>	<u>\$ 9,443,832</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
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>35,365</u>	1
Total current liabilities	<u>586,751</u>	<u>6</u>	<u>894,622</u>	<u>10</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4 and 18)	200,346	2	200,335	2
Guarantee deposits	<u>830</u>	-	<u>830</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>
<b>EQUITY (Notes 4 and 15)</b>				
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>
<b>TOTAL</b>	<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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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	<u>3,266,433,901</u>
Distribution items:	
Cash dividends to common stock (NT\$2.3 per share)	<u>(327,445,510)</u>
Unappropriated earnings, ending balance	<u>2,938,988,391</u>

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>