



Chang Wah Technology Co., Ltd.

Chang Wah Technology Co., Ltd.

2024

Annual Shareholders' Meeting

Meeting Agenda
(Translation)

Date: May 30, 2024

Location: No. 2, Renfa 6th Rd., Renwu Dist., Kaohsiung City

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Chang Wah Technology Co., Ltd.
Meeting Procedure

- I. Call the Meeting to Order**
- II. Chairperson's Speech**
- III. Status Reports**
- IV. Matters for Ratification**
- V. Elections**
- VI. Others Proposals**
- VII. Extempore Motions**
- VIII. Adjournment**

Chang Wah Technology Co., Ltd.

Meeting Agenda

Time and Date: A.M. 10:00 May 30, 2024 (Thursday)

Meeting Type: Physical shareholders' meeting

Place: No. 2, Renfa 6th Rd., Renwu Dist., Kaohsiung City

1.Call the Meeting to Order 【Reports on the numbers of shares from the attended shareholders】

2.Chairperson's Speech

3.Status Reports

- A. The Company's 2023 Annual Business Report
- B. Report by Audit Committee on review of the 2023 Annual Accounting Final Reports and Statements
- C. The Company's 2023 Annual Report on Earnings Distributed as Cash Dividends
- D. Report on the Distribution of 2023 Compensation to Employees and Directors
- E. Report on the 2023 Compensation to Directors
- F. Report on the Company's Endorsement, Guarantee and Financings Provided to Other Parties
- G. Report on the Company's Investment in Mainland China
- H. Descriptions for the Proposals by Shareholders
- I. Report on the Company's Execution for the Repurchased Shares

4.Matters for Ratification

- A. Ratification of the 2023 Annual Business Report and the Financial Statements
- B. Ratification of 2023 Earnings Distribution Report

5.Elections

- A. Re-election of Directors (Including four Independent Directors)

6.Others Proposals

- A. Lifting the competition restrictions for the newly elected Directors

7.Extempore Motions

8.Adjournment

Status Reports

1.The Company's 2023 annual business report.

Please refer to page 11 to 14 of this meeting agenda.

2.Report by Audit Committee on review of the 2023 annual accounting final reports and statements.

Please refer to page 15 of this meeting agenda.

3.The Company's 2023 annual report on earnings distributed as cash dividends.

Explanatory Notes:

1.The report is written and executed according to the Company Act and the Articles of Incorporation of the company.

2.The 2023 earnings distribution table has been approved by the Board of Directors, and has been reviewed by the Audit Committee. Please refer to page 16 to 17 of this meeting agenda.

3.The status of earnings distributed as cash dividends by the Company in 2023 is listed below:

Unit: NT\$

Time	Distributed Year	Amount	NT\$ per Share	Date Issues by the Directors' Meeting
1	First quarter of 2023 (Note 1)	\$ 378,022,680	0.3976930	May 5, 2022
2	Second quarter of 2023 (Note 2)	\$ 380,215,480	0.40	August 8, 2022
3	Third quarter of 2023 (Note 3)	\$ 380,215,480	0.40	November 7, 2022
4	Fourth quarter of 2023	\$ 389,720,867	0.41	March 12, 2024

Note 1: The cash dividend of the first quarter of 2023 has been distributed on October 18, 2023.

Note 2: The cash dividend of the second quarter of 2023 has been distributed on January 17, 2024.

Note 3: The cash dividend of the third quarter of 2023 has been distributed on April 10, 2024.

4.Report on the distribution of 2023 compensation to employees and directors.

Explanatory Notes:

The report has been approved by the Board of Directors on March 12, 2024. According to Article 19-2 of the Articles of Incorporation of the Company, the distribution of employees and directors' compensation of 2023 is listed below:

Unit: NT\$

Item	Ratio	Amount	Way of Distribution
Employees' Compensation	1 %	\$ 17,386,630	All distributed by cash.
Directors' Compensation	0.23 %	\$ 4,000,000	

5. Report on the 2023 compensation to directors.

Explanatory Notes:

1. Please refer to page 18 for details on directors' compensation, including the compensation policy as well as the package and amount of compensation to individuals.
2. The increase in compensation to Directors came from the compensation distributed by subsidiaries within the Group for the steady growth of contributions and responsibilities of Directors who are also directors of the subsidiaries. Therefore, the average compensation of individual Directors had a relative increase in 2023.

6. The report on the Company's endorsement, guarantee and financings provided to other parties.

Please refer to page 19 to 20 of this meeting agenda.

7. The report on the Company's investment in Mainland China.

Please refer to page 21 of this meeting agenda.

8. The descriptions of proposals from shareholders.

Explanatory Notes:

1. According to Article 172-1 of the Company Act, the shareholders with more than 1% amount of issued shares in total should propose to the regular shareholders' meeting in written form, but with only one proposal limited, and the proposal should be no longer than 300 words.
2. The available duration date of proposal published on the Market Observation Post System begins on February 23 and ends on March 4 2024. Due to the fact that there are no proposals accepted during the date, the matter would not need to be discussed on the 2024 annual shareholders' meeting.

9. The reports on the Company's execution for the repurchased shares.

Explanatory Notes:

The Company's execution for the repurchased shares is listed below:

Instance	First time of 2018 (Note 1)
Purpose	Transferred to employees
Buyback Period	May 10 2018- July 6 2018
Type and Volume of Repurchased Shares	Ordinary Shares 27,350,000 shares (Note 2)
Amount of Repurchased Shares	NT\$ 437,809,094
The ratio of the Repurchased Shares to the Planned Buyback Shares (%)	72.93%
Cancelled and Transferred Shares	27,350,000 shares (Note 2)
Cumulated holding Volume	0 shares (Note 3)
The ratio of the Cumulated holding Volume to the total issued shares (%)	0% (Note 3)
Note1: In order to maintain both the rights of shareholders and the market mechanism, the repurchase of this time is not executed at its full scale. Note2: The change of share par value has been completed in September 2022. After the separation, the share par value is changed to NT\$ 0.4 for each share, thus the	

“type and volume of repurchased shares”, the “cancelled and transferred shares” and the “cumulated holding volume” is adjusted.

Note3: The Company cancelled 15,883,000 treasury shares on July 6, 2023, which reduced registered capital by NT\$6,353,200.

Matters for Ratification

Proposal 1: Proposed by the Board of Directors

Content: Please ratify the Company's 2023 annual business report and 2023 annual financial statement.

Explanatory Notes:

- 1.The Company's 2023 financial statement (including the parent company only and consolidated statements) were approved by the Board of Directors on March 12, 2024, audited and certified by the accountants Lee-Yuan Kuo and Hung-Ju Liao of Deloitte & Touche and reviewed with the audit committee report by the Audit Committee.
- 2.The above-mentioned report (please refer to page 22 to 40 of this meeting agenda) and annual business report (please refer to page 11 to 14 of this meeting agenda) are attached herein.

Resolutions:

Proposal 2: Proposed by the Board of Directors

Content: Please ratify the earning distribution report of 2023.

Explanatory Notes:

- 1.The Company's 2023 earnings distribution table has been approved by the Board of Directors on March 12, 2024, and is reviewed by the Audit Committee. Please refer to page 16 to 17 of this meeting agenda.
- 2.The agenda has been proposed for ratification.

Resolutions:

Elections

Proposal 1: Proposed by the Board of Directors

Content: Re-election of directors (including four independent directors)

Explanatory Notes:

- 1.The term of the Company's fifth Directors will expire on July 21, 2024. To meet operational needs, the election of Directors across the board will be held in advance.
- 2.According to Article 12 of the Articles of Incorporation, there shall be seven directors elected (including three independent director) from the candidates' list by the shareholders' meeting. The election will be held by the candidate nomination system. For the educational background, experiences and other information of the candidates, please refer to page 41 to 42 of this meeting agenda.
- 3.The length of the next term for newly appointed directors is three years from May 30 2024 to May 29 2027.
- 4.The agenda has been proposed for election.

The Election Result:

Others Proposals

Proposal 1: Proposed by the Board of Directors

Content: Lifting the competition restrictions for the newly elected Directors

Explanatory Notes:

- 1.Pursuant to Article 209 of the Company Act, when a director takes actions for himself/ herself or others that are within the scope of the Company's business, he/she shall explain the essence of these actions to the shareholders' meeting and obtain its approval.
- 2.Due to business needs, the newly elected Directors may hold positions in other companies engaging in a similar line of business as the Company, and are therefore subject to the non-compete clause in Article 209 of the Company Act. Thus, it is proposed to release the above-mentioned Directors from the non-compete restrictions.
- 3.Please refer to page 43 of this meeting agenda for details on concurrent positions held by Directors newly elected at the annual shareholders' meeting.
- 4.The agenda has been proposed for discussion.

Resolutions:

Extempore Motions

Adjournment

Attachments

Chang Wah Technology Co., Ltd.

2023 Annual Business Report

1. Operation Policies

After years of hard work and efforts, our company upholds the management principle of “honesty, enthusiasm, and full service”, continuing to strengthen the marketing capability of our products. We hope to satisfy customers’ needs with the most complete product line and to fully grasp the latest market dynamics at any time to create higher added value, so as to bring out the competitive advantage of growing together with customers and suppliers.

2. General Condition of Implementation

Despite the fact that the global economy has remained under pressure from significant fluctuations in the international currency market and uncertainties brought about by the U.S.-China trade war, we continue to deliver excellent performance with joint efforts from our employees around the world under the leadership of our Chairperson and the President. In 2023, the profit of the company has not only led in Taiwan’s metal substrate industry, but also significantly exceeded in the global metal substrate industries.

3. Result of Implementation of Business Plan

(1) Business Result

(Consolidated)

Unit: NT\$ in thousands

Item	2023		2022		2021	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Operating Revenue	11,581,245	100%	14,431,284	100%	12,792,169	100%
Operating Cost	8,980,738	78%	10,045,698	69%	9,386,479	74%
Gross Profit	2,600,507	22%	4,385,586	31%	3,405,690	26%
Gross Profit Margin	22%	—	31%	—	26%	—
Operating Profit	1,448,284	12%	3,121,660	22%	2,210,299	17%
Net Profit before Tax	1,970,188	17%	3,634,255	25%	2,249,184	18%
Net Profit after Tax	1,597,147	14%	2,844,969	20%	1,738,645	14%

(Parent Company Only)

Unit: NT\$ in thousands

Item	2023		2022		2021	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Operating Revenue	6,625,391	100%	8,760,470	100%	4,817,610	100%
Operating Cost	5,617,689	85%	6,709,432	77%	4,184,502	87%
Gross Profit	1,007,702	15%	2,051,038	23%	633,108	13%
Gross Profit Margin	15%	—	23%	—	13%	—
Operating Profit	520,549	8%	1,570,497	18%	421,294	9%
Net Profit before Tax	1,717,276	26%	3,259,904	37%	1,846,595	39%
Net Profit after Tax	1,564,512	24%	2,815,901	32%	1,714,378	36%

(2) Financial Performance
(Consolidated)

Item \ Year	2023	2022	2021
Financial Structure			
Debt Asset Ratio	48%	46%	43%
Long-term Funds to Property, Plant and Equipment Ratio	354%	367%	425%
Net Asset Value per Share (Note)	10.57	10.49	8.89
Solvency			
Current Ratio	198%	216%	233%
Quick Ratio	134%	161%	179%
Profitability			
Return on Total Assets	9%	17%	13%
Return on Equity	16%	31%	25%
Net Margin	14%	20%	14%
Earnings per Share (Note)	1.67	3.01	1.92

Note: The change of par value was completed in September 2022. After the split, the par value equaled NT\$0.4 per share. The net asset value per share and the earnings per share were retrospectively adjusted for the comparative periods.

(Parent Company Only)

Item \ Year	2023	2022	2021
Financial Structure			
Debt Asset Ratio	48%	45%	39%
Long-term Funds to Property, Plant and Equipment Ratio	481%	562%	1245%
Net Asset Value per Share (Note)	10.57	10.49	8.89
Solvency			
Current Ratio	101%	118%	154%
Quick Ratio	83%	92%	140%
Profitability			
Return on Total Assets	9%	18%	14%
Return on Equity	16%	31%	25%
Net Margin	24%	32%	36%
Earnings per Share (Note)	1.67	3.01	1.92

Note: The change of par value was completed in September 2022. After the split, the par value equaled NT\$0.4 per share. The net asset value per share and the earnings per share were retrospectively adjusted for the comparative periods.

4.Execution of the Budget Derivative of Operating Revenue and Expenditure

(1)Operating Revenue

Consolidated operating revenues dropped by 19.7% in 2023 compared to 2022, primarily due to decreasing orders as a result of declining end demand and inventory adjustments of customers.

(2)Operating Cost

Consolidated operating costs decreased by 10.6% in 2023 compared to 2022, mainly due to the decline in revenue.

5.Profitability Analysis

In 2023, as demand subsided and orders dropped, capacity utilization rate decreased, resulting in fixed costs to account for a higher percentage of revenue and consequently a year-over-year decrease in operating profit.

6.Research and Development

The rise of emerging technologies such as 5G, AI, and IoT prompts continuous growth in consumer and automotive electronics markets, and brings about new business opportunities for display applications. Devices are shifting toward being lighter and smaller or high value-added, or with high-end specifications. We apply different processes to QFNs to produce differentiated products and enter the niche market of lead frames for Mini LED and automotive power management.

7.Outline of the Operating Plan

As a result of waning end demand, inventory digestion in the supply chain continues. The market predicts positive growth in four major applications of chips, i.e., smartphones, servers, automobiles and PCs. The annual shipments of these end-products are expected to increase compared to 2023 along with their average semiconductor content, contributing to the growth of semiconductor market size in 2024.

With respect to the Company's performance in 2023, 3C applications accounted for 41% of our revenue while automotives accounted for 34%.

Based on our operating results, market supply, demand conditions and marketing policies, we estimate that our major sales volume in 2024 will increase by 3~5% compared to 2023.

Production and Marketing Strategies

- 1.Develop high added-value products according to the trend of market development and establish a leading position in the market.
- 2.Continue to develop advanced application markets, improve customer satisfaction, and strengthen partnerships with major international manufacturers.
- 3.Introduce intelligent manufacturing to improve production capacity and increase market share.
- 4.Strengthen customer service and continue to enhance the quality of products.

8.Strategy of Future Development

The Industry, Science and Technology International Strategy Center of the Industrial Technology Research Institute points out that the output value of Taiwan's semiconductor industry is expected to hit NT\$4.9 trillion in 2024, a surge of 14.1% compared to NT\$4.3 trillion in 2023. Of the six major semiconductor applications, i.e., industrial, AI computing, aerospace, military, consumer, and automotive semiconductors, automotive semiconductor market will become the main driver of semiconductor growth in the next few years, registering a compound annual growth rate (CAGR) of 12.7% over the next five years. Advanced driver assistance system (ADAS) and in-vehicle infotainment system will be the two major driving forces for the automotive semiconductors developments. Despite limited growth in the car market, the trends of smart and electrical vehicles are clear and stand to be the key growth engines of the future semiconductor market. ADAS enjoys the largest share of the automotive semiconductor market with an estimated CAGR of 19.8% by 2027, accounting for 30% of the market by then. Driven by automotive intelligence and connectivity, in-vehicle infotainment system ranks second with a projected CAGR of 14.6% in 2027, accounting for 20% of the market in that year.

Chairperson:
Canon, HUANG

Manager:
HUNG, Chuen-Sing

Accountant:
KUNG, Yu-Ting

Chang Wah Technology Co., Ltd.

Audit Committee Report

The Board of Directors had prepared and submitted the 2023 Financial Statements (including the parent company only and consolidated financial statements). The audit of the financial statements was completed by accountants Lee-Yuan Kuo and Hung-Ju Liao at Deloitte & Touche, and an audit report was issued. The audit of the aforementioned statements, along with issues such as the 2023 Annual Business Report and the report of earning distribution, submitted by the Board of Directors was reviewed by the Audit Committee, and no inconsistency was found. The audit report was issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Yours sincerely,

2024 Annual Shareholders' Meeting of Chang Wah Technology Co., Ltd.

Audit Committee of Chang Wah Technology Co., Ltd.

Convener: 林宜靜

Convener: 林任林

Convener: 歐嘉瑞

Date: March 12, 2024.

Chang Wah Technology Co., Ltd.

2023 Earnings Distribution Table

Unit: NT\$

Item		
Beginning balance of undistributed earnings		\$ 2,314,754,092
Net profit after tax plus the amount of other items accounted for as the undistributed earnings in this year		
Remeasurements of defined benefit plans recognized in the retained earnings	\$ 232,002	
The accumulative gain or loss from the disposal of investment in equity instruments measured at FVTOCI which was directly transferred to the retained earnings	17,550,788	
Net profit after tax in 2023	<u>1,564,511,938</u>	1,582,294,728
Provision of the legal reserve		
Part provided in the first quarter of 2023	(38,814,855)	
Part provided in the second quarter of 2023	(46,838,317)	
Part provided in the third quarter of 2023	(42,309,954)	
Part provided in the fourth quarter of 2023	(<u>30,266,347</u>)	(158,229,473)
Reversal (Provision) of the special reserve		
Part reversed in the first quarter of 2023	256,938,888	
Part provided in the second quarter of 2023	(21,104,366)	
Part reversed in the third quarter of 2023	10,787,222	
Part reversed in the fourth quarter of 2023	<u>1,455,844</u>	<u>248,077,588</u>
Distributable earnings in 2023		3,986,896,935
Item of distribution:		
Dividends for shareholders - cash		
The amount of earnings distribution in the first quarter of 2023 which was decided	(378,022,680)	
The amount of earnings distribution in the second quarter of 2023 which was decided	(380,215,480)	
The amount of earnings distribution in the third quarter of 2023 which was decided	(380,215,480)	
The amount of earnings distribution in the fourth quarter of 2023 which is going to be distributed	(<u>389,720,867</u>)	(<u>1,528,174,507</u>)
Ending balance of undistributed earnings		<u>\$ 2,458,722,428</u>

Chairperson:
Canon, HUANG

Manager:
HUNG, Chuen-Sing

Accountant:
KUNG, Yu-Ting

Note 1: If the number of outstanding shares or the payout ratio for each share changes due to repurchase of shares, transfer or writing-off of treasury shares, or the transition of convertible corporate bonds, the Board of Directors should handle all affairs related to the change in the payout ratio of dividends for shareholders.

Note 2: The part of the share dividends which was less than NT\$1 was recognized in the section of Employee Benefit Committee.

2023 Remuneration of Directors

Unit: NT\$ in thousands

		Remuneration of Directors (Note 1)						Total of A, B, C and D and as a % of Net Income				Relevant Remuneration Received by Directors Who are Also Employees						Total of A, B, C, D, E, F and G and as a % of Net Income				Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary				
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)		Total of A, B, C and D and as a % of Net Income		Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Bonus (G)		Total of A, B, C, D, E, F and G and as a % of Net Income								
		The Company	Companies in the consolidated financial statements (Note 2)	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	Total	%	The Company	Companies in the consolidated financial statements	Total	%	Cash	Stock	The Company	Companies in the consolidated financial statements	Cash	Stock		Total	%		
Chairperson	Canon, Huang (Note 2)																									
	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang (Note 2)	0	14,884	0	0	1,000	18	18	1.018	0.07%	15,902	1.00%	6,207	0	0	0	0	0	0	0	0	7,225	0.46%	22,109	1.38%	43,281
	Chung Wah Electromaterials Inc.	0	0	0	0		0	0					0	0	0	0	0	0	0	0					0	
Juristic Person Director	Representative: Hung, Chuen-Sing	0	3,257	0	0	3,000	24	24	3.072	0.19%	6,329	0.39%	37,461	134	134	0	0	0	0	0	0	40,667	2.60%	47,663	2.99%	17,789
	Representative: Tsai, Rong-Dong	0	0	0	0		24	24					0	0	0	0	0	0	0	0					1,000	
	Representative: Angus, Shih	0	0	0	0		24	24					0	0	0	0	0	0	0	0					331	
	Lin, Yi-Jing	600	600	0	0	0	24	24	624	0.04%	624	0.04%	0	0	0	0	0	0	0	0	624	0.04%	624	0.04%	0	
Independent Director	Lin, Ren-Lin	600	600	0	0	0	24	24	624	0.04%	624	0.04%	0	0	0	0	0	0	0	0	624	0.04%	624	0.04%	0	
Independent Director	Ou, Jia-Ruey	600	600	0	0	0	24	24	624	0.04%	624	0.04%	0	0	0	0	0	0	0	0	624	0.04%	624	0.04%	0	
Total		1,800	19,941	0	0	4,000	162	162	5,962	0.38%	24,103	1.51%	43,668	134	134	0	0	0	0	0	49,764	3.18%	71,644	4.49%	62,401	
* Except as disclosed in the above table, the remuneration received by the director of the company for providing services to all companies in the financial report (such as serving as a consultant for non-employees, etc.) in the most recent year: none																										

* Except as disclosed in the above table, the remuneration received by the director of the company for providing services to all companies in the financial report (such as serving as a consultant for non-employee, etc.) in the most recent year none

Note 1: The Company's remuneration policy for directors:

- A. Directors: Remuneration of Directors comprises compensation to Directors and travel allowance. Compensation to Directors is determined pursuant to Article 19-2 of the Articles of Incorporation which stipulates that the Company shall distribute compensation to directors at no more than 1.5% of the Company's net income before tax and compensation to employees and directors. For a Directors who is a representative of a juristic person, the compensation belongs to the juristic person. As for travel allowance, it is paid based on the Director's attendance at the Board meetings.
- B. Independent Directors: Remuneration comprises monthly compensation and travel allowance, but does not include compensation to Directors. As for travel allowance, it is paid based on the Independent Director's attendance at the Board meetings.

Note 2: The increase in compensation to Directors came from the compensation distributed by subsidiaries within the Group for the steady growth of contributions and responsibilities of Directors who are also directors of the subsidiaries. Therefore, the average compensation of individual Directors had a relative increase in 2023.

Endorsement/Guarantee in Fiscal Year 2023

Chang Wah Technology Co., Ltd. and Subsidiaries
Endorsement/Guarantee Provided
For The Year Ended December 31, 2023

In Thousands of New Taiwan Dollars
(Unless Stated Otherwise)

No.	Endorsement/ Guarantee Provider	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Note 1)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship (Note 2)											
0	The Company	Shanghai Chang Wah Electromaterials Inc.	b	\$ 1,980,782	\$ 119,289	\$ 119,289	\$ 119,289	\$ -	1.2	\$ 4,951,956	Yes	No	Yes	

Note 1: The amount of guarantees to any individual entity shall not exceed 20% of the Company's net worth. The maximum amount of guarantees shall not exceed 50% of the Company's net worth.

Note 2: Relationships between the endorser/guarantor and the party being endorsed/guaranteed are as follows:

- A company with which it does business.
- A company in which the public company directly and indirectly holds more than 50% of the voting shares.
- A company that directly and indirectly holds more than 50 % of the voting shares in the public company.
- A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
- A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Financings Provided in Fiscal Year 2023

Chang Wah Technology Co., Ltd. and Subsidiaries Financings Provided To Others For The Year Ended December 31, 2023

In Thousands of New Taiwan Dollars
(Unless Stated Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn (Note 3)	Interest Rate (%)	Nature of Financing (Note 1)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Total Financing Amount Limits	Note
													Item	Value			
1	SH Electronics Chengdu Co., Ltd.	SH Electronics Suzhou Co., Ltd.	Other receivables	Yes	\$ 322,403	\$ 322,403	\$ -	0.8-3.0	2	\$ -	-	\$ -	None	\$ -	\$ 956,096	\$ 956,096	Note 2
2	SH Asia Pacific Pte. Ltd.	Malaysian SH Electronics Sdn. Bhd.	Other receivables	Yes	1,842,300	921,150	921,150	4.18	2	-	Repayments of borrowings	-	None	-	6,089,301	6,089,301	Note 2

Note 1: The nature of financing is as follows:

1. Business relationship

2. The need for short-term financing

Note 2: The maximum amount of the total loan of funds provided by subsidiary for the companies or parties and the same object that needs short-term financing shall not exceed net worth in the latest audited or reviewed financial statements of the loan company. If the loan is made to a company in which the parent company has directly or indirectly, 100% of the ownership or voting rights of the Company, the term of the loan shall not exceed five years.

Note 3: Amount was eliminated from the consolidated financial statements.

Investment in Mainland China in Fiscal Year 2023

Chang Wah Technology Co., Ltd. and Subsidiaries Information On Investment in Mainland China

For The Year Ended December 31, 2023

In Thousands of New Taiwan Dollars
(Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Note 1)	Method of Investment (Note 2)	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2023 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2023 (Note 4)	Note
					Outward	Inward							
CWTC (Shanghai) Inc.	Selling of lighting materials and equipment, communication devices, semiconductor materials and equipment, electronic products, machinery and equipment, etc.	\$ 61,410	1	\$ 64,308	\$ -	\$ -	\$ 64,308	\$ 7,965	100	\$ 7,965	\$ 100,401	\$ -	
Shanghai Chang Wah Electromaterials Inc.	Acting as an agent for IC packaging materials and equipment	122,820	2	-	-	-	-	83,863	69	58,181	391,138	-	
SH Electronics Chengdu Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor materials and precision tools	260,993	2	-	-	-	-	163,504	100	163,504	1,156,199	698,048	
SH Precision Chengdu Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor materials and precision tools	107,468	2	-	-	-	-	74,791	100	86,186	490,636	322,488	
SH Electronics Suzhou Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor packaging materials and precision tools	767,625	2	-	-	-	-	188,923	100	195,035	1,229,253	125,080	

Investor Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amount Authorized by Investment Commission, MOEA (Notes 1 and 5)	Upper Limit on the Amount of Investments Stipulated by Investment Commission, MOEA (Note 6)
Chang Wah Technology Co., Ltd.	\$ 64,308	\$ 1,401,468	\$ -

Note 1: Translated into NTD using the exchange rate at the balance sheet date.

Note 2: Methods of investment 1: Direct investment.

Methods of investment 2: Investments through a holding company registered in a third region.

Note 3: The basis for investment income (loss) recognition is the financial statement audited and attested, and the amount was eliminated from the consolidated financial statements.

Note 4: The accumulated remittance of profit from investment by SH Electronics Chengdu Co., Ltd. is RMB161,196 thousand (US\$22,785 thousand). The accumulated remittance of profit from investment by SH Precision Chengdu Co., Ltd. is RMB76,215 thousand (US\$10,688 thousand). The accumulated remittance of profit from investment by SH Electronics Suzhou Co., Ltd. is RMB28,407 thousand (US\$4,000 thousand).

Note 5: This includes the investment of US\$2,000 thousand in CWTC (Shanghai) Inc., US\$23,279 thousand in SH Electronics Chengdu Co., Ltd., US\$8,035 thousand in SH Precision Chengdu Co., Ltd., US\$3,659 thousand in SH Electronics Suzhou Co., Ltd. and US\$8,670 thousand in Shanghai Chang Wah Electromaterials Inc. approved by the Ministry of Economic Affairs.

Note 6: Pursuant to the Jing-Shen-Zi Letter No. 09704604680 of the Ministry of Economic Affairs, ROC and the amended Regulation Governing the Examination of Investment or Technical Cooperation in Mainland China dated August 29, 2008, the Company obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau of Ministry of Economic Affairs. The ceiling amount of the investment in Mainland China is not applicable to the Company.

2023 Consolidated Financial Statement

INDEPENDENT AUDITORS' REPORT

Chang Wah Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Chang Wah Technology Co., Ltd. (the “Company”) and its subsidiaries, 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 Company and its subsidiaries as of December 31, 2023 and 2022, and their consolidated financial performance and their 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 (FSC) of the Republic of China.

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 Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries 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 matter of the Company and its subsidiaries' consolidated financial statements for the year ended December 31, 2023 is described as follows:

Recognition of Revenue from Specific Customers

Due to the pressure of having to meet expected targets and market expectations, the possibility of overstating sales may arise. Operating revenue in 2023 has decreased substantially compared with that of 2022, especially revenue from specific customers, whose amount is inconsistent with the market trend and is significant to the overall operating revenue. Therefore, the recognition of revenue from specific customers with significant sales amounts and changes was deemed a key audit matter.

Our audit procedures performed in response to the abovementioned key audit matter are as follows:

1. We obtained an understanding of and tested the effectiveness of the implementation of internal controls over sales.
2. We selected appropriate samples from the sales revenue receipts of specific customers, examined purchase orders, shipping documents and proof of payments as pertaining to the same transaction counterparties.
3. We obtained details on sales returns and allowances for the year and after the reporting period and checked for major abnormalities in sales returns and allowances for the purpose of confirming the authenticity of the sales recognized before the balance sheet date.

Other Matter

We have also audited the parent company only financial statements of Chang Wah Technology 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 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, 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 Company and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company and its subsidiaries' 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 Company and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its subsidiaries' 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 Company and its subsidiaries 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 Company and its subsidiaries 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 Lee-Yuan Kuo and Hung-Ju Liao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 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.

Chang Wah Technology Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 5,946,488	30	\$ 6,393,898	34
Financial assets at fair value through profit or loss (Notes 4 and 7)	93,883	-	57,708	-
Notes receivable (Notes 4 and 9)	16,203	-	7,948	-
Accounts receivable, net (Notes 4, 5 and 9)	1,806,045	9	2,001,042	11
Accounts receivable - related parties (Notes 4, 5, 9 and 32)	473,345	2	555,302	3
Other receivables (Notes 9 and 32)	98,651	1	97,217	-
Current tax assets (Note 26)	19,433	-	-	-
Inventories (Notes 4, 5 and 10)	1,931,465	10	2,456,090	13
Other financial assets - current (Note 11)	2,012,827	10	583,490	3
Other current assets	97,203	1	103,008	1
Total current assets	12,495,543	63	12,255,703	65
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	2,036,662	10	1,442,554	8
Property, plant and equipment (Notes 4, 13 and 32)	3,856,614	19	3,585,714	19
Right-of-use assets (Notes 4 and 14)	475,817	2	479,920	3
Investment properties (Notes 4, 15 and 32)	137,408	1	140,610	1
Goodwill (Notes 4 and 16)	683,802	3	683,852	4
Other intangible assets (Notes 4 and 17)	102,272	1	39,026	-
Deferred tax assets (Notes 4, 5 and 26)	120,232	1	69,973	-
Prepayments for equipment	22,573	-	86,653	-
Other financial assets - non-current (Notes 11 and 33)	22,568	-	31,605	-
Other non-current assets (Notes 22 and 32)	13,459	-	13,042	-
Total non-current assets	7,471,407	37	6,572,949	35
TOTAL	\$ 19,966,950	100	\$ 18,828,652	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ 2,545,000	13	\$ 2,126,457	11
Contract liabilities - current (Notes 4, 24 and 32)	267,513	1	331,044	2
Notes payable	341	-	170	-
Accounts payable (Note 20)	814,978	4	930,394	5
Accounts payable - related parties (Notes 20 and 32)	5,841	-	11,670	-
Dividends payable (Note 32)	754,271	4	651,505	3
Other payables (Notes 21, 22 and 32)	889,622	4	1,043,673	6
Current tax liabilities (Note 26)	352,312	2	504,723	3
Lease liabilities - current (Notes 4, 14 and 32)	16,379	-	18,677	-
Current portion of long-term borrowings (Note 18)	602,061	3	-	-
Other current liabilities	62,017	-	54,483	-
Total current liabilities	6,310,335	31	5,672,796	30
NON-CURRENT LIABILITIES				
Contract liabilities - non-current (Notes 4 and 24)	36,526	-	81,977	1
Long-term borrowings (Note 18)	2,909,181	15	2,473,985	13
Deferred tax liabilities (Notes 4, 5 and 26)	273,175	1	327,471	2
Lease liabilities - non-current (Notes 4, 14 and 32)	83,666	1	76,668	-
Guarantee deposits received (Note 32)	6,282	-	6,374	-
Other non-current liabilities (Note 22)	14,341	-	15,968	-
Total non-current liabilities	3,323,171	17	2,982,443	16
Total liabilities	9,633,506	48	8,655,239	46
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 23)				
Ordinary shares	380,215	2	386,569	2
Capital surplus	6,033,692	30	6,205,329	33
Retained earnings				
Legal reserve	894,391	5	633,251	4
Special reserve	10,317	-	225,382	1
Unappropriated earnings	2,877,254	14	3,244,984	17
Total retained earnings	3,781,962	19	4,103,617	22
Other equity	(30,821)	-	(334,695)	(2)
Treasury shares	(261,137)	(1)	(586,013)	(3)
Total equity attributable to owners of the Company	9,903,911	50	9,774,807	52
NON-CONTROLLING INTERESTS (Note 23)	429,533	2	398,606	2
Total equity	10,333,444	52	10,173,413	54
TOTAL	\$ 19,966,950	100	\$ 18,828,652	100

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

Chang Wah Technology Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 32)	\$ 11,581,245	100	\$ 14,431,284	100
OPERATING COSTS (Notes 10, 25 and 32)	<u>8,980,738</u>	<u>78</u>	<u>10,045,698</u>	<u>69</u>
GROSS PROFIT	<u>2,600,507</u>	<u>22</u>	<u>4,385,586</u>	<u>31</u>
OPERATING EXPENSES (Notes 9, 25 and 32)				
Selling and marketing expenses	210,486	2	231,934	2
General and administrative expenses	524,272	4	602,796	4
Research and development expenses	420,520	4	422,484	3
Expected credit losses (gains)	<u>(3,055)</u>	<u>-</u>	<u>6,712</u>	<u>-</u>
Total operating expenses	<u>1,152,223</u>	<u>10</u>	<u>1,263,926</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>1,448,284</u>	<u>12</u>	<u>3,121,660</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 32)				
Interest income	285,112	3	74,408	-
Other income	243,140	2	164,610	1
Other gains and losses	86,900	1	320,866	2
Finance costs	<u>(93,248)</u>	<u>(1)</u>	<u>(47,289)</u>	<u>-</u>
Total non-operating income and expenses	<u>521,904</u>	<u>5</u>	<u>512,595</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	1,970,188	17	3,634,255	25
INCOME TAX EXPENSE (Notes 4 and 26)	<u>373,041</u>	<u>3</u>	<u>789,286</u>	<u>5</u>
NET PROFIT FOR THE YEAR	<u>1,597,147</u>	<u>14</u>	<u>2,844,969</u>	<u>20</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	290	-	1,139	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	342,093	3	(255,018)	(2)

(Continued)

Chang Wah Technology Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss	\$ (58)	-	\$ (228)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating the financial statements of foreign operations	(57,968)	(1)	288,177	2
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>10,986</u>	<u>-</u>	<u>(57,332)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>295,343</u>	<u>2</u>	<u>(23,262)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,892,490</u>	<u>16</u>	<u>\$ 2,821,707</u>	<u>20</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,564,512		\$ 2,815,901	
Non-controlling interests	<u>32,635</u>		<u>29,068</u>	
	<u>\$ 1,597,147</u>		<u>\$ 2,844,969</u>	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,857,656		\$ 2,812,447	
Non-controlling interests	<u>34,834</u>		<u>9,260</u>	
	<u>\$ 1,892,490</u>		<u>\$ 2,821,707</u>	
EARNINGS PER SHARE (Note 27)				
Basic	\$ 1.67		\$ 3.01	
Diluted	1.67		3.01	

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

(Concluded)

Chang Wah Technology Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owner of the Company										Other Equity		Total Equity		
	Share Capital					Retained Earnings		Unrealized Gains and Losses on Financial Assets			Unearned Employee Benefits	Treasury Shares		Non-controlling Interests	
	Ordinary Shares	Capital collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Transferring the Financial Statements of Operations	Unrealized Gains and Losses on Financial Assets Through Other Comprehensive Income						
BALANCE AT JANUARY 1, 2022	\$ 364,131	\$ 17,109	\$ 5,872,815	\$ 346,521	\$ 105,738	\$ 2,093,758	\$ 2,546,017	\$ (261,162)	\$ 90,532	\$ -	\$ (170,630)	\$ (342,001)	\$ 8,287,441	\$ 124,291	\$ 8,411,732
Appropriation of earnings	-	-	-	-	-	(286,730)	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	286,730	119,644	(19,644)	-	-	-	-	-	-	(1,307,663)	-	(1,307,663)
Cash dividends to shareholders	-	-	-	-	-	(1,307,663)	(1,307,663)	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2022	-	-	-	286,730	119,644	(1,714,037)	(1,307,663)	-	-	-	-	-	(1,307,663)	-	(1,307,663)
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	2,815,901	2,815,901	-	-	-	-	-	2,815,901	29,068	2,844,969
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	911	911	229,201	(233,566)	-	(4,365)	-	(3,454)	(19,808)	(23,262)
Convertible bonds converted to ordinary shares (Note 19)	-	-	-	-	-	2,816,812	2,816,812	229,201	(233,566)	-	(4,365)	-	2,812,447	9,260	2,821,707
Purchase of the Company's shares by subsidiaries (Note 23)	20,068	(17,109)	210,127	-	-	-	-	-	-	-	-	-	213,086	-	213,086
Cash dividends received by subsidiaries from the Company	-	-	-	-	-	-	-	-	-	-	-	(244,012)	(244,012)	(253,972)	(497,984)
Changes in percentage of ownership interests in subsidiaries	-	-	7,102	-	-	-	-	-	-	-	-	-	7,102	7,292	14,494
Share-based payments (Note 28)	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Non-controlling interests	-	-	115,284	-	-	-	-	-	-	-	(111,249)	-	6,405	-	6,405
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	511,635
BALANCE AT DECEMBER 31, 2022	386,569	-	6,205,329	633,251	225,382	3,244,984	4,103,617	(31,961)	(191,485)	(111,249)	(334,695)	(586,013)	9,774,807	398,606	10,173,413
Appropriation of earnings	-	-	-	-	-	(261,140)	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	261,140	(215,065)	215,065	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	(1,903,950)	(1,903,950)	-	-	-	-	-	(1,903,950)	-	(1,903,950)
Cash dividends to shareholders	-	-	-	-	-	(1,903,950)	(1,903,950)	-	-	-	-	-	(1,903,950)	-	(1,903,950)
Net profit for the year ended December 31, 2023	-	-	-	-	-	1,564,512	1,564,512	-	-	-	-	-	1,564,512	32,635	1,597,147
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	232	232	(43,942)	336,854	-	292,912	-	293,144	2,199	295,343
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cancellation of treasury shares (Note 23)	(6,354)	-	(247,891)	-	-	1,564,244	1,564,244	(43,942)	336,854	-	292,912	254,245	1,857,656	34,834	1,892,490
Purchase of the Company's shares by subsidiaries (Note 23)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of the Company's shares by subsidiaries (Note 23)	-	-	-	-	-	-	-	-	-	-	-	(22,178)	(22,178)	(23,084)	(45,262)
Cash dividends received by subsidiaries from the Company	-	-	1,817	-	-	-	-	-	-	-	-	5,053	6,570	6,838	13,408
Share-based payments (Note 28)	-	-	-	-	-	-	-	-	-	-	-	-	-	11,855	24,194
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	87,726	12,339	179,151
BALANCE AT DECEMBER 31, 2023	380,215	-	6,033,692	894,391	103,117	2,477,254	3,781,962	(75,903)	127,818	(82,726)	(30,821)	(264,137)	9,903,911	429,533	10,333,444

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

Chang Wah Technology Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,970,188	\$ 3,634,255
Adjustments for:		
Depreciation expense	803,773	714,624
Amortization expense	14,755	13,207
Expected credit losses (gains)	(3,055)	6,712
Loss (gain) on financial assets at fair value through profit or loss	(33,480)	20,700
Finance costs	93,248	47,289
Interest income	(285,112)	(74,408)
Dividend income	(135,486)	(100,608)
Share-based compensation	80,771	6,405
Gain on disposal of property, plant and equipment	(2,025)	(423)
Impairment loss recognized on (reversal of) non-financial assets	(6,875)	103,731
Others	(19,814)	(9,716)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(2,695)	30,418
Notes receivable	(8,255)	(7,418)
Accounts receivable	198,054	92,197
Accounts receivable - related parties	81,957	202,935
Other receivables	30,959	17,502
Inventories	532,507	(367,236)
Other current assets	2,925	26,017
Other non-current assets	2,595	11
Contract liabilities - current	(63,531)	204,069
Notes payable	171	170
Accounts payable	(115,060)	(390,911)
Accounts payable - related parties	(5,829)	(4,102)
Other payables	(5,474)	172,600
Other current liabilities	7,534	6,872
Contract liabilities - non-current	(45,451)	34,799
Other non-current liabilities	(1,337)	9,874
Cash generated from operations	3,085,958	4,389,565
Interest received	256,694	68,514
Dividends received	131,511	83,766
Interest paid	(73,675)	(27,572)
Income taxes paid	(638,711)	(457,348)
Net cash generated from operating activities	<u>2,761,777</u>	<u>4,056,925</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(545,803)	(1,011,579)

(Continued)

Chang Wah Technology Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2023	2022
Proceeds from disposal of financial assets at fair value through other comprehensive income	\$ 291,970	\$ 141,813
Acquisition of property, plant and equipment	(1,136,636)	(1,362,857)
Proceeds from disposal of property, plant and equipment	5,314	453
Increase in refundable deposits	(866)	-
Acquisition of intangible assets	-	(1,467)
Acquisition of investment properties	-	(261,628)
Increase in other financial assets	(1,420,337)	(563,190)
Increase in other non-current assets	(3,175)	(399)
Increase in prepayments for equipment	<u>(76,284)</u>	<u>(146,609)</u>
Net cash used in investing activities	<u>(2,885,817)</u>	<u>(3,205,463)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,705,000	2,676,612
Repayments of short-term borrowings	(1,286,544)	(1,880,704)
Redemption of corporate bonds	-	(775)
Proceeds from long-term borrowings	2,648,173	1,635,592
Repayments of long-term borrowings	(1,610,916)	(898,480)
Increase in guarantee deposits received	-	72
Repayments of the principal portion of lease liabilities	(18,787)	(15,314)
Cash dividends paid	(1,776,990)	(888,535)
Acquisition of the parent company's shares held by subsidiaries	(45,618)	(497,984)
Disposal of treasury shares	13,408	-
Treasury shares sold to employees	98,380	-
Increase in non-controlling interests	<u>-</u>	<u>510,000</u>
Net cash generated from (used in) financing activities	<u>(273,894)</u>	<u>640,484</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>(49,476)</u>	<u>210,316</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(447,410)	1,702,262
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>6,393,898</u>	<u>4,691,636</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,946,488</u>	<u>\$ 6,393,898</u>

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

(Concluded)

2023 Parent Company Only Financial Statement

INDEPENDENT AUDITORS' REPORT

Chang Wah Technology Co., Ltd.

Opinion

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public 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 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's parent company only financial statements for the year ended December 31, 2023 is described as follows:

Recognition of Revenue from Specific Customers

Due to the pressure of having to meet expected targets and market expectations, the possibility of overstating sales may arise. Operating revenue in 2023 has decreased substantially compared with that of 2022, especially revenue from specific customers, whose amount is inconsistent with the market trend and is significant to the overall operating revenue. Therefore, the recognition of revenue from specific customers with significant sales amounts and changes was deemed a key audit matter.

Our audit procedures performed in response to the abovementioned key audit matter are as follows:

1. We obtained an understanding of and tested the effectiveness of the implementation of internal controls over sales.
2. We selected appropriate samples from the sales revenue receipts of specific customers, examined purchase orders, shipping documents and proof of payments as pertaining to the same transaction counterparties.
3. We obtained details on sales returns and allowances for the year and after the reporting period and checked for major abnormalities in sales returns and allowances for the purpose of confirming the authenticity of the sales recognized before the balance sheet date.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only 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 parent company only 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 Lee-Yuan Kuo and Hung-Ju Liao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 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.

Chang Wah Technology Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 3,445,315	18	\$ 2,996,293	18
Financial assets at fair value through profit or loss (Notes 4 and 7)	93,883	1	57,708	-
Accounts receivable, net (Notes 4, 5 and 9)	557,298	3	730,691	4
Accounts receivable - related parties (Notes 4, 5, 9 and 32)	630,549	4	704,821	4
Other receivables (Notes 9 and 32)	48,007	-	74,322	-
Inventories (Notes 4, 5 and 10)	948,669	5	1,282,188	7
Other current assets	57,906	-	42,199	-
Total current assets	5,781,627	31	5,888,222	33
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	1,792,136	9	1,322,063	8
Investments accounted for using the equity method (Notes 4 and 12)	8,003,037	42	7,658,536	43
Property, plant and equipment (Notes 4, 13 and 32)	2,737,027	14	2,259,762	13
Right-of-use assets (Notes 4 and 14)	73,492	-	80,299	-
Investment properties (Notes 4, 15 and 32)	137,408	1	140,610	1
Goodwill (Notes 4 and 16)	131,195	1	131,195	1
Other Intangible assets (Notes 4 and 17)	98,201	1	32,471	-
Deferred tax assets (Notes 4 and 26)	95,723	1	45,392	-
Prepayments for equipment	22,053	-	86,515	1
Other financial assets - non-current (Notes 11 and 33)	20,400	-	29,400	-
Other non-current assets (Notes 22 and 32)	5,660	-	5,624	-
Total non-current assets	13,116,332	69	11,791,867	67
TOTAL	\$ 18,897,959	100	\$ 17,680,089	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ 2,545,000	14	\$ 2,100,000	12
Contract liabilities - current (Notes 4, 24 and 32)	202,024	1	252,590	1
Notes payable	341	-	170	-
Accounts payable (Note 20)	273,991	1	386,599	2
Accounts payable - related parties (Notes 20 and 32)	433,662	2	506,540	3
Dividends payable (Note 32)	760,431	4	661,540	4
Other payables (Notes 21, 22 and 32)	582,275	3	703,254	4
Current tax liabilities (Note 26)	297,464	2	343,832	2
Lease liabilities - current (Notes 4, 14 and 32)	9,307	-	9,316	-
Current portion of long-term borrowings (Note 18)	602,061	3	-	-
Other current liabilities	16,491	-	12,453	-
Total current liabilities	5,723,047	30	4,976,294	28
NON-CURRENT LIABILITIES				
Contract liabilities - non-current (Notes 4 and 24)	18,180	-	51,861	-
Long-term borrowings (Note 18)	2,909,181	16	2,473,985	14
Deferred tax liabilities (Notes 4, 5 and 26)	273,175	2	327,471	2
Lease liabilities - non-current (Notes 4, 14 and 32)	67,417	-	73,283	1
Other non-current liabilities (Notes 22 and 32)	3,048	-	2,388	-
Total non-current liabilities	3,271,001	18	2,928,988	17
Total liabilities	8,994,048	48	7,905,282	45
EQUITY (Notes 4 and 23)				
Ordinary shares	380,215	2	386,569	2
Capital surplus	6,033,692	32	6,205,329	35
Retained earnings				
Legal reserve	894,391	5	633,251	4
Special reserve	10,317	-	225,382	1
Unappropriated earnings	2,877,254	15	3,244,984	18
Total retained earnings	3,781,962	20	4,103,617	23
Other equity	(30,821)	-	(334,695)	(2)
Treasury shares	(261,137)	(2)	(586,013)	(3)
Total equity	9,903,911	52	9,774,807	55
TOTAL	\$ 18,897,959	100	\$ 17,680,089	100

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

Chang Wah Technology Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 32)	\$ 6,625,391	100	\$ 8,760,470	100
OPERATING COSTS (Notes 10, 25 and 32)	<u>5,619,633</u>	<u>85</u>	<u>6,707,648</u>	<u>77</u>
GROSS PROFIT	1,005,758	15	2,052,822	23
UNREALIZED GAIN (LOSS) ON TRANSACTIONS WITH SUBSIDIARIES	<u>1,944</u>	<u>-</u>	<u>(1,784)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>1,007,702</u>	<u>15</u>	<u>2,051,038</u>	<u>23</u>
OPERATING EXPENSES (Notes 9, 25 and 32)				
Selling and marketing expenses	56,043	1	64,189	1
General and administrative expenses	193,986	3	218,092	2
Research and development expenses	237,052	3	199,397	2
Expected credit losses (gains)	<u>72</u>	<u>-</u>	<u>(1,137)</u>	<u>-</u>
Total operating expenses	<u>487,153</u>	<u>7</u>	<u>480,541</u>	<u>5</u>
PROFIT FROM OPERATIONS	<u>520,549</u>	<u>8</u>	<u>1,570,497</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 32)				
Interest income	129,695	2	41,374	-
Other income	191,452	3	120,501	1
Other gains and losses	59,862	1	260,950	3
Finance costs	(92,639)	(2)	(44,550)	-
Share of profit of subsidiaries	<u>908,357</u>	<u>14</u>	<u>1,311,132</u>	<u>15</u>
Total non-operating income and expenses	<u>1,196,727</u>	<u>18</u>	<u>1,689,407</u>	<u>19</u>
PROFIT BEFORE INCOME TAX	1,717,276	26	3,259,904	37
INCOME TAX BENEFIT EXPENSE (Notes 4 and 26)	<u>152,764</u>	<u>2</u>	<u>444,003</u>	<u>5</u>
NET PROFIT FOR THE YEAR	<u>1,564,512</u>	<u>24</u>	<u>2,815,901</u>	<u>32</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss				

(Continued)

Chang Wah Technology Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Remeasurement of defined benefit plans	\$ 290	-	\$ 1,139	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	331,821	5	(214,527)	(3)
Unrealized gains and losses on investments in equity instruments designated as at fair value through other comprehensive income (loss) of subsidiaries accounted for using the equity method	5,033	-	(19,039)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(58)	-	(228)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating the financial statements of foreign operations	(54,928)	(1)	286,533	3
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>10,986</u>	<u>-</u>	<u>(57,332)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>293,144</u>	<u>4</u>	<u>(3,454)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,857,656</u>	<u>28</u>	<u>\$ 2,812,447</u>	<u>32</u>
EARNINGS PER SHARE (Note 27)				
Basic	\$ 1.67		\$ 3.01	
Diluted	1.67		3.01	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

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

Chang Wah Technology Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,717,276	\$ 3,259,904
Adjustments for:		
Depreciation expense	445,456	340,189
Amortization expense	12,277	10,702
Expected credit losses (gains)	72	(1,137)
Loss (gain) on financial assets at fair value through profit or loss	(32,172)	20,700
Finance costs	92,639	44,550
Interest income	(129,695)	(41,374)
Dividend income	(122,493)	(90,995)
Share-based compensation	71,426	5,608
Share of the profit of subsidiaries	(908,357)	(1,311,132)
Gain on disposal of property, plant and equipment	(960)	-
Impairment loss recognized on non-financial assets	23,064	47,390
Unrealized gain (loss) on transactions with subsidiaries	(1,944)	1,784
Others	(19,815)	(9,716)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(4,003)	30,418
Accounts receivable	173,321	33,078
Accounts receivable - related parties	74,272	282,927
Other receivables	34,018	8,554
Inventories	310,455	(309,028)
Other current assets	(18,587)	9,250
Other non-current assets	2,595	11
Contract liabilities - current	(50,566)	180,559
Notes payable	171	170
Accounts payable	(112,608)	(183,247)
Accounts payable - related parties	(72,878)	(52,121)
Other payables	11,474	102,467
Other current liabilities	4,038	6,962
Contract liabilities - non-current	(33,681)	18,902
Other non-current liabilities	950	124
Cash generated from operations	1,465,745	2,405,499
Interest received	125,135	40,303
Dividends received	640,847	76,358
Interest paid	(73,065)	(26,303)
Income taxes paid	(292,831)	(169,457)
Net cash generated from operating activities	<u>1,865,831</u>	<u>2,326,400</u>

CASH FLOWS FROM INVESTING ACTIVITIES

(Continued)

Chang Wah Technology Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2023	2022
Acquisition of financial assets at fair value through other comprehensive income	\$ (430,222)	\$ (845,683)
Proceeds from disposal of financial assets at fair value through other comprehensive income	291,970	141,813
Acquisition of property, plant and equipment	(978,509)	(999,239)
Proceeds from disposal of property, plant and equipment	4,188	-
Acquisition of long-term equity investments accounted for using the equity method	-	(290,000)
Increase in refundable deposits	(392)	-
Decrease in other receivables - related parties	-	388,425
Acquisition of intangible assets	-	(131)
Net cash inflow on acquisition of subsidiary	-	40,895
Acquisition of investment property	-	(261,628)
Decrease in other financial assets	9,000	20,300
Increase in other non-current assets	(3,175)	(1,498)
Increase in prepayments for equipment	<u>(75,777)</u>	<u>(145,816)</u>
Net cash used in investing activities	<u>(1,182,917)</u>	<u>(1,952,562)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,705,000	2,676,612
Repayments of short-term borrowings	(1,260,000)	(1,854,096)
Redemption of corporate bonds	-	(775)
Proceeds from long-term borrowings	2,648,173	1,635,592
Repayments of long-term borrowings	(1,610,916)	(898,480)
Increase in guarantee deposits received	-	213
Repayment of the principal portion of lease liabilities	(9,470)	(6,372)
Cash dividends paid	(1,805,059)	(892,995)
Treasury shares sold to employees	98,380	-
Acquisition of subsidiaries	<u>-</u>	<u>(774,415)</u>
Net cash used in financing activities	<u>(233,892)</u>	<u>(114,716)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	449,022	259,122
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,996,293</u>	<u>2,737,171</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,445,315</u>	<u>\$ 2,996,293</u>

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

(Concluded)

Chang Wah Technology Co., Ltd.
List of the Candidates for the Directors of the 6th Term

Title	Director	Director	Director	Director	Independent Director	Independent Director	Independent Director	Independent Director
Name	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	Yuan Yao Energy Technology Co., Ltd. Representative: Tomas, Huang	Yuan Yao Energy Technology Co., Ltd. Representative: Angus, Shih	Lin, Ren-Lin	Ou, Jia-Ruey	Lin, Yi-Jing	Huang, Wen-Gu
National ID No.	E88*****	L101*****	R120*****	N121*****	A120*****	D120*****	S220*****	T101*****
Educational Attainment	Hong Kong Polytechnic University	MBA, Indiana University	National Kaohsiung Institute of Marine Technology Marine	Ph.D. in Electrical Engineering, National Taiwan University	Master of Information Management, the City University of New York	Doctor of Philosophy, Institute of Transportation, National Chiao Tung University	Department of Accounting, Tunghai University	Ph.D., Technology Application and Human Resources Development, National Taiwan Normal University
Work Experiences	General manager of Possehl Electronics Hong Kong Ltd. General manager of Sumiko Precision Mold Taiwan Co., Ltd. General manager of Sumiko Electronics Taiwan Co., Ltd.	General manager and consultant, Taichung Commercial Bank General manager, Taishin International Bank	Engineering Dept Orient Semiconductor Electronics Limited Engineer Wah Lee Industrial Corp. Director	Assistant Manager of R&D Dep., Tong Bao Technology Co., Ltd. Director of R&D Division, Innolux Corporation	General manager, Konlin Digital Technology Co., Ltd. Vice general manager, Hanyu Electronic Technology Co., Ltd. Manager, Walsin Lihwa Corporation	Chairperson of CPC Corporation, Taiwan Director of China Steel Corporation President of Dayeh University Director-general of Bureau of Energy, Ministry of Economic Affairs Head of the Export Processing Zone Administration, Ministry of Economic Affairs	Vice general manager, Deloitte & Touche Assistant manager, Deloitte & Touche	Head of the Export Processing Zone Administration, Ministry of Economic Affairs Director General, Central Region Office of the Ministry of Economic Affairs Deputy Director General, Small and Medium Enterprise Administration, Ministry of Economic Affairs
Current Position(s)	Chairperson of Chang Wah Electromaterials Inc. Representative of juristic person director, JMC Electronics Co., Ltd. Representative of juristic person director, Advanced Echem Materials	Representative of juristic person director, Gold Circuit Electronics Ltd. Independent Director of ALi Corporation	Sales President and the Head of Lead Frame BU, Chang Wah Electromaterials Inc.	President and Director of Vizionfocus Inc.	General manager, Hsin Yi Recreation Enterprise Co., Ltd.	Chairman, Sustainable & Circular Economy Development Association Director of Shinfox Energy Co., Ltd.	Certified public accountant, Ching Cheng Accounting Firm Responsible person, Ching Cheng Management Consultants Co., Ltd. Independent Director of Control	Independent Director of Advanced Echem Materials Company Limited

Title	Director	Director	Director	Independent Director	Independent Director	Independent Director
Name	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	Yuan Yao Energy Technology Co., Ltd. Representative: Tomas, Huang	Yuan Yao Energy Technology Co., Ltd. Representative: Angus, Shih	Lin, Ren-Lin	Ou, Jia-Ruey
	Company Limited Director of SH Electronics Suzhou Co., Ltd. Director of SH Electronics Chengdu Co., Ltd. Director of SH Precision Chengdu Co., Ltd. Chairperson of Malaysian SH Electronics Sdn. Bhd. Director of SH Asia Pacific Pte. Ltd. Representative of juristic person director, Silver Connection Co., Ltd.				Lin, Yi-jing	Technology Co., Ltd. Independent Director of Sun Rise E&T Corporation Independent Director of Revivegen Co., Ltd.
Shares Held by the Person	452,375,925	452,375,925	35,695,000	35,695,000	0	0

Chang Wah Technology Co., Ltd.
Concurrent Positions Held by Candidates for the Directors of the 6th Term

Title	Name	Present Positions at Other Companies
Director	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	Chairperson of Chang Wah Electromaterials Inc.
		Representative of juristic person director, JMC Electronics Co., Ltd.
		Representative of juristic person director, Advanced Echem Materials Company Limited
		Director of SH Electronics Suzhou Co., Ltd.
		Director of SH Electronics Chengdu Co., Ltd.
		Director of SH Precision Chengdu Co., Ltd.
		Chairperson of Malaysian SH Electronics Sdn. Bhd.
		Director of SH Asia Pacific Pte. Ltd.
Director	Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	Representative of juristic person director, Gold Circuit Electronics Ltd.
		Independent Director of ALi Corporation
Director	Yuan Yao Energy Technology Co., Ltd. Representative: Tomas, Huang	Sales President and the Head of Lead Frame BU, Chang Wah Electromaterials Inc.
Director	Yuan Yao Energy Technology Co., Ltd. Representative: Angus, Shih	President and Director of Vizionfocus Inc.
Independent Director	Lin, Ren-Lin	General manager, Hsin Yi Recreation Enterprise Co., Ltd.
Independent Director	Ou, Jia-Ruey	Chairman, Sustainable & Circular Economy Development Association
		Director of Shinfox Energy Co., Ltd.
Independent Director	Lin, Yi-Jing	Certified public accountant, Ching Cheng Accounting Firm
		Responsible person, Ching Cheng Management Consultants Co., Ltd.
		Independent Director of Control Technology Co., Ltd.
		Independent Director of Sun Rise E&T Corporation
		Independent Director of Revivegen Co., Ltd.
Independent Director	Huang, Wen-Gu	Independent Director of Advanced Echem Materials Company Limited

Appendix

Chang Wah Technology Co., Ltd.
Rules of Procedure for Shareholders' Meetings

- Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.
- Article 2: Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors. Changes to the methods of convening the shareholders' meeting shall be resolved by the board of directors and made before sending out the shareholders' meeting notice. The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders' meeting or 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. However, if the Company's paid-in capital equals to or exceeds NT\$10 billion as of the end of the most recent fiscal year or the aggregate shareholding percentage of foreign and mainland Chinese investors equals to or exceeds 30% as recorded in the shareholder register of the regular shareholders' meeting in the most recent fiscal year, the aforementioned electronic versions of documents shall be uploaded 30 days before the date of a regular shareholders' meeting. In addition, 15 days before the date of the shareholders' meeting, the Company shall also prepare the shareholders' meeting agenda and supplemental meeting materials and make them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated. The shareholders' meeting agenda and supplemental meeting materials in the preceding paragraph shall be made available by the Company in the following manners for shareholders to review on the date of the shareholders' meeting:
1. For physical shareholders' meetings, the documents shall be distributed at the meeting.
 2. For hybrid shareholders' meetings, the documents shall be distributed at the meeting and their electronic versions shall be available on the virtual meeting platform.
 3. For virtual shareholders' meetings, the electronic versions of documents shall be available on the virtual meeting platform.

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

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel shall be assigned to handle the registrations. For virtual shareholders' meetings, shareholder attendance registrations may begin on the virtual meeting platform 30 minutes prior to the time the meeting commences. Shareholders completing the registration will be deemed as attending the shareholders' meeting in person.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders' meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by

proxy at the regular shareholders' meeting and take part in discussion of the proposal.

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

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. However, the exercise of their voting rights shall be calculated on the basis of the shares held by them; if there are two or more representatives, the representatives shall exercise their voting rights jointly.

For virtual shareholders' meetings, shareholders shall register with the Company two days before the date of the shareholders' meeting if they intend to attend the meeting online.

For virtual shareholders' meetings, the Company shall upload the shareholders' meeting agenda, annual report and other relevant materials to the virtual meeting platform at least 30 minutes prior to the time the meeting commences and have the information available until the end of the meeting.

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

1. The means for shareholders to attend the virtual meeting and exercise their rights.
2. Actions to be taken when the virtual meeting platform or online participation is obstructed due to natural disasters, accidents or other force majeure events. The action plan shall at least cover the following items:
 - A. The time to which the meeting is postponed if the above obstruction cannot be removed or the time the meeting will resume, and the date to which the meeting is postponed or the date the meeting will resume.
 - B. Shareholders who did not register to attend the original virtual shareholders' meeting cannot attend the postponed or resumed session.
 - C. For hybrid shareholders' meetings, if the virtual meeting cannot continue and the total number of shares represented by attending shareholders, excluding shares represented by ones attending the virtual meeting

online, meets the minimum quorum requirement for a shareholders' meeting, the meeting shall continue. For shareholders who attend the virtual meeting online, their shares shall be included in the total number of shares represented by the attending shareholders, and they are deemed to have waived their rights with respect to all proposals of that shareholders' meeting.

D. Actions to be taken if the outcome of all proposals has been announced and extraordinary motions have not been carried out.

3. For virtual shareholders' meetings, alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

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

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. For virtual shareholders' meetings, the Company shall upload the aforementioned meeting materials to the virtual meeting platform at least 30 minutes prior to the time the meeting commences and have the information available until the end of the meeting.

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

Article 3: For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

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

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

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

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

A shareholder intending to exercise voting rights by correspondence or electronic means shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

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

When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Article 4: The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

The constraints on meeting venue do not apply in the case of virtual shareholders' meetings.

Article 5: It is advisable that shareholders' meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson of the board of directors shall designate a person to act on his/her behalf; if the chairperson of the board of directors does not designate a person to act on his/her behalf, the directors shall elect one among themselves to act on his/her behalf.

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

If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 6: The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 7: The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained together with the attendance book and proxy forms for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

For virtual shareholders' meetings, the Company shall keep records of the shareholder registration, sign-in, check-in, question time, and voting as well as the vote counting by the Company, and make an uninterrupted audio and video recording of the entire proceedings of the virtual meetings.

The records and audio and video recording in the preceding paragraph shall be properly retained during the existence of the Company. Copies of the audio and video recording shall be given to the party engaged by the Company to handle the virtual meetings for safekeeping.

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

Article 8: When the attending shareholders represent a majority of the total number of issued shares, the chair shall call the meeting to order at the appointed meeting time and announce the number of non-voting shares and the number of shares present at the same time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. For virtual

shareholders' meetings, shareholders shall re-register with the Company pursuant to Article 2 if they intend to attend the meeting online.

When, prior to conclusion of the meeting, the number of shares represented by the shareholders present has reached a quorum, the chairperson shall immediately call the meeting to order and resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

- Article 9: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and maintained in a record.
- For virtual shareholders' meetings, when the meeting is called to order, shareholders attending the meeting online shall cast votes on proposals and elections via the virtual meeting platform before the chair announces the end of the voting session. Otherwise, they are deemed to have waived their rights.
- For virtual shareholders' meetings, all votes are counted after the chair announces the end of the voting session. The results of voting and elections shall be announced immediately.
- For hybrid shareholders' meetings, shareholders who decide to attend the physical shareholders' meeting in person after registering to attend the meeting online in accordance with Article 2 shall retract their registration two days before the date of the shareholders' meeting by the same means as their original registration. If their registration is retracted after that time, they can only attend the shareholders' meeting online.
- When voting rights have been exercised by correspondence or electronic means, unless the shareholders withdraw their declarations of intent and attend the shareholders' meeting online, they cannot exercise voting rights on the original proposals, make any amendments to the original proposals or exercise voting rights on amendments to the original proposals, except for extraordinary motions.
- Resolutions of the shareholders' meeting shall be recorded in the minutes, which shall be signed or sealed by the chair of the meeting with a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The minutes may be prepared and distributed by electronic means.
- The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
- The meeting minutes shall accurately record the year, month, day and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the statistical tallies of the numbers of votes). In the event of an election of directors or supervisors, the number of voting rights won by each candidate shall be disclosed. The minutes shall be retained during the existence of the Company.

For virtual shareholders' meetings, besides items set forth in the preceding paragraph, the time the shareholders' meeting start and end, method for convening the meeting, names of the chair and recorder, and actions to be taken when the virtual meeting platform or online participation is obstructed due to natural disasters, accidents or other force majeure events as well as the outcomes thereof shall be included in the minutes.

For virtual shareholders' meetings, besides complying with requirements set forth in the preceding paragraph, alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified in the meeting minutes.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under regulations of competent authorities, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

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

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 10: If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.

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

After the meeting is adjourned, the shareholders are not allowed to select another chairperson to resume the meeting at the same place or another venue.

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance

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

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

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor.

Article 12: Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 3 minutes. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 3 minutes; with the permission of the chair, a speech may be extended for 2 minutes, and is limited to one time.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. The chair may stop his/her speech if the violation continues after the termination.

Article 13: When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

Article 13-1: For virtual shareholders' meetings, shareholders attending online may raise questions in writing at the virtual meeting platform after the chair calls the meeting to order and before the chair announces the meeting adjourned. Shareholders cannot raise more than two questions concerning the same proposal and each question shall be limited to 200 words. Articles 11 to 13 do not apply.

Questions referred to in the preceding paragraph are advised to be disclosed to the public at the virtual meeting platform if they do not violate any rules nor exceed the scope of a proposal.

Article 14: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 15: When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 16: When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

Article 17: Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative

vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

Article 18: When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 19: Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.
When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 20: If a shareholders' meeting cannot be convened on the day of notice for any reason, or if the proceedings of the meeting cannot be continued for any reason, the chair of the shareholders' meeting at that time is authorized to announce the adjournment or resumption of the meeting within five days in accordance with Article 182 of the Company Act; the provisions of Article 172 of the Company Act regarding the convening procedure shall not apply.

Article 21: For virtual shareholders' meetings, the Company shall disclose the results of voting and election promptly after the end of the voting session on the virtual meeting platform as required. The disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 22: When convening a virtual shareholders' meeting, the chair and the recorder shall be at the same location in Taiwan. The chair shall announce the address of their location when the meeting is called to order.

Article 23: Prior to a virtual shareholders' meeting, the Company may conduct a simple connection trial with shareholders. Relevant services shall be provided promptly before and during the meeting to assist with technical issues of communication.

When calling a virtual shareholders' meeting to order, the chair shall also announce the date to which the meeting would be postponed or resume in cases where the virtual meeting platform or online participation is obstructed due to natural disasters, accidents or other force majeure events before the chair announces the meeting adjourned and the obstruction continues for more than 30 minutes, except for circumstances set forth in Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies where the meeting is not required to be postponed or resumed. The new date shall be within five days from the original meeting and Article 182 of the Company Act does not apply.

For postponed or resumed meetings as described in the preceding paragraph, shareholders who did not register to attend the original virtual shareholders' meeting cannot attend the postponed or resumed session.

For meetings postponed or resumed in accordance with paragraph 2, the number of shares represented by and the voting rights and election rights exercised by the shareholders, who register to attend and complete the attendance registration of the original shareholders' meeting but do not take part in the postponed or resumed meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed meeting.

In meetings postponed or resumed in accordance with paragraph 2, discussions and resolutions are not required for proposals with votes cast and counted as well as results announced, or concerning the list of elected directors and supervisors.

For hybrid shareholders' meetings where the virtual meeting cannot continue due to circumstances set forth in paragraph 2, if the total number of shares represented by attending shareholders, excluding shares represented by ones attending the virtual meeting online, meets the minimum quorum requirement for a shareholders' meeting, the meeting shall continue. Rules of postponement or resumption under paragraph 2 shall not apply.

When the meeting continues as described in the preceding paragraph, shares represented by shareholders attending the meeting online shall be included in the total number of shares represented by attending shareholders. However, these shareholders are deemed to have waived their rights with respect to all proposals of that shareholders' meeting.

When the Company postpones or resumes the shareholders' meeting in accordance with paragraph 2, preliminary works shall be done according to the date of the original shareholders' meeting and the requirements set forth in Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or periods set forth in the second half of Article 12, and Article 13, paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies as well as Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall proceed based on the date of shareholders' meeting postponed or resumed in accordance with paragraph 2.

Article 24: When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures to shareholders with difficulties in attending the virtual shareholders' meeting online.

Chang Wah Technology Co., Ltd.

Articles of Incorporation

Chapter I General

- Article 1: The Company shall be incorporated as a company limited by shares under the Company Act and its name shall be 長華科技股份有限公司 in the Chinese language, and Chang Wah Technology Co., Ltd. in the English language.
- Article 2: The scope of business of the Company shall be as follow:
- (1) C805050 Industrial Plastic Products Manufacturing
 - (2) CC01080 Electronic Parts and Components Manufacturing
 - (3) F119010 Wholesale of Electronic Materials
 - (4) F219010 Retail Sale of Electronic Materials
 - (5) CA01130 Copper Material Rolls over Extends and Crowding
 - (6) CA02010 Metal Architectural Components Manufacturing
 - (7) CC01020 Electric Wires and Cables Manufacturing
 - (8) CC01110 Computers and Computing Peripheral Equipments Manufacturing
 - (9) CQ01010 Die Manufacturing
 - (10) CA02090 Metal line Products Manufacturing
 - (11) CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified
 - (12) F106030 Wholesale of Die
 - (13) F113010 Wholesale of Machinery
 - (14) F113020 Wholesale of Household Appliance
 - (15) F113050 Wholesale of Computing and Business Machinery Equipment
 - (16) F113070 Wholesale of Telecom Instruments
 - (17) F206030 Retail Sale of Die
 - (18) F213010 Retail Sale of Household Appliance
 - (19) F213030 Retail sale of Computing and Business Machinery Equipment
 - (20) F213060 Retail Sale of Telecom Instruments
 - (21) F213080 Retail Sale of Machinery and Equipment
 - (22) F213100 Retail Sale of Pollution Controlling Equipments
 - (23) F401010 International Trade
 - (24) CC01040 Lighting Facilities Manufacturing
 - (25) E603090 Illumination Equipments Construction
 - (26) IG03010 Energy Technical Services
 - (27) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The Company may provide external guarantees for business purposes in accordance with relevant laws and regulations.
- Article 2-2: The total amount of the Company's reinvestment is not limited to 40% of the paid-in capital.

Article 3: The Company is headquartered in Kaohsiung City. If necessary, the Company may establish domestic or overseas branch organizations after the resolution from the Board.

Chapter II Shares

Article 4: The total capital of the Company is set at NT\$700 million, divided into 1.75 billion shares of NT\$0.4 each, and the board of directors is authorized to issue the shares in installments. Preferred shares may be issued within the above total number of shares. The aforementioned capital stock is reserved with 25 million shares, which is reserved for the exercise of stock options and may be issued in installments in accordance with the resolution of the board of directors.

If the Company issues stock options at a price lower than the market price (net value per share), the stock options shall be issued only with the approval of two-thirds or more of the shareholders present at the shareholders' meeting representing a majority of the total number of shares.

Article 4-1: Qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements, entitled to transfer treasury stock to employees, issue employee stock options, issue preemptive rights for employees and issue restricted stock for employees may be specified by the board of directors.

Article 4-2: The rights and obligations and other important conditions of issuance of the preferred shares of the Company are as follows:

1. If there is any surplus in the Company's annual final accounts, the Company shall, in addition to paying tax, first make up for prior years' losses and set aside legal reserve as required by law, and then set aside or reverse the special reserve in accordance with the Articles of Incorporation, and if there is any remaining balance, the Company shall have priority in the distribution of dividends for the year to which the preferred shares are entitled.
2. Dividends on preferred shares are capped at 8% per annum and are calculated on the basis of the issue price per share. Dividends may be distributed annually in cash in one lump sum, and the board of directors or the chairperson authorized by a resolution of the board of directors to set the base date for distribution of dividends after the financial report is approved by the shareholders at the annual general meeting. The number of dividends to be distributed in the year of issuance and the year of recovery is calculated based on the actual number of days of issuance in that year, and the issuance date is defined as the base date of capital increase for the issuance of the preferred shares.
3. The Company has the discretion to distribute dividends on preferred shares. If the Company's annual final accounts do not contain any earnings or earnings sufficient to distribute dividends on preferred shares or due to other necessary considerations, the board of directors may resolve not to distribute dividends on preferred shares, which shall not constitute a breach of contract, and preferred shareholders may not object. If the preferred shares issued are non-cumulative, any

undistributed or under-distributed dividends will not be accumulated and deferred in future years.

4. In addition to receiving dividends as provided in Paragraph 2 of this Article, preferred shareholders may not participate in the distribution of ordinary shares with respect to cash and equity capital of earnings and capital surplus if the preferred shares issued is non-participating.
5. When the Company issues new shares in cash, preferred shareholders have the same preferential subscription rights as ordinary shareholders.
6. Preferred shareholders shall have priority over ordinary shareholders in the distribution of the Company's remaining property, and shall be paid in the same order as preferred shareholders issued by the Company, all subordinate to general creditors, to the extent that the distribution does not exceed the amount of the outstanding preferred shares issued at the time of distribution, based on the issue price.
7. The preferred shareholders shall not have voting rights, but may be elected as directors and have the voting rights at the preferred shareholders' meeting or at the shareholders' meeting concerning the preferred shareholders' rights and obligations.
8. If the preferred shares issued by the Company are convertible preferred shares, they are not convertible within one year from the date of issuance. The period of conversion is authorized to be determined by the board of directors in the actual conditions of issuance. The shareholders of convertible preferred shares may apply for conversion of all or part of their preferred shares in accordance with the conditions of issuance in the ratio of one preferred share to one ordinary share (conversion ratio of 1:1). Upon conversion of the convertible preferred shares into ordinary shares, the rights and obligations are the same as those of the ordinary shares. Dividends for the year of conversion of preferred shares are calculated based on the ratio of the actual number of days of issuance to the number of days of the year. However, those who convert to ordinary shares before the ex-dividend date of each year's dividend distribution are not allowed to participate in the distribution of preferred share dividends and dividends in the subsequent year, but may participate in the distribution of ordinary share earnings and capital surplus in the year. Dividends on preferred shares and dividends on ordinary shares in the same year shall be distributed without duplication.
9. The preferred shares have no expiration date and the preferred shareholders do not have the right to request the Company to redeem the preferred shares held by them. However, the Company may redeem all or part of the preferred shares at any time from the day after the expiration of five years from the date of issuance by cash, mandatory conversion by issuing new shares, or in any other manner permitted by law, at the actual issue price and the relevant issuance method. If the preferred shares are not redeemed, the rights and obligations under the various conditions of issuance shall continue until redeemed by the Company. In the year in which the preferred shares are redeemed, if the Company's shareholders' meeting resolves to pay dividends, the dividends payable

as of the redeemed date shall be calculated based on the actual number of days of issuance in that year.

10. Except for making up for losses, the capital surplus from the issuance of preferred shares at premium shall not be reallocated as capital during the issuance period. The name of the preferred shares, the issuance date, the specific conditions of issuance and other related matters are authorized to be determined by the board of directors in accordance with the Company's Articles of Incorporation and relevant laws and regulations, depending on the capital market conditions and the willingness of investors to subscribe for the preferred shares when the preferred shares are actually issued.

Article 5: The shares of the Company shall be in registered form, signed or sealed by the directors on behalf of the Company, and shall be issued with certification in accordance with the law.

The shares and other securities issued by the Company may be issued without a share certificate, but should be registered with a central securities depository.

If the Company intends to cancel the public offering, it shall submit a resolution to the shareholders' meeting, and this provision shall not be changed during the emerging and listing periods.

The registration of the transfer of shares shall be in accordance with Article 165 of the Company Act.

The Company's share affairs are handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies", unless otherwise required by the relevant securities laws and regulations.

Chapter III Shareholders' Meeting

Article 6: The Company's shareholders' meetings are as the following two types:

1. Ordinary meetings shall be convened once a year by the board of directors, within six months after the end of each fiscal year.

2. Interim meetings shall be convened as required by law.

When necessary, a meeting of preferred shareholders may be held in accordance with the relevant laws and regulations.

Unless otherwise provided by law, a shareholders' meeting shall be convened by the board of directors. The notice of the shareholders' meeting may be given by electronic means with the consent of the shareholders.

The convening and announcement of the shareholders' meeting of the Company shall be made in accordance with Article 172 of the Company Act.

Article 6-1: Shareholders' meetings of the Company may be convened virtually or in other ways announced by the Ministry of Economic Affairs.

Article 7: In the event that a shareholder is unable to attend a shareholders' meeting for any reason, he/she may appoint a proxy to attend the meeting in accordance with Article 177 of the Company Act by issuing a letter of proxy issued by the Company specifying the scope of the authority. Unless otherwise provided in the Company Act, the Company shall follow the "Regulations Governing the Use of Proxies for Attendance at Shareholders'

Meetings of Public Companies" established by the competent authorities.

When the Company convenes a shareholders' meeting, the Company may exercise its voting rights in writing or by electronic means. The Company shall include electronic means as one of the methods for shareholders to exercise their voting rights, and shareholders who exercise their voting rights by electronic means shall be deemed to be present in person, and the related matters shall be handled in accordance with the laws and regulations.

Article 8: Unless otherwise provided by law, each shareholder is entitled to one vote for each share held.

Article 9: Unless otherwise provided for in the Company Act, a shareholders' meeting shall proceed only if attended by shareholders representing more than one-half of the total issued and outstanding capital stock of the Company. Resolutions of a shareholders' meeting shall be made at the meeting with the concurrence of a majority of the votes held by the shareholders present at the meeting.

Article 10: The shareholders' meeting shall be convened by the board of directors, with the chairperson as the chair. In case the chairperson of the board of directors is absent, the chairperson of the board of directors shall designate a person to act on his/her behalf; if the chairperson of the board of directors does not designate a person to act on his/her behalf, the directors shall elect one among themselves to act on his/her behalf. If the shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 11: The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting, and shall be kept permanently during the existence of the Company.

The foregoing minutes may be prepared and distributed by electronic means or by way of public notice.

Chapter IV Board of Directors

Article 12: The Company shall have 7 to 9 Directors to be elected at the shareholders' meeting from among the individuals of legal capacity, with the term of three years. All Directors shall be eligible for re-election. The election of directors shall be based on a candidates nomination system, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. The percentage of shareholdings of all directors shall be in accordance the provisions prescribed by the competent authority in charge of securities affairs.

The election of directors of the Company and the handling of related matters shall be in accordance with the "Rules for Election of Directors" of the Company and relevant laws and regulations.

The number of independent directors shall not be less than three and shall not be less than one-fifth of the number of directorships. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election, and other matters for compliance with respect to independent directors shall be prescribed by the competent authority in charge of securities affairs.

Article 12-1: In accordance with Article 14-4 of the Securities and Exchange Act, the Company has established an "Audit Committee", which shall consist of all independent directors. The Audit Committee or members of the Audit Committee shall be responsible for carrying out the duties and responsibilities of the supervisors under the Company Act, the Securities and Exchange Act, and other laws and regulations.

The number, term of office, terms of reference, powers, and rules of procedure for meetings of the Audit Committee shall be determined in accordance with the relevant provisions of the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies", and shall adopt an Audit Committee Charter.

The Board of Directors may establish a compensation committee or other functional committees as necessary for the operation of the Company's business.

Article 13: The board of directors shall be organized by the directors, and a chairperson shall be elected by and from among the directors with the presence of at least two-thirds of the directors and the consent of a majority of the directors present.

Article 14: Meetings of the board of directors shall be convened by the chairperson of the board of directors. In calling a meeting of the board of directors, a notice shall be given to each director no later than 7 days prior to the scheduled meeting date. In the case of emergency, a meeting of the board of directors may be convened at any time. The notice of the convening of the board of directors meeting may be given in writing, by e-mail or by fax.

In the case a director is unable to attend a board meeting for any reason, he/she may appoint in writing another director to attend as his/her proxy in accordance with the law, and the proxy may accept a proxy from one person only; if the director participates in the meeting via tele- or video-conference is deemed as attendance in person.

Article 15: If the chairperson cannot perform his/her duty due to certain reason, the assignment of his/her deputy shall be conducted in accordance with the regulations of Article 208 of the Company Act.

Article 16: The compensation of the Company's directors is authorized to be determined by the board of directors with reference to the recommendations of the Remuneration Committee and subject to the directors' participation in the Company's operations and the value of their contributions and the usual standards in the industry and the Company's "Regulations Governing Compensation of Directors".

The board of directors meeting may be attended by more than half of the directors as necessary, and a majority of the directors present agree to purchase

liability insurance for all directors during their term of office.

Chapter V Managerial Officers

Article 17: The Company may have one or more managerial officers. Appointment, discharge and the compensation of the managerial officers shall be in compliance with Article 29 of the Company Act.

Chapter VI Accounting

Article 18: The Company's fiscal year shall begin on January 1 and end on December 31 of each year. At the end of each fiscal year, the board of directors shall submit to the Audit Committee for review or the Audit Committee shall appoint an accountant to audit and submit a report to the shareholders for approval 30 days prior to the shareholders' meeting, including (1) Annual Business Report; (2) Financial Statement; (3) Proposal of Distribution of Earnings or Making Up of Loss.

Article 19: The Company shall distribute earnings or make up for losses after the end of each quarter. If there is any surplus at the end of each quarter, the Company shall first make up for losses, estimate and retain the taxable contributions and compensation to employees and directors, and set aside 10% of the legal reserve, except when the legal reserve has reached the Company's total capital, and set aside or reverse the special reserve as required by law or regulations prescribed by the competent authority. If there is any surplus, the remaining balance shall be added to the accumulated undistributed earnings of the previous quarter, and the board of directors shall prepare a proposal for the distribution of the earnings, which shall be resolved by the shareholders' meeting if the earnings are to be distributed by issuing new shares, or by the board of directors if the earnings are to be distributed in cash.

If there is any surplus in the Company's annual final accounts, the Company shall first pay taxes and make up for losses, and then set aside 10% as legal reserve, except when the accumulated legal reserve has reached the Company's total capital, and set aside or reverse the special reserve as required by law or the competent authority; if there is any remaining balance, the Company may give priority to the distribution of dividends from the preferred shares; if there is any unappropriated earnings from prior years, the Board of Directors shall prepare a proposal for the distribution of earnings, which shall be resolved by the shareholders' meeting if the distribution is to be made by issuing new shares.

In accordance with Article 240 of the Company Act, the Company authorizes the distributable dividends and bonuses or the legal reserve and capital surplus provided for in Article 241 of the Company Act in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

- Article 19-1: The Company is in line with the overall environment and the growth characteristics of the industry, as well as the long-term financial planning of the Company, in order to achieve sustainable and stable business development. The Company's dividend policy is based on the residual dividend policy, which is based on the Company's future capital budget plan to measure the annual capital requirements, and the remaining earnings are distributed in the form of cash and stock dividends after reserving the necessary capital for financing. The distribution steps are as follows:
1. Determine the best capital budget.
 2. Determine the amount of financing needed to meet the previous capital budget.
 3. Determine the amount of capital to be financed by retained earnings.
 4. The remaining earnings may be distributed to the shareholders in the form of dividends, after reserving an appropriate amount for operating needs, and the distribution should be no less than 10% of the Company's distributable earnings for the year, provided that the portion of cash dividends is no less than 10% of the total dividends to be paid.
- Article 19-2: The Company shall distribute compensation to employees at no less than 1% and no more than 12% of the Company's profitability for the year and shall distribute compensation to directors at no more than 1.5% of the Company's profitability for the year. However, if the Company has accumulated deficits, the Company shall first make up for them.
- Compensation to employees may be distributed in the form of shares or in cash to employees of parents or subsidiaries of the company meeting certain specific requirements that are entitled to receive shares or cash; such requirements shall be established by the board of directors.
- Profit of the current year referred to in the first paragraph refers to the net income before taxation for the current year before the distribution of compensation to employees and compensation to directors.
- The distribution of compensation to employees and compensation to directors shall be made by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.
- Article 20: After the Company's shares are listed on the Taiwan Stock Exchange, in accordance with Article 10-1 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies, the Company may transfer shares to employees at less than the average actual share repurchase price, with the consent of at least two-thirds of the voting rights present at the most recent shareholders' meeting attended by shareholders representing a majority of total issued shares.

Chapter VII Supplementary Provision

- Article 21: The Company's bylaws and regulations are set forth separately.
- Article 22: All matters not provided for in these Articles of Incorporation shall be governed by the Company Act and other laws and regulations.
- Article 23: These Articles of Incorporation were established on December 21, 2009.

The 1st amendment was made on February 9, 2010.
The 2nd amendment was made on June 13, 2013.
The 3rd amendment was made on May 14, 2014.
The 4th amendment was made on April 30, 2015.
The 5th amendment was made on December 10, 2015.
The 6th amendment was made on May 12, 2016.
The 7th amendment was made on June 14, 2019.
The 8th amendment was made on June 16, 2020.
The 9th amendment was made on July 22, 2021.
The 10th amendment was made on June 14, 2022.

Chang Wah Technology Co., Ltd.

Chairperson: Canon, HUANG

Chang Wah Technology Co., Ltd.

Rules for Election of Directors

- Article 1: Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.
- The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:
1. Basic requirements and values: Gender, age, nationality, and culture.
 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:
1. The ability to make judgments about operations.
 2. Accounting and financial analysis ability.
 3. Business management ability.
 4. Crisis management ability.
 5. Knowledge of the industry.
 6. An international market perspective.
 7. Leadership ability.
 8. Decision-making ability.
- More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- Article 2: The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 3: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.

- Article 4: The ballot boxes for the election of directors shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 5: In accordance with the laws and regulations of the competent authorities, if the Company needs to establish independent directors, the number of seats and qualifications for their election shall be in accordance with the provisions of the competent authorities or laws and regulations.
- Article 6: The Company's directors shall be elected by the shareholders' meeting from among the persons with disposing capacity. The directors shall be elected by the candidates nomination system, and in accordance with the quotas set forth in the Company's Articles of Incorporation and the results of the election ballot, the persons elected with the higher number of votes (based on voting rights) shall be elected as independent directors and non-independent directors in order of the votes received. If two or more persons have the same number of votes and the required number of seats is exceeded, the winning candidates shall be determined by drawing lots, and the chair shall draw lots on behalf of the candidates who are not present.
If the higher number of votes received for the election of independent directors is not an accounting or financial professional, the number of votes received by the candidates with accounting or financial expertise shall be calculated separately and the one with the highest number of votes shall be elected to one seat, and the remaining elected seats shall be subject to the preceding provisions.
If a director elected in accordance with the preceding paragraph renounces his or her election before submitting the change of registration to the competent authority, or if it is verified that his or her personal information does not match or that his or her election is ineffective in accordance with the relevant laws and regulations, the vacant seat shall be filled by the eligible candidate with the second highest number of original voting rights.
- Article 7: The following relationships may not exist among more than half of the Company's directors; item 4 shall not apply where the competent authority has granted approval:
1. the spouse
 2. blood relative within the second degree of kinship
 3. collateral relative within the third degree of kinship
 4. representative of the same legal entity
- Article 8: (Deleted)
- Article 9: Election ballots are prepared by the board of directors and distributed to each shareholder according to the number of persons to be elected. The number of votes assigned are based on the number of voting rights of each shareholder.
Independent directors and non-independent directors shall be elected together and the number of elected seats shall be calculated separately.

- Article 10: If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.
- Article 11: A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by the board of directors.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable or has been altered.
 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
 5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
 6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
 7. The number of candidates entered in each ballot exceeds the number of seats required.
- Article 12: The Company does not select a separate supervisor when the Audit Committee is established.
- Article 13: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- Article 14: The board of directors of the Company shall issue notifications to the persons elected as directors.
- Article 15: These Procedures shall take effect after they have been approved by the board of directors and submitted to and approved by the shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Shareholding Status of the Directors

- I. The paid-in capital of the Company is NT\$380,215,480, and totally 950,538,700 shares have been issued (Note 1).
- II. In accordance with Article 26 of the Securities and Exchange Act, the Board of Directors shall hold at least 90,000,000 shares in total (Note 2).
- III. The number of shares held by the directors as of the date for suspension of share transfer of the shareholders' meeting (April 1, 2024) is as follows, which has met the criteria of the percentage stipulated in Article 26 of the Securities and Exchange Act.

Title	Name	Date of Election	Current Holding Shares		Remark
			Shares	Shareholding percentage	
Chairperson	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang	July 22, 2021	35,695,000	3.76%	
Director	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	July 22, 2021	452,375,925	47.59%	
Director	Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	July 22, 2021			
Director	Chang Wah Electromaterials Inc. Representative: Angus, Shih	July 22, 2021			
Independent Director	Lin, Ren-Lin	July 22, 2021	0	0%	
Independent Director	Ou, Jia-Ruey	July 22, 2021	0	0%	
Independent Director	Lin, Yi- Jing	July 22, 2021	0	0%	
Total shares held by the directors			488,070,925	51.35%	

Note 1: On June 22, 2022, the change of par value of each share to NT\$0.4 was approved by Jing-Jia-San-Shang-Zi Decree No. 1110006264; on September 5, 2022 new shares were fully reissued.

Note 2: The Company has set up an Audit Committee, so the requirement that the "number of shares held by supervisors should not be less than a certain percentage" does not apply.

