



# Chant Sincere Co., Ltd.

2024 General Shareholders' Meeting

## Conference Handbook

Time: May 31, 2024

Venue: R2, Building C, World Economic and Trade Building, No. 196,  
Sec. 3, Datong Rd., Xizhi Dist., New Taipei City

This English version is only a translation of the Chinese version. If there is any inconsistency or discrepancy between the Chinese and English versions, the Chinese version shall prevail for all intents and purposes.

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# **Chant Sincere Co., Ltd.**

## **Proceeding of 2024 General Shareholders' Meeting**

- (I) Call the meeting to order (report the number of shares present)
- (II) Chairman's Address
- (III) Report Items
- (IV) Acknowledgments
- (V) Discussions
- (VI) Special motions
- (VII) Adjournment

**Chant Sincere Co., Ltd.**  
**Proceeding of 2024 General Shareholders' Meeting**

Time: 9 am, MAY 31 (Friday), 2024

Venue: R2, Building C, World Economic and Trade Building, No. 196, Sec. 3,  
Datong Rd., Xizhi Dist., New Taipei City

Method: Physical meeting

- I. Report on the number of shares present, and call the meeting to order
- II. Chairman's Address
- III. Reports.
  - (I) 2023 business report of the Company.
  - (II) Audit Committee's review report of the Company's 2023 final accounts.
  - (III) Report on the distribution of 2023 employees' and directors' remuneration.
  - (IV) Report on the issuance of convertible corporate bonds.
  - (V) Report on the issuance of private placement securities.
  - (VI) Revision of the Company's "Board of Directors Conference Rules".
- IV. Acknowledgments
  - (I) Recognition of the Company's 2023 business report and financial statements.
  - (II) Recognition of the Company's 2023 earnings distribution.
- V. Discussions
  - (I) Amendments to the Company's "Articles of Association".
  - (II) Amendments to the Company's "Shareholder Meeting Conference Rules".
- VI. Special motions
- VII. Adjournment

# Reporting items

## Case 1

## Proposal by the board of directors

Summary: The Company's 2023 business report; please review.

Description: Please refer to Attachment 1 (pages 12 to 15 of the meeting handbook) for the business report.

## Case 2

## Proposal by the board of directors

Summary: 2023 Audit Committee's Review Report; please review.

Description: Please refer to Attachment 2 (page 16 of the meeting handbook) for the Audit Committee's audit report.

## Case 3

## Proposal by the board of directors

Summary: Distribution of employees' and directors' remuneration for 2023; please review.

Description: I. According to Article 20-1 of the Articles of Association of the Company, the Company shall allocate 2% to 15% of the annual pre-tax net profit before the debit of employees' remuneration and directors' remuneration as employees' remuneration, and no more than 2% as director's remuneration. However, profits must first be taken to offset cumulative losses, if any. The proposal shall be reported to the shareholders' meeting.

II. In accordance with Article 20-1 of the Articles of Association of the Company, NT\$11,662,659 will be allocated as employees' remuneration and NT\$3,032,291 as directors' remuneration.

III. The above-mentioned employees' remuneration and directors' remuneration are to be paid in cash.

IV. Please refer to Attachment 3 (page 17 of the meeting handbook) for the table of employees' and directors' remuneration.

**Case 4****Proposal by the board of directors**

Summary: Status of the issuance of convertible corporate bonds; please review.

Description: In accordance with the provisions of Article 246 of the Company Act, the Company issued a total of one corporate bond in 2020, and the relevant matters are as follows:

Name	Third domestic unsecured convertible corporate bonds
Amount	New Taiwan dollar 350,0000,000
Term	Three years Issued on November 4, 2020; maturing on November 4, 2023
Coupon rate	0% annual interest rate
Repayment of principal and interest	Unless the holders convert the convertible corporate bond into ordinary shares of the Company in accordance with Article 10 of these measures, or the Company recalls the bond in advance in accordance with Article 18 of these measures, or the Company buys back and cancels the bond at the business premises of a securities firm, the Company will repay 100.7519% of the bonds' face value (at an annual yield to maturity of 0.25%) in cash when the convertible corporate bond matures.
Approval number	Letter from the Financial Supervisory Commission dated October 19, 2020 referenced Jin-Guan-Zheng-Fa-Zi No. 1090370022.
Reason for issuance	Replenishing working capital
Conversion price	NT\$31.8
Conversion status	As of October 13, 2023, all corporate bonds have been converted into ordinary shares, with a total of 10,396,828 shares converted.

**Case 5****Proposal by the board of directors**

Summary: Report on the issuance of private placement securities ; please review.

Description: I. It was resolved in the extraordinary shareholders' meeting of the Company held on December 1, 2023 to authorize the Board of Directors to issue ordinary shares up to 17 million shares through either private placement alone or in combination with other methods, or handle domestic convertible corporate bonds by private placement, with no more than 3 fund raisings a year from the date of the resolution of the shareholders' meeting.

II. The Company raised NT\$695,000 thousand for its first domestic private placement of unsecured convertible corporate bonds, and the proceeds were fully collected on December 21, 2023. The issuance period is from December 29, 2023 to December 29, 2027.

III. Please refer to the following table for the status of the Company's first private placement of unsecured convertible bonds according to the provisions of the "Directions for Public Companies Conducting Private Placements of Securities".

Item	First Domestic Private Placement of Unsecured Convertible Corporate Bonds in 2023 Date of issuance: December 29, 2023
Type of private placement securities	Domestic unsecured convertible corporate bonds
Date of approval and quantity approved by the shareholders' meeting	December 1, 2023; up to 17 million ordinary shares
Basis and reasonableness of the price set	According to the resolution of the Company's shareholders' meeting on December 1, 2023, the conversion price was determined based on no less than 80% of the theoretical price, with December 8, 2023 as the conversion price fixing date. The conversion price was NT\$54.40 per share.
Method of selecting specific persons	The objects for this offering shall be limited to the specified persons in compliance with Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission's letter dated June 13, 2002 referenced (91) Tai-Cai-Zheng-Yi-Zi No. 0910003455.

	The offerees decided by the Company’s board meeting on December 8, 2023 were: (1) High Power International Co., Ltd. (private placement amount NT\$430,300 thousand) (2) Zoyi Capital Fund II Investment, L.P. (private placement amount NT\$264,700 thousand)					
Reasons for the private placement	The timeliness and convenience of fundraising, and the cost of issuance.					
Date the price has been paid up in full	December 21, 2023					
Information of the Offeree	Objects of private placement	Qualification requirements	Subscription quantity (NT\$ thousands)	Relationship with the Compan	Involvement in the Company’s operation	
	High Power International Co., Ltd.	In line with Subparagraph 2 of Paragraph 1 of Article 43-6 of the Securities and Exchange Act	430,300	None	None	
	Zoyi Capital Fund II Investment, L.P.		264,700	None	None	
Actual subscription (or conversion) price	NT\$54.40					
Difference between the actual subscription (or conversion) price and the reference price	The conversion price was NT\$54.40, which was 80.05% of the reference price of NT\$67.96.					
The impact of private placement on shareholders’ equity	The amount of this private placement accounts for about 13.45% of the paid-in capital, which is not expected to cause significant damage to shareholders’ equity.					
Utilization of private placement funds and plan implementation progress	The first domestic private placement of unsecured convertible corporate bonds was completed on December 21, 2023. The NT\$695,000 thousand raised was fully used as planned in the fourth quarter to either replenish the Company’ working capital or reinvestment or meet the funding needs for other future development, so as to effectively reduce the cost of capital, strengthen the competitiveness of the Company, and improve the operating performance.					
Demonstration of private placement benefits	High Power International Co., Ltd. and Zoyi Capital Fund II Investment, L.P. are both subsidiaries of PHI Fund. In the future, PHI Fund is expected to cooperate with Hirschmann Car Communication, a German Internet of Vehicles solution provider.					



	and the Company in the field of high-speed and high-frequency connectors.
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## **Case 6**

## **Proposal by the board of directors**

Summary: Amendment to the “Board of Directors Conference Rules” of the Company; please review.

Description: I. In accordance with the letter dated January 12, 2024 referenced Tai-Zheng-Shang-Yi-Zi No. 1130000762; the contents of the amended articles are as follows:

II. Please refer to Attachment 4 (pages 18 to 23 of the meeting handbook) for the amended Code.

# Acknowledgments

## **Motion 1**

## **Proposal by the board of directors**

Summary: The Company's 2023 business report, financial statements and consolidated financial statements; please recognize.

Description: I. The Company's 2023 business report, financial statements and consolidated financial statements have been approved by the board meeting, and the financial statements have been audited by CPAs Wei-Hao Wu and Ya-Huei Cheng of PWC Taiwan. The business report and financial statements above have been sent to the Audit Committee for audit, and an audit report is issued accordingly.

II. Please refer to Attachments 1 and 5 (pages 12 to 15 and 24 to 47 of the meeting handbook) for the business report and the financial statements; please recognize.

Resolution:

## **Motion 2**

## **Proposal by the board of directors**

Summary: 2023 earnings distribution; please recognize.

Description: I. According to the Articles of Association of the Company, the net profit after tax in 2023 was NT\$170,152,459, the accumulated undistributed earnings of previous years was NT\$562,409,227, and the adjusted amount of retained earnings in 2023 was NT\$37,511,017; a legal reserve of NT\$20,766,348 is set aside, and a cash dividend of NT\$1.5 per share for ordinary shares is to be distributed, totaling NT\$123,353,861. The balance of NT\$625,952,494 is reserved for distribution in the next year.

II. It is proposed to distribute a total cash dividend of NT\$123,353,861 from the accumulated undistributed earnings of the Company in 2023, at NT\$1,500 for every thousand shares.

III. In the distribution proposal above, if there is a change in the number of shares outstanding and therefore a change in the dividend ratio

before the ex-dividend date due to the convertible corporate bond creditors' exercise of the conversion rights, buyback of the Company's shares, transfer, conversion and cancellation of the treasury shares or other circumstances, it is proposed to request the shareholders' meeting to authorize the Chairman to take full charge of the matter and make the adjustment.

IV. The amount of cash dividend less than NT\$1 will be included in other income of the Company.

V. Please refer to Attachment 6 (page 48 of the meeting handbook) for the earnings distribution table; please recognize.

Resolution:

# Discussions

## **Motion 1**

### **Proposal by the board of directors**

Summary: Amendment to the Company's Articles of Association; please discuss.

Description: The Company plans to amend some of the articles of the “Articles of Association” in response to the Company’s future operation and development; please refer to Attachment 7 (pages 49 to 50 of the meeting handbook) and discuss.

Resolution:

## **Motion 2**

### **Proposal by the board of directors**

Summary: Amendment to the Company's “Shareholder Meeting Conference Rules”; please discuss.

Description: It is proposed to amend some provisions of the “Shareholder Meeting Conference Rules” according to the letter dated March 17, 2023 referenced Tai-Zheng-Zhi-Li-Zi No.11200041671; please refer to Attachment 8 (pages 51 to 52 of the meeting handbook) and discuss.

Resolution:

## **Extraordinary motions**

### **Adjournment**

## Attachment I

### Business Report

Ladies and gentlemen:

The 2023 operation results and overview of the 2024 business plan of Chant Sincere Co., Ltd. are reported as follows:

#### I. 2023 Operation Results

##### 1. Business Plan Implementation Results:

The consolidated revenue in 2023 was NT\$1,375,343 thousand, a decrease of 27% over that in 2022; the net profit after tax was NT\$169,416 thousand, a decrease of 47% over that in 2022. the after tax earnings per share was NT\$2.10.

Unit: NT\$ thousand

Item	2023	2022	Growth Rate (%)
Operating revenue	1,375,343	1,873,163	-27%
Gross profit	517,612	678,184	-24%
Operating profit	176,065	324,805	-46%
Non-operating income and expenses	44,692	80,372	-44%
Net profit before tax	220,757	405,177	-46%
Profit after tax	169,416	321,904	-47%
Earnings per share (NT\$)	2.10	4.06	-48%

2. Budget implementation: The Company has not announced financial forecasts.

3. Revenues, expenses and profitability analysis:

Unit: NT\$ thousand

Item		2023	2022
Net cash inflow from operating activities		367,549	271,951
Net cash inflow (outflow) from investment activities		(525,671)	(255,691)
Net cash inflow (outflow) from financing activities		435,427	(179,972)
Return on assets (%)		4.93	10.33
Return on equity (%)		6.85	13.52
As a percentage of paid-in capital	Operating profit	21.41	40.72
	Net profit before tax	26.84	50.79

Net profit margin (%)	12.32	17.19
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The net cash inflow from operating activities in 2023 was NT\$367,549 thousand, an increase of NT\$95,598 thousand compared with that in 2022, mainly due to a decrease in the balance of accounts receivable and accounts payable as well as inventory level in 2023. The net cash outflow from investment activities was NT\$525,671 thousand, mainly due to the acquisition of financial assets at amortised cost \$536,000 thousand. The net cash inflow from financing activities was NT\$695,000 thousand, mainly due to issuance of private placement corporate bonds payable of 695,000 thousand. All other profitability-related indicators decreased from the level in 2022, mainly due to a decline in revenue and a decrease in profit in 2023.

#### 4. Research and Development Overview:

##### (1) Research and development expenses in the last three years:

Unit: NT\$ thousand

Item	2023	2022	2021
Research and development expenses	52,349	45,823	41,201
Net operating revenue	1,375,343	1,873,163	1,599,466
% of operating revenue	3.81	2.45	2.58

##### (2) Short-term plan:

- A. Actively improve R&D technologies, including Connector, Cable, Adapter, Dongle and Reader.
- B. Research and develop high-speed and high-frequency transmission related connector products.
- C. Research and develop waterproof connectors (USB series, M8, M12, FAKRA, Mini FAKRA、HMTD-N)
- D. Research and develop servers, switches, storage devices and various industrial connectors (Mini SAS, Slim SAS, OSFP, PCIE, U.2, SFP DD, QSFP DD and HS BTB).
- E. Research and develop various automotive connectors (USB series, Type-C, FAKRA, HSD, MINI FAKRA, HMTD-N (automotive ethernet) and power connectors).

##### (3) Long-term plan:

- A. Products: The four major axes of ADAS, Cloud Center, AR/VR and AIOT/IPC.
- B. Technology:
  - (a) Improve structural design and high-frequency simulation capabilities.
  - (b) Purchase additional reliability equipment to strengthen verification capabilities.
  - (c) Continuously improve automation equipment.
  - (d) Product automatic detection capability.

## II. 2024 Business Plan Overview and Prospect

### 1. Operating Guidelines

- (1) In the past decade, the Company has gradually transformed from a manufacturer of connectors and wiring harnesses in the consumer market to niche markets such as advanced assisted driving, high-speed network communications, industrial computers

and high-speed transmission, and strives to become a strategic partner with international car manufacturers and high-speed transmission equipment manufacturers!

- (2) We actively enhance the technical capabilities of the R&D team, and expand the application of automated production equipment and smart factory management systems to improve production management efficiency, quality stability and customer satisfaction, and continuously enhance the Company's core values and competitive advantages.
- (3) We believe that talents are the Company's most important and precious assets, and therefore spare no effort in nurturing and training professionals in various fields, especially the advance deployment of high-speed and high-frequency talents, automated machine development talents, production and supply chain management talents, sales teams for European and US markets, information system development talents, and management-related talents

## 2. Sales Volume Forecast and the Basis

The Company has not announced financial forecasts, so it does not explain the expected sales figures and their basis.

## 3. Key Production/Sales Policies

- (1) Production: We continuously upgrade our automated production to enhance product competitiveness and establish and develop excellent supply chain partners to reach a consensus on cooperation with us on environmental awareness, customer satisfaction and quality. Our production is mainly order-based. Safety stocks are kept under control at all times to improve operating efficiency.
- (2) Sales: In the past, our business model was mainly sales to Taiwanese OEMs and distributors in various countries. In recent years, our sales have expanded to European tier 1 manufacturers and US manufacturers. In particular, the number of assisted driving customers has grown significantly, raising the Company's visibility and reputation in the international auto parts supply chain!

## III. Strategies of Future Development

1. Industry: It is expected that the penetration rate of intelligent driving and auxiliary driving systems will continue to increase in the automotive market in the next 10 years. Well-known auto manufacturers have become strategic partners, and the Company will continue moving forward toward the goals according to its initial plan. On the basis of achieving intelligent driving, high-speed network communication transmission equipment and industrial IoT computer equipment are indispensable hardware. As high-speed and large-volume data calculation and transmission requires a large number of connectors and wiring harnesses, we are also actively developing related high-speed products together with customers.
2. R&D:
  - (a) Improve structural design and high-frequency simulation capabilities.
  - (b) Purchase additional reliability equipment to strengthen verification capabilities.
  - (c) Continuously improve automation equipment.
  - (d) Product automatic detection capability.
3. Production: Focus on introducing production automation and successively purchase high-end testing equipment for self-verification of high-speed and high-frequency products, and gradually move the main production back to Taiwan.



#### IV. Impact of external competition environment, legal environment and overall business environment

Looking back, 2023 was indeed a year of hardship and twists and turns, as the world experienced many negative impacts. First, interest rates continued rising, causing global production costs to continue increasing, and the European market was even more exposed to the inflation crisis. Second, geopolitical risks continue to expand. In October 2023, Israel started a war with Hamas. In addition, the related supply chain and the cost of oil faced challenges again; inventory turnover speed was not as good as expected, and due to a weak demand in the consumer market, the upstream and downstream supply chains of electronics and technology industries were significantly affected, and most industries showed a decline and the growth was not as good as expected.

In recent years, the Company has re-arranged and formulated strategies in the field of product technology and application, and developed towards high-end technologies of automobiles, industrial control, Netcom, optical fibers and waterproof connectors (wires), and has successfully entered the supply chain of major automobile manufacturers. The Company also obtained nine VDA6.3 certifications, becoming the leader of Taiwanese manufacturers of automotive signal transmission connectors and connecting harnesses. In addition, the revenue ratio of the series of products in industrial computers and Netcom applications has increased year by year, and the overall sales mix has gradually developed towards high-margin products. The Company has formulated relevant procedures and operations for legal compliance to further deepen the effect of the Company's legal compliance in order to achieve risk control; the Company is also committed to corporate governance and sustainable operation, so as to generate good returns for shareholders.

Chairman:  
Lien-Hsi Wu

Manager:  
Lien-Hsi Wu

Accounting Supervisor:  
Mei-Hui Liao

**Chant Sincere Co., Ltd.**  
**Audit Committee's Audit Report**

We have reviewed the Company's 2023 business report, financial statements (including consolidated and individual financial statements), and earnings distribution proposal prepared by the board of directors. The financial statements have been audited by CPAs Wei-Hao Wu and Ya-Huei Cheng of PWC Taiwan, and an independent auditor's report was issued accordingly. The aforementioned business report, financial statements and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members. We hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review.

To

The 2024 general shareholders' meeting of the Company

Chant Sincere Co., Ltd.  
Audit Committee convener: Ming-Lei Chang

February 27, 2024

### Attachment III

## Chant Sincere Co., Ltd.

### The table of employees' and directors' remuneration 2023

Unit: NT\$		
Net profit before tax (before distribution)		<u>228,188,059</u>
Employee remuneration	5.11%	11,662,659
Director remuneration	1.33%	<u>3,032,291</u>
Total proposed distribution		<u>14,694,950</u>

Note: According to Articles of Association, employee remuneration allocation is 2% to 15% of the current pre-tax net profit before deducting employee remuneration and director remuneration, and director remuneration is no more than 2%.

Chairman:  
Lien-Hsi Wu

Manager:  
Lien-Hsi Wu

Accounting Supervisor:  
Mei-Hui Liao

## **Attachment IV**

### **Chant Sincere Co., Ltd. Board of Directors Conference Rules**

- Article 1 (Basis for the Rules)  
These Rules are established in accordance with Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, in order to build a strong board governance system and robust supervisory capabilities, and reinforce the management capabilities for the Company.
- Article 2 (Scope of the Rules)  
All issues relating to the board meeting, such as motions, procedures, minutes, announcements, compliance requirements etc., shall proceed according to the Rules.
- Article 3 (Convention and notification of board meetings)  
The Company shall convene a board meeting at least once a quarter.  
An agenda will have to be prepared for each board meeting convened. Meetings shall be advised to all directors at least 7 days in advance; however, meetings can be held on shorter notices in case of emergency. The convening of a board meetings may be noticed in writing or by fax or e-mail.  
All matters set forth under Paragraph 1, Article 12 of these Rules shall be specified in the reasons for convening a board meeting, and none of those matters may be raised by an extempore motion.
- Article 4 (Meeting notice and meeting materials)  
The Stock Affairs Department is designated as the unit for the Company's board meeting-related affairs.  
The meeting affair unit shall draft the agenda and prepare sufficient meeting materials, and deliver them together with the notice of the meeting.  
Any director who thinks that the meeting materials provided are insufficient may request supplemental information from the meeting affair unit. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.
- Article 5 (Preparation of attendance logs and documents and directors' proxy attendance)  
Attendance logs shall be provided during board meetings and signed by all directors present at the meeting for future reference.  
Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's Articles of Incorporation. Attendance by teleconferencing will be deemed attendance in person.  
A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.
- Article 6 (Principles on meeting venue and time)  
The proxy referred to in Paragraph 2 may accept the appointment of only one person.  
A board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.
- Article 7 (Chairman and Vice Chairman of the board)  
If the meeting of the board of directors is convened by the chairman, the meeting will be chaired by the chairman. However, in the first meeting of each term of the board

of directors, the chairperson shall be the convener who receives the most voting rights in the shareholders' meeting. If there are two or more conveners entitled to convene the meeting, one person shall be elected to chair the meeting.

If a board meeting is convened with the consent of more than half of the board members under any of the conditions described in Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, the participating directors shall appoint one among themselves to serve as the chairperson.

When the Chairperson of the Board is on leave or for any reason is unable to exercise the powers of the Chairperson, the Vice Chairperson shall do so in place of the Chairperson, or, if there is no Vice Chairperson or the Vice Chairperson also is on leave or for any reason is unable to act, by a Managing Director designated by the Chairperson, or, if there is no Managing Director, by a Director designated thereby, or, if the Chairperson does not make such a designation, by a Managing Director or Director elected by and from among themselves.

Article 8 (Reference materials, attendees and convening of a board meeting)

When a board meeting is held, the stock affairs unit (or the unit designated by the board of directors) shall provide the attending directors with relevant materials for ready reference.

When a board meeting is held, managers from relevant departments who are not directors may be notified to attend as non-voting delegates, depending on the content of the proposal. When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants. However, they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.

At the scheduled meeting time, if half of all directors are absent, the chairperson may announce a postponement of the meeting on that day. The number of postponements is limited to two. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Paragraph 2 of Article 3.

The number of "all directors," as used in the preceding paragraph and in Sub-paragraph 2, Paragraph 2 of Article 16, shall be counted as the number of directors then actually in office.

Article 9 (Audio and video recording of the board meeting process)

Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held via video conferencing, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.

Article 10 (Agenda)

Agenda items for regular board meetings of the Company shall include at least the following:

I. Reports:

(I) Minutes of the last meeting and action taken.

(II) Important financial and business matters.

- (III) Reports on internal audit issues.
- (IV) Other important matters to be reported.
- II. Discussion Topics:
  - (I) Items for continued discussion from the last meeting.
  - (II) Items for discussion at this meeting.
- III. Extraordinary motions.

#### Article 11

(Discussion of motions)

The Company's board of directors shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during a board meeting, if the number of directors present does not constitute a majority of the directors participating the meeting, then upon the motion by a director present, the Chairman shall declare a suspension of the meeting, and the provisions of Paragraph 5 of Article 8 shall apply.

Paragraph 3 of Article 7 shall apply concerning the appointment of the proxy of the chairperson who is unable to preside over the meeting, or adjourns the meeting without complying with the provisions of paragraph 2 when a meeting is in progress.

#### Article 12

(Issues subject to discussion in a board meeting)

The following matters shall be discussed in the Company's board meetings:

- I. Operational plans of the Company.
- II. Annual financial statements and second quarterly financial statements subject to auditing by certified public accountants.
- III. The establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act, and the evaluation of the effectiveness of the internal control system.
- IV. The procedures established or amended in accordance with Article 36-1 of the Securities and Exchange Act for material financial or business transactions such as acquisition or disposal of assets, derivatives trading, lending of funds to others, endorsements or guarantees.
- V. The offering, issuance, or private placement of equity-type securities.
- VI. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.
- VII. Appointment and dismissal of finance, accounting, or internal audit managers.
- VIII. Donations to related parties or major donations to related parties; public welfare donations for emergency relief due to major natural disasters may be ratified in the next board meeting.
- IX. Matters to be resolved by shareholders' meetings or board meetings or material matters specified by the authority in accordance with Article 14-3 of the Securities and Exchange Act, other laws and regulations or the Articles of Incorporation.

The term "related party" in Sub-paragraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The “one-year” referred to in the preceding paragraph dates back one year from the date of the board meeting. The part that has already been passed by the board resolution can be excluded.

In the event where shares of foreign companies have no par value or a par value other than NT\$10, the calculation of transaction amounts of 5% of paid-in capital will be substituted by 2.5% of shareholders' equity.

At least one independent director shall attend the board meeting in person. For the matters in Paragraph 1 which must be decided by a board resolution, all independent directors shall attend the meeting. If an independent director is unable to attend the meeting in person, he/she shall appoint another independent director to attend the meeting as a proxy. An independent director who cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there are some legitimate reasons to do otherwise. The opinion shall be specified in the minutes of the board of directors meeting.

Article 12-1 (Authorization by the board of directors)

Other than matters to be submitted for discussion at the Company's board meeting under Paragraph 1 of Article 12, the board authorizes the Chairman to exercise the powers of the board in accordance with laws or the Company's regulations, and the scope of authorization is as follows:

I. Appointment of directors and supervisors of reinvestment companies.

II. Approval of the ex-dates of capital increase or decrease and cash dividend.

Article 13 (Voting <1>)

The chair is to stop discussions and announce a vote for the motion that is close to the level to be decided by votes.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved.

The method of voting on the resolutions of the board meeting shall be specified in the Rules of Procedure. Except for those which have been passed without objection from all the directors present, the method of vote scrutiny and counting shall be specified.

Attending directors, as mentioned in the preceding two paragraphs, do not include directors that may not exercise voting rights pursuant to Paragraph 1 of Article 15.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

I. A show of hands or a vote by a voting machine.

II. Vote by roll call.

III. A vote by ballot.

IV. A vote by a method selected at the Company's discretion.

Article 14 (Voting <2>, ballot examination, and ballot counting)

Unless otherwise specified by the Company Act, board meetings shall have the attendance of more than half of directors and the resolutions shall be represented by more than half of the attending directors.

For the amendment or substitute of the same motion, the chair is to combine it with the original motion to determine the vote order. If one of the proposals has been passed, the other proposals are viewed as denied and no more voting will be conducted.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

- Article 15 Voting results shall be made known on-site immediately and recorded in writing.  
(Personal interest avoidance system for directors)  
If any director or the legal person he/she represents has a personal interest in an item on the agenda, the director shall state the important contents of the personal interest at the meeting; when it is likely to harm the interests of the Company, the director may not participate in the discussion or voting on the item, and shall avoid the discussion and voting on that item and may not act as another director's proxy to exercise voting rights on his/her behalf.  
Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.  
The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.
- Article 16 (Meeting minutes and matters to be signed off)  
Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:  
I. The meeting session (or year) and the time and place of the meeting.  
II. The name of the chairperson.  
III. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.  
IV. The names and titles of those attending the meeting as non-voting participants.  
V. The name of the minutes taker.  
VI. Reports.  
VII. Discussion items: the resolution method and result of each proposal; a summary of speeches by directors, experts and other personnel; the name of any director that is an interested party as referred to in Paragraph 1 of the preceding article, an explanation of the important contents of the interest, the reasons for the director to or not to avoid and the status of their avoidance; opinions of objection or reservation with records or statements in writing; opinions issued in writing by independent directors pursuant to Paragraph 2 of Article 12.  
VIII. Extraordinary motions: the name of sponsor, method and result of the resolution of the motion, a summary of the speeches of director, expert, or another person, the name of any director that is an interested party as referred to in Paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.  
IX. Other mandatory disclosures.  
The occurrence of any of the following circumstances concerning a resolution passed at a board meeting shall be stated in the meeting minutes which shall be publicly announced and filed on the MOPS designated by the competent authority within 2 days from the date of the meeting:  
I. Any objection or expression of reservations by an independent director expresses a record or written statement.  
II. For a company with an audit committee, a motion that is not approved by the company's audit committee but passed by more than two-thirds of all directors.



The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the Company.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

The meeting minutes of Paragraph 1 may be produced and distributed electronically.

Article 17 (Executive board meeting)

If the positions of managing directors are to be established per the Articles of Association, the rules of procedures for the executive board meeting shall comply with the provisions of Article 2, Paragraph 2 of Article 3, Articles 4 to 6, Articles 8 to 11, and Articles 13 to 16 above and the provisions of paragraph 4 of Article 3 shall apply mutatis mutandis to the election or discharge of the chairman of the board of directors. However, when meetings of the board of managing directors are held at regular intervals of 7 days or less, notices of such meetings may be given to each managing director 2 days before the meeting.

Article 18 (Supplemental provisions)

The establishment and amendment of these Rules of Procedures shall be approved by the Company's board.

## **Attachment V**

### **INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE**

To the Board of Directors and Shareholders of CHANT SINCERE CO., LTD..

#### ***Opinion***

We have audited the accompanying parent company only balance sheets of CHANT SINCERE CO., LTD. (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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 at 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Company's 2023 parent company only financial statements. 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, we do not provide a separate opinion on these matters..

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

### **Valuation of inventory**

#### Description

Refer to Notes 4(12), 5(2) and 6(5) for a description of accounting policy on inventory valuation, accounting estimates and assumptions in relation to inventory and details of loss allowance.

The Company is mainly engaged in manufacturing and selling connectors and cable wires. Due to rapid technological innovations and fluctuations in market demand, there is a higher risk of inventory obsolescence. As inventories are stated at the lower of cost and net realisable value, the determination of net realisable value of inventories is subject to subjective judgment and uncertainties. Thus, we considered the valuation of inventory as a key audit matter.

As of December 31, 2023, the amount of inventories and allowance for inventory valuation losses were NT\$102,172 thousand and NT\$15,900 thousand, respectively.

#### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of provision policies on and procedures of allowance for inventory valuation losses, including understanding the operation and nature of the industry, and the historical information of actual clearance of inventory, to judge the reasonableness and consistency of valuation policies on the inventory valuation losses.
2. Reviewed the stock count plan and observed the annual stock count event in order to assess the effectiveness of internal controls over obsolete inventory.
3. Verified management's appropriateness of the systematic logic used in the inventory aging report and confirmed whether the information was consistent with its policies.
4. Verified whether inventory valuation losses were calculated in accordance with its policies, and ascertained the adequacy of the allowance for inventory valuation losses.

## **Recognition of export sales revenue**

### Description

Refer to Note 4(26) for accounting policies on sales revenue recognition.

The Company is mainly engaged in manufacturing and selling connectors and cable wires, which were used in consumer PCs, automobile and communication market. The types of sales include domestic sales, export sales and warehouse sales. Revenue from export sales are recognised based on the terms of the contract. As the determination as to when the control of the products has transferred to customers involves management's subjective judgment, this may lead to improper revenue recognition. Thus, we considered the recognition of export sales revenue as a key audit matter.

For the year ended December 31, 2023, the net amount of sales revenue was NT\$1,167,551 thousand.

### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding on the effectiveness of internal controls over the timing of revenue recognition.
2. Selected samples of export sales transactions and ascertained the consistency of the timing of export revenue recognition with the terms specified in the contracts.
3. Selected samples of receivable accounts and sent out confirmations to ascertain existence of export sales revenue.
4. Ascertained the reasonableness of revenue recognition timing against supporting documents of revenue from export sales during a certain period before and after 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.

***Auditor's 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 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 Standards on Auditing of the Republic of China, we exercise professional judgment and 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 appropriate audit evidence regarding the financial information of the 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 company 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 of the current period 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.

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Wu, Wei-Hao

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Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan  
February 27, 2024

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

For the convenience of readers and for information purpose only, the 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. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

CHANT SINCERE CO., LTD  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 825,412	24	\$ 647,031	21
1110	Financial assets at fair value through profit or loss - current	6(2)	9,444	-	11,492	-
1136	Financial assets at amortised cost - current	6(1)	681,000	19	145,000	5
1150	Notes receivable, net	6(4)	370	-	1,750	-
1170	Accounts receivable, net	6(4)	260,676	7	476,428	16
1180	Accounts receivable due from related parties, net	6(4) and 7	1,603	-	3,942	-
1200	Other receivables	7	370	-	8,290	-
130X	Inventories	6(5)	86,272	3	111,516	4
1410	Prepayments		8,270	-	15,619	-
11XX	Total current assets		1,873,417	53	1,421,068	46
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	242,729	7	252,726	8
1550	Investments accounted for under equity method	6(6)	867,128	25	901,987	30
1600	Property, plant and equipment	6(7)	482,948	14	456,090	15
1755	Right-of-use assets	6(8)	10,973	-	9,443	-
1780	Intangible assets		3,594	-	5,304	-
1840	Deferred tax assets	6(20)	20,122	1	16,685	1
1900	Other non-current assets		3,721	-	3,701	-
15XX	Total non-current assets		1,631,215	47	1,645,936	54
1XXX	Total assets		\$ 3,504,632	100	\$ 3,067,004	100

(Continued)



CHANT SINCERE CO., LTD  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2150	Notes payable		805	-	1,763	-
2170	Accounts payable		76,936	2	124,463	4
2180	Accounts payable to related parties	7	24,991	1	184,362	6
2200	Other payables	6(9)	86,011	2	94,739	3
2230	Current income tax liabilities	6(20)	48,479	1	67,085	2
2250	Provisions for liabilities - current		9,500	-	9,500	-
2280	Lease liabilities - current		4,603	-	5,110	-
2320	Long-term liabilities, current portion	6(10)	-	-	78,555	3
2399	Other current liabilities		19,251	1	22,747	1
21XX	Total current liabilities		270,576	7	588,324	19
Non-current liabilities						
2530	Convertible bonds payable	6(10)	668,173	19	-	-
2570	Deferred tax liabilities	6(20)	39,480	1	44,176	2
2580	Lease liabilities - non-current		6,449	-	4,407	-
2600	Other non-current liabilities	6(11)	12,811	1	13,396	-
25XX	Total non-current liabilities		726,913	21	61,979	2
2XXX	Total liabilities		997,489	28	650,303	21
Equity						
	Share capital	6(12)				
3110	Common stock		822,359	23	797,726	26
	Capital surplus	6(13)				
3200	Capital surplus		479,725	14	398,423	13
	Retained earnings	6(14)				
3310	Legal reserve		393,045	11	351,366	11
3350	Unappropriated retained earnings		770,073	22	844,156	28
	Other equity interest	6(15)				
3400	Other equity interest		41,941	2	25,030	1
3XXX	Total equity		2,507,143	72	2,416,701	79
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	Total liabilities and equity		\$ 3,504,632	100	\$ 3,067,004	100

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

CHANT SINCERE CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16) and 7	\$ 1,167,551	100	\$ 1,510,291	100
5000	Operating costs	6(5)(18)(19) and 7	( 758,245)	( 65)	( 968,666)	( 64)
5900	Gross profit from operations		409,306	35	541,625	36
	Operating expenses	6(18)(19) and 7				
6100	Selling expenses		( 72,285)	( 6)	( 88,303)	( 6)
6200	Administrative expenses		( 132,664)	( 12)	( 134,040)	( 9)
6300	Research and development expenses		( 48,358)	( 4)	( 39,357)	( 3)
6450	Impairment expected credit (loss) gain	12(2)	1,130	-	( 1,091)	-
6000	Total operating expenses		( 252,177)	( 22)	( 262,791)	( 18)
6900	Operating profit		157,129	13	278,834	18
	Non-operating income and expenses					
7100	Interest income		7,695	1	3,994	-
7010	Other income	7	9,240	1	7,266	1
7020	Other gains and losses	6(17) and 7	1,379	-	28,068	2
7050	Finance costs		( 740)	-	( 1,198)	-
7070	Share of (loss)/profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	38,791	3	75,974	5
7000	Total non-operating income and expenses		56,365	5	114,104	8
7900	<b>Profit before income tax</b>		213,494	18	392,938	26
7950	Income tax expense	6(20)	( 43,341)	( 4)	( 70,966)	( 5)
8200	<b>Profit for the year</b>		\$ 170,153	14	\$ 321,972	21
	<b>Other comprehensive income (net)</b>					
	<b>Items that will not be reclassified to profit or loss</b>					
8311	Remeasurements of defined benefit plans	6(11)	\$ 639	-	\$ 4,208	1
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	38,330	3	( 41,788)	( 3)
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	6(15)	19,107	2	( 61,069)	( 4)
8349	Income tax related to items that will not be reclassified to profit or loss	6(20)	( 128)	-	( 842)	-
8310	Other comprehensive income (net) that will not be reclassified to profit or loss		57,948	5	( 99,491)	( 6)
	<b>Items that will be reclassified to profit or loss</b>					
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	6(15)	( 4,462)	-	3,869	-
8399	Income tax related to items that will be reclassified to profit or loss	6(20)	936	-	( 798)	-
8360	Other comprehensive income that will be reclassified to profit or loss		( 3,526)	-	3,071	-
8300	<b>Other comprehensive (loss) income for the year, net of tax</b>		\$ 54,422	5	( \$ 96,420)	( 6)
8500	<b>Total comprehensive income for the year</b>		\$ 224,575	19	\$ 225,552	15
	Earnings per share (in dollars)	6(21)				
9750	Basic earnings per share		\$ 2.10		\$ 4.06	
9850	Diluted earnings per share		\$ 2.07		\$ 3.92	

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

**CHANT SINCERE CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Common stock	Capital Reserves			Retained Earnings			Other equity interest			
			Capital surplus, additional paid-in capital	Capital surplus, treasury share transactions	Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount and changes in the ownership interest	Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	Capital surplus, share options	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total Equity
<u>2022</u>												
Balance at January 1, 2022		\$ 785,459	\$ 355,953	\$ 8,509	\$ 1,826	\$ -	\$ 3,284	\$ 333,203	\$ 604,242	\$ 17,768	\$ 234,035	\$ 2,308,743
Profit (loss) for the year	6(15)	-	-	-	-	-	-	-	321,972	-	-	321,972
Other comprehensive income (loss) for the year		-	-	-	-	-	-	-	3,366	3,071	( 102,857 )	( 96,420 )
Total comprehensive income (loss)		-	-	-	-	-	-	-	325,338	3,071	( 102,857 )	225,552
Disposal of investments in equity instruments at fair value through other comprehensive income	6(15)	-	-	-	-	-	-	-	-	-	-	-
Changes in equity of investment in associates and joint ventures accounted for using equity method	6(6)	-	-	-	-	-	-	-	91,451	-	( 91,451 )	-
Conversion of convertible bonds		-	-	-	-	-	-	-	-	-	-	-
Changes in equity of investment in associates and joint ventures accounted for using equity method	6(10)	12,267	29,914	-	-	74	( 1,135 )	-	-	-	-	74
Capital surplus, changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	41,046
Appropriations and distribution of retained earnings:	6(14)	-	-	-	( 2 )	-	-	-	-	-	-	( 2 )
Legal reserve		-	-	-	-	-	-	18,163	( 18,163 )	-	-	-
Cash dividends		-	-	-	-	-	-	-	( 158,712 )	-	-	( 158,712 )
Balance at December 31, 2022		\$ 797,726	\$ 385,867	\$ 8,509	\$ 1,824	\$ 74	\$ 2,149	\$ 351,366	\$ 844,156	\$ 14,697	\$ 39,727	\$ 2,416,701
<u>2023</u>												
Balance at January 1, 2023		\$ 797,726	\$ 385,867	\$ 8,509	\$ 1,824	\$ 74	\$ 2,149	\$ 351,366	\$ 844,156	\$ 14,697	\$ 39,727	\$ 2,416,701
Profit (loss) for the year	6(15)	-	-	-	-	-	-	-	170,153	-	-	170,153
Other comprehensive income (loss) for the year		-	-	-	-	-	-	-	573	( 3,526 )	57,375	54,422
Total comprehensive income (loss)		-	-	-	-	-	-	-	170,726	( 3,526 )	57,375	224,575
Disposal of investments in equity instruments at fair value through other comprehensive income	6(15)	-	-	-	-	-	-	-	-	-	-	-
Changes in equity of investment in associates and joint ventures accounted for using equity method	6(6)	-	-	-	-	-	-	-	36,938	-	( 36,938 )	-
Conversion of convertible bonds	6(10)	24,633	56,534	-	-	-	( 2,149 )	-	-	-	-	90
Issuing convertible bonds	6(10)	-	-	-	-	-	26,827	-	-	-	-	79,018
Appropriations and distribution of retained earnings:	6(14)	-	-	-	-	-	-	-	-	-	-	26,827
Legal reserve		-	-	-	-	-	-	41,679	( 41,679 )	-	-	-
Cash dividends		-	-	-	-	-	-	-	( 240,068 )	-	-	( 240,068 )
Balance at December 31, 2023		\$ 822,359	\$ 442,401	\$ 8,509	\$ 1,824	\$ 164	\$ 26,827	\$ 393,045	\$ 770,073	\$ 18,223	\$ 60,164	\$ 2,507,143

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

CHANT SINCERE CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 213,494	\$ 392,938
Adjustments			
Adjustments to reconcile profit (loss)			
(Gain) loss on valuation of financial assets or liabilities at fair value through profit or loss	6(17)	( 1,807 )	93
Impairment expected credit loss(gain)	12(2)	( 1,130 )	1,091
Share of profit (loss) of associates and joint ventures accounted for using equity method	6(6)	( 38,791 )	( 75,974 )
Loss on disposal of investments	6(17)	-	2,275
Depreciation charges on property, plant and equipment (Including Right-of-use assets)	6(18)	30,338	19,663
Amortisation	6(18)	3,370	2,953
Dividend income	( 9,154 )	( 7,266 )	
Interest income	( 7,695 )	( 3,994 )	
Interest expense		740	1,198
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss		3,851	( 9,922 )
Notes receivable, net		1,380	144
Accounts receivable		216,882	( 153,476 )
Accounts receivable due from related parties, net		2,339	( 1,001 )
Other receivables		7,920	-
Inventories		25,244	( 41,032 )
Prepayments		7,349	516
Changes in operating liabilities			
Notes payable	( 958 )	( 523 )	
Accounts payable	( 47,527 )	( 837 )	
Accounts payable to related parties	( 159,371 )	( 87,069 )	
Other payables	( 12,077 )	( 19,862 )	
Provisions for liabilities	-	6,000	
Other current liabilities	( 3,496 )	( 2,701 )	
Other non-current liabilities	( 89 )	( 1,817 )	
Cash inflow generated from operations		230,812	236,305
Interest received		7,695	3,994
Interest paid	( 275 )	( 206 )	
Dividends received		9,154	7,266
Payment of income tax	( 71,031 )	( 35,562 )	
Income taxes refund		1,833	-
Net cash flows from operating activities		178,188	211,797
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in financial assets at amortised cost	( 536,000 )	( 31,936 )	
Acquisition of financial assets at fair value through other comprehensive income	( 2,266 )	( 72,871 )	
Proceeds from disposal of financial assets at fair value through other comprehensive income		50,593	-
Capital reduction/liquidation of investments under the equity method		38,243	-
Acquisition of investments accounted for using equity method		-	14,441
Disposal of investment proceeds using the equity method		-	18,042
Purchase of property, plant and equipment	6(22)	( 48,100 )	( 91,337 )
Increase in intangible assets	( 1,660 )	( 5,262 )	
Increase in refundable deposits	( 1,615 )	( 1,831 )	
Decrease in refundable deposits		1,595	234
Dividends received in cash		50,198	39,100
Net cash flows used in investing activities	( 449,012 )	( 131,420 )	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of lease liabilities	6(8)	( 5,742 )	( 4,499 )
Increase in guarantee deposits		15	-
Issuance of corporate bonds	6(10)	695,000	-
Cash dividends paid	6(14)	( 240,068 )	( 158,712 )
Net cash flows from (used in) financing activities		449,205	163,211
Net increase (decrease) in cash and cash equivalents		178,381	( 82,834 )
Cash and cash equivalents at beginning of year		647,031	729,865
Cash and cash equivalents at end of year		\$ 825,412	\$ 647,031

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

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of CHANT SINCERE CO., LTD.

### **Opinion**

We have audited the accompanying consolidated balance sheets of CHANT SINCERE CO., LTD. and subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### **Basis for opinion**

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

### **Key audit matters**

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

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

### **Valuation of inventory**

#### Description

Refer to Notes 4(13), 5(2) and 6(5) for a description of accounting policy on inventory valuation, accounting estimates and assumptions in relation to inventory and details of loss allowance account.

The Group is mainly engaged in manufacturing and selling connectors and cable wires. Due to rapid technological innovations and fluctuations in market demand, there is a higher risk of inventory obsolescence. As inventories are stated at the lower of cost and net realisable value, the determination of net realisable value of inventories is subject to subjective judgment and uncertainties. Thus, we considered the valuation of inventory as a key audit matter.

As of December 31, 2023, the amount of inventories and allowance for inventory valuation losses were NT\$195,641 thousand and NT\$32,432 thousand, respectively.

#### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of provision policies on and procedures of allowance for inventory valuation losses, including understanding the operations and nature of the industry, and the historical information of actual clearance of inventory, to judge the reasonableness and consistency of valuation policies on the inventory valuation losses.
2. Reviewed the stock count plan and observed the annual stock count in order to assess the effectiveness of internal controls over obsolete inventory.
3. Verified management's appropriateness of the systematic logic used in the inventory aging report and confirmed whether the information was consistent with its policies.
4. Verified whether inventory valuation losses were calculated in accordance with its policies, and ascertained the adequacy of the allowance for inventory valuation losses.

## **Recognition of export sales revenue**

### Description

Refer to Note 4(29) for accounting policies on sales revenue recognition.

The Group is mainly engaged in manufacturing and selling connectors and cable wires, which were used in consumer PCs, automobile and communication market. The types of sales include domestic sales, export sales and warehouse sales. Revenue from export sales are recognised based on the terms of the contract. As the determination as to when the control of the products has transferred to customers involves management's subjective judgment, this may lead to improper revenue recognition. Thus, we considered the recognition of export sales revenue as a key audit matter.

For the year ended December 31, 2023, the net amount of sales revenue was NT\$1,375,343 thousand.

### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding of the effectiveness of internal controls over the timing of revenue recognition.
2. Selected samples of export sales transactions and ascertained the consistency in the timing of export revenue recognition with the terms specified in the contracts.
3. Selected samples of receivable accounts and sent out confirmations to ascertain existence of export sales revenue.
4. Ascertained the reasonableness of revenue recognition timing against supporting documents of revenue from export sales during a certain period before and after the balance sheet date.

### ***Other matter – Parent company only financial reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements of Chant Sincere Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by

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

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

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

***Auditors' responsibilities for the audit of the consolidated financial statements***

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

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Wu, Wei-Hao

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Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2024

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

For the convenience of readers and for information purpose only, the 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. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

CHANT SINCERE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,101,081	30	\$ 827,473	26
1110	Financial assets at fair value through profit or loss - current	6(2)	9,444	-	11,492	-
1120	Financial assets at fair value through other comprehensive income - current	6(3)	56,318	2	81,821	3
1136	Financial assets at amortised cost - current	6(1)	681,000	19	145,000	5
1150	Notes receivable, net	6(4)	2,160	-	2,578	-
1170	Accounts receivable, net	6(4)	341,498	9	562,874	17
1180	Accounts receivable due from related parties, net	6(4) and 7	344	-	2,615	-
1200	Other receivables		327	-	1	-
130X	Inventories	6(5)	163,209	4	273,816	8
1410	Prepayments		32,054	1	51,875	2
11XX	Total current assets		2,387,435	65	1,959,545	61
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	242,729	7	252,726	8
1550	Investments accounted for under equity method	6(6)	339,795	9	345,143	11
1600	Property, plant and equipment	6(7) and 8	564,043	15	518,584	16
1755	Right-of-use assets	6(8)	59,261	2	69,577	2
1760	Investment property - net	6(9)	47,967	1	47,967	1
1780	Intangible assets	6(10)	3,829	-	5,745	-
1840	Deferred tax assets	6(24)	22,469	1	19,032	1
1900	Other non-current assets		7,494	-	7,188	-
15XX	Total non-current assets		1,287,587	35	1,265,962	39
1XXX	Total assets		\$ 3,675,022	100	\$ 3,225,507	100

(Continued)

**CHANT SINCERE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current liabilities								
2100	Short-term borrowings		\$	5,000	-	\$	5,000	-
2150	Notes payable			805	-		1,763	-
2170	Accounts payable			148,593	4		319,864	10
2180	Accounts payable to related parties	7		311	-		741	-
2200	Other payables	6(11)		129,172	4		149,000	5
2230	Current income tax liabilities			50,854	1		70,897	2
2250	Provisions for liabilities - current			14,000	-		14,063	-
2280	Lease liabilities - current			17,287	-		18,558	1
2320	Long-term liabilities, current portion	6(12)		-	-		78,555	2
2399	Other current liabilities			22,461	1		23,998	1
21XX	Total current liabilities			388,483	10		682,439	21
Non-current liabilities								
2530	Convertible bonds payable	6(12)		668,173	18		-	-
2570	Deferred tax liabilities	6(24)		42,614	1		47,310	1
2580	Lease liabilities - non-current			42,089	1		51,127	2
2600	Other non-current liabilities	6(13)		16,314	1		16,966	1
25XX	Total non-current liabilities			769,190	21		115,403	4
2XXX	Total liabilities			1,157,673	31		797,842	25
Equity attributable to owners of parent								
	Share capital	6(14)						
3110	Common stock			822,359	22		797,726	25
	Capital surplus	6(15)						
3200	Capital surplus			479,725	13		398,423	12
	Retained earnings	6(16)						
3310	Legal reserve			393,045	11		351,366	11
3350	Unappropriated retained earnings			770,073	21		844,156	26
	Other equity interest	6(17)						
3400	Other equity interest			41,941	1		25,030	1
31XX	Total equity attributable to owners of the parent			2,507,143	68		2,416,701	75
36XX	Non-controlling interest			10,206	1		10,964	-
3XXX	Total equity			2,517,349	69		2,427,665	75
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		\$	3,675,022	100	\$	3,225,507	100

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

**CHANT SINCERE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(18) and 7	\$ 1,375,343	100	\$ 1,873,163	100
5000 Operating costs	6(5)(22)(23) and 7	( 857,731)	( 62)	( 1,194,979)	( 63)
5900 Gross profit from operations		517,612	38	678,184	37
Operating expenses	6(22)(23) and 7				
6100 Selling expenses		( 95,751)	( 7)	( 118,643)	( 6)
6200 Administrative expenses		( 194,573)	( 14)	( 187,828)	( 10)
6300 Research and development expenses		( 52,349)	( 4)	( 45,823)	( 3)
6450 Impairment expected credit (loss) gain	12(2)	1,126	-	( 1,085)	-
6000 Total operating expenses		( 341,547)	( 25)	( 353,379)	( 19)
6900 Operating profit		176,065	13	324,805	18
Non-operating income and expenses					
7100 Interest income	6(19)	8,587	1	4,752	-
7010 Other income	6(20)	19,640	1	12,614	1
7020 Other gains and losses	6(21) and 7	10,118	1	39,109	2
7050 Finance costs		( 976)	-	( 1,716)	-
7060 Share of (loss)/profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	7,323	-	25,613	1
7000 Total non-operating income and expenses		44,692	3	80,372	4
7900 Profit before income tax		220,757	16	405,177	22
7950 Income tax expense	6(24)	( 51,341)	( 4)	( 83,273)	( 5)
8200 Profit for the year		\$ 169,416	12	\$ 321,904	17

(Continued)

**CHANT SINCERE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

		Year ended December 31			
		2023		2022	
Items	Notes	AMOUNT	%	AMOUNT	%
<b>Other comprehensive income (net)</b>					
<b>Items that will not be reclassified to profit or loss</b>					
8311	Remeasurements of defined benefit plans	\$ 639	-	\$ 4,208	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	57,375	4	( 102,857)	( 5)
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	62	-	-	-
8349	Income tax related to items that will not be reclassified to profit or loss	( 128)	-	( 842)	-
8310	Other comprehensive (loss) income (net) that will not be reclassified to profit or loss	57,948	4	( 99,491)	( 5)
<b>Items that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation of foreign financial statements	( 4,700)	-	4,007	-
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	217	-	( 120)	-
8399	Income tax related to items that will be reclassified to profit or loss	936	-	( 798)	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss	( 3,547)	-	3,089	-
8300	<b>Other comprehensive (loss) income for the year, net of tax</b>	<u>\$ 54,401</u>	<u>4</u>	<u>( \$ 96,402)</u>	<u>( 5)</u>
8500	<b>Total comprehensive income for the year</b>	<u>\$ 223,817</u>	<u>16</u>	<u>\$ 225,502</u>	<u>12</u>
Profit attributable to:					
8610	Owners of the parent	\$ 170,153	12	\$ 321,972	17
8620	Non-controlling interest	( 737)	-	( 68)	-
		<u>\$ 169,416</u>	<u>12</u>	<u>\$ 321,904</u>	<u>17</u>
Comprehensive income attributable to:					
8710	Owners of the parent	\$ 224,575	16	\$ 225,552	12
8720	Non-controlling interest	( 758)	-	( 50)	-
		<u>\$ 223,817</u>	<u>16</u>	<u>\$ 225,502</u>	<u>12</u>
Earnings per share (in dollars)					
9750	Basic earnings per share	\$ 2.10		\$ 4.06	
9850	Diluted earnings per share	\$ 2.07		\$ 3.92	

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

CHANT SINCERE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent													
Notes	Common stock	Capital Reserves				Retained Earnings			Other Equity Interest				
		Capital surplus, additional paid-in capital	Capital surplus, treasury share transactions	Capital surplus, change in equity of associates and joint ventures accounted for using equity method	Capital surplus, share options	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Non-controlling interest	Total equity		
2022													
		\$ 785,459	\$ 355,953	\$ 8,509	\$ 1,826	\$ -	\$ 3,284	\$ 333,203	\$ 604,242	\$ 17,768	\$ 234,035	\$ 2,308,743	\$ 2,332,678
		-	-	-	-	-	-	-	321,972	-	-	321,972	321,904
6(17)		-	-	-	-	-	-	-	3,366	3,071	( 102,857)	( 96,402)	( 96,402)
		-	-	-	-	-	-	-	325,338	3,071	( 102,857)	225,552	225,502
6(17)		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	91,451	-	( 91,451)	-	-
6(6)		-	-	-	-	74	-	-	-	-	-	74	74
6(12)		12,267	29,914	-	-	-	( 1,135)	-	-	-	-	41,046	41,046
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	( 2)	-	-	-	-	-	-	( 2)	( 2)
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	18,163	( 18,163)	-	-	-	-
6(16)		-	-	-	-	-	-	-	( 158,712)	-	-	( 158,712)	( 158,712)
		\$ 797,726	\$ 385,867	\$ 8,509	\$ 1,824	\$ 74	\$ 2,149	\$ 351,366	\$ 844,156	\$ 14,697	\$ 39,727	\$ 2,416,701	\$ 2,427,665
2023													
		\$ 797,726	\$ 385,867	\$ 8,509	\$ 1,824	\$ 74	\$ 2,149	\$ 351,366	\$ 844,156	\$ 14,697	\$ 39,727	\$ 2,416,701	\$ 2,427,665
		-	-	-	-	-	-	-	170,153	-	-	170,153	169,416
6(17)		-	-	-	-	-	-	-	573	( 3,526)	57,375	54,422	54,401
		-	-	-	-	-	-	-	170,726	( 3,526)	57,375	224,575	223,817
6(17)		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	36,938	-	( 36,938)	-	-
6(6)		-	-	-	-	90	-	-	-	-	-	90	90
6(12)		24,633	56,534	-	-	( 2,149)	-	-	-	-	-	79,018	79,018
6(12)		-	-	-	-	-	26,827	-	-	-	-	26,827	26,827
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	41,679	( 41,679)	-	-	-	-
6(16)		-	-	-	-	-	-	-	( 240,068)	-	-	( 240,068)	( 240,068)
		\$ 822,359	\$ 442,401	\$ 8,509	\$ 1,824	\$ 164	\$ 26,827	\$ 393,045	\$ 770,073	\$ 18,223	\$ 60,164	\$ 2,507,143	\$ 2,517,349
		-	-	-	-	-	-	-	-	-	-	-	-

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

CHANT SINCERE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 220,757	\$ 405,177
Adjustments			
Adjustments to reconcile profit (loss)			
Gains on valuation of financial assets at fair value through profit or loss	6(21)	( 7,978 )	( 2,039 )
Expected credit impairment loss	12(2)	( 1,126 )	1,085
Share of profit of associates and joint ventures accounted for using equity method	6(6)	( 7,323 )	( 25,613 )
Losses on disposals of investments	6(21)	-	2,275
Losses on disposals of property, plant and equipment	6(21)	( 34 )	-
Depreciation charges on property, plant and equipment (including right-of-use assets)	6(22)	57,007	38,944
Amortisation	6(22)	3,571	3,150
Interest income	6(19)	( 8,587 )	( 4,752 )
Interest expense		976	1,716
Dividend income	6(20)	( 19,554 )	( 12,614 )
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss, net		10,023	( 7,790 )
Notes receivable, net		418	( 497 )
Accounts receivable		222,502	( 55,699 )
Accounts receivable due from related parties, net		2,271	( 964 )
Other receivables	(	326 )	55
Inventories		110,607	( 87,660 )
Prepayments		19,821	( 12,039 )
Changes in operating liabilities			
Notes payable	(	958 )	510
Accounts payable	(	171,271 )	53,554
Accounts payable to related parties	(	430 )	( 29,177 )
Other payables	(	23,177 )	19,011
Provisions for liabilities - current	(	63 )	5,560
Other current liabilities	(	1,537 )	( 2,129 )
Other non-current liabilities	(	89 )	( 1,817 )
Cash inflow generated from operations		405,500	288,247
Interest received		8,587	4,752
Interest paid	(	511 )	( 724 )
Payment of income tax	(	80,509 )	( 48,067 )
Income taxes refund		1,833	247
Dividends received		32,649	27,496
Net cash flows from operating activities		367,549	271,951

(Continued)



**CHANT SINCERE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through other comprehensive income		( \$ 69,150 )	( \$ 154,976 )
Proceeds from disposal of financial assets at fair value through other comprehensive income		161,754	64,096
Financial assets at fair value through other comprehensive income -capital returned due to capital reduction		271	-
Increase in financial assets at amortised cost		( 536,000 )	( 31,936 )
Acquisition of investments accounted for using equity method		-	( 40,766 )
Disposal of investment proceeds using the equity method		-	18,042
Purchase of property, plant and equipment	6(26)	( 81,613 )	( 102,325 )
Proceeds from disposal of property, plant and equipment		1,073	-
Increase in intangible assets	6(10)	( 1,660 )	( 5,849 )
Increase in refundable deposits		( 4,201 )	( 2,431 )
Decrease in refundable deposits		3,855	454
Net cash flows (used in) from investing activities		( 525,671 )	( 255,691 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term loans		-	5,000
Payments of lease liabilities	6(8)	( 19,520 )	( 13,206 )
Increase in guarantee deposits		15	-
Decrease in guarantee deposits		-	( 133 )
Issuance of corporate bonds	6(12)	695,000	-
Cash dividends paid	6(16)	( 240,068 )	( 158,712 )
Change in non-controlling interests		-	( 12,921 )
Net cash flows used in financing activities		435,427	( 179,972 )
Effects due to changes in exchange rate		( 3,697 )	3,245
Net decrease in cash and cash equivalents		273,608	( 160,467 )
Cash and cash equivalents at beginning of year		827,473	987,940
Cash and cash equivalents at end of year		\$ 1,101,081	\$ 827,473

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

Attachment VI

**Chant Sincere Co., Ltd.**  
**Earning Distribution Table**  
**2023**

	Unit:NT\$
Beginning unappropriated earnings	\$ 562,409,227
Add : Net profit after tax for 2023	170,152,459
Pension actuarial benefit	510,495
Change in equity of associates and joint ventures accounted for using equity method	62,102
Disposal of equity instruments measured at fair value through other comprehensive income	36,938,420
Less : 10% legal reserve	(20,766,348)
Total available-for-distribution earnings	749,306,355
Distribution :	
Cash dividend	123,353,861
Undistributed earnings at the end of 2023	\$ 562,409,227

Chairman:  
Lien-Hsi Wu

Manager:  
Lien-Hsi Wu

Accounting Supervisor:  
Mei-Hui Liao

## Attachment VII

# Chant Sincere Co., Ltd.

## Comparison of the Articles of the “Articles of Association” Before and After Amendment

Amended Article	Current Article	Description
<p>Article 5</p> <p>The total rated capital of the Company is NT\$<del>1.2</del> billion, divided into <del>100</del><u>120</u> million shares with a par value of NT\$10 per share. NTD38,500,000 is reserved in the amount of capital in the preceding paragraph, which is divided into 3,850,000 shares, each with an amount of NT\$10, which is reserved for the issuance of employee stock option certificates for the exercise of stock options. The shares may be issued in installments according to the resolution of the board meeting.</p>	<p>Article 5</p> <p>The total rated capital of the Company is NT\$1 billion, divided into 100 million shares with a par value of NT\$10 per share. NTD38,500,000 is reserved in the amount of capital in the preceding paragraph, which is divided into 3,850,000 shares, each with an amount of NT\$10, which is reserved for the issuance of employee stock option certificates for the exercise of stock options. The shares may be issued in installments according to the resolution of the board meeting.</p>	To increase the authorized capital in response to the Company’s future operation development.
<p>Article 13</p> <p>The Company had seven to <del>nine</del> <u>eleven</u> seats of directors, who are elected via a candidate nomination system with a term of three years. The directors shall be elected at the shareholders' meeting from the list of director candidates via a cumulative voting system in accordance with the provisions of Article 198 of the Company Act, and re-election is allowed. However, the aggregate shareholding ratio of the directors shall comply with the regulations of the competent securities authorities. The following is omitted</p>	<p>Article 13</p> <p>The Company had seven to nine seats of directors, who are elected via a candidate nomination system with a term of three years. The directors shall be elected at the shareholders' meeting from the list of director candidates via a cumulative voting system in accordance with the provisions of Article 198 of the Company Act, and re-election is allowed. However, the aggregate shareholding ratio of the directors shall comply with the regulations of the competent securities authorities. The following is omitted</p>	To increase the number of directors in response to the Company’s future operation development.
<p>Article 23</p> <p>The Articles of Association was established on March 31, 1986; the first revision was made on March 11, 1987, the second revision was made on August 15, 1987, the</p>	<p>Article 23</p> <p>The Articles of Association was established on March 31, 1986; the first revision was made on March 11, 1987, the second revision was made on August 15, 1987, the</p>	Add revision date

<p>third revision was made on December 5, 1991, the fourth revision was made on July 1, 1992, the fifth amendment was made on October 3, 1992, the sixth amendment was made on March 21, 1997, the seventh amendment was made on September 16, 1997, the eighth amendment was on October 26, 1998, the ninth amendment was on January 12, 1999, the tenth amendment was on May 1, 1999, the eleventh amendment was made on April 7, 2000, the twelfth amendment was made on June 15, 2000, the thirteenth amendment was made on June 4, 2001, the fourteenth amendment was on January 8, 2002, the fifteenth amendment was on June 19, 2002, the sixteenth amendment was on June 10, 2003, the seventeenth amendment was on June 10, 2004, the eighteenth amendment was on June 9, 2006, the nineteenth amendment was on June 6, 2007, the twentieth revision was made on June 13, 2008, the twenty-first revision was made on June 16, 2009, the twenty-second revision was made on June 25, 2010, the twenty-third amendment was made on June 12, 2012, the twenty-fourth amendment was made on June 18, 2013, the twenty-fifth amendment was made on June 20, 2014, the twenty-sixth amendment was on June 23, 2016, the twenty-seventh amendment was on June 19, 2019, the twenty-eighth revision was made on June 16, 2020, and the twenty-ninth revision was made on June 15, 2022, the thirty revision was made on June 14, 2023, and the thirty-one revision was made on May 31, 2024.</p>	<p>third revision was made on December 5, 1991, the fourth revision was made on July 1, 1992, the fifth amendment was made on October 3, 1992, the sixth amendment was made on March 21, 1997, the seventh amendment was made on September 16, 1997, the eighth amendment was on October 26, 1998, the ninth amendment was on January 12, 1999, the tenth amendment was on May 1, 1999, the eleventh amendment was made on April 7, 2000, the twelfth amendment was made on June 15, 2000, the thirteenth amendment was made on June 4, 2001, the fourteenth amendment was on January 8, 2002, the fifteenth amendment was on June 19, 2002, the sixteenth amendment was on June 10, 2003, the seventeenth amendment was on June 10, 2004, the eighteenth amendment was on June 9, 2006, the nineteenth amendment was on June 6, 2007, the twentieth revision was made on June 13, 2008, the twenty-first revision was made on June 16, 2009, the twenty-second revision was made on June 25, 2010, the twenty-third amendment was made on June 12, 2012, the twenty-fourth amendment was made on June 18, 2013, the twenty-fifth amendment was made on June 20, 2014, the twenty-sixth amendment was on June 23, 2016, the twenty-seventh amendment was on June 19, 2019, the twenty-eighth revision was made on June 16, 2020, and the twenty-ninth revision was made on June 15, 2022, and the thirty revision was made on June 14, 2023.</p>	
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**Attachment VIII****Chant Sincere Co., Ltd.****Comparison of the Articles of the “Shareholder Meeting Conference Rules”****Before and After Amendment**

Amended Article	Current Article	Description
<p>Article2 Article 2. Unless otherwise specified by law, shareholder meetings are to be convened by the board of directors.</p> <p><u>Unless otherwise specified in the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company’s convening of a shareholders’ meeting via videoconference shall be stated in the Articles of Incorporation and resolved by the board of directors, and board meeting for the resolution on the shareholders’ meeting via videoconference shall be attended by at least two-thirds of the board of directors, with the consent of a majority of the directors.</u></p>	<p>Article 2 Article 2. Unless otherwise specified by law, shareholder meetings are to be convened by the board of directors.</p>	<p>Amended pursuant to letter referenced Tai-Zheng-Zhi-Li-Zi No. 11200041671 dated March 17, 2023.</p>
<p>Article 3-1 When the Company holds a video shareholders' meeting, the following matters shall be specified in the notice of the shareholders' meeting: Subparagraphs 1 and 2 are omitted.</p> <p>III. Hold a video shareholders' meeting, and specify appropriate alternatives to shareholders who have difficulty participating in the video conference <u>Except for the situations specified in paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least</u></p>	<p>Article 3-1 When the Company holds a video shareholders' meeting, the following matters shall be specified in the notice of the shareholders' meeting: Subparagraphs 1 and 2 are omitted.</p> <p>IV. Hold a video shareholders' meeting, and specify appropriate alternatives to shareholders who have difficulty participating in the video conference.</p>	<p>Amended pursuant to letter referenced Tai-Zheng-Zhi-Li-Zi No. 11200041671 dated March 17, 2023.</p>

<p><u>connection equipment and necessary assistance shall be provided to shareholders, and the period during which shareholders may apply to the Company and other relevant matters shall be specified.</u></p>		
<p>Article 29 When the Company convenes a shareholders' meeting via video conference, appropriate alternative measures shall be specified for shareholders who have difficulties in participating in the shareholders' meeting by video. <u>Except for the situations specified in paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least connection equipment and necessary assistance shall be provided to shareholders, and the period during which shareholders may apply to the Company and other relevant matters shall be specified.</u></p>	<p>Article 29 When the Company convenes a shareholders' meeting via video conference, appropriate alternative measures shall be specified for shareholders who have difficulties in participating in the shareholders' meeting by video.</p>	<p>Amended pursuant to letter referenced Tai-Zheng-Zhi-Li-Zi No. 11200041671 dated March 17, 2023.</p>

## **Appendix I (Before Amendment)**

### **Articles of Association, Chant Sincere Co., Ltd.**

#### **Chapter 1 General provisions**

- Article 1 The Company is organized in accordance with the provisions of the Company Act, and is named Chant Sincere Co., Ltd.
- Article 2 Business activities of the Company are as follows:
1. CC01080 Electronic components manufacturing.
  2. CC01100 Telecom regulation radio frequency equipment manufacturing.
  3. F119010 Electronic materials wholesale.
  4. F219010 Electronic materials retail.
  5. F401010 International trade.
  6. 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 make reinvestment externally and may become a shareholder of other limited liabilities company upon the board's resolution. The total reinvestment amount is not be subject to the reinvestment limit in Article 13 of the Company Act.
- Article 3 The head office of the Company is located in New Taipei City. If necessary, branch offices both at home or abroad may be established by the resolution of the board of directors.
- Article 4 The Company's public announcements shall be made in accordance with Article 28 of the Company Act.
- Article 4-1 Due to business needs, the Company may provide endorsements/guarantees in accordance with the Company's Procedures for Endorsements/Guarantees.

#### **Chapter 2 Shares**

- Article 5 The total rated capital of the Company is NT\$1 billion, divided into 100 million shares with a par value of NT\$10 per share. NTD38,500,000 is reserved in the amount of capital in the preceding paragraph, which is divided into 3,850,000 shares, each with an amount of NT\$10, which is reserved for the issuance of employee stock option certificates for the exercise of stock options. The shares may be issued in installments according to the resolution of the board meeting.
- Article 5-1 The Company's repurchased treasury shares may be transferred to employees at a price lower than the average price of the actually repurchased shares, provided that it is executed in accordance with relevant laws and regulations and the shareholders' meeting with the presence of shareholders representing more than half of the total number of issued shares, and with the approval of more than two-thirds of their voting rights.
- Article 6 The share certificates of the Company shall be registered and signed or stamped by the director representing the Company, and be certified before issuance. Shares of the Company may be exempted from physical printing, but shall be registered with the Taiwan Depository and Clearing Corporation.
- Article 7 Changes of registration or transfers of shares cannot be made within 60 days prior to a general shareholders' meetings, 30 days prior to extraordinary shareholders' meetings, or 5 days before the ex-dates of dividends or bonuses.
- Article 8 Shares issued by the Company may be exchanged for large-denomination stocks, and the related stock affairs shall be handled in accordance with the relevant regulations of the competent authority.

- Article 8-1 A shareholder's liability to the Company is limited to the full repayment of the share amount. If a shareholder abuses the Company's legal person status, thus causing the Company to bear specific debts which is obviously difficult to be paid off, and the circumstances are serious, the shareholder shall be responsible for paying off the debt.

### Chapter 3 Shareholder meetings

- Article 9 The Company holds two types of shareholder meeting. The general shareholders' meeting is held by the board according to law once a year, within six months after the end of each accounting period. The extraordinary shareholders' meetings may be held according to law whenever necessary.  
The shareholders' meeting of the Company may be held by video conference or other means announced by the central competent authority.
- Article 10 Shareholders unable to attend the meetings may offer to show a power of attorney issued by the Company, which specifies the scope of authorization and commission their representatives to attend the meetings.
- Article 11 Each shareholder has one voting right per share, except in the circumstances specified in Article 179 of the Company Act.
- Article 12 Unless otherwise stipulated in relevant laws and regulations, resolutions of a shareholders' meeting shall be adopted at a meeting attended by shareholders representing a majority of the total number of issued shares, with the approval of more than half of these shareholders' voting rights. Shareholders who exercise their voting rights electronically shall be deemed to have attended the meeting in person, and relevant matters shall be handled according to laws and regulations.
- Article 12-1 If a shareholders' meeting is convened by the board, the meeting shall be chaired by the Chairman. When the Chairman is absent, the Chairman shall appoint a director as his agent; if no appointment is made, the directors shall select from among themselves one person to serve as chairperson. If the meeting is convened by a person not from the board but with the power to convene, the convening person shall be the chairperson of the meeting. When there are two or more such convening persons, they shall select a chairperson between themselves.
- Article 12-2 The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed or stamped by the chairperson of the meeting and distributed to each shareholder with 20 days. The production and distribution of the minutes may be done electronically. The Company may distribute the minutes by entering them on the MOPS.
- Article 12-3 If the Company wants to cancel its public offering, in addition to the approval of the board of directors, it must be approved in a shareholders' meeting with the presence of shareholders representing more than half of the total number of issued shares, and with the approval of more than two-thirds of their voting rights.

### Chapter 4 Directors

- Article 13 The Company had seven to nine seats of directors, who are elected via a candidate nomination system with a term of three years. The directors shall be elected at the shareholders' meeting from the list of director candidates via a cumulative voting system in accordance with the provisions of Article 198 of the Company Act, and re-election is allowed. However, the aggregate shareholding ratio of the directors shall comply with the regulations of the competent securities authorities.  
When the Company re-elected its directors at the 2020 general shareholders' meeting, the Audit Committee was established in accordance with Article 14-4 of the Securities and Exchange Act, and the provisions of this Articles of Association regarding



supervisors ceased to apply. The Audit Committee is composed of all independent directors, and the exercise of its functions and powers and related matters are in accordance with relevant laws and regulations.

- Article 13-1 In the above-mentioned number of directors of the Company, the number of independent directors shall not be less than three and not less than one-fifth of the number of directors. The candidate nomination system is adopted, and the shareholders shall select and appoint independent directors from the list of independent director candidates. Relevant laws of the securities authority govern restrictions concerning independent directors' eligibility, shareholding, concurrent employment, independence, nomination, method of election and all other compliance issues.
- Article 13-2 The board meeting shall be convened once a quarter, and the reason for convening shall be specified and the directors be notified seven days in advance; however, the meeting may be convened at any time in the event of an emergency. The notice of a board meeting may be sent via fax or e-mail instead of in writing.
- Article 14 The board of directors shall be organized by the directors, with more than two-thirds of the directors present and a majority of the directors present agree to elect a Chairman and a Vice-Chairman; the Chairman represents the Company externally. If the Chairman is on leave or unable to exercise the rights and responsibilities for any reason, an agent shall be assigned in accordance with the provisions of Article 208 of the Company Act.
- Article 15 A director who is unable to attend a board meeting may appoint another director to attend by issuing a power of attorney stating the scope of authorization with respect to the reasons for convening the meeting. The agent referred to in the previous paragraph may accept the appointment of only one person.
- Article 16 For the remuneration of the Chairman and directors, the board of directors is authorized to make a decision based on their level of participation in and contribution to the Company's operation, with reference to the industry standards at home and abroad. The Company may purchase liability insurance for directors.
- Article 16-1 Unless otherwise stipulated in the Company Act, a board resolution is passed only if more than half of total board members are present in the board meeting, with the approval of more than half of the attending directors.
- Article 16-2 After a director is elected, a filing shall be made to the competent authority regarding his holding of the Company's shares at the time of the election; during his term of office, if the director of the Company transfers more than half of his holding of the Company's shares which were held at the time of his election, the director shall be considered dismissed. When the directors of the Company increase or decrease their shareholdings during their term of office, they shall report it to the competent authority and make a public announcement. After being elected as a director of the Company, if the director transfers more than half of the Company's shares he held at the time of election before taking office, or transfers more than half of the shares held during the stock transfer suspension period for a shareholders' meeting, his election shall lose its effect.
- Article 16-3 The directors of the Company who set up or release the pledge of his shares shall immediately notify the Company, and the Company shall then report to the competent authority the change of the pledge within 15 days after the set up or release of the pledge. When the shares pledged by a director of the Company exceed one-half of his shares held at the time of election, he may not exercise the voting rights of the excess shares, and these voting rights shall not be included in the total voting rights of the shareholders present at a board meeting.

## Chapter 5 Managers

- Article 17 The Company may, in accordance with the resolution of the board meeting, set up a Chief Strategy Officer and a Chief Executive Officer to coordinate the operation and decision-making of the Company and its related enterprises within the scope of the functions and powers, and set up a President and several other managers. Their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

## Chapter 6 Accounting

- Article 18 At the end of each fiscal year, the board of directors shall prepare the (I) business report, (II) financial statements, and (III) proposal of earnings distribution or loss compensation, and submit them to the Audit Committee 30 days before the general shareholders' meeting. After the review, it is submitted to the general shareholders' meeting for recognition.

Article 19 Deleted

- Article 20 If there is any surplus in the Company's annual accounts, it will be distributed in the following order.

- I. Appropriation for taxes.
- II. Making up for past losses.
- III. Allocating 10% as legal reserve. However, no further allocation will be required if the legal reserve has reached the total paid-in capital.
- IV. Appropriating or reversing the special reserve in accordance with the law or regulations of the authority.
- V. For the rest, the board meeting shall formulate an earnings distribution plan in accordance with the dividend policy in Paragraph 2 of this Article; when the dividend is from issuing new shares, it shall be submitted to the shareholders' meeting for resolution on the distribution.

The Company is in the business growth stage, and the policy of distributing dividends must take into account the Company's current and future investment environment, capital needs, domestic and international competition, capital budget and other factors, as well as the interests of shareholders and the balance between dividends and the Company's long-term financial planning. According to the law, the board meeting shall formulate a distribution proposal and submit it to the shareholders' meeting. The distribution of dividends to shareholders includes 20% to 100% of the total dividends from cash dividends and 0% to 80% of the total dividends from stock dividends.

In accordance with the provisions of Paragraph 5 of Article 240 of the Company Act, the Company authorizes the board meeting to decide on the distribution in cash all or part of the stock and cash dividends and bonuses, or the legal reserve and capital reserve prescribed in Paragraph 1, Article 241 of the Company Act, and report the decision to the shareholders' meeting; the board meeting shall be attended by more than two-thirds of the directors, and the resolution shall be approved by more than half of the directors present.

- Article 20-1 In order to motivate employees and the management team, the Company shall allocate 2% to 15% of the current pre-tax net profit before the deduction of employees' remuneration and directors' remuneration as employees' remuneration, and no more than 2% as director's remuneration. However, profits must first be taken to offset cumulative losses, if any.

The employees' remuneration in the preceding paragraph may be in stock or in cash, and the recipients of the payment may include employees of subordinate companies

who meet certain conditions set by the board meeting. The director's remuneration in the preceding paragraph may only be made in cash.

The distribution in the two paragraphs above is subject to a resolution of the board meeting attended by more than two-thirds of the directors, and the resolution shall be approved by more than half of the directors present and reported to the shareholders' meeting.

## Chapter 7 Supplemental provisions

- Article 21 Matters not stipulated in this Articles of Association shall be handled in accordance with the provisions of the Company Act.
- Article 22 The Company's organizational rules and operating rules shall be separately formulated by the board of directors.
- Article 23 The Articles of Association was established on March 31, 1986; the first revision was made on March 11, 1987, the second revision was made on August 15, 1987, the third revision was made on December 5, 1991, the fourth revision was made on July 1, 1992, the fifth amendment was made on October 3, 1992, the sixth amendment was made on March 21, 1997, the seventh amendment was made on September 16, 1997, the eighth amendment was on October 26, 1998, the ninth amendment was on January 12, 1999, the tenth amendment was on May 1, 1999, the eleventh amendment was made on April 7, 2000, the twelfth amendment was made on June 15, 2000, the thirteenth amendment was made on June 4, 2001, the fourteenth amendment was on January 8, 2002, the fifteenth amendment was on June 19, 2002, the sixteenth amendment was on June 10, 2003, the seventeenth amendment was on June 10, 2004, the eighteenth amendment was on June 9, 2006, the nineteenth amendment was on June 6, 2007, the twentieth revision was made on June 13, 2008, the twenty-first revision was made on June 16, 2009, the twenty-second revision was made on June 25, 2010, the twenty-third amendment was made on June 12, 2012, the twenty-fourth amendment was made on June 18, 2013, the twenty-fifth amendment was made on June 20, 2014, the twenty-sixth amendment was on June 23, 2016, the twenty-seventh amendment was on June 19, 2019, the twenty-eighth revision was made on June 16, 2020, and the twenty-ninth revision was made on June 15, 2022, and the thirty revision was made on June 14, 2023.

Chant Sincere Co., Ltd.

Chairman: Lien-Hsi Wu

## Appendix II (Before Amendment)

### Chant Sincere Co., Ltd.

#### Shareholder Meeting Conference Rules

Article 1. The shareholders' meeting of the Company shall be conducted in accordance with these rules of procedure except where otherwise provided in laws and regulations or the Articles of Association.

Article 2. Unless otherwise specified by law, shareholder meetings are to be convened by the board of directors. The change of the convening method of the shareholders' meeting of the Company shall be decided by the board meeting and shall be made at the latest before the notice of the shareholders' meeting is sent. The Company shall prepare an electronic file that contains the meeting advice, a proxy form, a detailed agenda of topics to be acknowledged or discussed during the meeting, and notes on the election or dismissal of directors and post it onto the Market Observation Post System (MOPS) at least 30 days before an annual general meeting, or 15 days before an extraordinary shareholder meeting. At least 21 days before an annual general meeting or 15 days before an extraordinary shareholder meeting, an electronic copy of the shareholder meeting conference handbook and supplementary information shall be prepared and posted onto MOPS. However, if the Company's paid-in capital at the end of the most recent fiscal year is NT\$10 billion or more, or in the Company's general shareholders' meeting in the most recent fiscal year, and the total shareholding ratio of foreign and mainland capital recorded in the shareholder register is more than 30%, the transmission of the electronic file shall be completed 30 days before the general shareholders' meeting. Physical copies of the shareholder meeting conference handbook and supplementary information shall be prepared at least 15 days before the meeting and made accessible to shareholders upon request. These documents must also be placed within the Company's premises and at the stock transfer agent and distributed on-site during the shareholder meeting. On the day of the shareholders' meeting, the Company shall provide shareholders with the proceedings manual and supplementary information of the meeting referred to in the preceding paragraph in the following ways:

- I. For a physical shareholders' meeting, these items shall be distributed at the site of the shareholders' meeting.
- II. For a video-assisted shareholders' meeting, these items shall be distributed at the site of the shareholders' meeting and delivered to the video-conferencing platform via an electronic file.
- III. For a shareholders' meeting in the form of video conference, these items shall be delivered to the video-conferencing platform via an electronic file.

The meeting advice and announcement shall include a detailed agenda. Advice and announcements can be served in electronic form with the recipient's consent. The election or dismissal of directors, changes to the articles of association, capital reduction, application for suspension of public offering, removal of director's non-competition restriction, capital increase from earnings, capital increase from reserve, company dissolution, merger, division, or all circumstances in Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed under the convening reason with a description of the main contents of the matters, and shall not

be proposed as an extraordinary motion. If the shareholder meeting advice has already notified upfront of a full re-election of directors with a specific duty commencement date, then no further changes can be made to the duty commencement date, whether through special motion or otherwise, when re-election is completed during the meeting. Shareholders that own more than 1% of the Company's outstanding shares are entitled to propose motions for discussion in annual general meetings; each shareholder may only propose one motion; proposals above that limit will be excluded from discussion. In addition, the board of directors may not list the proposal from a shareholder in case of any of the circumstances in paragraph 4, Article 172-1 of the Company Act. A shareholder may make a proposal to promote the public interest or social responsibility of the Company. Still, the proposal shall be limited to one proposal only in accordance with Article 172-1 of the Company Act, and any proposal exceeding one shall not be included in the motion. Before the book closure date for the annual general meeting, the Company shall announce the acceptance of shareholders' proposals, the procedures in accepting proposals either in writing or electronic version and the place and time of acceptance. The period of acceptance shall not be less than 10 days. Shareholders shall limit their proposed motions to 300 words only; proposals that exceed 300 words will not be accepted for discussion. Shareholders who have successfully proposed their motions shall attend the annual general meeting in person or through proxy attendance and participate in the discussion. Prior to the date for issuance of notice of a shareholders meeting, this Corporation 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. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened. The place of the meeting shall be the place where the Company is located or where it is convenient for the shareholders to attend. The meeting time shall not be before 9 a.m. or after 3 p.m. When the Company holds a video shareholders' meeting, it is not subject to the restrictions on the place of holding the video shareholders' meeting in the preceding Paragraph.

Article 3.

The Company shall state in the meeting notice the time and place of the registration of the shareholders, solicitors and entrusted agents (hereinafter collectively referred to as shareholders), and other matters that should be noted. The time for the shareholder's registration referred to in the preceding paragraph shall be at least 30 minutes before the meeting; the registration office shall be clearly marked, and sufficient qualified personnel shall be sent to handle the registration; for the shareholders' meeting via video conference, registration should be accepted on the video conference platform of the shareholders' meeting 30 minutes before the start of the meeting. Shareholders who have completed the registration process shall be deemed to have attended the shareholders' meeting in person. The Company shall prepare a sign-in book for the attending shareholders to sign in, or the attending shareholders may submit their sign-in cards for signing in. Shareholders who attend the meeting shall be given a copy of the conference handbook, annual report, attendance pass, opinion slip, motion ballot, and any materials relevant to the meeting. Prepare additional ballots if the director election is also being held during the meeting. The shareholder himself or his agent shall attend the shareholders' meeting based on the attendance card, sign-in card or other attendance certificates. The Company shall not arbitrarily add other supporting documents to the certification documents based on which the shareholders attend the meeting. The

solicitor of the power of attorney for attending the meeting shall carry an identity certificate for verification. Where the shareholder is a government agency or corporate entity, more than one legal representative may attend shareholder meetings on their behalf. Corporate entities that have been designated as proxy attendees can only appoint one representative to attend the shareholder meeting.

If the shareholders' meeting is held by video, shareholders who wish to attend by video shall register with the Company two days before the shareholders' meeting.

If the shareholders' meeting is held by video conference, the Company shall upload the proceedings manual, annual report and other relevant materials to the video conference platform of the shareholders' meeting at least 30 minutes before the meeting, and continue to disclose such materials until the end of the meeting.

Article 3-1 When the Company holds a video shareholders' meeting, the following matters shall be specified in the notice of the shareholders' meeting:

I. Shareholders' participation in video conferences and methods for exercising their rights.

II. The handling of obstacles to the video conferencing platform or participation in video conferences due to natural disasters, incidents or other force majeure circumstances should include at least the following:

(I) If the obstacle persists and cannot be removed, causing the meeting to be adjourned or resumed, the time and date for the meeting, if the meeting should be postponed or resumed.

(II) Shareholders who have not registered to participate in the original shareholders meeting by video conferencing shall not participate in the follow up or resumed meeting.

(III) Where it is not possible to continue a video-assisted conference, after deducting the number of shares attending the shareholders meeting by video, if the total number of shares attending the shareholders meeting reaches the quorum for the shareholders meeting, then the shareholders meeting should continue. The number of shares present shall be included in the total number of shares of shareholders present, and shall be regarded as abstained from all resolutions of the shareholders' meeting.

(IV) The handling method in the event that the results of all the motions have been declared, but no extempore motion has been processed.

III. Hold a video shareholders' meeting, and specify appropriate alternatives to shareholders who have difficulty participating in the video conference.

Article 4. The number of shares attended is based on the records of the sign-in cards or signature book and the number of shares registered on the video conference platform, plus the number of shares for with voting rights exercised in writing or electronically.

Article 5. If unable to attend the shareholders' meeting for any reason, a shareholder may appoint a proxy to attend the meeting on his/her behalf by signing the power of attorney printed by the Company and stating the scope of powers authorized to the proxy. In addition to the provisions of the Company Act, the rules for shareholders to attend by proxy shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority. Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must be received by the Company at least 5 days before the shareholder meeting. In cases where multiple proxy forms are issued, the one that arrives first shall prevail. However, this excludes situations where the shareholder has issued a proper declaration to withdraw the previous proxy

arrangement. Should the shareholder decide to attend shareholder meetings personally or exercise voting rights in writing or using electronic means after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than two days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, vote of the proxy attendee shall prevail. After the power of attorney is delivered to the Company, if the shareholder wishes to attend the shareholders' meeting by video, he/she shall give a written notice to the Company of revocation of the power of attorney two days before the shareholders' meeting; in case of cancellation after the deadline, the voting rights of the proxy present shall prevail.

Article 6. The Chairman of the board shall act as the chairman of the shareholders' meeting. If the Chairman is absent, the Chairman shall designate a director to act as his deputy. When the Chairman does not appoint a deputy, the directors shall elect one among themselves as the deputy.

Article 7. The Company may appoint its designated lawyers, accountants or related personnel to attend the shareholders' meeting as non-voting delegates. The meeting staff of the shareholders' meeting shall wear identification cards or armbands.

Article 8. The Company shall, from the time of the shareholder's registration, continuously audio and video record the process of the shareholder's registration, the process of the meeting and the process of voting and vote counting. The audio and video recording data mentioned above shall be kept for at least one year; however, if any shareholder brings a lawsuit in accordance with Article 189 of the Company Act, the data shall be kept until the end of the lawsuit.

Where the shareholders' meeting is held by video, the Company shall keep records of the registration, recording, check-in, questioning, voting and vote counting results of the shareholders, and continuously record by audio and video the whole process of the video meeting.

The information and audio and video recordings referred to in the preceding Paragraph shall be properly kept by the Company during its existence, and the audio and video recordings shall be provided to those entrusted to handle video conference affairs for preservation.

If the shareholders' meeting is held by video, the Company shall record by audio and video the background operation interface of the video conference platform.

Article 9. The chairman shall call the meeting to order at the specified meeting time if the shareholders present represent more than half of the total number of issued shares and at the same time announce relevant information such as the number of non-voting rights and the number of shares present. If the meeting time has elapsed and the shareholding of the delegates present is still less than the quorum, the chairman may announce a delay of 30 minutes. If the attending shareholders still do not represent one third of the total number of issued shares after two postponements, the chairman shall declare the meeting aborted. If the shareholders' meeting is held via video conference, the Company shall also announce the meeting abortion on the video conference platform of the shareholders' meeting. If the quorum is not met after two postponements, 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, and all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. If the shareholders' meeting is held via video conference, shareholders who want to attend by video shall re-register with the Company in accordance with Article 3. Before the end of the current meeting, if the number of shares represented

by the shareholders attending the meeting reaches more than half of the total number of issued shares, the chairman may re-submit the tentative resolution made to the shareholders' meeting for voting in accordance with Article 174 of the Company Act.

Article 10. If a shareholders' meeting is convened by the board of directors, the Chairman of the board shall act as the meeting chairman; in addition, more than half of the directors of the board of directors and at least one independent director should be present in person, at least one representative of various functional committees should be present, and the attendance should be recorded in the minutes of the shareholders' meeting. The meeting agenda shall be set by the board of directors, and the voting on all the motions (including extempore motions and amendments to the original proposals) shall be conducted on a case by case basis. The meeting shall proceed in the order set in the agenda which may not be changed without a resolution of the shareholders' meeting. The above rule also applies to shareholder meetings convened by any authorized party other than the board of directors. The chairman may not declare the meeting adjourned prior to completion of the meeting agenda (including extempore motions) of the preceding two paragraphs except by a resolution of the shareholders' meeting. If the chairman 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 chairman in accordance with statutory procedures, and then continue the meeting based on the agreement of a majority of the votes represented by the attending shareholders.

Article 11. Before making a speech, the attending shareholder must fill in the speaker's slip and the gist of the speech. The speaker's slips shall contain the shareholder's account number and account name, and the order in which shareholders speak will be set by the chairman. Shareholders who submit an opinion slip without actually speaking are considered to have remained silent. 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 chairman and the shareholder that has the floor; the chairman shall stop any violation of the above.

Article 12. Each shareholder shall not make more than two statements for the same proposals without the chairman's agreement, and each statement shall not exceed five minutes. If the shareholder's speech violates the rules or goes beyond the scope of the proposal, then the chairman may terminate the speech.

Article 13. When a legal person is entrusted to attend the shareholders' meeting, only one representative of the legal person may attend the meeting. Where a corporate shareholder has appointed two or more representatives to attend the shareholder meeting, only one representative may speak per motion.

Article 14. After a shareholder has finished speaking, the chairperson may answer the shareholder's queries personally or appoint any relevant personnel to do so. If the shareholders' meeting is held via video conference, shareholders who participate by video may ask questions in text on the video conference platform of the shareholders' meeting after the chairman announces the start of the meeting and before the announcement of the adjournment of the meeting. The number of questions for each proposal shall not exceed two times. The length is limited to 200 characters, and the provisions of Articles 11 to 13 shall not apply.

If the question referred to in the preceding Paragraph does not violate the provisions or does not exceed the scope of the proposal, it is advisable to disclose the question on the video conference platform of the shareholders' meeting for public knowledge.

Article 15. The chairman shall allow ample opportunities during the meeting for explanation and



discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chairman is of the opinion that a proposal has been discussed sufficiently to put it to the vote, the chairman may announce a cessation of the discussion and call for a vote, and arrange sufficient time for voting.

Article 16. Vote scrutinizing and counting personnel for the voting on a motion shall be appointed by the chairman, provided that all the scrutinizing personnel shall be shareholders of the Company. Motion and election votes are to be counted openly at the shareholder meeting. Results of the vote, including the final tally, shall be announced on-site and recorded in minutes.

When the Company holds a video shareholders' meeting, after the chairman announces the start of the meeting, the shareholders participating by video shall vote on various proposals and election proposals through the video conference platform, and shall complete the voting before the chairman announces the end of the voting. If the time is exceeded, it shall be deemed an abstention.

If the shareholders' meeting is convened by video, the votes shall be counted in one go after the chairman announces the end of voting, and the voting and election results shall be announced.

When the Company holds a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video in accordance with the provisions of Article 3 but wish to attend the physical shareholders' meeting in person, shall cancel the registration in the same manner as the registration two days before the shareholders' meeting. Those who cancel within the time limit can only attend the shareholders' meeting by video.

Except for extempore motions, those who exercise their voting rights in writing or electronically but do not revoke their expression of intention and participate in the shareholders' meeting by video shall not exercise their voting rights on the original motion, propose amendments to the original motion, or exercise their voting rights on the amendments to the original motion.

Article 17. When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the shareholder meeting is unable to conclude all scheduled motions (including special motions) before the venue is due for return, participants may resolve to continue the meeting at an alternative location. Shareholders may also resolve to postpone or resume the meeting within the next 5 days, according to Article 182 of The Company Act.

Article 18. Unless otherwise provided by the law, a proposal shall be approved with the consent of more than half of the voting rights of the shareholders present. When voting, the chairman or his designated personnel shall announce the total number of voting rights of the shareholders present, and the shareholders shall then vote on the proposals one by one. The results of shareholders' consent, objection and waiver shall be entered on the MOPS on the same day after the shareholders' meeting.

Article 19. When there is an amendment or replacement to a proposal, the chairman shall determine the order of voting together with that of the original proposal. If one of the proposals is approved, the other proposals shall be deemed to be rejected and no more voting shall be needed.

Article 20. The chairman may command the picket (or security personnel) to assist in maintaining the order of the meeting venue. When assisting in maintaining order, the picket or security personnel shall wear an armband or identification card with the

word "picket". The chairperson may stop anyone who attempts to speak using instruments that are not provided by the Company. The chairperson may instruct picketers or security staff to remove shareholders who continue to violate conference rules despite being warned.

Article 21. Each shareholder has one voting right per share, except in the circumstances specified in Subparagraph 3, Article 157 of the Company Act.

Under any of the following circumstances, the shareholder's shares have no voting rights:

- I. The Company's own shares legally held by it.
- II. The total number of issued voting shares held, or the shares of the controlling company held by a subsidiary company with more than half of the total capital held by the controlling company.
- III. The total number of issued voting shares of the Company held directly or indirectly by the controlling company and its subordinate companies, or the shares of the controlling company and its subordinate companies held by the Company in which the controlling company holds over half of its total capital.

The Company must give shareholders the option to exercise voting rights in writing or using the electronic method during shareholder meetings. Instructions for exercising voting rights in writing or through electronic means must be stated clearly on the meeting advice. Shareholders who have voted in writing or using the electronic method are considered to have attended shareholder meetings in person. However, they are considered to have waived their rights to participate in any special motion or any amendment to the original discussion that may arise during the shareholder meeting. For this reason, the Company should avoid proposing special motions or amendments to the original motion where possible. Instructions to exercise written and electronic votes must be delivered to the Company at least 2 days before the shareholder meeting. In the event of duplicate submissions, the earliest submission shall be taken into record. However, this excludes situations where a proper declaration is issued to withdraw the previous arrangement. After the shareholder exercises the voting right in writing or by electronic means, if he wants to attend the shareholders' meeting in person or by video, he shall make a revocation of the intention previously delivered in the same manner as the revocation of the voting intention in the previous paragraph two days before the shareholders' meeting; if the revocation is made after the deadline, the voting right exercised in writing or by electronic means shall prevail. If the voting right is exercised in writing or by electronic means and the agent entrusted via a power of attorney is present at the shareholders' meeting, the voting right of the entrusted agent shall prevail.

Article 22. Shareholders who have their own interests in a motion of the meeting which may be harmful to the interests of the Company shall not participate in the voting, and shall not exercise the voting rights on behalf of other shareholders. The number of shares held by shareholders who are not permitted to vote shall be excluded from total voting rights represented in the meeting. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 23. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the

meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. Preparation and distribution of meeting minutes can be made in electronic form. The Company may disseminate meeting minutes by announcing details over MOPS. The minutes shall detail the date and venue of the meeting, the chairperson's name, the method of resolution, the proceeding and voting results of various motions (including statistical weight). If the director election is held during the meeting, the minutes shall disclose the number of votes received by each candidate. Minutes shall be retained for as long as the Company exists. When there is an election of directors at the shareholders' meeting, it shall be handled in accordance with the relevant election rules prescribed by the Company, and the election results shall be announced on the spot. Including the list of elected directors and the final tally, and a list of those who are not elected and the number of shares they have. All ballots used in the above election shall be sealed and signed by the ballot examiner, and held in proper custody for at least one year. However, should a shareholder raise a litigious claim against the Company in accordance with Article 189 of The Company Act, the abovementioned documents must be retained until the end of the litigation.

Where a shareholders' meeting is held by video, in addition to the items to be recorded in accordance with the preceding Paragraph, the minutes shall also record the beginning and end time of the shareholders' meeting, the method of holding the meeting, the name of the chairman and the minute taker, as well as the handling methods and circumstances in case of obstacles to the video conference platform or participation by video due to natural disasters, incidents or other force majeure.

In convening a shareholders' meeting by video, the Company shall, in addition to the provisions of the preceding Paragraph, specify in the minutes the alternative measures provided to shareholders who have difficulties in participating in the shareholders' meeting by video.

Article 24. The Company shall clearly disclose in the meeting venue and in the prescribed format the number of shares acquired by solicitors and the number of shares represented by entrusted agents on the day of the meeting; if the shareholders' meeting is held by video, the Company shall upload the information above to the video conference platform of the video shareholders' meeting at least 30 minutes before the meeting, and continue to disclose it until the end of the meeting.

If the Company holds a video shareholders' meeting, when the meeting is called to order, the total number of the shares of shareholders attending the meeting shall be disclosed on the video conference platform. The same requirement shall apply if the total number of shares and voting rights of shareholders attending the meeting are otherwise counted at the meeting. The Company must disclose on MOPS in a timely manner any shareholder meeting resolutions that constitute material information as defined by law or the rules of Taiwan Stock Exchange Corporation (or Taipei Exchange).

Article 25. In the event of an air raid drill during the meeting, the meeting shall be suspended and evacuated and shall continue after the end of the drill.

Article 26. If the shareholders' meeting is held by video, the Company shall immediately disclose the voting results of various proposals and election results on the video conference platform of the shareholders' meeting after the voting is completed, and shall continue to disclose them for at least 15 minutes after the chairman announces the adjournment of the meeting.

Article 27. When the Company holds a video shareholders' meeting, the chairman and the minute taker shall be in the same domestic place, and the chairman shall announce

the address of the place at the meeting.

Article 28. If the shareholders' meeting is held by video, the Company may provide shareholders with a simple connection test before the meeting, and provide relevant services immediately before and during the meeting to assist in dealing with technical problems of communication.

If the shareholders' meeting is held by video, when announcing the meeting, the chairman shall separately announce that unless the meeting is not required to be postponed or continued as stipulated in Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if there is an obstacle to the video conference platform or participation in the form of video conference which lasts for more than 30 minutes due to natural disasters, events or other force majeure before the chairman announces the adjournment of the meeting, the date of the meeting shall be postponed or resumed within 5 days, and the provisions of Article 182 of the Company Act shall not apply.

In the event of a postponed or resumed meeting referred to in the preceding Paragraph, shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponed or resumed meeting.

If the meeting should be postponed or resumed in accordance with Paragraph 2, and the shareholders who have registered to participate in the original shareholders' meeting by video and have completed their registration have not participated in the postponed or resumed meeting, the number of shares attended, voting rights exercised and voting rights at the original shareholders' meeting shall be included in the total number of shares, voting rights exercised and voting rights of shareholders attending the postponed or resumed meeting.

When conducting the postponed or resumed shareholders' meeting in accordance with Paragraph 2, there is no need to re-discuss or re-adopt a resolution on the proposals for which the voting and vote counting have been completed and the voting results or the list of elected directors and supervisors has been announced.

When the Company holds a video assisted shareholders' meeting, if it is impossible to resume the video meeting due to circumstances in Paragraph 2, but the total number of shares present at the shareholders' meeting meets the quorum of the shareholders' meeting after deducting the number of shares attending the shareholders' meeting by video, the shareholders' meeting shall continue without postponement or resumption of the meeting in accordance with Paragraph 2.

In the event that the meeting should be continued in accordance with the preceding Paragraph, the number of shares of the shareholders participating in the shareholders' meeting by video shall be included in the total number of shares represented by shareholders, but shall be deemed to have abstained from all proposals in the shareholders' meeting.

When the Company postpones or resumes the meeting in accordance with Paragraph 2, it shall handle relevant pre-processing operations in accordance with the provisions of Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies in accordance with the date of the original shareholders' meeting and the provisions of the Article.

Based on the latter section of Article 12 and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall follow Paragraph 2 regarding the

date for postponement or resumption of the meeting.

Article 29. When the Company convenes a shareholders' meeting via video conference, appropriate alternative measures shall be specified for shareholders who have difficulties in participating in the shareholders' meeting by video.

Article 30. These rules shall come into force after being approved by the general shareholders' meeting, and the same shall apply when they are amended.

## Appendix III

### Chant Sincere Co., Ltd.

#### Directors' Shareholdings

**The base date is the book-close date of the general shareholders' meeting on April 2 , 2024.**

I. The minimum shareholding to be held by all directors and the detailed list of the shareholdings per the shareholder register.

Position	Minimum shareholding	Shareholding per the shareholder register
Directors	6,578,873	10,907,979

II. Details of the shareholdings of directors

Position	Name	Shareholding per the shareholder register
Chairman	Lien-Hsi Wu	4,367,577
Directors	Ting-Ting Shih	1,368,054
Directors	Wu-Hsiung Chen	1,173,194
Directors	Chia-Hsiang Wu	1,681,380
Directors	Chun-Wei Wu	2,317,774
Subtotal		10,907,979
Independent directors	Ming-Lei Chang	0
Independent directors	Yin-Tien Wang	0
Independent directors	Chang-Lin Chan	0
Independent directors	Chen-Chien Hsu	0
Subtotal		0
Total		10,907,979

Note: The shareholdings of all directors have reached the legal percentage.

## **Other Remarks**

Handling of shareholders' proposals for the current general shareholders' meeting:

Details:

1. According to Article 172, Paragraph 1 of the Company Act, shareholders that own more than 1% of the Company's outstanding shares are entitled to proposing only one motion up to 300 words to the general shareholders' meeting for discussion.
2. The Company had accepted shareholders' proposals for this year's annual general meeting from March 22 to April 2, 2024, with relevant announcements made on MOPS.
3. The Company did not receive any proposal from shareholders.