CHENG UEI PRECISION INDUSTRY CO., LTD.

2024 Annual General Shareholders' Meeting Minutes

Time: 9:00 a.m., May 30, 2024 (Thursday)

Venue: No.49, Sec.4, Zhongyang Rd., Tu Cheng Dist., New Taipei City, Taiwan

Total shares represented by shareholders presented in person or by proxy:
299,115,833 shares, accounting for 58.38% of the Company's total outstanding shares

Chair: Tai-Chiang Gou, Chairman of the Board of Directors

Recorder: Serena Tsai

Directors present:
Chairman Tai-Chiang Gou
Director Chen-Phan Pu
Director Eric Huang
Director T.C. Wang
Independent Director Randy Lee
Independent Director Chien-Chung Fu
Independent Director Jing-Min Tang
Independent Director Chih-Yang Tseng

Attendees:
Accountant: Hsiao-Zi Zhou
Lawyer: Bennett Tang

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

Chairman's Address: (Omitted)

I. Matters to be Reported

1. The 2023 Business Report of the Company. (Attachment 1)
2. Audit Committee's review report on the 2023 financial statements. (Attachment 2)
3. Report on the distribution of 2023 earnings and cash dividends of the Company.

Explanation: (1) In accordance with the Company Act and the Articles of Incorporation of the Company, the Company's Board of Directors resolved to distribute a cash dividend in the amount of NTD 1,024,653,880, equivalent to NTD 2 per share for the earnings of 2023 (calculated to the nearest NT Dollar, with the difference paid by the Company as expenses).

(2) In this proposal, the chair is authorized to set the ex-dividends record date, distribution date, and other related matters. In the future, if the Company's number of common shares in circulation changes and this leads to a change in the dividends rate, then the chair is also authorized to make adjustments in full.

4. Report on the 2023 distribution of remuneration for directors and employees of the Company

Explanation: In 2023, the Company distributed directors' remuneration of NTD 8,000,000 and employee remuneration of NTD 231,145,000 in accordance with the Company Act and the Company's Articles of Incorporation. Directors' remuneration and employee remuneration are to be paid in cash and there is no difference between the numbers given by the resolution above and the expenses recognized at the end of 2023.

II. Acknowledgments and Matters for Discussion

Proposal 1 (Proposed by the Board)

Proposal: The 2023 business final account statement and profit distribution table of the Company, submitted for approval.

Explanation:
(1) The Company's 2023 financial statements have been reviewed by PWC Taiwan. Together with the business report, they have also been reviewed by the Audit Committee and a written audit report was issued.
(2) The 2023 profit distribution table was approved by the Board of Directors and sent to the Audit Committee for review.
(3) Please refer to Attachments 1 through 4 for associated schedules.

Resolution: The above proposal is and hereby was approved as proposed.

Voting Results: Shares present at the time of voting: 299,115,833
(Including 285,476,003 shares from electronic voting).

Voting Results		**% of the represented share present**
Votes in favor (electronic votes)	272,005,169 (258,365,349)	90.93%
Votes against (electronic votes)	221,694 (221,694)	0.07%
Invalid Votes (electronic votes)	0 (0)	0.00%
Votes abstained / Not Voted (electronic votes)	26,888,970 (26,888,960)	8.98%

Proposal 2 (Proposed by the Board)

Proposal: Discussion of the amendment to the Company's Operational Procedures for Loaning Funds to Others, submitted for review.

Explanation: Pursuant to Letter No. Financial-Supervisory-Securities-Corporate-1120352708 of the Financial Supervisory Commission dated August 15, 2023, and in response to the Group's internal fund allocation operation, amendment to the Company's "Operational Procedures for Loaning Funds to Others" was proposed. For the comparison table of the amended provisions and the full text after the amendment, please refer to Attachment 5.

Resolution: The above proposal is and hereby was approved as proposed.

Voting Results: Shares present at the time of voting: 299,115,833
(Including 285,476,003 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor (electronic votes)	225,824,410 (212,184,590)	75.49%
Votes against (electronic votes)	44,717,947 (44,717,947)	14.95%
Invalid Votes (electronic votes)	0 (0)	0.00%
Votes abstained / Not Voted (electronic votes)	28,573,476 (28,573,476)	9.55%

III. Extraordinary Motions: None

IV. Adjournment: The meeting was adjourned at a.m. 09:12

V. There were no questions from shareholders this time.

Attachment 1

Cheng Uei Precision Industry Co., Ltd

Business Report

The Company's business status in 2023 is hereby reported as follows:

The Company's consolidated net operating revenues for 2023 came to NTD 90,550,764 thousand. Compared with consolidated net operating revenue of NTD 94,102,594 thousand in 2022, this marked a decrease of 3.8%. Net profit after tax in 2023 was NTD 1,457,132 thousand and after-tax earnings per share came to NTD 3.09. This represented a reduction of 4.3% from the net profit after tax of NTD 1,522,518 thousand or NTD 3.14 per share seen in 2022. Despite a slight decline in profit due to external factors last year, the Company would like to thank all employees for their hard work and contributions in the past year.

In 2023, factors such as high-interest rates, high inflation, and China's post-pandemic economic performance not being as good as expected have weakened global demand for end products, resulting in a slowdown in manufacturing activities worldwide. In addition, the expansion of the US-China chip ban, the Russo-Ukrainian war, and the Israeli–Palestinian conflict have contributed to geopolitical tensions, leading to impacts on global economic development and social stability. Looking ahead to 2024, major international forecasting agencies believe that the global economic growth in 2024 will be slightly lower than that in 2023. However, there is still an expectation for a recovery in global commodity trade. In the face of the uncertain and challenging macroeconomic environment, the Company aims to address these challenges by adapting flexibly to market changes, enhancing the competitiveness of our products and services, and strengthening risk management.

The Company's revenue and profit declined slightly in 2023 compared to the previous year. This was primarily due to the impact of inventory destocking in the gaming industry, leading to decreased demand for products such as gaming controllers, which affected the Company's revenue. In addition, the retail channels received the Ministry of Education's One-Tablet-Per-Student Initiative in 2022, so the revenue was higher. There was no such large-scale project in 2023, which also had a certain impact on revenue. However, in the field of new energy, as the construction progress continued, revenue from projects began to be recognized, contributing positively to revenue. Facing the challenges of the new fiscal year, the Company will deepen the existing product technology to enhance product competitiveness, expand other product lines, broaden the customer base, continue to invest in research and development, create products with competitive advantages, and focus on product differentiation to attract more customers.

In order for the Company to grow and thrive on a continuous and stable basis, and create greater profits for shareholders, we must be prepared to face challenges and solve problems. We have absolute confidence to move toward the set goals, create best business performance for the Company and go after maximum profits for shareholders. I hope that all shareholders can continue to provide support and encouragement to the Company. Finally, I wish all shareholders all the best and that all your hopes be fulfilled.

I. 2023 Business results

(I) Business plan implementation results

Unit: NTD Thousand

Item	2023	2022	Growth rate
Operating Revenue	60,151,768	62,769,931	-4.17%
Operating Costs	(58,798,571)	(61,565,501)	-4.49%
Gross Profit	1,353,197	1,204,430	12.35%
Operating Expenses	(1,569,276)	(1,723,936)	-8.97%
Operating Profit	(216,079)	(519,506)	-58.41%
Non-Operating Income and Expenses	1,712,478	2,265,986	-24.43%
Net Profit Before Tax	1,496,399	1,746,480	-14.32%
Net Profit for The Period	1,457,132	1,522,518	-4.29%
Net After-Tax of Other Comprehensive Profits and Losses for The Current Period	(593,840)	254,478	-333.36%
Total Comprehensive Income for The Period	863,292	1,776,996	-51.42%

Note: the above figures are from the parent company only financial statements

(II) Budget implementation

The Company did not prepare 2023 financial forecasts, so this is not applicable.

(III) Financial income and expenditure status

Unit: NTD Thousand

Item	2023	2022	Amount of change
Net Cash Inflow (Outflow) from Operating Activities	2,221,925	837,090	1,384,835
Net Cash Inflow (Outflow) from Investing Activities	(1,494,286)	(1,589,575)	95,289
Net Cash Inflow (Outflow) from Financing Activities	(586,362)	914,562	(1,500,924)

Note: the above figures are from the parent company only financial statements

(IV) Profitability analysis

Year		2023	2022
Return on Assets (%)		2.67	2.81
Return on Shareholders' Equity (%)		5.99	6.38
As A Percentage of Paid-In Capital (%)	Operating Profit	(4.22)	(10.14)
	Net Profit Before Tax	29.21	34.09
Net Profit Margin (%)		2.42	2.43
Earnings Per Share for The Period (NTD) (Note)		3.09	3.14

Note: The above ratios are based on parent company only financial statements. Earnings per share is calculated based on the number of shares after retrospective adjustment.

(V) Research and development status of the Company

The main research and development directions and strategies of the Company are:

1. Closely integrate technology into products to generate differentiated competitive advantages.
2. Integrate the technical fields of materials, machinery, electronics, optics, electroacoustics, etc, eg, through: optical inspection automation, engineering analysis capabilities, secondary processing electroplating technology, antenna design, and wire nano coating development.
3. Build professional laboratories for high frequency technology, electroacoustic technology, surface technology, power supply, and so on.
4. Lead and continue to develop various halogen-free, lead-free materials and application products that meet future environmental protection requirements.
5. Participate in the development process of customers' new products to provide them with various solutions and technical support.
6. Strengthen the ability to integrate existing technologies and evaluate and introduce new product development technologies.
7. Integrate the technology platform of electro-optic sound to expand products and market share.
8. Pay attention to the development of green technology, including energy-saving and carbon emission reduction technologies, renewable energy applications, and develop corresponding products and solutions, and create contributions to a sustainable environment.
9. Develop cloud computing and edge computing technologies and modules and provide related cloud services and data analysis solutions.

10. Development of artificial intelligence (AI)-related applications and products.

II. Business plan summary for 2024

(I) Business strategy

1. Business purpose:

With core capabilities in molds, forms, stamping, secondary processing, and automation, integrate materials, machinery, electronics, optics, electroacoustics, energy, assembly, and R&D technology. Establish a global marketing and supply chain management network to provide customers with high-quality products in a timely manner, oriented by consumer electronics, information, communications, and automotive market demand; and create value for customers by combining digital content, environmental protection, and energy saving. Constantly seek to surpass ourselves based on concepts of sincerity, a holistic view and conscientiousness, using our team spirit to create an optimum business performance for the enterprise.

2. Business philosophy:

(1) Sincerity: Simplicity and pragmatism and being as good as one’s word
Keeping promises is an important value to establish long-term cooperative relations with customers and suppliers to take creation of long-term benefits for all three parties as a direction for our thinking.

(2) Holistic view: Great things can only be achieved with tolerance and being able to spot major trends from tiny telltale signs.
By applying technological innovation, accumulating practical experience, and constantly pursuing self-transcendence and accumulated achievements, only then can the Company become a representative of the high-tech industry.

(3) Conscientiousness: Making an all-out effort, with a unity of knowledge and action
From the capital, technology and human resources used to coordinate our plans and from execution to assessment, there is a complete and consistent operating system that demonstrates its performance in a wide range of work functions; and the results of these joint efforts have created the Company's core competitiveness.

(II) Expected sales volume and its basis

The Company’s products are mainly components of communications and consumer electronics. With the active expansion of customers and the development of new products this year, it is expected that the sales volume of each product will reach a trend of steady growth.

(III) Important production and sales policies

Continuously improve internal management capabilities to reduce various production costs and provide customers with the best service and technical resources, establishing a good cooperative relationship with customers to achieve a win-win goal.

III. Future development strategy for the Company

1. The Company will position itself under the OEM, ODM, and JDM models as it commits to consumer electronics, computers, communications, automotive electronics, digital content, and other product markets.
2. We will utilize the Company's core capabilities: Development will center around molds, forms, stamping, secondary processing, and automation, and thereupon integrate technical fields encompassing materials, machinery, electronics, optics, electroacoustics, energy saving, and environmental protection. In this way, we can develop differentiated competitive advantages over our competitors.
3. We'll be customer-oriented and collaborate closely with market leaders to jointly develop new products, thus creating value for the Company.
4. We will deeply cultivate existing customers, expand different product lines for current customers, and provide customers with diversified products and services.
5. From materials, parts, components to system products, we will leverage and strengthen the company's vertically-integrated manufacturing advantages to reduce manufacturing costs and enhance competitiveness.
6. We will establish development and mass production manufacturing capabilities for key components in order to obtain an irreplaceable competitive advantage.
7. We will develop the retail channel market, be close to consumers, grasp market demand and trends, and then combine the advantages of production and sales to develop a new niche for the Company. This will also establish an irreplaceable competitive advantage.
8. Invest in renewable energy power plants, including solar, wind, water, and gas to facilitate the development of the green energy economic circular ecological chain, and develop energy-saving services, energy storage services, electromechanical engineering, power plant maintenance and operation, and green power trading platforms to create resource efficiency and a circular economy.

IV. Effects of the external competitive environment, regulatory environment, and overall business environment

Due to the instantaneous changes in the external environment and industry, the competition faced by the Company is no longer limited to Taiwan, but in all parts of the world. The targets of the Company’s services are world-class customers. Therefore, "value creation" and "cost optimization" are the most important issues for the Company's sustainability in order to meet the global competition environment and survival requirements. The Company must create product value, service value, and differentiated value in order to develop customers and meet their diverse needs. At the same time, the Company must be able to improve production efficiency and reduce production costs in order to gain a competitive advantage, attracting new customers and expanding into new markets.

At the same time, in the retail channel market, it is necessary to be able to grasp the acceptance and preference of consumers for all kinds of new 3C products at any time. We must understand the consumption habits and tendencies of target consumers in various regions to propose different sales strategies to respond. In addition, we should offer different services and product content from competitors to strengthen our competitive advantage.

Green energy is supported by policies and regulations. In the face of a rapidly changing business environment, in addition to continuously controlling fixed costs and improving the competitiveness and timeliness of product costs, we also use the Company's relevant resources to develop forward-looking products to strengthen product differentiation and competitiveness.

Responsible Person: Manager: Accountant in Charge:

Attachment 2

Audit Committee's Audit Report

The Company's Board of Directors has made a 2023 annual business report, financial statements, and profit distribution proposal. Among them, PWC Taiwan has audited the financial statements and issued an audit report. The above-mentioned business report, financial statements, and profit distribution proposal have been checked by the Audit Committee and it believes that there is no discrepancy. The reports are submitted for review in accordance with Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act.

Cheng Uei Precision Industry Co., Ltd.

Convener of the Audit Committee: Randy Lee

March 11, 2024

Attachment 3

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 23000594
To the Board of Directors and Stockholders of Cheng Uei Precision Industry Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Cheng Uei Precision Industry Co., Ltd. and its 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, based on our audits and the reports of other auditors (please refer to the *Other matter* section), 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 Financial Statement Audit and Attestation Engagements of 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. Based on our audits and the reports of other auditors, 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 judgement, 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 consolidated financial statements of the year ended December 31, 2023 are stated as follows:

Valuation of goodwill impairment

Description

Please refer to Note 4(20) for accounting policies on impairment loss on non-financial assets, Note 5(1) for the uncertainty of accounting estimates and assumptions applied to goodwill impairment valuation, and Note 6(13) for details of goodwill impairment valuation.

As of December 31, 2023, the balance of goodwill (including indefinite useful life trademarks) derived from the acquisition of Foxlink Image Technology Co., Ltd. and DG Lifestyle Store Limited by the Company's subsidiary, FIT Holding Co., Ltd. amounted to NT$715,197 thousand and NT$418,502 thousand, respectively. The Group valued the impairment of goodwill (including indefinite useful life trademarks) through the discounted cash flow method, using the higher of value in use or fair value less costs to sell to measure the cash generating unit's recoverable amount. As the assumptions of expected future cash flows contained subjective judgement and involved a high degree of uncertainty which would cause a material impact on the valuation result, the valuation of goodwill impairment was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Obtained an understanding and assessed the reasonableness of valuation of goodwill impairment policies and procedures, including collection of internal and external data, operating forecast and industry changes.

B. Obtained the external appraisal report on impairment valuation and performed the following procedures:

(a) We examined the external appraiser's qualification and assessed the independence, objectiveness and competence.

(b) We assessed that the valuation method used in the appraisal report was widely used and appropriate.

(c) We assessed the reasonableness of significant assumptions (including expected growth rate and discount rate) applied in the appraisal report.

Recognition of construction revenue-assessment on the stage of completion

Description

Please refer to Note 4(31) for accounting policies on construction contracts, and Note 5(2) for the uncertainty of critical judgement, accounting estimates and assumptions applied to construction contracts. As of December 31, 2023, contract assets, contract liabilities and construction revenue of the Group amounted to $8,675,960 thousand, $43,541 thousand and $10,285,643 thousand, respectively, refer to Note 6(24) for details.

Construction revenue and costs of the Group mainly arise from undertaking construction works. If the outcome of a construction contract can be estimated reliably, profit or loss should be recognised by reference to the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. The stage of completion of a construction contract is measured by the proportion of contract costs incurred for the construction performed as of the financial reporting date to the estimated total costs for the construction contract, and revenue is recognised over time.

The aforementioned estimated total costs are assessed by the management based on the different nature of constructions and the price fluctuations in the market to estimate the costs for each construction activity such as estimated subcontract charges and material and labour expenses, and the complexity of aforementioned total cost usually involves subjective judgement and contains a high degree of uncertainty, which may affect the construction revenue recognition, thus, we consider the assessment on the stage of completion which was applied on construction revenue recognition as a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures on the stage of completion as described on the above key audit matter:

A. Obtained an understanding on the nature of business and industry, and assessed the reasonableness of internal process applied to estimate total construction cost, including the basis for estimating the expected total cost for construction contracts of the same nature.

B. Assessed and tested the internal controls used by the management to recognise construction revenue based on the stage of completion, including checking the supporting documents of additional or reduced constructions and significant constructions performed in the period.

C. Sampled and tested the subcontracts that have been assigned, and assessed the basis and reasonableness of estimating costs for those that have not been assigned.

D. Performed substantive procedures relating to the construction profit or loss statement, including sampling and verifying the costs incurred in the period with the appropriate evidence, and recalculating and confirming that construction revenue calculated based on the stage of completion had been accounted for appropriately.

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(13) for accounting policies on inventory, Note 5(3) for the uncertainty of accounting estimates and assumptions applied to inventory valuation, and Note 6(7) for details of inventory.

The Group is primarily engaged in the manufacturing and sale of electronic components and parts. As the electronic products' life cycles are relatively short and the market is highly competitive, there is a higher risk of incurring inventory valuation losses or obsolescence due to economic depression or an excess of supply over demand. The Company's inventories are measured at the lower of cost and net realisable value, and individually assessed for those inventories over a certain age in order to identify obsolete or slow-moving inventories.

The industry technology is rapidly changing, and the net realisable value involves subjective judgement resulting in an uncertainty when assessing the obsolete or slow-moving inventories. Given that the inventory and allowance for inventory valuation losses were material to the financial statements, the assessment of allowance for inventory valuation losses was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Assessed the reasonableness of policies and procedures on allowance for inventory valuation losses based on our understanding of the Group's operation and industry.

B. Obtained an understanding of the Group's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count event in order to assess the effectiveness of the management of inventory.

C. Verified whether the systematic logic used in the Group's inventory aging report is appropriate and in line with its policies.

D. Inspected inventory valuation basis adequacy and verified the selected samples' information, for instance, purchase price and sale price. Also recalculated and evaluated the reasonableness of inventory allowance basis in order to verify that the inventory was measured at the lower of cost and net realisable value.

Other matter - Reference to the reports of other auditors

We did not audit the financial statements of certain subsidiaries and investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and the information disclosed in Note 13, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT$429,970 thousand and NT$426,718 thousand, constituting 0.41% and 0.43% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and operating revenue amounted to NT$2,687,168 thousand and NT$2,150,424 thousand, constituting 2.97% and 2.29% of the consolidated total operating revenue for the years then ended, respectively. The total balances of these investments accounted for under the equity method amounted to NT$33,401 thousand and NT$203,442 thousand, constituting 0.03% and 0.21% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and the share of profit (loss) of associates and joint ventures accounted for under the equity method amounted to NT$48 thousand and NT$(9,441) thousand, constituting 0.00% and (0.39%) of the consolidated total comprehensive income for the years then ended, respectively.

Other matter-Parent company only financial reports

We have audited and expressed an unqualified opinion with an *Other matters* section on the parent company only financial statements of Cheng Uei Precision Industry 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 supervisors, 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 judgement and professional skepticism throughout the audit. We also:

A. 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.

B. 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.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

D. 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.

E. 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.

F. 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.

Chou, Hsiao-Tzu   Liang, Yi-Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2024

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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	ASSETS	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	CURRENT ASSETS					
1100	Cash and cash equivalents	6(1)	$ 14,844,796	14	$ 11,431,070	12
1110	Financial assets at fair value through profit or loss - current	6(2) and 12(3)	5,167	-	-	-
1136	Current financial assets at amortised cost	6(4) and 8	2,918,178	3	2,916,275	3
1140	Current contract assets	6(24)	8,675,960	8	2,716,125	3
1150	Notes receivable, net	6(5)	53,933	-	59,703	-
1170	Accounts receivable, net	6(5)	17,708,938	17	18,005,663	18
1180	Accounts receivable, net - related parties	7	433,879	-	414,187	-
1200	Other receivables	6(6)	446,840	-	528,811	1
1210	Other receivables - related parties	7	62,819	-	66,548	-
1220	Current income tax assets	6(32)	53,087	-	44,444	-
130X	Inventories	6(7)	14,297,590	14	17,811,199	18
1410	Prepayments	6(8)	7,164,367	7	6,067,597	6
1470	Other current assets	8	1,051,603	1	1,031,796	1
11XX	**TOTAL CURRENT ASSETS**		67,717,157	64	61,093,418	62
1517	Financial assets at fair value through other comprehensive income - non-current	6(3) and 12(3)	1,345,307	1	1,521,378	2
1535	Non-current financial assets at amortised cost	6(4) and 8	701,061	1	450,052	1
1550	Investments accounted for under the equity method	6(9)	5,509,683	5	6,160,832	6
1600	Property, plant and equipment, net	6(10) and 8	22,705,808	21	20,923,246	21
1755	Right-of-use assets	6(11), 7 and 8	3,265,176	3	2,302,273	2
1760	Investment property, net	6(12)	541,840	-	560,159	1
1780	Intangible assets	6(13)(35)	1,724,432	2	1,749,316	2
1840	Deferred income tax assets	6(32)	681,861	1	448,780	-
1915	Prepayments for business facilities	6(10)	791,122	1	2,328,066	2
1990	Other non-current assets, others	8	778,111	1	760,491	1
15XX	**TOTAL NON-CURRENT ASSETS**		38,044,401	36	37,204,593	38
1XXX	**TOTAL ASSETS**		$ 105,761,558	100	$ 98,298,011	100

(Continued)

CHENG UEI PRECISION INDUSTRY 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 AMOUNT	%	December 31, 2022 AMOUNT	%
	CURRENT LIABILITIES					
2100	Short-term borrowings	6(14)	$ 9,890,697	9	$ 9,550,241	10
2110	Short-term notes and bills payable	6(15)	4,085,520	4	1,789,159	2
2130	Current contract liabilities	6(24)	614,822	1	1,087,867	1
2150	Notes payable		32,677	-	657	-
2170	Accounts payable		15,769,631	15	15,652,500	16
2180	Accounts payable - related parties	7	144,605	-	181,124	-
2200	Other payables	6(16) and 7	5,766,392	6	6,108,349	6
2230	Current income tax liabilities	6(32)	643,888	1	552,301	1
2280	Current lease liabilities	7	405,855	-	287,333	-
2320	Long-term liabilities, current portion	6(17)(18)	3,301,902	3	689,541	1
2365	Current refund liabilities		175,062	-	139,022	-
2399	Other current liabilities, others		425,164	-	319,896	-
21XX	**TOTAL CURRENT LIABILITIES**		41,256,215	39	36,357,990	37
	NON-CURRENT LIABILITIES					
2527	Non-current contract liabilities	6(24)	167,177	-	223,986	-
2530	Corporate bonds payable	6(17)	6,442,827	6	6,582,374	7
2540	Long-term borrowings	6(18)	17,772,711	17	15,406,923	16
2570	Deferred income tax liabilities	6(32)	1,204,001	1	1,243,084	1
2580	Non-current lease liabilities	7	1,752,440	2	690,236	1
2600	Other non-current liabilities	6(9)(19)	344,195	-	1,535,331	1
25XX	**TOTAL NON-CURRENT LIABILITIES**		27,683,351	26	25,681,934	26
2XXX	**TOTAL LIABILITIES**		68,939,566	65	62,039,924	63
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
	Capital stock	6(20)				
3110	Common stock		5,123,269	5	5,123,269	5
	Capital reserve	6(21)				
3200	Capital surplus		10,764,901	11	10,382,683	10
	Retained earnings	6(22)				
3310	Legal reserve		3,445,937	3	3,292,026	3
3320	Special reserve		2,363,760	2	2,601,650	3
3350	Unappropriated earnings		5,788,610	5	5,658,790	6
	Other equity	6(23)				
3400	Other equity interest		(2,673,429)	(2)	(2,363,761)	(2)
	Treasury shares	6(20)				
3500	Treasury shares		(622,774)	(1)	(272,066)	-
31XX	**Equity attributable to owners of the parent**		24,190,274	23	24,422,591	25
36XX	**Non-controlling interests**	6(34)	12,631,718	12	11,835,496	12
3XXX	**TOTAL EQUITY**		36,821,992	35	36,258,087	37
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant disaster loss	10				
	Significant events after the balance	11				
3X2X	**TOTAL LIABILITIES AND EQUITY**		$ 105,761,558	100	$ 98,298,011	100

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

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
4000	Operating revenue	6(24) and 7	$ 90,550,764	100	$ 94,102,594	100
5000	Operating costs	6(7)(30)(31) and 7	(78,856,852)	(87)	(82,008,395)	(87)
5900	Gross profit		11,693,912	13	12,094,199	13
	Operating expenses	6(30)(31)				
6100	Sales and marketing expenses		(1,997,010)	(2)	(2,212,130)	(2)
6200	General and administrative expenses		(4,332,074)	(5)	(3,917,188)	(4)
6300	Research and development expenses		(2,521,545)	(3)	(2,419,396)	(3)
6450	Expected credit gain (loss)	12(2)	56,739	-	(13,792)	-
6000	Total operating expenses		(8,793,890)	(10)	(8,562,506)	(9)
6500	Net other income (expenses)	6(25)	118,111	-	-	-
6900	Operating income		3,018,133	3	3,531,693	4
	Non-operating income and expenses					
7100	Interest income	6(26)	275,628	-	131,821	-
7010	Other income	6(27) and 7	536,871	1	424,322	1
7020	Other gains and losses	6(28)	(313,702)	-	(523,402)	(1)
7050	Finance costs	6(29)	(619,232)	(1)	(423,257)	-
7060	Share of profit of associates and joint ventures accounted for under the equity method	6(9)	238,603	-	270,616	-
7000	Total non-operating income and expenses		118,168	-	(119,900)	-
7900	**Income before income tax**		3,136,301	3	3,411,793	4
7950	Income tax expense	6(32)	(1,034,479)	(1)	(1,317,094)	(2)
8200	**Net income**		$ 2,101,822	2	$ 2,094,699	2

(Continued)

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	Years ended December 31, 2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
	Other comprehensive (loss) income, net					
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(19)	$ 18,083	-	$ 29,416	-
8316	Unrealized gain on equity instrument at fair value through other comprehensive income	6(3)	(148,776)	-	(42,267)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss		28,371	-	(66,638)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(32)	(3,617)	-	(5,883)	-
8310	Total components of other comprehensive loss that will not be reclassified to profit or loss		(105,939)	-	(85,372)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences arising on translation of foreign operations		(816,097)	(1)	584,020	1
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		14,313	-	(54,188)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(32)	147,279	-	(108,773)	-
8360	Total components of other comprehensive (loss) income that will be reclassified to profit or loss		(654,505)	(1)	421,059	1
8300	**Other comprehensive (loss) income, net**		($ 760,444)	(1)	$ 335,687	1
8500	**Total comprehensive income for the period**		$ 1,341,378	1	$ 2,430,386	3
	Net income attributable to:					
8610	Shareholders of the parent		$ 1,457,132	1	$ 1,522,518	2
8620	Non-controlling interests		644,690	1	572,181	-
	Total		$ 2,101,822	2	$ 2,094,699	2
	Total comprehensive income attributable to:					
8710	Shareholders of the parent		$ 863,292	-	$ 1,776,996	2
8720	Non-controlling interests		478,086	1	653,390	1
	Total		$ 1,341,378	1	$ 2,430,386	3
	Basic earnings per share (in dollars)					
9750	Basic earnings per share	6(33)	$	3.09	$	3.14
	Diluted earnings per share (in dollars)					
9850	Diluted earnings per share	6(33)	$	3.06	$	3.10

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

CHENG UEI PRECISION INDUSTRY 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										
				Retained Earnings			Other equity interest					
	Notes	Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity attributable to shareholders of the parent	Non-controlling interest	Total equity
Year ended December 31, 2022												
Balance at January 1, 2022		$ 5,123,269	$ 10,252,875	$ 3,197,654	$ 2,036,346	$ 5,547,850	($ 2,129,042)	($ 472,609)	($ 272,066)	$ 23,284,277	$ 9,216,611	$ 32,500,888
Net income for the year		-	-	-	-	1,522,518	-	-	-	1,522,518	572,181	2,094,699
Other comprehensive income (loss)	6(23)	-	-	-	-	16,588	309,872	(71,982)	-	254,478	81,209	335,687
Total comprehensive income (loss)		-	-	-	-	1,539,106	309,872	(71,982)	-	1,776,996	653,390	2,430,386
Appropriation of 2021 earnings	6(22)											
Legal reserve		-	-	94,372	-	(94,372)	-	-	-	-	-	-
Special reserve		-	-	-	565,304	(565,304)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(768,490)	-	-	-	(768,490)	-	(768,490)
Difference between proceeds from acquisition or disposal of subsidiary and book value	6(21)(34)	-	110,494	-	-	-	-	-	-	110,494	(109,646)	848
Changes in net equity of associates and joint ventures accounted for using equity method		-	3,494	-	-	-	-	-	-	3,494	1,081	4,575
Changes in ownership interests in subsidiaries	6(21)	-	65	-	-	-	-	-	-	65	1,924	1,989
Cash dividends distributed to subsidiaries	6(21)	-	15,755	-	-	-	-	-	-	15,755	-	15,755
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	2,072,136	2,072,136
Balance at December 31, 2022		$ 5,123,269	$ 10,382,683	$ 3,292,026	$ 2,601,650	$ 5,658,790	($ 1,819,170)	($ 544,591)	($ 272,066)	$ 24,422,591	$ 11,835,496	$ 36,258,087
Year ended December 31, 2023												
Balance at January 1, 2023		$ 5,123,269	$ 10,382,683	$ 3,292,026	$ 2,601,650	$ 5,658,790	($ 1,819,170)	($ 544,591)	($ 272,066)	$ 24,422,591	$ 11,835,496	$ 36,258,087
Net income for the year		-	-	-	-	1,457,132	-	-	-	1,457,132	644,690	2,101,822
Other comprehensive income (loss)	6(23)	-	-	-	-	14,223	(574,754)	(33,309)	-	(593,840)	(166,604)	(760,444)
Total comprehensive income (loss)		-	-	-	-	1,471,355	(574,754)	(33,309)	-	863,292	478,086	1,341,378
Appropriation of 2022 earnings	6(22)											
Legal reserve		-	-	153,911	-	(153,911)	-	-	-	-	-	-
Special reserve		-	-	-	(237,890)	237,890	-	-	-	-	-	-
Cash dividends		-	-	-	-	(1,127,119)	-	-	-	(1,127,119)	-	(1,127,119)
Difference between proceeds from acquisition or disposal of subsidiary and book value	6(21)(34)	-	9,757	-	-	-	-	-	-	9,757	51,081	60,838
Changes in ownership interests in subsidiaries	6(21)(34)	-	83,492	-	-	-	-	-	-	83,492	316,912	400,404
Changes in net equity of associates and joint ventures accounted for using equity method	6(21)(23)	-	255,753	-	-	(72,634)	-	72,634	-	255,753	-	255,753
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)(23)	-	-	-	-	(225,761)	-	225,761	-	-	-	-
Cash dividends distributed to subsidiaries	6(21)	-	33,216	-	-	-	-	-	-	33,216	-	33,216
Acquisition of the parent company's share by subsidiaries recognized as treasury share	6(20)	-	-	-	-	-	-	-	(350,708)	(350,708)	(567,560)	(918,268)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	517,703	517,703
Balance at December 31, 2023		$ 5,123,269	$ 10,764,901	$ 3,445,937	$ 2,363,760	$ 5,788,610	($ 2,393,924)	($ 279,505)	($ 622,774)	$ 24,190,274	$ 12,631,718	$ 36,821,992

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

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

	Notes	Years ended December 31, 2023	Years ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 3,136,301	$ 3,411,793
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets or liabilities at fair value through profit or loss	6(2)(28)	(110)	-
Depreciation (including investment property)	6(10)(11)(12)(28)(30)	3,773,850	3,437,109
Amortisation	6(13)(30)	140,150	78,470
Disaster losses	6(28)	552,414	-
Gain recognised in bargain purchase transaction	6(27)	(707)	-
(Gain on reversal of) expected credit loss	12(2)	(56,739)	13,792
Interest expense	6(29)	619,232	423,257
Interest income	6(26)	(275,628)	(131,821)
Loss on disposal of property, plant and equipment	6(28)	239,068	58,049
Share of profit of associates accounted for using the equity method	6(9)	(238,603)	(270,616)
Gain (loss) on disposal of investments	6(25)(28)	165,119	(23,290)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		(5,786,802)	500,328
Notes receivable		5,770	(12,829)
Accounts receivable		404,800	(1,667,994)
Accounts receivable from related parties		(19,692)	(101,282)
Other receivables		430,026	(216,251)
Other receivables from related parties		3,729	(5,334)
Inventories		3,199,613	(2,365,637)
Prepayments		(1,038,422)	(2,655,399)
Other current assets		(17,864)	54,715
Other non-current assets		(33,580)	114,500
Changes in operating liabilities			
Contract liabilities		(649,920)	484,100
Notes payable		32,021	506
Accounts payable		117,131	(1,238,514)
Accounts payables to related parties		(387,120)	9,019
Other payables		(233,006)	1,425,580
Refund liabilities		36,040	(87,251)
Other current liabilities		105,267	(281,330)
Other non-current liabilities		(168,593)	24,175
Cash inflow (outflow) generated from operations		4,053,745	977,845
Interest received		275,628	131,821
Dividends received		104,562	78,162
Interest paid		(581,305)	(408,746)
Income tax paid		(1,327,283)	(1,044,423)
Net cash flows from (used in) operating activities		2,525,347	(265,341)

(Continued)

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

	Notes	Years ended December 31, 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through other comprehensive income		$ 180,000	$ -
Acquisition of financial assets at fair value through other comprehensive income	12(3)	-	(431,984)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	12(3)	14,755	-
Proceeds from disposal of subsidiaries (net of cash disposed)	6(36)	227,394	122,762
Net cash flow from acquisition of subsidiaries	6(34)	(381,756)	(199,214)
Acquisition of financial assets at amortised cost		(243,242)	(962,906)
Acquisition of investments accounted for using equity method		(12,417)	(120,000)
Acquisitions of property, plant and equipment	6(36)	(3,369,017)	(2,535,625)
Proceeds from disposal of property, plant and equipment		310,481	22,192
Acquisitions of intangible assets	6(13)	(45,941)	(73,760)
Proceeds from disposal of intangible assets	6(12)	578	-
Decrease (increase) in guarantee deposits paid		22,497	(1,311,150)
Increase in prepayments for investments	6(9)	-	(1,188,948)
Increase in prepayments for business facilities		(365,819)	(1,553,242)
Net cash flows used in investing activities		(3,662,487)	(8,231,875)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(37)	41,423,161	54,188,177
Repayments of short-term borrowings	6(37)	(41,100,964)	(48,862,784)
Increase in short-term notes and bills payable	6(37)	2,467,438	192,637
Proceeds from issuing bonds by subsidiaries		3,153,604	-
Proceeds from long-term borrowings	6(37)	20,391,792	19,607,525
Repayment of long-term borrowings	6(37)	(18,440,453)	(14,990,178)
Repayments of lease liabilities	6(37)	(548,096)	(323,786)
Cash dividends paid	6(22)	(1,127,119)	(768,490)
Repurchase of treasury shares	6(20)	(918,268)	-
Changes in non-controlling interest	6(34)	(349,246)	2,043,655
Net cash flows from financing activities		4,951,849	11,086,756
Effect of change in exchange rates		(400,983)	133,927
Net increase in cash and cash equivalents		3,413,726	2,723,467
Cash and cash equivalents at beginning of year		11,431,070	8,707,603
Cash and cash equivalents at end of year		$ 14,844,796	$ 11,431,070

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 23000581

To the Board of Directors and Stockholders of Cheng Uei Precision Industry Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Cheng Uei Precision Industry 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, based on our audits and the reports of other auditors (please refer to the *Other matter* section), 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 of the parent company only financial statements in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagement of 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 Accountants 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 judgement, were of most significance in our audit of the parent company only financial statements of the current period. 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 parent company only financial statements of the year ended December 31, 2023 are stated as follows:

Valuation of goodwill impairment for the investments accounted for under the equity method / subsidiaries

Description

Please refer to Note 4(10) in the parent company only financial statements for accounting policies on investments accounted for under the equity method, Note 6(5) in the parent company only financial statements for details of investments accounted for under the equity method, Note 4(20) in the consolidated financial statements for accounting policies on impairment loss on non-financial assets, Note 5(1) in the consolidated financial statements for the uncertainty of accounting estimates and assumptions applied to goodwill impairment valuation, and Note 6(13) in the consolidated financial statements for details of intangible assets

The amount of goodwill (including indefinite useful life trademarks) was derived from the acquisition of Foxlink Image Technology Co., Ltd. and DG Lifestyle Store Limited by the Company's subsidiary, FIT Holding Co., Ltd. The Company valued the impairment of goodwill through the discounted cash flow method, using the higher of value in use or fair value less costs to sell to measure the cash generating unit's recoverable amount. As the assumptions of expected future cash flows contained subjective judgement and involved a high degree of uncertainty which would cause a material impact on the valuation result, the valuation of goodwill impairment was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Obtained an understanding and assessed the reasonableness of valuation of goodwill impairment policies and procedures, including collection of internal and external data, operating forecast and industry changes.

B. Obtained the external appraisal report on impairment valuation and performed the following procedures:

   (a) We examined the external appraiser's qualification and assessed the independence, objectiveness and competence.

   (b) We assessed that the valuation method used in the appraisal report was widely used and appropriate.

   (c) We assessed the reasonableness of significant assumptions (including expected growth rate and discount rate) applied in the appraisal report.

Recognition of construction revenue-assessment on the stage of completion for the investments accounted for under the equity method

Description

Please refer to Note 4(10) in the parent company only financial statements for accounting policies on investments accounted for under the equity method, Note 6(5) in the parent company only financial statements for details of investments accounted for under the equity method, Note 4(31) in the consolidated financial statements for accounting policies on construction contracts, and Note 5(2) in the consolidated financial statements for the uncertainty of critical judgement, accounting estimates and assumptions applied to construction contracts. As of December 31, 2023, contract assets, contract liabilities and construction revenue of each subsidiary of the Company amounted to $8,675,960 thousand, $43,541 thousand, and $10,285,643 thousand, respectively, refer to Note 6(24) in the consolidated financial statements for details.

Construction revenue and costs of each subsidiary of the Company mainly arise from undertaking construction works. If the outcome of a construction contract can be estimated reliably, profit or loss should be recognised by reference to the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. The stage of completion of a construction contract is measured by the proportion of contract costs incurred for the construction performed as of the financial reporting date to the estimated total costs for the construction contract, and revenue is recognised over time.

The aforementioned estimated total costs are assessed by the management based on the different nature of constructions and the price fluctuations in the market to estimate the costs for each construction activity such as estimated subcontract charges and material and labor expenses, and the complexity of aforementioned total cost usually involves subjective judgement and contains a high degree of uncertainty, which may affect the construction revenue recognition, thus, we consider the assessment on the stage of completion which was applied on construction revenue recognition as a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures on the stage of completion as describe on the above key audit matter:

A. Obtained an understanding on the nature of business and industry, and assessed the reasonableness of internal process applied to estimate total construction cost, including the basis for estimating the expected total cost for construction contracts of the same nature.

B. Assessed and tested the internal controls used by the management to recognise construction revenue based on the stage of completion, including checking the supporting documents of additional or reduced constructions and significant constructions performed in the period.

C. Sampled and tested the subcontracts that have been assigned, and assessed the basis and reasonableness of estimating costs for those that have not been assigned.

D. Performed substantive procedures relating to the construction profit or loss statement, including sampling and verifying the costs incurred in the period with the appropriate evidence, and recalculating and confirming that construction revenue calculated based on the stage of completion had been accounted for appropriately.

Assessment of allowance for inventory valuation losses of the Company and investments accounted for under the equity method

Description

Please refer to Note 4(9) for accounting policies on inventory, Note 5 for the uncertainty of accounting estimates and assumptions applied to inventory valuation, and Note 6(4) for details of inventory. Please refer to Note 4(10) for accounting policies on investments accounted for under the equity method, and Notes 8 and 9 for details of investments accounted for under the equity method.

As of December 31, 2023, the balances of inventory and allowance for inventory valuation losses were NT$2,833,390 thousand and NT$66,908 thousand, respectively; and the balance of investments accounted for under the equity method was NT$39,291,060 thousand.

Cheng Uei Precision Industry Co., Ltd. and subsidiaries are primarily engaged in the manufacturing and sale of electronic components and parts. As the electronic products' life cycles are relatively short and the market is highly competitive, there is a higher risk of incurring inventory valuation losses or obsolescence due to economic depression or an excess of supply over demand. The Company's inventories are measured at the lower of cost and net realisable value, and individually assessed for those inventories over a certain age in order to identify obsolete or slow-moving inventories.

The industry technology is rapidly changing, and the net realisable value involves subjective judgement resulting in an uncertainty when assessing the obsolete or slow-moving inventories. Given that the inventory and allowance for inventory valuation losses were material to the financial statements, the assessment of allowance for inventory valuation losses was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Assessed the reasonableness of policies and procedures on allowance for inventory valuation losses based on our understanding of the Company's operation and industry.
B. Obtained an understanding of the Company's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count event in order to assess the effectiveness of the management of inventory.
C. Verified whether the systematic logic used in the Company's inventory aging report is appropriate and in line with its policies.
D. Inspected inventory valuation basis adequacy and verified the selected samples' information, for instance, purchase price and sale price. Also recalculated and evaluated the reasonableness of inventory allowance basis in order to verify that the inventory was measured at the lower of cost and net realisable value.

Other matter - Reference to the reports of other auditors

We did not audit the parent company only financial statements of certain investees accounted for under the equity method which reflect the balance of investments of NT$74,590 thousand and NT$172,037 thousand as at December 31, 2023 and 2022, constituting 0.12% and 0.27% of total assets; total comprehensive income (including share of profit of subsidiaries, associates and joint ventures accounted for under the equity method, and share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under the equity method) of NT$(5,267) thousand and NT$(4,977) thousand, for the years ended December 31, 2023 and 2022, constituting (0.61%) and (0.28%) of total comprehensive income, respectively. Those financial statements and the information disclosed in Note 13 were audited by other auditors whose report thereon have been furnished to us, and our opinion expressed herein is based solely on the reports of the other auditors.

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 audit committee, are responsible for overseeing the Company’s financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

A. 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.

B. 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.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

D. 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.

E. 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.

F. 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 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.

Chou, Hsiao-Tzu	Liang Yi Chang

For and on behalf of PricewaterhouseCoopers, Taiwan
March 11, 2024

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 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.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHENG UEI PRECISION INDUSTRY CO.,LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	CURRENT ASSETS					
1100	Cash and cash equivalents	6(1)	$ 538,637	1	$ 397,360	1
1150	Notes receivable, net		1,614	-	2,117	-
1170	Accounts receivable, net	6(2)	10,179,011	16	8,538,034	13
1180	Accounts receivable, net - related parties	7	4,175,725	7	6,113,778	10
1200	Other receivables	6(3)	9,113	-	64,879	-
1210	Other receivables - related parties	7	5,150,509	8	6,118,268	10
130X	Inventories	6(4)	2,766,482	4	1,609,131	3
1410	Prepayments	7	166,540	-	282,952	-
11XX	**TOTAL CURRENT ASSETS**		22,987,631	36	23,126,519	37
	NON-CURRENT ASSETS					
1550	Investments accounted for under the equity method	6(5)	39,291,060	61	37,751,713	60
1600	Property, plant and equipment	6(6)	1,817,826	3	1,829,082	3
1755	Right-of-use assets	6(7) and 7	72,943	-	53,597	-
1760	Investment property, net	6(8)	143,051	-	153,190	-
1780	Intangible assets	6(9)	23,333	-	18,747	-
1840	Deferred income tax assets	6(26)	315,604	-	178,143	-
1900	Other non-current assets	8	34,040	-	30,301	-
15XX	**TOTAL NON-CURRENT**		41,697,857	64	40,014,773	63
1XXX	**TOTAL ASSETS**		$ 64,685,488	100	$ 63,141,292	100

(Continued)

CHENG UEI PRECISION INDUSTRY 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 AMOUNT	%	December 31, 2022 AMOUNT	%
	CURRENT LIABILITIES					
2100	Current borrowings	6(10)	$ -	-	$ 614,475	1
2130	Current contract liabilities	6(19)	75,466	-	331,588	-
2170	Accounts payable		859,974	2	566,405	1
2180	Accounts payable - related parties	7	10,817,761	17	8,688,814	14
2200	Other payables	6(11)(28) and 7	9,246,233	14	9,907,938	16
2230	Current income tax liabilities	6(26)	107,304	-	106,980	-
2280	Current lease liabilities	7	19,311	-	42,489	-
2320	Long-term liabilities, current portion	6(12)(13)	3,068,656	5	-	-
2365	Current refund liabilities		168,123	-	139,022	-
2399	Other current liabilities, others		15,090	-	11,012	-
21XX	**TOTAL CURRENT LIABILITIES**		24,377,918	38	20,408,723	32
	NON-CURRENT LIABILITIES					
2530	Corporate bonds payable	6(12)	3,591,048	6	6,582,374	11
2540	Long-term borrowings	6(13)	11,507,500	18	10,698,750	17
2570	Deferred income tax liabilities	6(26)	815,262	1	843,929	1
2580	Non-current lease liabilities	7	54,121	-	13,443	-
2600	Other non-current liabilities	6(14)	149,365	-	171,482	-
25XX	**TOTAL NON-CURRENT LIABILITIES**		16,117,296	25	18,309,978	29
2XXX	**TOTAL LIABILITIES**		40,495,214	63	38,718,701	61
	EQUITY					
	Capital stock	6(15)				
3110	Common stock		5,123,269	8	5,123,269	8
	Capital reserve	6(16)				
3200	Capital surplus		10,764,901	16	10,382,683	17
	Retained earnings	6(17)				
3310	Legal reserve		3,445,937	5	3,292,026	5
3320	Special reserve		2,363,760	4	2,601,650	4
3350	Unappropriated earnings		5,788,610	9	5,658,790	9
	Other equity	6(18)				
3400	Other equity interest		(2,673,429)	(4)	(2,363,761)	(4)
	Treasury shares	6(15)				
3500	Treasury shares		(622,774)	(1)	(272,066)	-
3XXX	**TOTAL EQUITY**		24,190,274	37	24,422,591	39
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant disaster loss	10				
	Significant events after the balance sheet date	11				
3X2X	**TOTAL LIABILITIES AND EQUITY**		$ 64,685,488	100	$ 63,141,292	100

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

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

			Years ended December 31,			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19) and 7	$ 60,151,768	100	$ 62,769,931	100
5000	Operating costs	6(4)(24)(25) and 7	(58,798,571)	(98)	(61,565,501)	(98)
5900	Gross profit		1,353,197	2	1,204,430	2
	Operating expenses	6(24)(25) and 7				
6100	Sales and marketing expenses		(174,291)	-	(201,461)	-
6200	General and administrative expenses		(558,911)	(1)	(668,314)	(1)
6300	Research and development expenses		(859,441)	(2)	(842,576)	(2)
6450	Expected credit gain (loss)		23,367	-	(11,585)	-
6000	Total operating expenses		(1,569,276)	(3)	(1,723,936)	(3)
6900	Operating income		(216,079)	(1)	(519,506)	(1)
	Non-operating income and expenses					
7100	Interest income	6(20)	35,784	-	14,924	-
7010	Other income	6(8)(21) and 7	892,336	2	286,128	1
7020	Other gains and losses	6(22)	119,877	-	272,864	-
7050	Finance costs	6(23)	(314,213)	(1)	(237,543)	-
7070	Share of profit of the subsidiaries, associates and joint ventures accounted for under the equity method	6(5)	978,694	2	1,929,613	3
7000	Total non-operating income and expenses		1,712,478	3	2,265,986	4
7900	**Income before income tax**		1,496,399	2	1,746,480	3
7950	Income tax expense	6(26)	(39,267)	-	(223,962)	-
8200	**Net income**		$ 1,457,132	2	$ 1,522,518	3
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Loss on remeasurements of defined benefit plans	6(14)	$ 17,568	-	$ 15,287	-
8330	Share of other comprehensive income of the subsidiaries, associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss		(33,140)	-	(67,624)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	(3,514)	-	(3,057)	-
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		(19,086)	-	(55,394)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences arising on translation of foreign operations		(732,756)	(1)	441,528	-
8380	Share of other comprehensive income of the subsidiaries, associates and joint ventures accounted for under the equity method, components of other comprehensive income that will be reclassified to profit or loss		14,313	-	(54,188)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(26)	143,689	-	(77,468)	-
8360	Total components of other comprehensive (loss) income that will be reclassified to profit or loss		(574,754)	(1)	309,872	-
8300	**Other comprehensive (loss) income, net**		($ 593,840)	(1)	$ 254,478	-
8500	**Total comprehensive income for the year**		$ 863,292	1	$ 1,776,996	3
	Basic earnings per share	6(27)				
9750	Basic earnings per share		$	3.09	$	3.14
	Diluted earnings per share	6(27)				
9850	Diluted earnings per share		$	3.06	$	3.10

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

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

				Retained Earnings			Other equity interest			
	Notes	Ordinary share	Capital reserve	Legal reserve	Special 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	Treasury shares	Total equity
Year ended December 31, 2022										
Balance at January 1, 2022		$ 5,123,269	$ 10,252,875	$ 3,197,654	$ 2,036,346	$ 5,547,850	($ 2,129,042)	($ 472,609)	($ 272,066)	$ 23,284,277
Net income for the year		-	-	-	-	1,522,518	-	-	-	1,522,518
Other comprehensive income (loss)		-	-	-	-	16,588	309,872	(71,982)	-	254,478
Total comprehensive income (loss)		-	-	-	-	1,539,106	309,872	(71,982)	-	1,776,996
Appropriation of 2021 earnings	6(17)									
Legal reserve		-	-	94,372	-	(94,372)	-	-	-	-
Special reserve		-	-	-	565,304	(565,304)	-	-	-	-
Cash dividends		-	-	-	-	(768,490)	-	-	-	(768,490)
Changes in ownership interests in subsidiaries	6(16)	-	65	-	-	-	-	-	-	65
Difference between proceeds from acquisition or disposal of subsidiary and book value	6(16)	-	110,494	-	-	-	-	-	-	110,494
Changes in net equity of associates and joint ventures accounted for under the equity method	6(16)	-	3,494	-	-	-	-	-	-	3,494
Cash dividends distributed to subsidiaries	6(16)	-	15,755	-	-	-	-	-	-	15,755
Balance at December 31, 2022		$ 5,123,269	$ 10,382,683	$ 3,292,026	$ 2,601,650	$ 5,658,790	($ 1,819,170)	($ 544,591)	($ 272,066)	$ 24,422,591
Year ended December 31, 2023										
Balance at January 1, 2023		$ 5,123,269	$ 10,382,683	$ 3,292,026	$ 2,601,650	$ 5,658,790	($ 1,819,170)	($ 544,591)	($ 272,066)	$ 24,422,591
Net income for the year		-	-	-	-	1,457,132	-	-	-	1,457,132
Other comprehensive income (loss)		-	-	-	-	14,223	(574,754)	(33,309)	-	(593,840)
Total comprehensive income		-	-	-	-	1,471,355	(574,754)	(33,309)	-	863,292
Appropriation of 2022 earnings	6(17)									
Legal reserve		-	-	153,911	-	(153,911)	-	-	-	-
Special reserve		-	-	-	(237,890)	237,890	-	-	-	-
Cash dividends		-	-	-	-	(1,127,119)	-	-	-	(1,127,119)
Changes in ownership interests in subsidiaries	6(5)(16)	-	83,492	-	-	-	-	-	-	83,492
Difference between proceeds from acquisition or disposal of subsidiary and book value	6(5)(16)	-	9,757	-	-	-	-	-	-	9,757
Changes in net equity of associates and joint ventures accounted for under the equity method	6(5)(16)(18)	-	255,753	-	-	(72,634)	-	72,634	-	255,753
Disposal of investments in equity instruments designated at fair value through other comprehensive income by subsidiaries	6(16)(18)	-	-	-	-	(225,761)	-	225,761	-	-
Cash dividends distributed to subsidiaries	6(16)	-	33,216	-	-	-	-	-	-	33,216
Acquisition of the parent company's share by subsidiaries recognized as treasury share	6(15)	-	-	-	-	-	-	-	(350,708)	(350,708)
Balance at December 31, 2023		$ 5,123,269	$ 10,764,901	$ 3,445,937	$ 2,363,760	$ 5,788,610	($ 2,393,924)	($ 279,505)	($ 622,774)	$ 24,190,274

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

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

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,496,399	$ 1,746,480
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property)	6(6)(7)(8)(22)(24)	144,661	147,835
Amortisation	6(9)(24)	14,567	10,870
Expected credit (gain) loss		(23,367)	11,585
Interest expense	6(23)	314,213	237,543
Interest income	6(20)	(35,784)	(14,924)
Gain on long-term equity investment accounted for under the equity method	6(5)	(978,694)	(1,929,613)
Gain (loss) on disposal of property, plant and equipment	6(22)	52	(128)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		503	(132)
Accounts receivable		(1,617,610)	1,473,142
Accounts receivable - related parties		1,938,053	(2,274,703)
Other receivables		55,766	24,623
Other receivables - related parties		967,759	463,544
Inventories		(1,157,351)	(542,711)
Prepayments		116,412	149,601
Changes in operating liabilities			
Current contract liabilities		(256,122)	226,685
Accounts payable		293,569	128,308
Accounts payable - related parties		2,128,947	354,666
Other payables		(951,257)	966,570
Current refund liabilities		29,101	(87,251)
Other current liabilities, others		4,078	2,092
Other non-current liabilities		(4,548)	(21,481)
Cash inflow generated from operations		2,479,347	1,072,601
Interest received		35,784	14,924
Interest paid		(317,440)	(237,513)
Income tax paid		(64,896)	(57,487)
Dividend received		89,130	44,565
Net cash flows from operating activities		2,221,925	837,090
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of long-term equity investment- subsidiary		(1,369,857)	(1,492,008)
Acquisition of property, plant and equipment	6(28)	(109,036)	(89,335)
Proceeds from disposal of property, plant and equipment and investment property		3,760	1,849
Acquisition of intangible assets	6(9)	(19,153)	(9,383)
Acquisition of investment property		-	(703)
Decrease in refundable deposits		-	5
Net cash flows used in investing activities		(1,494,286)	(1,589,575)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(29)	11,189,436	14,423,363
Repayment of short-term borrowings	6(29)	(11,803,911)	(14,947,736)
Increase (decrease) in other payables - related parties	6(29)	317,160	(47,880)
Repayments of lease liabilities	6(29)	(44,428)	(42,195)
Increase in long-term borrowings	6(29)	9,185,000	8,100,000
Repayment of long-term borrowings	6(29)	(8,302,500)	(5,802,500)
Cash dividends paid	6(17)	(1,127,119)	(768,490)
Net cash flows (used in) from financing activities		(586,362)	914,562
Net increase in cash and cash equivalents		141,277	162,077
Cash and cash equivalents at beginning of year	6(1)	397,360	235,283
Cash and cash equivalents at end of year	6(1)	$ 538,637	$ 397,360

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

Attachment 4

Cheng Uei Precision Industry Co., Ltd

PROFIT DISTRIBUTION TABLE

2023

Unit: NTD

Item	Amount		Remarks
	Sub-total	Total	
Undistributed surplus earnings, beginning of the period		4,615,648,663	
Add: Adjustment for 2023 retained earnings	(284,171,194)		
Undistributed surplus earnings after adjustment		4,331,477,469	
Add: net profit after tax	1,457,132,238		
Less: Legal reserve	(117,296,104)		Allocated in accordance Article 237, Paragraph 1 of the Company Act
Less: Provision for special reserve	(309,668,313)		Allocated in accordance with the provisions of Jinguan Zhengfazi No. 1010012865
Distributable net profit		5,361,645,290	
Distributable items:			
Cash dividends	(1,024,653,880)		NTD 2 per share
Unappropriated retained earnings		4,336,991,410	

Note 1: In profit distribution for the current year, priority will be given to profit available for distribution for 2023.

Note 2: Dividend distribution is calculated based on the number of issued shares of 512,326,940 at the time of the resolution of the Board of Directors on March 11, 2024.

Note 3: profit distribution shall be paid in cash in accordance with Article 26-1 of the Company's Articles of Incorporation and the Board of Directors is authorized to adopt such by resolution.

Responsible person: Manager: Accountant in charge:

Attachment 5

Cheng Uei Precision Industry Co., Ltd

Amendment Comparison Table for the Operational Procedures for Loaning Funds to Others

Amended Provision	Current Provision	Description
Article 1 ***Sources of Law***	Article 1 Purpose	Renamed the provision from "purpose" to "sources of law" to indicate that the regulations are enacted in accordance with the law.
Article 2 ***Scope*** of Application	Article 2 Loaning Parties, Total Loaning Funds, and Limits to Individual Loaning Parties	Revised the name of the provision by adding "Scope of Application" to include subsidiaries. In addition, the borrower and limit of the funds provided in Article 2 of the Procedures have been adjusted to Article 4 of the amended regulations. At the same time, the original 150% limit of "business transactions" is revised as "the cumulative amount of purchases and sales with the Company in the previous twelve months, whichever is lower". Individual lending limit for short-term financing was changed from 20% to 40%.
Article 3 ***Definitions***	Article 3 Duration of Loans and Calculation of Interest	The "Duration of Loans and Calculation of Interest" in Article 3 of the Procedures was adjusted to be expressed together with "the duration of the financing in Paragraph 3, Article 5" of the amended Procedures.
Article 4 ***Entities to Which the Company May Loan Funds***	Article 4 Review Procedures	Revised the name of the provision from Article 4 of the "Review Procedures" to Article 6 of the Procedures, "Review Procedures for Loaning of Funds", and restricting the

Amended Provision	Current Provision	Description
		loaning of funds to subsidiaries included in the Company's consolidated financial statements.
Article 5 ***Total Loan Amount, Individual Limit, and Duration of Loans***	Article 5 Repayment	Revised the name of the provision from "Repayment" in Article 5 of the Procedures to "Repayment" in Article 7 of the amended Procedures.
Article 6 ***Review Procedures for Loaning of Funds***	Article 6 Contract Renewal	Revised the name of the provision from "Contract Renewal" in Article 6 of the Procedures to "Contract Renewal" in Article 8 of the amended Procedures.
Article 7 ***Repayment***	Article 7 Registration and Custody of Cases	Revised the name of the provision from "Registration and Custody of Cases" in Article 7 of the Procedures to "Registration and Custody of Cases" in Article 9 of the amended Procedures.
Article 8 ***Contract Renewal***	Article 8 Matters Needing Attention When Loaning Funds to Others	Revised the name of the provision from "Matters Needing Attention When Loaning Funds to Others" in Article 8 of the Procedures to "Matters Needing Attention When Loaning Funds to Others" in Article 10 of the amended Procedures.
Article 9 ***Registration and Custody of Cases***	Article 9 Management and Control Procedures for Loaning of Funds by Subsidiaries	Deleted the "Management and Control Procedures for Loaning of Funds by Subsidiaries" in Article 9 of the Procedures and grouped the relevant contents into the scope of other individual provisions.
Article 10 ***Matters Needing Attention When Loaning Funds to Others***	Article 10 Disclosure of Information	Adjusted the order of the provision in the order of the statement structure and moved "Disclosure of Information" to Article 11. No amendments were made to the content of the provision.

Amended Provision	Current Provision	Description
Article 11 ***<u>Disclosure of Information</u>***	Article 11 Penal Provisions	Adjusted the order of the provision in the order of the statement structure and moved "Penal Provisions" to Article 12. No amendments were made to the content of the provision.
Article 12 ***<u>Penal Provisions</u>***	Article 12 Implementation and Amendments	Adjust the order of the provisions in the order of the statement structure and moved "Implementation and Amendments" to Article 13. No amendments were made to the content of the provision.
Article 13 ***<u>Implementation and Amendments</u>***	No articles	New provisions were added to explain the implementation and amendment procedures of the Procedures.

All Articles of the Operational Procedures for Loaning Funds to Others After Amendment

Operational Procedures for Loaning Funds to Others

Article 1 Sources of Law

These Procedures are established in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and shall be amended accordingly.

Article 2 Scope of Application

1. The Company shall abide by these Procedures when loaning funds to others.
2. Subsidiaries of the Company that have not made public offerings but plan to lend funds to needs are allowed to comply with these Procedures.
3. If the subsidiary has been publicly offered or listed, and there is a need for fund lending, the operating procedures for its own fund lending shall be separately stipulated in accordance with the laws and regulations.
4. The loaning of working capital due to business transactions with the Company shall be processed in accordance with these Procedures.
5. The application of these Procedures shall comply with the relevant laws and regulations if there are any matters not covered herein.

Article 3 Definition

1. Unless otherwise defined, the term "the Company" (parent company) and "subsidiary" as referred to in these Procedures shall be in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
2. The Company's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), and the term "net worth" in these procedures refers to the owner's equity attributable to the parent company on the balance sheet in the report.
3. The short-term financing period in the text refers to a period of one year.

Article 4 Borrower

1. The Company may loan funds only to subsidiaries included in the Company's consolidated financial statements and companies (suppliers or customers) that have purchase and sales transactions with the Company.
2. The above-mentioned loaning of funds between the Company and its subsidiaries or between subsidiaries is limited to "necessity of short-term financing”, and the "business transactions" of purchasing and sales are limited to operating turnover.

Article 5 Total Loan Amount, Individual Limit, and Duration of Loans

1. Total amount of loans by the Company and limit of loans to individual borrowers
   (1) For loans that are classified as "business transactions”, the total amount of loans shall not exceed 40% of the company's net worth. The individual limit shall be the

cumulative amount of purchases and sales of the Company in the previous twelve months before the lending, whichever is lower.

(2) If a loan is made under the "necessary short-term financing" basis, the total amount of the loan shall not exceed 40% of the Company's net worth. The individual limit shall not exceed 40% of the Company's net worth.

2. Total amount of loans between subsidiaries and the limit of loans to individual counterparties

(1) The "lending of funds between domestic subsidiaries" is limited to necessary short-term financing, and the total amount of the loan shall not exceed 40% of the net worth of the lending company. Individual borrowers shall not exceed 40% of the net worth of the lending company.

(2) The “lending of funds from domestic subsidiaries to international subsidiaries” is limited to necessary short-term financing, and the total amount of loans shall not exceed 40% of the net worth of the lending company. Individual borrowers also cannot exceed 40% of the net worth of the lending company.

(3) The "lending of funds between international subsidiaries" is limited to necessary short-term financing and the total amount of loans shall not exceed 40% of the net worth of the lending company. For individual counterparties, it shall not exceed 40% of the net worth of the lending company. However, loans between overseas subsidiaries with 100% of the voting shares are not subject to this restriction. The total amount of loans and the limits of individual loans are limited to 100% of the net worth of the lending company.

(4) The "lending of funds from international subsidiaries back to domestic companies" is limited to necessary short-term financing, and the total amount of loans shall not exceed 40% of the net worth of the lending company. or individual entities, it shall not exceed 40% of the net worth of the lending company. However, the international subsidiaries of which the Company directly or indirectly holds 100% of the voting shares loaning funds back to the Company shall not be subject to this restriction. Both the total amount of loans and the limits of individual loans shall not exceed 100% of the net worth of the lending company .

3. Duration of Loans and the Calculation of Interest

(1) The term “short-term” used in the context of necessary short-term financing above refers to one year, unless there is a specific interpretation based on industry characteristics requiring a period longer than one year. In such cases, it shall be limited to one business cycle.

(2) For the lending of funds between the Company and its subsidiaries (the Group), the “in principle” period is limited to one year. However, the lending of funds between the overseas subsidiaries in which the Company directly or indirectly holds. If an international subsidiary that is subject to the shareholding conditions lends funds back to the Company, the duration of loans may be limited to no more than three years as an exception.

(3) Unless otherwise specified, the loaning of funds shall accrue interest on a daily basis and pay the interest monthly. The interest rate shall be equivalent to the interest rate level that the lending company pays with its major financial institutions.

Article 6 Review Procedures for Loaning of Funds

1. Application Procedures
   (1) The borrower shall submit an application to the finance department with the company's basic financial information, stating the amount, term, purpose, and guarantees of the loan.
   (2) The finance department shall carefully conduct credit checks on the borrowers based on the aforementioned information and conduct detailed reviews and assessments for risks, such as the necessity and reasonableness of the loan, the impact on the company's operations and financial condition, shareholders' equity, and the adequacy of guarantees.
   (3) The loan documents have complied with domestic and international laws and regulations, and the results of the above-mentioned credit investigation shall be submitted to the head of the financial department and the general manager, and then submitted to the Board of Directors for resolution.
   (4) The Company's loaning of funds to or between subsidiaries shall be submitted to the Board of Directors (ie, the board of the lending company) for resolution as aforesaid. In addition, the chair is authorized to make loans to the same borrower in installments (revolving) within a "certain amount" and "a period not exceeding one year" as resolved by the Board of Directors. However, the term "certain credit limit" as used herein means that the authorized limit shall not exceed 10% of the net worth of the Company or its subsidiaries (ie, individual lending companies) in its latest financial statement.
   (5) When loaning funds to others, the opinions of each independent director shall be considered sufficiently, and their positive and negative opinions shall be included in the minutes of the Board of Directors. Major loan of funds cases shall be approved by the Audit Committee and submitted to the Board of Directors for resolution.
   (6) The approved loan case shall be notified to the borrower as soon as possible, and the contractual guarantee and the loan shall be executed on the agreed conditions.
   (7) After disbursement, the finance department shall regularly evaluate and track the borrower and the guarantor's repayment credit and financial condition.
2. Credit Investigation
   (1) For initial borrowers, sufficient detailed financial information, purpose of borrowing, and collateral descriptions shall be provided for credit investigation.
   (2) If the borrower is a subsequent borrower, a new credit check shall be conducted. However, in case of major emergencies, such matters may be handled at any time as deemed necessary.
   (3) If the borrower is financially sound and the annual financial report has been certified by a CPA for financing, the investigation report that is less than one year old can be used, together with the CPA's audit and certification report for the period, as a reference for lending.
   (4) The credit check shall assess the impact of the loaning of funds on the Company's operational risks, financial conditions, and shareholders' equity.
   (5) If such funds are loaned for a business transaction, the person in charge of the finance department shall assess whether the amount of the loan is equivalent to the transaction amount in accordance with the regulations. If it is necessary for short-term financing, reasons and circumstances for lending should be listed, and credit investigations should be conducted.

3. Loan Approval and Notification
   (1) If the Board of Directors does not intend to make a loan after the credit check, the operator shall reply to the borrower with the reasons for the decline as soon as possible.
   (2) If the Board of Directors approves the loan after the credit check, the operator shall write to the borrower as soon as possible to describe the loan terms and conditions in detail, including the amount, term, interest rate, guarantee and guarantor, etc, and invite the borrower to complete the contract before the deadline.
4. Contract Signing and Confirmation
   (1) For loan cases, the Finance Department shall draft the contract, which shall be approved by the supervisor after the external legal review operating procedure and sent to the Legal Division for review and signing before the contract signing procedure is processed.
   (2) The content of the agreement should be consistent with the approved borrowing conditions. After the borrower and the guarantor have signed the agreement, the manager should complete the confirmation procedures.
5. Collateral Valuation and Rights Establishment

   In a loan case, if the borrower has collateral, the pledge or mortgage procedure should be completed. The Company must also carefully evaluate the value of the collateral in order to secure claims.
6. Insurance

   Except for land and marketable securities, all collateral must be insured with fire insurance and related insurance. In addition to the principle that the amount insured shall not be lower than the replacement cost of the collateral, the insurance policy shall also state that the Company is the beneficiary. The subject matter name, quantity, storage location, and insurance terms and conditions of the insurance policy should be consistent with the Company's original loan terms and conditions. The clerk shall notify the borrower of the renewal of the insurance before the expiry date of the insurance.
7. Appropriation of Funds

   Only after the terms and conditions of the loan have been approved and the borrower has signed the contract and the registration of the creation of the guarantee (mortgage) has been completed, all procedures can be verified and correct.

Article 7 Repayment of Loans

1. After distributing a loan, always pay attention to the financial, business, and credit conditions of the borrower and the guarantor. For any material change in the collateral value, notify the borrower two months before the date of repayment of the principal and interest.
2. Before the expiry date, the principal and debts must be repaid together, and the promissory notes, IOUs, and other claims on credit certificates can be cancelled and returned to the borrower.
3. When the borrower applies for the cancellation of the mortgage, it shall first check if the loan has been repaid in full (the balance of the loan is zero) before deciding whether to approve the cancellation of the mortgage.
4. If a loan is overdue and fails to be collected after the deadline, the finance department

shall immediately notify the legal department to take further recourse against the debtor to ensure the legal interest of the Company.

Article 8 Contract Renewal

Before the end of the loan period, the borrower shall be notified of the repayment of the loan as agreed. If there is any need after repayment, the Board of Directors of the Company (ie, the lending company) shall make a resolution before re-signing the contract.

Article 9 Registration and Custody of Cases

1. The Company shall establish a "memorandum book" to record the loaning of funds to the borrower, amount, the date of approval by the Board of Directors, the date of loaning of funds, and the matters that shall be carefully evaluated in accordance with these Procedures.
2. For the cases it handles, the loan case manager shall put the contracts, promissory notes, creditor's right certificates, collateral documents, insurance policies, and related documents in order in a custody bag after the loan is disbursed. The bag should be marked with the contents of the custody and the name of the customer, and then submitted to the head of the finance department for inspection. The bag should be sealed as soon as it is verified, and both parties should sign or seal the custody book and keep it properly.

Article 10 Matters Needing Attention When Loaning Funds to Others

1. In terms of authorization, before loaning funds to others, the Company shall carefully evaluate whether the funds are in compliance with the provisions of these Procedures and submit the evaluation results to the Board of Directors for a resolution. Others shall not be authorized to make decisions.
2. In terms of audits, the Company's internal auditors shall audit the Operational Procedures for Loaning Funds to Others at least once a quarter to learn the implementation status of this operation and maintain a written record. They shall promptly notify the Audit Committee in writing of any major violation found. If a subsidiary is a public company, the same shall apply to its internal auditors. They shall conduct regular audits on a quarterly basis as above. If any material violation is found, they shall immediately notify the Company's audit unit in writing, and the Company shall submit a written report to the Audit Committee.
3. When the Company implements its annual audit plan as scheduled, it shall also understand the implementation of fund lending operations at its subsidiaries. When deficiencies are discovered, the status of improvement shall be continuously tracked and submitted in a follow-up report.
4. If the Company finds that the borrower does not comply with these Procedures or the balance exceeds the limit due to various reasons, the Finance Department shall set a time limit to collect the excessive loaning funds, submit the improvement plan to the Audit Committee, and the improvements should be completed according to the planned schedule.
5. The Company and the loaning of funds personnel of subsidiaries are required to prepare a detailed statement of the loaning of funds to others of the previous month before the 10th day of each month and submit it to each level for review. For subsidiaries, the

relevant information and reporting data for future reference shall be summarized and submitted to the Company for review in advance, in order to facilitate the overall reporting.

Article 11 Disclosure of Information

1. The Company shall announce and report the balance of loans to the parent and subsidiary for the previous month before the 10th day of each month.
2. If the balance of the loaning of funds reaches one of the following levels, a public announcement shall be made within two days from the date of occurrence of the fact:
   (1) The balance of loans to others by the Company and its subsidiaries reaches 20% or more of the Company's net worth as stated in its latest financial statement.
   (2) The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10% or more of the Company's net worth as stated in its latest financial statement.
   (3) The amount of new loans of funds by the Company or its subsidiaries reaches NTD 10 million or more and reaches 2% or more of the Company's net worth as stated in its latest financial statement.
3. If a subsidiary of the Company is not a public company in Taiwan, if the subsidiary has matters to be announced and reported in subparagraph 3 of the preceding paragraph, the Company shall do so.
4. The Company shall evaluate the status of loans of funds and provide sufficient allowance for bad debts and shall appropriately disclose relevant information in the financial statements and provide relevant information to the CPAs performing the necessary audit procedures.
5. The "Date of Occurrence" as used herein means the date of contract signing, date of payment, date of a resolution made by the Board of Directors, or other date that can confirm the borrower and amount of funds to be lent, whichever date is earlier.

Article 12 Penal Provision

The Company's managers and personnel in violation of the Operational Procedures will be punished in accordance with the Company's Personnel Management Regulations and Employee Reward and Disciplinary Regulations.

Article 13 Implementation and Amendments

The stipulations and amendments of these Procedures shall be subject to the consent of more than one-half of all the members of the Audit Committee and shall be implemented after the approval of the Board of Directors and the approval of the shareholders' meeting. If any director expresses a dissenting opinion and there is a record or written statement, the Company shall submit the dissenting opinion to the Audit Committee and the shareholders' meeting for discussion and shall be amended in the same manner.

If the enactment of the preceding paragraph is not approved by more than one-half of the members of the Audit Committee, it may be made with the consent of more than two-thirds of all the Directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors. (All members of the Audit Committee and Board of Directors referred to in this Article shall be counted by the actual number of persons currently in office.)

Attached table: From the perspective of prudent fund lending control, domestic lending is stricter than outbound lending, while inbound lending from international sources is more lenient.

Summary of the aforementioned loaning of funds:

Loan of funds and counterparty	**Use of funds**	**Upper limit of total amount of loans** (% of the lending company's net worth)	**Upper limit of loans to individual borrowers** (% of the lending company's net worth)	**Duration of loans**	**Cash flow**
Suppliers/customers with whom the Company has business dealings	Business transactions	40%	100% of the business transaction amount in the past year	1 year	Not applicable
The Company and its subsidiaries (Principle)	Short-term financing	40%	40%	1 year	Domestic Domestic to international
Between domestic subsidiaries	Short-term financing	40%	40%	1 year	Domestic
Domestic and international subsidiaries	Short-term financing	40%	40%	1 year	Domestic to international
Loans between international subsidiaries (When holding less than 100 shares)	Short-term financing	40%	40%	1 year	Overseas
Between international subsidiaries with 100% direct and indirect shareholding (Exceptions)	Short-term financing	100%	100%	3 years	Overseas
International subsidiaries in which the Company holds 100% of direct and indirect shares (Exceptions)	Short-term financing	100%	100%	3 years	International to domestic

No more than 10% of the company's net worth if authorized for a certain amount

Authorization of a Certain Amount	Detailed requirements
Reporting of Loaning of Funds	Loaning of funds between the Company and its subsidiaries or between the Company's subsidiaries shall be submitted to the Board of Directors for resolutions in accordance with the regulations.
Scope of Authorization	The chair may be authorized to make loans to the same borrower in installments (revolving) within a "certain amount" and "a period not exceeding one year" as resolved by the Board of Directors.
Definition of a Certain Amount	The "certain amount" means that the authorized amount of loaning of funds to a single enterprise from the Company or its subsidiaries shall not exceed 10% of the net value of the most recent financial statements of the Company or its subsidiaries (ie, individual lending companies).

Disclosure of material information

Information disclosure regulations	Terms
Monthly Announcement	The Company and its subsidiaries announce and report the balance of loans for the previous month before the 10th of each month.
Meeting The Criteria Must Be Announced and Reported Within Two Days from The Date of Occurrence:	1. The balance of loans by the Company and its subsidiaries to others reaches 20% or more of the Company's net worth as stated in its latest financial statement
	2. The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10% or more of the Company's net worth as stated in its latest financial statement
	3. The amount of new loans of funds by the Company or its subsidiaries reaches NTD 10 million or more and reaches 2% or more of the Company's net worth as stated in its latest financial statement.