

**Stock code: 8070**



**Chang Wah Electromaterials Inc.**

**2025 Annual Shareholders' Meeting**

# **Meeting Agenda**

(Translation)

**Date: May 29, 2025**

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

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# **Chang Wah Electromaterials Inc.**

## **Meeting Procedure of**

### **Annual Shareholders' Meeting 2025**

**I. Call the Meeting to Order**

**II. Chairperson's Speech**

**III. Status Reports**

**IV. Matters for Ratification**

**V. Matters for Discussions**

**VI. Elections**

**VII. Others Proposals**

**VIII. Extempore Motions**

**IX. Adjournment**

# **Chang Wah Electromaterials Inc.**

## **Meeting Agenda**

**Time: 10:00 A.M., May 29 (Thu.), 2025**

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

**Meeting Type: Physical Shareholders' meeting**

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

**2. Chairperson's Speech**

**3. Status Reports**

- A. The Company's 2024 Annual Business Report
- B. Report by Audit Committee on review of the 2024 Annual Accounting Final Reports and Statements
- C. Report on the Distribution of Employees and Board Directors' Compensation
- D. Report on the 2024 Remuneration of Directors
- E. Report on the Earnings' Distribution
- F. Distribution of cash from capital surplus
- G. Report on the Company's Endorsement, Guarantee and Financings Provided to Other Parties
- H. Report on the Company's Investment in Mainland China
- I. Report on the Handling of Corporate Bonds
- J. Amendments of the Rules governing the 2024 issuance of employee RSAs
- K. Report on the Company's Execution for the Repurchased Shares
- L. The Descriptions of Proposals from shareholders

**4. Matters for Ratification**

- A. Ratification of the 2024 Annual Business Report and the Financial Statements
- B. Ratification of 2024 Earnings Distribution Report

**5. Matters for Discussions**

- A. Amendment of the Articles of Incorporation

**6. Elections**

- A. To hold the election of the 13<sup>th</sup> Board of Directors which has seven Directors (including three Independent Directors)

**7. Others Proposals**

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

**8. Extempore Motions**

**9. Adjournment**

## Status Reports

- (1) The Company's 2024 annual business report.

Please refer to page 10-12 of this meeting agenda.

- (2) Report by Audit Committee on review of the 2024 annual accounting final reports and statements.

Please refer to page 13 of this meeting agenda.

- (3) Report on the Distribution of Employees and Board Directors' Compensation.

The report has been approved by the directors' meeting on March 12, 2025. According to Article 18-2 of the Articles of Incorporation of the Company, the distribution of employees and board directors' compensation of 2024 is listed below:

Unit: NT\$			
Item	Ratio	Amount	Way of Distribution
Employees' Compensation	2%	\$ 34,489,367	All distributed by cash.
Directors' Compensation	3.6%	\$ 32,978,734	

- (4) Report on the 2024 Remuneration of Directors.

1. Remuneration of directors is paid based the Company's "Standards, Policy and Structure of Director Remuneration." It is reviewed regularly by the Compensation Committee and distributed upon approval from the Board. Remuneration of directors comprises of base compensation, compensation to directors and allowances. Base compensation is a fixed amount distributed from a budget of NT\$8 million every year. Whether the director is a member of a functional committee and his/her involvement and contribution to the operation are considered when the Board determines the amount. Compensation to directors is paid pursuant to the Articles of Incorporation. When the Company's net income for the year exceeds NT\$800 million, 2% of the excess from income between NT\$800 million and NT\$1 billion shall be distributed as compensation to directors. When the annual income exceeds NT\$1 billion, 4% of the excess shall be distributed as compensation to directors. Allowances include attendance allowance and others. Remuneration policy is established with consideration to the level of participation and contribution of individual director to the Company (please refer to the Annual Report for results of performance evaluation by the Board and individual director), industry average (companies in the electronics distribution industry or ones with similar levels of paid-in capital, revenue, or profits) as well as business

performance indicators. Performance of the chairman is evaluated by performance indicators associated with operation, governance and financial performance, including profit before tax, earnings per share, budget achievement and growth.

2. For 2024 remuneration of directors, please refer to page 14 of this meeting agenda.

(5) Report on the earnings' distribution.

1. The report is written and executed according to the Company Act and the Articles of Incorporation of the Company.
2. The 2024 earnings distribution table has been approved by the Board of Directors, and has been reviewed by the Audit Committee. Please refer to page 16 of this meeting agenda.
3. The status of earnings distributed as cash dividends by the Company in 2024 is listed below:

Unit: NT\$

Time	Distributed Year	Amount	NT\$ per Share	Date Issues by the Directors' Meeting
1	First Half of 2024 (Note)	\$ 506,742,219	0.70000000	November 5, 2024
2	Second Half of 2024	\$ 1,378,519,915	1.90425014	March 12, 2025

Note: The cash dividend of the first half year of 2024 has been distributed on January 17, 2025.

(6) Distribution of cash from capital surplus.

1. The Company proposes to distribute NT\$69,314,995 from capital surplus related to shares issued at a premium to shareholders in the form of cash.
2. Shareholders recorded in the register on the record date are entitled to receive NT\$0.09574986 per share, with the payment to an individual shareholder rounded down to the nearest dollar. Payments of fractional dollar amount to an individual shareholder are transferred to the Employee Welfare Committee of Chang Wah Electromaterials Inc. The Board of Directors has authorized the chairman to set the record date and the payment date for the cash distribution from capital surplus and handle relevant matters. In the event that there are changes in the total number of outstanding shares and consequently the payout ratio due to events including issuance of employee restricted stock, share repurchase, transfer or cancellation of treasury stocks and conversion of convertible bonds, the chairman is also authorized to handle matters pertaining to changes in the dividend payout ratio.

- (7) Report on the Company's endorsement, guarantee and financings provided to other parties.

Please refer to page 17-18 of this meeting agenda.

- (8) Report on the Company's investment in Mainland China.

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

- (9) Report on the handling of corporate bonds.

Please refer to page 21 of this meeting agenda.

- (10) Amendments of the Rules governing the 2024 issuance of employee RSAs.

Please refer to page 22-23 of this meeting agenda.

- (11) Report on the Company's Execution for the Repurchased Shares.

Details on the execution for the repurchase shares are set out below :

Unit: NT\$

Instance	Seventh
Purpose	Transfer of shares to employees
Buyback Period	Nov. 8 2023 ~ Jan. 7 2024
Price Range	NT\$21.70 ~ NT\$46.00
Type of Shares	Ordinary Shares
Number of Shares to be Repurchased	2,000,000 shares
Number of Shares Repurchased	2,000,000 shares
Amount of Repurchased Shares	NT\$68,708,175
Average Repurchase Price per Share	NT\$34.35
Reasons for Not Completing the Repurchase	Completed
Cancelled and Transferred Shares	269,000 shares
Cumulated holding Volume	1,731,000 shares
The ratio of the Cumulated holding Volume to the total issued shares (Note) (%)	0.24%

Note: As of to date, the Company has 725,648,455 issued shares.

- (12) The descriptions of proposals from shareholders.

Explanatory Notes:

1. According to Article 172-1 of the Company Act, the shareholders possessing more than 1% amount of total shares shall raise shareholding proposals to the Company, with 300 words per item at its maximum.
2. During the period from Feb. 21 to Mar. 3, 2025 when the Company makes public announcements of shareholdings on MOPS, there were no proposals accepted from the shareholders during the time, thus the agenda does not need to be discussed in the annual shareholders' meeting of 2025.

## **Matters for Ratification**

Proposal 1: Proposed by the Board of Directors

Content: Ratification of the 2024 Annual Business Report and the Financial Statements.

Explanatory Notes:

- 1.The Company's 2024 financial statement (including the parent company only and consolidated financial statements) were approved by the board of directors on March 12, 2025, audited and certified by the accountants Lee-Yuan Kuo and Hung-Ju Liao of Deloitte & Touche with independent auditors' reports issued, containing unqualified opinions with the Other Matters section, and reviewed with the audit committee report by the Audit Committee.
- 2.The above-mentioned report (please refer to page 24-42 of this meeting agenda), and annual business report (please refer to page 10-12 of this meeting agenda) are attached herein.

Resolutions:

Proposal 2: Proposed by the Board of Directors

Content: Ratification of 2024 Earnings Distribution Report.

Explanatory Notes:

1. The Company's 2024 earnings distribution table has been approved by the Board of Directors on March 12, 2025, and is reviewed by the Audit Committee. Please refer to page 16 of this meeting agenda.
2. The agenda has been proposed for ratification.

Resolutions:

## **Matters for Discussions**

Proposal 1: Proposed by the Board of Directors

Content : Amendment of the Articles of Incorporation

Explanatory Notes:

- 1.The amendments are made according to the laws and regulations of the competent authorities.
- 2.For the comparison table of regulations, please refer to page 43-44 of this meeting agenda.
- 3.The agenda has been proposed for discussion.

Resolutions:



## **Elections**

Proposal 1: Proposed by the Board of Directors

Content : To hold the election of the 13<sup>th</sup> Board of Directors which has seven Directors  
(including three Independent Directors)

Explanatory Notes:

1. The term of the Company's 12<sup>th</sup> Board of Directors will expire on June 16, 2025. Thus, it is proposed to hold the election of the 13<sup>th</sup> Board of Directors in the 2025 annual shareholders' meeting in accordance with applicable laws and regulations.
2. In accordance with Articles 11 and 11-1 of the Articles of Incorporation, the Company proposes to elect seven Directors (including three Independent Directors) in the annual shareholders' meeting. The candidate nomination system is adopted for the election and the shareholders shall elect Directors from the list of Director candidates. The newly elected Directors shall serve a term of 3 years, which commences immediately from the election date, i.e., from May 29, 2025 to May 28, 2028.
3. The list of Director (including Independent Directors) candidates was resolved and approved by the Board of Directors. Please refer to page 45-47 of this meeting agenda.
4. The agenda has been proposed for election.

The Election Result:

## **Others Proposals**

Proposal 1: Proposed by the Board of Directors

Content: Lifting the competition restrictions for the newly elected Directors.

Explanatory Notes :

1. According to Article 209 of the Company Act, director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. For business needs, it is proposed to lift the competition restrictions for the newly elected Directors in the annual shareholders' meeting in accordance with applicable laws and regulations.
3. Please refer to page 48 of this meeting agenda for details of competition restrictions proposed to be lifted for newly elected Directors.
4. The agenda has been proposed for discussion.

Resolutions:

## **Extempore Motions**

## **Adjournment**

# Attachments

## Chang Wah Electromaterials Inc. 2024 Annual Business Report

The Company began as a distributor specializing in packaging materials and equipment and has been deeply involved in the semiconductor packaging industry for over 30 years. Analyzing terminal applications in the first half of 2024, demand for consumer electronic chips, such as those used in mobile phones, remained relatively strong. Meanwhile, the PC sector continued to experience inventory corrections. In the automotive and industrial sectors, IDM customers saw their inventory levels bottom out in the first quarter of 2024, followed by a gradual recovery in orders in the second quarter, though demand has yet to return to previous peak levels.

Benefiting from stronger customer demand in the second half of 2024 and an official price increase for packaging materials starting in the third quarter, both gross profit margin and operating profit margin have risen. Meanwhile, the subsidiary Chang Wah Technology Co., Ltd. (CWTC) continues to expand its Mini LED product lineup and strengthen its presence in the automotive sector. Beyond pricing factors, the Company has also made significant advancements in advanced packaging materials and equipment, expanding from 12-inch wafer-level packaging to panel-level packaging. Shipments of related semiconductor materials commenced in the second half of 2024.

The Company's consolidated revenue was NT\$17.23 billion in 2024, an increase of 4% year-over-year. Operating profit amounted to NT\$1.92 billion, soaring 15% compared to 2023. Furthermore, Foreign exchange gains and other income under non-operating income also increased compared to 2023. Consequently, there was an increase in net profit after tax. Net profit attributable to owners of the Company was NT\$1.59 billion, up 8% from last year, and the earnings per share was NT\$2.32. The consolidated results of operations at the end of 2024 are listed as follows :

(Parent Company Only) Unit: NT\$ in Thousands

Item	2024		2023		2022	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Operating Income	7,320,530	100%	6,475,334	100%	10,302,401	100%
Gross Profit	605,753	9%	481,855	8%	648,182	6%
Gross Profit Margin	9%	—	8%	—	6%	—
Operating Profit	249,415	4%	238,525	4%	263,730	2%
Net Income before Tax	1,657,000	23%	1,544,239	24%	2,298,678	22%
Net Income after Tax	1,592,225	22%	1,477,214	23%	2,163,818	21%

(Consolidated) Unit: NT\$ in Thousands

Item	2024		2023		2022	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Operating Income	17,231,404	100%	16,490,002	100%	21,858,509	100%
Gross Profit	3,504,926	20%	3,071,748	19%	5,069,322	23%
Gross Profit Margin	20%	—	19%	—	23%	—
Operating Profit	1,924,736	11%	1,680,410	10%	3,424,363	15%
Net Income before Tax	3,026,722	18%	2,688,052	16%	4,501,463	20%
Net Income after Tax	2,519,968	15%	2,248,755	14%	3,572,984	16%

## 【Financial Performance】

(Parent Company Only)

Item	2024	2023	2022
<b>Financial Structure</b>			
Debt Ratio	28%	34%	43%
Long-term Funds to Fixed Assets	26,169%	23,864%	20,266%
Net Asset Value per Share	24.75	22.40	17.07
<b>Solvency</b>			
Current Ratio	120%	87%	103%
Quick Ratio	114%	81%	95%
<b>Profitability</b>			
Return on Assets	7%	7%	11%
Return on Equity	10%	11%	19%
Net Profit Margin	22%	23%	21%
Earnings per Share	2.32	2.19	3.16

(Consolidated)

Item	2024	2023	2022
<b>Financial Structure</b>			
Debt Ratio	41%	46%	51%
Long-term Funds to Fixed Assets	781%	641%	616%
Net Asset Value per Share	24.75	22.40	17.07
<b>Solvency</b>			
Current Ratio	230%	158%	171%
Quick Ratio	193%	135%	140%
<b>Profitability</b>			
Return on Assets	7%	7%	12%
Return on Equity	12%	13%	23%
Net Profit Margin	15%	14%	16%
Earnings per Share	2.32	2.19	3.16

## 【Research and Development】

The Company has been a long-term distributor of Sumitomo Bakelite Co., Ltd.'s epoxy resin molding compounds (EME), conductive and non-conductive adhesives, and other semiconductor packaging materials for over 35 years. Due to our strong sales performance, Sumitomo Bakelite's EME holds the largest market share in Taiwan's semiconductor packaging industry, reinforcing its position as a global leader. The superior quality of its materials has also enabled the Company to play a pivotal role in Taiwan's semiconductor packaging sector.

In terms of advanced packaging equipment, its contribution has experienced twofold growth in 2024 compared to the previous year. This growth is driven by a steady increase in order volumes from key customers over the past two years, underscoring the robust demand in advanced packaging. The subsidiary, CWTC, has made strategic investments in Mini LED and high-end lead frame technologies in recent years, with a particular focus on developing Mini LED solutions for automotive applications over the past two years. While the certification cycle for automotive products is relatively long, the Company anticipates sustained and steady growth in this sector over the medium to long term. Additionally, it has also expanded into the consumer electronics sector, which is expected to further enhance profitability, supporting overall business performance.

**【Strategy of Future Development】**

CWE Group has long played a crucial role in the semiconductor materials sector. As the semiconductor market rebounds, demand for our semiconductor-related materials, including EMC, is expected to benefit and grow in tandem. Also, our subsidiary CWTC is seeing a recovery in demand across the automotive, industrial control, networking, and consumer electronics markets. Given these factors, the Company remains optimistic about its business outlook for the year.

Chairperson:  
Hung, Chuen-Sing

Manager:  
Thomas, Huang

Accountant:  
Kelly, Chiu

## **Chang Wah Electromaterials Inc.**

### **Audit Committee Report**

The Board of Directors had prepared and submitted the 2024 Financial Statements (including the parent company only and consolidated financial statements). The audit of the financial statements was completed by accountants Lee-Yuan Kuo and Hung-Ju Liao of Deloitte & Touche with independent auditors' reports issued, containing unqualified opinions with the Other Matters section. The audit of the aforementioned statements, along with issues such as the 2024 Annual Business Report and the 2024 earning distribution table, submitted by the Board of Directors was reviewed by the Audit Committee, and no inconsistency was found. The audit report was issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Yours sincerely,

2025 Annual Shareholders' Meeting of Chang Wah Electromaterials Inc.

Audit Committee of Chang Wah Electromaterials Inc.

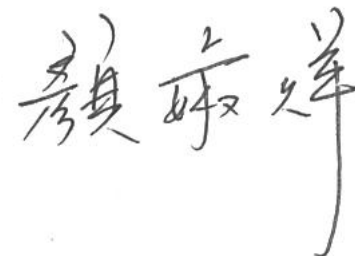
Convener:



Convener:



Convener:



Date: March 12, 2025.

## 2024 Remuneration of Directors

NT\$ thousands; %

Title	Name	Remuneration (Note 1)								Total of A, B, C and D and as a % of Net Income		Relevant Remuneration Received by Directors Who are Also Employees								Total of A, B, C, D, E, F and G and as a % of Net Income		Compensation from Non-consolidated Affiliates or Parent Company
		Base Compensation (A)		Severance Pay (B) (Note 2)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)						
		From CWE	From All Consolidated Entities	From CWE	From All Consolidated Entities	From CWE (Note 3)	From All Consolidated Entities	From CWE	From All Consolidated Entities	From CWE	From All Consolidated Entities	From CWE	From All Consolidated Entities	From CWE	From All Consolidated Entities	From CWE		From All Consolidated Entities		From CWE	From All Consolidated Entities	
																Cash	Stock	Cash	Stock			
Chairman	Juan Yao Investment Co., Ltd.	1,888	1,888	0	0	18,221	18,221	0	0	20,109 1.26%	20,109 1.26%	0	0	0	0	0	0	0	0	20,109 1.26%	20,109 1.26%	0
	Rep.: Hung, Chuen-Sing	0	15,554	0	0	0	0	756	777	756 0.06%	16,331 1.03%	0	28,842	0	139	0	0	0	0	756 0.06%	45,312 2.85%	53
Director	Yuan Yao Energy Technology Co., Ltd.	1,006	1,006	0	0	14,758	14,758	0	0	15,764 0.99%	15,764 0.99%	0	0	0	0	0	0	0	0	15,764 0.99%	15,764 0.99%	0
	Rep.:Gary, Huang	0	0	0	0	0	0	9	9	9 0.00%	9 0.00%	1,351	1,351	0	0	0	0	0	0	1,360 0.09%	1,360 0.09%	0
	Former Rep.: Canon, Huang	0	533	0	0	0	0	9	18	9 0.00%	551 0.04%	19,681	23,307	0	14,000	0	0	0	0	19,690 1.23%	37,858 2.38%	9
Director	Wah Lee Industrial Corp.	1,005	1,005	0	0	0	0	0	0	1,005 0.06%	1,005 0.06%	0	0	0	0	0	0	0	0	1,005 0.06%	1,005 0.06%	0
	Rep.:Lulu, Huang	0	0	0	0	0	0	3	3	3 0.00%	3 0.00%	0	0	0	0	0	0	0	0	3 0.00%	3 0.00%	0
	Former Rep.: Chang, Tsuen-Hsien	0	0	0	0	0	0	15	15	15 0.00%	15 0.00%	0	0	0	0	0	0	0	0	15 0.00%	15 0.00%	0
Director	Huang, Shiou-Chuan	1,005	1,005	0	0	0	0	18	18	1,023 0.06%	1,023 0.06%	0	0	0	0	0	0	0	0	1,023 0.06%	1,023 0.06%	3,124
Independent Director	Kong, Chi-Chuan	636	636	0	0	0	0	18	18	654 0.04%	654 0.04%	0	0	0	0	0	0	0	0	654 0.04%	654 0.04%	0
Independent Director	Yen, Shu-Yang	600	600	0	0	0	0	18	18	618 0.04%	618 0.04%	0	0	0	0	0	0	0	0	618 0.04%	618 0.04%	0
Independent Director	Chen, Chih -Cheng	660	660	0	0	0	0	18	18	678 0.04%	678 0.04%	0	0	0	0	0	0	0	0	678 0.04%	678 0.04%	0
1.The policy, system, standards and structure for the remuneration of independent directors, and the correlation between the amount of remuneration and the amount of remuneration based on the responsibilities, risks and time commitment: The remuneration of the Company's independent directors is governed by the “Regulations Governing Directors' Compensation”. The Company may pay each independent director between NT\$30,000 and NT\$60,000 per month, regardless of the Company's operating profit or loss or the responsibilities, risks, and time commitment of the independent director. 2.Except as disclosed in the table above, compensation received for services rendered (e.g., a non-employee consultant to the parent company/entities within the financial statements/investees) by directors in the most recent year: No.																						



Note 1: In accordance with the Company's Articles of Incorporation and the Regulations Governing the Compensation of Directors.

Note 2: There is no actual payment and no provision for retirement pension for this year.

Note 3: On March 12, 2025, the Board of Directors approved the distribution of directors' remuneration in the amount of NT\$32,979 thousand for 2024.

## Chang Wah Electromaterials Inc. 2024 Earnings Distribution Table

Unit: NT\$

Beginning balance of undistributed earnings		1,987,854,353
Net profit after tax plus the amount of other items accounted for as the undistributed earnings in fiscal year 2024		
Net profit after tax in fiscal year 2024	1,592,225,066	
Remeasurements of defined benefit plans recognized in the retained earnings	(112,841)	
Effects of changes in long-term equity investments	(158,275)	
The accumulated profit and losses from the disposal of the investment in equity instruments measured at FVTOCI was directly transferred to the retained earnings	502,781,754	2,094,735,704
Provision of the legal reserve (10%)		
Part provided in the first half of fiscal year 2024	(105,746,393)	
Part provided in the second half of fiscal year 2024	(103,727,177)	(209,473,570)
Distributable earnings in fiscal year 2024		3,873,116,487
Item of distribution:		
The amount of earnings distribution as the dividends for shareholders in the first half of fiscal year 2024 - cash (NT\$0.70000000 for each share)	(506,742,219)	
The amount of earnings distribution as the dividends for shareholders in the second half of fiscal year 2024 - cash (NT\$1.90425014 for each share)	(1,378,519,915)	(1,885,262,134)
Ending balance of undistributed earnings		1,987,854,353

Chairperson: Hung, Chuen-Sing;      Manager: Thomas, Huang;      Accountant: Kelly, Chiu

### Note:

1. The dividend for each share was calculated with the basis of 723,917,455 outstanding shares by March 12, 2025. If the number of outstanding shares or the payout ratio for each share changes due to the issuance of restricted employee shares, repurchase of shares, transfer or writing-off of treasury shares, or the transition of convertible corporate bonds, the chairperson shall be authorized to handle all affairs related to the change in the payout ratio of dividends for shareholders.
2. The part of the share dividends which was less than NT\$1 was recognized in the section of Employee Benefit Committee.
3. The proposals of earnings distribution for the first half and the second half of fiscal year 2024 were respectively approved by the Board of Directors with resolutions made on Nov. 5, 2024 and Mar. 12, 2025.

Financing Provided in Fiscal Year 2024

Chang Wah Electromaterials Inc. and Subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorsement/ Guarantor Provider	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Amount for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiary in Mainland China	Note
		Name	Relationship (Note 3)											
0	The Corporation	Shanghai Chang Wah Electromaterials Inc.	2, 6	\$ 3,491,539	\$ 56,226	\$ 56,226	\$ 56,226	\$ -	0.32	\$ 8,728,848	Yes	No	Yes	Note 1
1	Chang Wah Technology Co., Ltd.	Shanghai Chang Wah Electromaterials Inc.	2, 6	2,248,925	127,370	127,370	127,370	-	1.13	5,622,314	No	No	Yes	Note 2

Note 1: In accordance with the Corporation’s “Procedures for Provision of Endorsements and Guarantees”, limits are as follows:

1.

The total amount of guarantees provided by the Corporation shall not exceed 50% of the Corporation’s net worth in its latest audited or reviewed financial statements.

2.

Except of the guarantor has business relationship with the guarantee, the amount of guarantees to any individual entity shall not exceed 20% of the Corporation’s net worth in its latest audited or reviewed financial statements.

3.

The total amount of guarantees provided by the Corporation and its subsidiaries shall not exceed the Corporation’s net worth in its latest audited or reviewed financial statements.

4.

Except of the guarantor has business relationship with the guarantee, the total amount of guarantees to any individual entity shall not exceed 50% of the Corporation’s net worth in its latest audited or reviewed financial statements.

Note 2: Chang Wah Technology Co., Ltd.: The amount of guarantees to any individual entity shall not exceed 20% of its net worth. The total amount of guarantees shall not exceed 50% of its net worth.

Note 3: Relationships between the endorser/guarantor and the party being endorsed/guaranteed are as follows:

1.

A company that the Corporation has business relationship with.

2.

The Corporation owns directly or indirectly over 50% ownership of the investee company.

3.

The company that owns directly or indirectly hold over 50% ownership of the Corporation.

4.

In between companies that were held over 90% of voting shares directly or indirectly by an entity.

5.

The Corporation is required to provide guarantees or endorsements for the construction project based on the construction contract.

6.

Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages.

7.

According to Consumer Protection Act, companies in the same industry enter into collateral performance guarantees for pre-construction home sales agreements.

**Chang Wah Electromaterials Inc. and Subsidiaries**

## (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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Investment in Mainland China in Fiscal Year 2024

Chang Wah Electromaterials Inc. and Subsidiaries

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2024	Net Income of the Investee	% of Ownership of Direct or Indirect Investment	Investment Gain	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outward	Inward							
Guangdong How Weih Electronics Co., Ltd.	Researching, developing, manufacturing and selling of new electronic components and precision hardware and plastic components.	\$ 684,120	3	\$ -	\$ -	\$ -	\$ -	\$ 88,221	25	\$ 22,198	\$ 848,839	\$ 27,947	Note 2 and 8
SH Electronics Chengdu Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor materials and precision tools	278,673	2	66,077	-	-	66,077	197,674	100	197,674	1,420,224	1,010,592	Notes 2, 7 and 9
Shanghai Chang Wah Electromaterials Inc.	Acting as an agent for IC packaging materials and equipment	131,140	1 and 2	149,668	-	-	149,668	93,325	100	93,325	687,414	181,110	Notes 2, 7 and 9
SH Precision Chengdu Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor materials and precision tools	114,748	2	31,807	-	-	31,807	93,516	100	93,275	612,213	464,517	Notes 2, 7 and 9
CWTC (Shanghai) Inc.	Selling of lighting materials and equipment, communication devices, semiconductor materials and equipment, electronic products, machinery and equipment, etc.	65,570	1	64,308	-	-	64,308	14,059	100	14,059	119,843	-	Notes 7 and 9
SH Electronics Suzhou Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor packaging materials and precision tools	819,625	2	-	-	-	-	214,525	100	214,532	1,513,464	125,080	Notes 2, 7 and 9

Investor Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2024 (Note 3)	Investment Amount Authorized by the Investment Commission, MOEA (Notes 4 and 5)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 6)
The Corporation	\$ 530,229	\$ 1,139,692	\$ -
Chang Wah Technology Co., Ltd.	64,308	1,496,407	-

Note 1: Investment methods are classified into the following two categories:

- 1. Direct investment
- 2. Invest through holding company registered in a third region.
- 3. Others.

(Continued)

- Note 2: Guangdong How Weih Electronics Co., Ltd. accumulated repatriation of investment income of RMB6,290 thousand (USD915 thousand); SH Electronics Chengdu Co., Ltd. accumulated repatriation of investment income of RMB230,205 thousand (USD32,967 thousand); SH Precision Chengdu Co., Ltd. accumulated repatriation of investment income of RMB107,496 thousand (USD15,330 thousand); Shanghai Chang Wah Electromaterials Inc. accumulated repatriation of investment income of RMB39,682 thousand (USD6,027 thousand); SH Electronics Suzhou Co., Ltd. accumulated repatriation of investment income of RMB28,407 thousand (USD4,000 thousand).
- Note 3: The difference with the accumulated investment amount remitted from Taiwan of the above table was mainly due to the loss of control in equity or the reinvestment by the invested company at fair value through other comprehensive income.
- Note 4: Investments approved by the Ministry of Economic Affairs were SH Electronics Chengdu Co., Ltd. USD2,100 thousand, SH Precision Chengdu Co., Ltd. USD1,050 thousand, Wuxi E&R Semiconductor Material Technology Co., Ltd. USD76 thousand, How Weih Precision Technology (Shenzhen) Co., Ltd. USD820 thousand, How Yu Technology (Shenzhen) Co., Ltd. USD644 thousand, Shanghai Chang Wah Electromaterials Inc. RMB19,729 and USD2,775 thousand, Wujiang Binmao Optronics Co., Ltd. USD551 thousand, Huizhou Weite Electronics Co., Ltd. RMB100,020 thousand and USD(7,469) thousand, Guangdong How Weih Electronics Co., Ltd. USD22,326 thousand, Ningbo Wanquan Photoelectricity Technology Co., Ltd. USD868 thousand and CTRON Advanced Material Co., Ltd. RMB20,000 thousand. In March 2017, the Corporation purchased 40% of the shares of SH Asia Pacific Pte. Ltd. from SH Materials Co., Ltd. and indirectly acquired the shares of other 3 companies included mainland region of SH Electronics Suzhou Co., Ltd. (USD1,571 thousand), SH Electronics Chengdu Co., Ltd. (USD6,463 thousand) and SH Precision Chengdu Co., Ltd. (USD2,454 thousand). In June 2017, the Corporation sold the 40% of SH Asia Pacific Pte. Ltd.'s shares to the subsidiary Chang Wah Technology Co., Ltd. by through organizational restructuring, and indirectly transferring three companies' shares of SH Electronics Suzhou Co., Ltd. (USD1,303 thousand), SH Electronics Chengdu Co., Ltd. (USD3,751 thousand) and SH Precision Chengdu Co., Ltd. (USD1,188 thousand). In October 2017, the Corporation sold 100% of its subsidiary, WSP Electromaterials Ltd. to SH Asia Pacific Pte. Ltd. and indirectly transferred ownership of SH Electronics Chengdu Co., Ltd. (USD9,833 thousand), SH Precision Chengdu Co., Ltd. (USD3,165 thousand) and Shanghai Chang Wah Electromaterials Inc. (USD8,670 thousand) by organizational restructuring. In March 2020, the Corporation purchased 30% of the shares of Silver Connection Co., Ltd. from Biostar Microtech Int'l Corp. for NTD295,152 thousand, which indirectly resulted in owning 30% of Dong Guan Sino-1 Electrical Contacts Alloy Co., Ltd.
- Note 5: Investments of the Corporation's subsidiary, Chang Wah Technology Co., Ltd. approved by the Ministry of Economic Affairs were CWTC (Shanghai) Inc. USD2,000 thousand. In March 2017, the subsidiary, Chang Wah Technology Co., Ltd. purchased 60% of its shares of SH Asia Pacific Pte. Ltd. from SH Materials Co., Ltd. and indirectly acquired ownership of SH Electronics Suzhou Co., Ltd. (USD2,356 thousand), SH Electronics Chengdu Co., Ltd. (USD9,695 thousand) and SH Precision Chengdu Co., Ltd. (USD3,682 thousand). Moreover, in June 2017, the Corporation sold 40% of its shares of SH Asia Pacific Pte. Ltd. to its subsidiary, Chang Wah Technology Co., Ltd. and indirectly transferred ownership of SH Electronics Suzhou Co., Ltd. (USD1,303 thousand), SH Electronics Chengdu Co., Ltd. (USD3,751 thousand) and SH Precision Chengdu Co., Ltd. (USD1,188 thousand) that was owned by the Corporation by organizational restructuring. In October 2017, the Corporation's subsidiary, SH Asia Pacific Pte. Ltd. acquired 100% of WSP Electromaterials Ltd. and indirectly acquired SH Electronics Chengdu Co., Ltd. (USD9,833 thousand), SH Precision Chengdu Co., Ltd. (USD3,165 thousand) and Shanghai Chang Wah Electromaterials Inc. (USD8,670 thousand) by organizational restructuring.
- Note 6: Pursuant to the Ministry of Economic Affairs, ROC and the amended "Regulation Governing the Approval of Investment or Technical Cooperation in Mainland China", the Corporation obtained the approval of the operational headquarters from the Ministry of Economic Affairs, so there is no ceiling for the investment amount.
- Note 7: The basis for investment income or loss and carrying amount recognition is the financial statements audited and attested as of December 31, 2024.
- Note 8: The basis for recognizing investment income or loss and carrying amount is the investee's audited financial statements as of December 31, 2024.
- Note 9: Amount was eliminated from the consolidated financial statements as of December 31, 2024.

(Concluded)

## Chang Wah Electromaterials Inc.

### Handling of Corporate Bonds

Type of corporate bonds		Domestic unsecured convertible bonds of the 5 <sup>th</sup> issuance
Date of issue		March 13, 2023
Carrying amount		NT\$100,000 for each certificate
Location of issue and trading		Issued within the country, listed in the Taipei Exchange
Issue price		NT\$101
Total amount		NT\$1,200,000,000
Interest rate		Coupon rate: 0%
Expiration		3 years; Expiration date: March 13, 2026
Guarantee institution		None
Trustee		Taishin International Bank
Underwriter		Taishin Securities Co., Ltd.
Certified attorney		Attorney, Qiu, Li-fei
Certified public accountant		Deloitte Taiwan Cooperating CPA in the most recent fiscal year: Lee-Yuan Kuo and Hung-Ju Liao Cooperating CPA in the most recent term: Lee-Yuan Kuo and Hung-Ju Liao
Method of redemption		Except being converted in advance, being redeemed by the Company in advance, or being written off due to repurchase by the Company, the corporate bonds will be redeemed by cash payment in one time according to the carrying amount.
Unpaid principal		NT\$ 0
Provisions for redemption or payoff in advance		Please read the regulations on the issuance and conversion of the corporate bonds.
Provisions of limitation		None
Name of credit rating agency, date of rating, and the rating of corporate bond		None
Other rights attached	Amount of the corporate bonds that were converted (by exchange or share subscription) to common shares, global depository receipts or other marketable securities by the print date of the Company's financial statements	Converted to 36,229,029 ordinary shares and termination of OTC Trading on August 29, 2024
	Regulations of issuance and conversion (exchange or share subscription)	Please refer to the information about issuance of bonds provided in the Zone of Bonds and Trust at the MOPS.
Potential dilution and current rights of shareholders may be caused by the regulations on the issuance and conversion, exchange or share subscription, and the conditions of issuance		All creditors of the convertible corporate bonds have fully converted their bonds, resulting in a dilution ratio of 5%. The effect of dilution should be limited.
Name of the custodian agency for the exchange target		None

**Chang Wah Electromaterials Inc.**  
**Comparison Table of “Rules governing the 2024 issuance of employee RSAs”**  
**before and after Amendments**

Article	Content		Basis and Reason for amendment
	After	Before	
Article 3	<p>Employee eligibility</p> <p>1.To safeguard shareholders' rights, the Company would manage the RSA plan prudently. Employees eligible to RSAs are limited to full-time regular employees of the Company and its <b><u>domestic and foreign controlling companies or subordinate companies (The definition of controlled or affiliated is based on the standards of Articles 369-2, 369-3, 369-9 Paragraph 2, and 369-11 of the ROC Company Act)</u></b> as of the grant date who belong to one of the following categories:</p> <p>(1)Employees who are highly relevant to the Company's future strategies and developments;</p> <p>(2)Employees who have significant influence on business operation; or</p> <p>(3)Employees whose performance is of considerable value to the Company.</p> <p>2.Employees to receive the RSAs and the number of RSAs granted are determined based on the distribution standards drawn up with consideration to employees' job levels, work performance <b><u>appraisal</u></b>, overall contributions, <b><u>special merits</u></b>, and other factors, as well as the Company's operational needs and business development strategies. Once determined by the chairman, the proposal is submitted to the Audit Committee and the Board of Directors for approval. However, <b><u>the</u></b></p>	<p>Employee eligibility</p> <p>1.To safeguard shareholders' rights, the Company would manage the RSA plan prudently. Employees eligible to RSAs are limited to full-time regular employees of the Company and its affiliates as of the grant date who belong to one of the following categories:</p> <p>(1)Employees who are highly relevant to the Company's future strategies and developments;</p> <p>(2)Employees who have significant influence on business operation; or</p> <p>(3)Employees whose performance is of considerable value to the Company.</p> <p>2.Employees to receive the RSAs and the number of RSAs granted are determined based on the distribution standards drawn up with consideration to employees' job levels, work performance, overall contributions, and <b><u>other</u></b> factors, as well as the Company's operational needs and business development strategies. Once determined by the chairman, the proposal is submitted to the Audit Committee and the Board of Directors for approval. However, for <b><u>employees who</u></b></p>	Amended in accordance with directives from the Securities and Futures Bureau of the Financial Supervisory Commission , received on September 24, 2024.



Article	Content		Basis and Reason for amendment
	After	Before	
	<p><b><u>subscriber list has the identity of</u></b> managerial officers or directors, the proposal shall be submitted to the Compensation Committee and the Board of Directors for approval.</p> <p>(Omitted)</p>	<p>are managerial officers or directors, the proposal shall be submitted to the Compensation Committee and the Board of Directors for approval.</p> <p>(Omitted)</p>	

# 2024 Parent Company Only Financial Statement

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Chang Wah Electromaterials Inc.

### Opinion

We have audited the accompanying parent company only financial statements of Chang Wah Electromaterials Inc. (the "Corporation"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (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 Corporation as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Corporation's parent company only financial statements for the year ended December 31, 2024 are stated as follows:

#### Revenue Recognition of Specific Customers

Due to the pressure of achieving the expected targets and market expectations, the possibility of overstating sales may arise. The operating revenue in 2024 from specific customers increased significantly and was material to the overall operating revenue. Therefore, the revenue recognition of specific customers with significant sales amount and changes was deemed as a key audit matter.

The audit procedures we performed in response to the above-mentioned key audit matter are as follows:

1. We understood the design of the internal controls and tested the effectiveness of the implementation of the internal controls on the recognition of revenue.

2. We selected appropriate samples from the sales revenue record of specific customers whose revenue had increased significantly, and examined the customer purchase order, proof of delivery, and proof of payment as pertaining to the same transaction counterparty.
3. We obtained details of sales returns and allowances for the year and after the reporting period and verified that the sales transactions actually occurred before the balance sheet date.

### **Other Matter**

Certain investments accounted for using the equity method had been audited by other independent auditors, and our opinion, insofar as it relates to the amounts included in the Corporation's financial statements for such investments, is based solely on the reports of other auditors. The aforementioned equity-method investments amounted to NT\$848,839 thousand and NT\$796,516 thousand, respectively, representing 3.5% of the Corporation's total assets as of December 31, 2024 and 2023, and the share of the profit of such associates amounted to NT\$22,198 thousand and NT\$16,971 thousand, respectively, representing 1.34% and 1.1% of the Corporation's profit before income tax for the year ended December 31, 2024 and 2023.

### **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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the Corporation's audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Lee-Yuan Kuo and Hung-Ju Liao.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2025

#### Notice to Readers

*The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.*

# Chang Wah Electromaterials Inc.

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

	December 31, 2024		December 31, 2023	
ASSETS	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,654,588	7	\$ 1,457,558	7
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	15,158	-	6,519	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	633,700	2	266,743	1
Notes and accounts receivable, net (Notes 4, 5 and 9)	1,620,326	7	1,471,083	7
Accounts receivable - related parties (Notes 4, 5, 9 and 31)	4,528	-	3,610	-
Other receivables (Note 31)	303,168	1	296,944	1
Inventories (Notes 4 and 10)	181,176	1	217,397	1
Other financial assets - current (Note 11)	-	-	50,000	-
Other current assets	42,110	-	24,568	-
Total current assets	4,454,754	18	3,794,422	17
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	249,561	1	272,665	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	10,587,977	44	10,741,331	47
Investments accounted for using the equity method (Notes 4 and 12)	8,681,018	36	7,882,761	35
Property, plant and equipment (Notes 4 and 13)	78,018	1	77,423	-
Right-of-use assets (Notes 4, 14 and 31)	21,122	-	18,063	-
Investment properties (Notes 4, 15 and 31)	11,986	-	18,501	-
Intangible assets (Note 4)	68	-	180	-
Deferred tax assets (Notes 4 and 24)	31,288	-	34,405	-
Refundable deposits	340	-	340	-
Other financial assets - non-current (Notes 11 and 32)	500	-	500	-
Other non-current assets	11,361	-	8,901	-
Total non-current assets	19,673,239	82	19,055,070	83
<b>TOTAL</b>	<b>\$ 24,127,993</b>	<b>100</b>	<b>\$ 22,849,492</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 16)	\$ 1,000,000	4	\$ 1,900,000	8
Contract liabilities - current (Notes 4 and 22)	82,683	1	55,667	-
Accounts payable (Note 18)	764,797	3	746,589	3
Accounts payable - related parties (Notes 18 and 31)	691,246	3	518,670	2
Dividend payable (Note 21)	506,742	2	372,288	2
Other payables (Notes 19 and 31)	542,532	2	528,182	2
Current tax liabilities (Note 24)	47,282	-	139,239	1
Lease liabilities - current (Notes 4, 14 and 31)	7,416	-	6,897	-
Other current liabilities	68,829	1	105,857	1
Total current liabilities	3,711,527	16	4,373,389	19
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Note 17)	-	-	1,154,201	5
Long-term borrowings (Note 16)	2,840,000	12	2,210,000	10
Deferred tax liabilities (Notes 4 and 24)	69,025	-	54,123	-
Lease liabilities - non-current (Notes 4, 14 and 31)	26,443	-	27,347	-
Net defined benefit liabilities (Notes 4 and 20)	21,643	-	17,791	-
Guarantee deposits	1,660	-	1,660	-
Total non-current liabilities	2,958,771	12	3,465,122	15
Total liabilities	6,670,298	28	7,838,511	34
<b>EQUITY (Note 21)</b>				
Ordinary shares	725,648	3	689,422	3
Capital surplus	6,393,450	26	5,532,092	25
Retained earnings				
Legal reserve	1,836,350	8	1,654,043	7
Special reserve	1,277	-	3,038	-
Unappropriated earnings	3,470,102	14	3,178,924	14
Total retained earnings	5,307,729	22	4,836,005	21
Other equity	5,735,892	24	4,617,041	20
Treasury shares	(705,024)	(3)	(663,579)	(3)
Total equity	17,457,695	72	15,010,981	66
<b>TOTAL</b>	<b>\$ 24,127,993</b>	<b>100</b>	<b>\$ 22,849,492</b>	<b>100</b>

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

## Chang Wah Electromaterials Inc.

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

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 31)	\$ 7,320,530	100	\$ 6,475,334	100
OPERATING COSTS (Notes 10, 23 and 31)	<u>6,717,116</u>	<u>91</u>	<u>5,995,781</u>	<u>92</u>
GROSS PROFIT	603,414	9	479,553	8
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>2,339</u>	<u>-</u>	<u>2,302</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>605,753</u>	<u>9</u>	<u>481,855</u>	<u>8</u>
OPERATING EXPENSES (Notes 9, 20, 23 and 31)				
Selling and marketing expenses	135,507	2	120,288	2
General and administrative expenses	208,358	3	109,626	2
Research and development expenses	231	-	226	-
Expected credit loss	<u>12,242</u>	<u>-</u>	<u>13,190</u>	<u>-</u>
Total operating expenses	<u>356,338</u>	<u>5</u>	<u>243,330</u>	<u>4</u>
PROFIT FROM OPERATIONS	<u>249,415</u>	<u>4</u>	<u>238,525</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 31)				
Interest income	43,788	1	56,992	1
Other income	315,201	4	530,443	8
Other gains and losses	12,470	-	(53,118)	(1)
Finance costs	(83,394)	(1)	(96,119)	(1)
Share of the profit of subsidiaries and associates	<u>1,119,520</u>	<u>15</u>	<u>867,516</u>	<u>13</u>
Total non-operating income and expenses	<u>1,407,585</u>	<u>19</u>	<u>1,305,714</u>	<u>20</u>
PROFIT BEFORE INCOME TAX	1,657,000	23	1,544,239	24
INCOME TAX EXPENSE (Notes 4 and 24)	<u>64,775</u>	<u>1</u>	<u>67,025</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>1,592,225</u>	<u>22</u>	<u>1,477,214</u>	<u>23</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss				

(Continued)

## Chang Wah Electromaterials Inc.

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

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
Remeasurement of defined benefit plans	\$ (838)	-	\$ 124	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	1,198,247	16	3,512,024	54
Share of the other comprehensive income (loss) of subsidiaries and associates	216,577	3	161,714	3
Income tax relating to items that will not be reclassified subsequently to profit or loss	(18,448)	-	(2,190)	-
Items that may be reclassified subsequently to profit or loss				
Share of the other comprehensive income (loss) of subsidiaries and associates	236,462	3	(42,280)	(1)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(10,480)</u>	<u>-</u>	<u>3,451</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>1,621,520</u>	<u>22</u>	<u>3,632,843</u>	<u>56</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,213,745</u>	<u>44</u>	<u>\$ 5,110,057</u>	<u>79</u>
EARNINGS PER SHARE (Note 25)				
Basic	\$ 2.32		\$ 2.19	
Diluted	2.27		2.12	

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

Chang Wah Electromaterials Inc.

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

							Other Equity				
	Ordinary Shares	Capital Surplus	Retained Earnings				Exchange Differences on Translating Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total					
BALANCE AT JANUARY 1, 2023	\$ 689,419	\$ 5,316,428	\$ 1,460,695	\$ 18,830	\$ 3,368,140	\$ 4,847,665	\$ (19,469)	\$ 1,128,036	\$ 1,108,567	\$ (380,400)	\$ 11,581,679
Appropriation of earnings											
Legal reserve	-	-	193,348	-	(193,348)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(15,792)	15,792	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,613,243)	(1,613,243)	-	-	-	-	(1,613,243)
	-	-	193,348	(15,792)	(1,790,799)	(1,613,243)	-	-	-	-	(1,613,243)
Equity component of convertible bonds issued by the Company (Note 17)	-	68,937	-	-	-	-	-	-	-	-	68,937
Net profit for the year ended December 31, 2023	-	-	-	-	1,477,214	1,477,214	-	-	-	-	1,477,214
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(163)	(163)	(38,829)	3,671,835	3,633,006	-	3,632,843
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,477,051	1,477,051	(38,829)	3,671,835	3,633,006	-	5,110,057
Convertible bonds converted to ordinary shares (Note 17)	3	92	-	-	-	-	-	-	-	-	95
Treasury shares buyback (Note 21)	-	-	-	-	-	-	-	-	-	(50,699)	(50,699)
Acquisition of the Corporation's shares held by subsidiaries (Note 21)	-	-	-	-	-	-	-	-	-	(232,480)	(232,480)
Change in capital surplus due to the distribution of dividends to subsidiaries	-	37,560	-	-	-	-	-	-	-	-	37,560
Difference between consideration and carrying amount of subsidiaries acquired or disposed of (Note 27)	-	(25,990)	-	-	-	-	-	-	-	-	(25,990)
Share of changes in equity of subsidiaries (Note 27)	-	135,065	-	-	-	-	-	-	-	-	135,065
Disposal of investments in equity instruments at fair value through other comprehensive income (Note 21)	-	-	-	-	124,532	124,532	-	(124,532)	(124,532)	-	-
BALANCE AT DECEMBER 31, 2023	689,422	5,532,092	1,654,043	3,038	3,178,924	4,836,005	(58,298)	4,675,339	4,617,041	(663,579)	15,010,981
Appropriation of earnings											
Legal reserve	-	-	182,307	-	(182,307)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,761)	1,761	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,623,012)	(1,623,012)	-	-	-	-	(1,623,012)
	-	-	182,307	(1,761)	(1,803,558)	(1,623,012)	-	-	-	-	(1,623,012)
Cash dividends from capital surplus	-	(258,575)	-	-	-	-	-	-	-	-	(258,575)
Net profit for the year ended December 31, 2024	-	-	-	-	1,592,225	1,592,225	-	-	-	-	1,592,225
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	(113)	(113)	225,982	1,395,651	1,621,633	-	1,621,520
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,592,112	1,592,112	225,982	1,395,651	1,621,633	-	3,213,745
Convertible bonds converted to ordinary shares (Note 17)	36,226	1,127,362	-	-	-	-	-	-	-	-	1,163,588
Treasury shares buyback (Note 21)	-	-	-	-	-	-	-	-	-	(18,009)	(18,009)
Acquisition of the Corporation's shares held by subsidiaries (Note 21)	-	-	-	-	-	-	-	-	-	(47,261)	(47,261)
Disposal of the Corporation's shares held by subsidiaries	-	8,658	-	-	-	-	-	-	-	14,585	23,243
Change in capital surplus due to the distribution of dividends to subsidiaries	-	50,649	-	-	-	-	-	-	-	-	50,649
Difference between consideration and carrying amount of subsidiaries acquired or disposed of (Note 27)	-	(78,598)	-	-	-	-	-	-	-	-	(78,598)
Share of changes in equity of subsidiaries (Note 27)	-	6,899	-	-	-	-	-	-	-	-	6,899
Share based payments	-	4,963	-	-	-	-	-	-	-	9,240	14,203
Disposal of investments in equity instruments at fair value through other comprehensive income (Note 21)	-	-	-	-	502,782	502,782	-	(502,782)	(502,782)	-	-
Other changes in equity	-	-	-	-	(158)	(158)	-	-	-	-	(158)
BALANCE AT DECEMBER 31, 2024	\$ 725,648	\$ 6,393,450	\$ 1,836,350	\$ 1,277	\$ 3,470,102	\$ 5,307,729	\$ 167,684	\$ 5,568,208	\$ 5,735,892	\$ (705,024)	\$ 17,457,695

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

(With Deloitte & Touche auditors’ report dated March 12, 2025)



# Chang Wah Electromaterials Inc.

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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,657,000	\$ 1,544,239
Adjustments for:		
Depreciation expense	13,372	15,965
Amortization expense	112	169
Expected credit loss	12,242	13,190
Loss (gain) on financial assets at fair value through profit or loss	16,000	(6,341)
Finance costs	83,394	96,119
Interest income	(43,788)	(56,992)
Dividend income	(304,757)	(507,554)
Compensation costs of share-based payments	5,084	73,280
Share of the profit of subsidiaries and associates	(1,119,520)	(867,516)
Gain on disposal of property, plant and equipment	(503)	-
Impairment loss recognized (reversed) on non-financial assets	476	(4,821)
Realized gain on transactions with subsidiaries and associates	(2,339)	(2,302)
Others	16,935	17,381
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(2,688)	(11,534)
Notes and accounts receivable, net	(161,485)	396,842
Accounts receivable - related parties	(918)	(874)
Other receivables	(2,776)	78,693
Inventories	35,745	94,951
Other current assets	(17,542)	1,273
Contract liabilities	27,016	(25,578)
Accounts payable	18,208	(252,244)
Accounts payable - related parties	172,576	(7,785)
Other payables	18,711	(247,907)
Other current liabilities	(53,963)	(52,409)
Net defined benefit liabilities	3,014	13
Cash generated from operations	369,606	288,258
Interest received	42,310	57,977
Dividends received	1,146,079	1,526,320
Interest paid	(66,211)	(77,717)
Income taxes paid	(167,641)	(200,831)
Net cash generated from operating activities	<u>1,324,143</u>	<u>1,594,007</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(475,793)	(420,226)
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,474,069	732,970

(Continued)

## Chang Wah Electromaterials Inc.

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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Investee's capital reduction and return of capital stock using the equity method	\$ -	\$ 21,638
Acquisition of property, plant and equipment	(5,122)	(721)
Proceeds from disposal of property, plant and equipment	2,149	-
Decrease in refundable deposits	-	1,033
Increase in other receivables	(10,000)	(75,000)
Acquisition of intangible assets	-	-
Decrease in other financial assets	<u>50,000</u>	<u>30,710</u>
Net cash generated from investing activities	<u>1,035,303</u>	<u>290,404</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	200,000	1,110,000
Repayment of short-term borrowings	(1,100,000)	(350,000)
Proceeds from issuance of convertible bonds	-	1,206,690
Redemption of convertible bonds	(900)	-
Proceeds from long-term borrowings	3,679,000	2,185,000
Repayment of long-term borrowings	(3,055,000)	(4,255,000)
Proceeds from guarantee deposits received	-	85
Repayment of the principal portion of lease liabilities	(7,420)	(7,253)
Dividends paid	(1,747,133)	(1,744,231)
Treasury shares buyback	(20,587)	(48,121)
Treasury shares sold to employees	9,119	-
Net cash outflow on acquisition of subsidiaries	<u>(119,495)</u>	<u>(34,676)</u>
Net cash used in financing activities	<u>(2,162,416)</u>	<u>(1,937,506)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>197,030</b>	<b>(53,095)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u><b>1,457,558</b></u>	<u><b>1,510,653</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><b>\$ 1,654,588</b></u>	<u><b>\$ 1,457,558</b></u>

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

## **2024 Consolidated Financial Statement**

### **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Chang Wah Electromaterials Inc.

#### **Opinion**

We have audited the accompanying consolidated financial statements of Chang Wah Electromaterials Inc. (the “Corporation”) and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries as of December 31, 2024 and 2023, and their consolidated financial performance and their consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Corporation and its subsidiaries' consolidated financial statements for the year ended December 31, 2024 is described as follows:

### Revenue Recognition of Specific Customers

Due to the pressure of achieving the expected targets and market expectations, the possibility of overstating sales may arise. The operating revenue in 2024 from specific customers increased significantly and was material to the overall operating revenue. Therefore, the revenue recognition of specific customers with significant sales amount and changes was deemed as a key audit matter.

The audit procedures we performed in response to the above-mentioned key audit matter are as follows:

1. We understood the design of the internal controls and tested the effectiveness of the implementation of the internal controls on the recognition of revenue.
2. We selected appropriate samples from the sales revenue record of specific customers whose revenue had increased significantly, and examined the customer purchase order, proof of delivery, and proof of payment pertaining to the same transaction counterparty.
3. We obtained details of sales returns and allowances for the year and after the reporting period and verified that the sales transactions actually occurred before the balance sheet date.

### **Other Matter**

Certain investments accounted for using the equity method had been audited by other independent auditors, and our opinion, insofar as it relates to the amounts included in the Corporation and its subsidiaries' financial statements for such investments, is based solely on the reports of other auditors. The aforementioned equity-method investments amounted to NT\$848,839 thousand and NT\$796,516 thousand, respectively, representing 2.2% of the Corporation and its subsidiaries' total assets as of December 31, 2024 and 2023, and the share of the profit of such associates amounted to NT\$22,198 thousand and NT\$16,971 thousand, respectively, representing 0.7% and 0.6% of the Corporation and its subsidiaries' profit before income tax for the year ended December 31, 2024, and 2023.

We have also audited the standalone financial statements of the Corporation as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion with other matter paragraph for both years.

### **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 IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the FSC of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation and its subsidiaries' financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Corporation and its subsidiaries' audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Lee-Yuan Kuo and Hung-Ju Liao.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2025

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

## Chang Wah Electromaterials Inc. and Subsidiaries

### CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 7,098,817	19	\$ 7,435,171	21
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	98,458	-	100,402	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	724,116	2	266,743	1
Notes and accounts receivable, net (Notes 4, 5 and 9)	3,575,892	10	3,296,495	9
Accounts receivable - related parties (Notes 4, 5, 9 and 34)	30,966	-	28,131	-
Other receivables (Note 34)	140,934	-	120,984	-
Current tax assets (Note 27)	3,611	-	19,433	-
Inventories (Notes 4, 5 and 10)	2,711,824	7	2,134,754	6
Other financial assets - current (Notes 11 and 35)	2,991,058	8	2,136,696	6
Other current assets	<u>132,203</u>	-	<u>123,129</u>	-
Total current assets	<u>17,507,879</u>	<u>46</u>	<u>15,661,938</u>	<u>43</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	249,561	1	272,665	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	11,388,867	30	11,423,489	32
Investments accounted for using the equity method (Notes 4 and 13)	3,322,495	9	3,137,122	9
Property, plant and equipment (Notes 4 and 14)	3,875,395	10	4,108,319	11
Right-of-use assets (Notes 4 and 15)	473,123	1	494,001	1
Investment properties (Notes 4, 16 and 34)	16,884	-	155,689	-
Goodwill (Notes 4 and 17)	704,949	2	684,051	2
Other intangible assets (Notes 4 and 18)	92,817	-	102,452	-
Deferred tax assets (Notes 4, 5 and 27)	178,945	1	158,339	1
Other financial assets - non-current (Notes 11 and 35)	23,180	-	23,068	-
Other non-current assets (Note 23)	<u>61,525</u>	-	<u>45,043</u>	-
Total non-current assets	<u>20,387,741</u>	<u>54</u>	<u>20,604,238</u>	<u>57</u>
<b>TOTAL</b>	<u>\$ 37,895,620</u>	<u>100</u>	<u>\$ 36,266,176</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 19)	\$ 2,300,000	6	\$ 4,501,607	12
Short-term notes and bills payable (Note 19)	-	-	30,000	-
Contract liabilities - current (Notes 4 and 25)	270,223	1	323,180	1
Notes Payable	341	-	341	-
Accounts payable (Note 21)	1,751,904	5	1,562,237	4
Accounts payable - related parties (Notes 21 and 34)	115,356	-	101,770	-
Dividends payable (Note 24)	897,859	2	745,352	2
Other payables (Notes 22, 23 and 34)	1,541,487	4	1,395,086	4
Current tax liabilities (Note 27)	183,298	1	492,315	1
Lease liabilities - current (Notes 4 and 34)	24,602	-	21,458	-
Current portion of long-term borrowings (Notes 4 and 19)	426,006	1	602,061	2
Other current liabilities	<u>106,228</u>	-	<u>161,066</u>	1
Total current liabilities	<u>7,617,304</u>	<u>20</u>	<u>9,936,473</u>	<u>27</u>
<b>NON-CURRENT LIABILITIES</b>				
Contract liabilities - non-current (Notes 4 and 25)	21,157	-	36,526	-
Bonds payable (Notes 4 and 20)	-	-	1,154,201	3
Long-term borrowings (Notes 4 and 19)	7,298,052	20	5,119,181	14
Deferred tax liabilities (Notes 4, 5 and 27)	470,566	1	327,298	1
Lease liabilities - non-current (Notes 4, 15 and 34)	88,695	-	113,597	1
Net defined benefit liabilities (Notes 4 and 23)	25,142	-	18,316	-
Other non-current liabilities	<u>26,737</u>	-	<u>21,528</u>	-
Total non-current liabilities	<u>7,930,349</u>	<u>21</u>	<u>6,790,647</u>	<u>19</u>
Total liabilities	<u>15,547,653</u>	<u>41</u>	<u>16,727,120</u>	<u>46</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 20, 24 and 30)</b>				
Ordinary shares	<u>725,648</u>	<u>2</u>	<u>689,422</u>	<u>2</u>
Capital surplus	<u>6,393,450</u>	<u>17</u>	<u>5,532,092</u>	<u>15</u>
Retained earnings				
Legal reserve	1,836,350	5	1,654,043	4
Special reserve	1,277	-	3,038	-
Unappropriated earnings	<u>3,470,102</u>	<u>9</u>	<u>3,178,924</u>	<u>9</u>
Total retained earnings	<u>5,307,729</u>	<u>14</u>	<u>4,836,005</u>	<u>13</u>
Other equity	<u>5,735,892</u>	<u>15</u>	<u>4,617,041</u>	<u>13</u>
Treasury shares	<u>(705,024)</u>	<u>(2)</u>	<u>(663,579)</u>	<u>(2)</u>
Total equity attributable to owners of the Corporation	17,457,695	46	15,010,981	41
<b>NON-CONTROLLING INTERESTS (Notes 12 and 24)</b>	<u>4,890,272</u>	<u>13</u>	<u>4,528,075</u>	<u>13</u>
Total equity	<u>22,347,967</u>	<u>59</u>	<u>19,539,056</u>	<u>54</u>
<b>TOTAL</b>	<u>\$ 37,895,620</u>	<u>100</u>	<u>\$ 36,266,176</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

## Chang Wah Electromaterials Inc. and Subsidiaries

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

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25 and 34)	\$ 17,231,404	100	\$ 16,490,002	100
OPERATING COSTS (Notes 10, 14, 23, 26 and 34)	<u>13,726,478</u>	<u>80</u>	<u>13,418,254</u>	<u>81</u>
GROSS PROFIT	<u>3,504,926</u>	<u>20</u>	<u>3,071,748</u>	<u>19</u>
OPERATING EXPENSES (Notes 9, 23, 26 and 34)				
Selling and marketing expenses	358,559	2	328,851	2
General and administrative expenses	781,796	5	631,664	4
Research and development expenses	431,297	2	420,688	3
Expected credit loss	<u>8,538</u>	<u>-</u>	<u>10,135</u>	<u>-</u>
Total operating expenses	<u>1,580,190</u>	<u>9</u>	<u>1,391,338</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>1,924,736</u>	<u>11</u>	<u>1,680,410</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES (Note 26)				
Interest income	385,088	2	345,357	2
Other income	473,389	3	695,454	4
Other gains and losses	277,921	2	33,460	-
Finance costs	(196,003)	(1)	(191,426)	(1)
Share of the profit of associates	<u>161,591</u>	<u>1</u>	<u>124,797</u>	<u>1</u>
Total non-operating income and expenses	<u>1,101,986</u>	<u>7</u>	<u>1,007,642</u>	<u>6</u>
PROFIT BEFORE INCOME TAX	3,026,722	18	2,688,052	16
INCOME TAX EXPENSE (Notes 4 and 27)	<u>506,754</u>	<u>3</u>	<u>439,297</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>2,519,968</u>	<u>15</u>	<u>2,248,755</u>	<u>14</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	(1,829)	-	414	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	1,494,053	9	3,732,120	23

(Continued)



## Chang Wah Electromaterials Inc. and Subsidiaries

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

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
Share of the other comprehensive income (loss) of associates	\$ 73,045	-	\$ 56,035	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(20,944)	-	(2,248)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	454,298	3	(57,969)	(1)
Share of the other comprehensive (loss) income of associates	55,247	-	(18,246)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(99,454)</u>	<u>(1)</u>	<u>14,437</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>1,954,416</u>	<u>11</u>	<u>3,724,543</u>	<u>22</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 4,474,384</u>	<u>26</u>	<u>\$ 5,973,298</u>	<u>36</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 1,592,225		\$ 1,477,214	
Non-controlling interests	<u>927,743</u>		<u>771,541</u>	
	<u>\$ 2,519,968</u>		<u>\$ 2,248,755</u>	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 3,213,745		\$ 5,110,057	
Non-controlling interests	<u>1,260,639</u>		<u>863,241</u>	
	<u>\$ 4,474,384</u>		<u>\$ 5,973,298</u>	
EARNINGS PER SHARE (Note 28)				
Basic	\$ 2.32		\$ 2.19	
Diluted	\$ 2.27		2.12	

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

(Concluded)

(With Deloitte & Touche auditors' report dated March 12, 2025)

Chang Wah Electromaterials Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation												
	Retained Earnings						Exchange Differences on Translation of Foreign Operations	Other Equity Unrealized Gains and Losses on Financial Assets At Fair Value Through Other Comprehensive Income	Total Other Equity	Treasury Shares	Total Equity Attributable to Owners of the Corporation	Non-controlling Interests	Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total							
BALANCE AT JANUARY 1, 2023	\$ 689,419	\$ 5,316,428	\$ 1,460,695	\$ 18,830	\$ 3,368,140	\$ 4,847,665	\$ (19,469)	\$ 1,128,036	\$ 1,108,567	\$ (380,400)	\$ 11,581,679	\$ 4,805,267	\$ 16,386,946
Appropriation of earnings													
Legal reserve	-	-	193,348	-	(193,348)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(15,792)	15,792	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,613,243)	(1,613,243)	-	-	-	-	(1,613,243)	-	(1,613,243)
	-	-	193,348	(15,792)	(1,790,799)	(1,613,243)	-	-	-	-	(1,613,243)	-	(1,613,243)
Equity component of convertible bonds issued by the Company (Note 20)	-	68,937	-	-	-	-	-	-	-	-	68,937	-	68,937
Net profit for the year ended December 31, 2023	-	-	-	-	1,477,214	1,477,214	-	-	-	-	1,477,214	771,541	2,248,755
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	-	(163)	(163)	(38,829)	3,671,835	3,633,006	-	3,632,843	91,700	3,724,543
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,477,051	1,477,051	(38,829)	3,671,835	3,633,006	-	5,110,057	863,241	5,973,298
Convertible bonds converted to ordinary shares (Note 20)	3	92	-	-	-	-	-	-	-	-	95	-	95
Treasury shares buyback (Note 24)	-	-	-	-	-	-	-	-	-	(50,699)	(50,699)	-	(50,699)
Acquisition of the Corporation's shares held by subsidiaries (Note 24)	-	-	-	-	-	-	-	-	-	(232,480)	(232,480)	(279,861)	(512,341)
Change in capital surplus due to the distribution of dividends to subsidiaries	-	37,560	-	-	-	-	-	-	-	-	37,560	68,130	105,690
Difference between consideration and carrying amount of subsidiaries acquired or disposed of (Note 30)	-	(25,990)	-	-	-	-	-	-	-	-	(25,990)	-	(25,990)
Share of changes in equity of subsidiaries (Note 30)	-	135,065	-	-	-	-	-	-	-	-	135,065	-	135,065
Non-controlling interests (Note 24)	-	-	-	-	-	-	-	-	-	-	-	(928,702)	(928,702)
Disposal of investments in equity instruments at fair value through other comprehensive income (Note 24)	-	-	-	-	124,532	124,532	-	(124,532)	(124,532)	-	-	-	-
BALANCE AT DECEMBER 31, 2023	689,422	5,532,092	1,654,043	3,038	3,178,924	4,836,005	(58,298)	4,675,339	4,617,041	(663,579)	15,010,981	4,528,075	19,539,056
Appropriation of earnings													
Legal reserve	-	-	182,307	-	(182,307)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,761)	1,761	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,623,012)	(1,623,012)	-	-	-	-	(1,623,012)	-	(1,623,012)
	-	-	182,307	(1,761)	(1,803,558)	(1,623,012)	-	-	-	-	(1,623,012)	-	(1,623,012)
Cash dividends from capital surplus	-	(258,575)	-	-	-	-	-	-	-	-	(258,575)	-	(258,575)
Net profit for the year ended December 31, 2024	-	-	-	-	1,592,225	1,592,225	-	-	-	-	1,592,225	927,743	2,519,968
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	(113)	(113)	225,982	1,395,651	1,621,633	-	1,621,520	332,896	1,954,416
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,592,112	1,592,112	225,982	1,395,651	1,621,633	-	3,213,745	1,260,639	4,474,384
Convertible bonds converted to ordinary shares (Note 20)	36,226	1,127,362	-	-	-	-	-	-	-	-	1,163,588	-	1,163,588
Treasury shares buyback (Note 24)	-	-	-	-	-	-	-	-	-	(18,009)	(18,009)	-	(18,009)
Acquisition of the Corporation's shares held by subsidiaries (Note 24)	-	-	-	-	-	-	-	-	-	(47,261)	(47,261)	(39,649)	(86,910)
Disposal of the Corporation's shares held by subsidiaries (Note 24)	-	8,658	-	-	-	-	-	-	-	14,585	23,243	35,411	58,654
Change in capital surplus due to the distribution of dividends to subsidiaries	-	50,649	-	-	-	-	-	-	-	-	50,649	86,207	136,856
Difference between consideration and carrying amount of subsidiaries acquired or disposed of (Note 30)	-	(78,598)	-	-	-	-	-	-	-	-	(78,598)	(128,097)	(206,695)
Share of changes in equity of subsidiaries (Note 30)	-	6,899	-	-	-	-	-	-	-	-	6,899	-	6,899
Share based payments (Notes 29)	-	4,963	-	-	-	-	-	-	-	9,240	14,203	-	14,203
Non-controlling interests (Notes 24)	-	-	-	-	-	-	-	-	-	-	-	(852,314)	(852,314)
Disposal of investments in equity instruments at fair value through other comprehensive income (Note 24)	-	-	-	-	502,782	502,782	-	(502,782)	(502,782)	-	-	-	-
Other changes in equity	-	-	-	-	(158)	(158)	-	-	-	-	(158)	-	(158)
BALANCE AT DECEMBER 31, 2024	\$ 725,648	\$ 6,393,450	\$ 1,836,350	\$ 1,277	\$ 3,470,102	\$ 5,307,729	\$ 167,684	\$ 5,568,208	\$ 5,735,892	\$ (705,024)	\$ 17,457,695	\$ 4,890,272	\$ 22,347,967

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

(With Deloitte & Touche auditors’ report dated March 12, 2025)

# Chang Wah Electromaterials Inc. and Subsidiaries

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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 3,026,722	\$ 2,688,052
Adjustments for:		
Depreciation expense	784,981	836,560
Amortization expense	20,584	14,943
Expected credit loss	8,538	10,135
Gain on financial assets at fair value through profit or loss	(1,485)	(39,821)
Finance costs	196,003	191,426
Interest income	(385,088)	(345,357)
Dividend income	(365,165)	(561,544)
Compensation costs of share-based payments	36,650	154,051
Share of the profit of associates	(161,591)	(124,797)
Gain on disposal of property, plant and equipment	(904)	(2,025)
Impairment loss recognized on non-financial assets	9,121	6,812
Others	(1,800)	(4,799)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	25,380	(14,229)
Notes and accounts receivable, net	(288,166)	587,378
Accounts receivable - related parties	(2,835)	(10,059)
Other receivables	(21,373)	97,011
Inventories	(592,476)	629,669
Other current assets	(9,082)	6,472
Contract liabilities	(68,326)	(134,560)
Notes payable	-	171
Accounts payable	189,667	(367,251)
Accounts payable - related parties	13,586	14,866
Other payables	149,423	(167,861)
Other current liabilities	(71,951)	(49,315)
Net defined benefit liabilities	4,998	3,423
Other non-current liabilities	5,139	(2,150)
Cash generated from operations	2,500,550	3,417,201
Interest received	372,170	317,924
Dividends received	469,517	706,400
Interest paid	(157,910)	(153,384)
Income taxes paid	(795,405)	(843,525)
Net cash generated from operating activities	<u>2,388,922</u>	<u>3,444,616</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(689,803)	(451,868)

(Continued)

# Chang Wah Electromaterials Inc. and Subsidiaries

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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Proceeds from disposal of financial assets at fair value through other comprehensive income	\$ 1,763,985	\$ 1,024,940
Investee's capital reduction and return of capital stock using the equity method	-	21,638
Acquisition of property, plant and equipment	(332,301)	(1,152,869)
Proceeds from disposal of property, plant and equipment	13,495	5,314
Acquisition of intangible assets	(6,853)	-
Increase in other financial assets	(854,474)	(1,352,615)
Increase in other non-current assets	<u>(35,388)</u>	<u>(82,045)</u>
Net cash used in investing activities	<u>(141,339)</u>	<u>(1,987,505)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	1,775,000	2,815,000
Repayment of short-term borrowings	(3,976,607)	(1,722,414)
Increase (decrease) in short-term bills payable	(30,000)	30,000
Proceeds from issuance of convertible bonds	-	1,206,690
Redemption of convertible bonds	(900)	-
Proceeds from long-term borrowings	6,498,073	4,833,173
Repayment of long-term borrowings	(4,501,257)	(5,865,916)
Proceeds from guarantee deposits received	70	84
Repayment of the principal portion of lease liabilities	(23,925)	(23,812)
Dividends paid	(1,645,722)	(1,666,711)
Treasury shares buyback	(20,587)	(48,121)
Acquisition of the Corporation's shares held by subsidiaries	(86,910)	(514,159)
Disposal of treasury shares	58,654	-
Treasury shares sold to employees	9,119	-
Partial disposal of interests in subsidiaries without loss of control	-	-
Decrease in non-controlling interests	<u>(1,019,425)</u>	<u>(890,111)</u>
Net cash used in financing activities	<u>(2,964,417)</u>	<u>(1,846,297)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS</b>	<u>380,480</u>	<u>(49,476)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(336,354)</u>	<u>(438,662)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>7,435,171</u>	<u>7,873,833</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 7,098,817</u>	<u>\$ 7,435,171</u>

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

(Concluded)

(With Deloitte & Touche auditors' report dated March 12, 2025)

## Chang Wah Electromaterials Inc.

### Comparison Table of “Articles of Incorporation” before and after Amendments

Article	Content		Basis and Reason for amendment
	After	Before	
Article 18-2	<p>The Company shall distribute compensation to employees at no less than 1% and no more than 12% of the Company's profitability for the year. However, if the Company has accumulated deficits, the Company shall first make up for them. <u>When appropriating the aforementioned employee compensation for the year, at least 20% of the total compensation shall be distributed to non-executive employees.</u></p> <p style="text-align: center;">(Omitted)</p>	<p>The Company shall distribute compensation to employees at no less than 1% and no more than 12% of the Company's profitability for the year. However, if the Company has accumulated deficits, the Company shall first make up for them.</p> <p style="text-align: center;">(Omitted)</p>	The amendments are made according to the laws of the competent authorities.
Article 23	<p>These Articles of Incorporation were established on May 4, 1989. The 1st amendment was made on December 15, 1990. The 2nd amendment was made on November 6, 1995. The 3rd amendment was made on December 15, 1996. The 4th amendment was made on April 14, 1998. The 5th amendment was made on June 30, 1998. The 6th amendment was made on November 23, 2000. The 7th amendment was made on December 11, 2000. The 8th amendment was made on January 8, 2001. The 9th amendment was made on August 28, 2001. The 10th amendment was made on January 2, 2002. The 11th amendment was made on March 4, 2002. The 12th amendment was made on October 15, 2002. The 13th amendment was made on June 24, 2003. The 14th amendment was made on May 20, 2004. The 15th amendment was made on June 17, 2005. The 16th</p>	<p>These Articles of Incorporation were established on May 4, 1989. The 1st amendment was made on December 15, 1990. The 2nd amendment was made on November 6, 1995. The 3rd amendment was made on December 15, 1996. The 4th amendment was made on April 14, 1998. The 5th amendment was made on June 30, 1998. The 6th amendment was made on November 23, 2000. The 7th amendment was made on December 11, 2000. The 8th amendment was made on January 8, 2001. The 9th amendment was made on August 28, 2001. The 10th amendment was made on January 2, 2002. The 11th amendment was made on March 4, 2002. The 12th amendment was made on October 15, 2002. The 13th amendment was made on June 24, 2003. The 14th amendment was made on May 20, 2004. The 15th amendment was made on June 17, 2005. The 16th</p>	Added the date of the last amendment.

Article	Content		Basis and Reason for amendment
	After	Before	
	<p>amendment was made on June 6, 2006. The 17th amendment was made on May 30, 2007. The 18th amendment was made on May 21, 2010. The 19th amendment was made on May 19, 2011. The 20th amendment was made on May 30, 2012. The 21st amendment was made on June 13, 2013. The 22nd amendment was made on May 14, 2014. The 23rd amendment was made on May 13, 2016. The 24th amendment was made on May 13, 2017. The 25th amendment was made on May 9, 2018. The 26th amendment was made on June 19, 2019. The 27th amendment was made on June 19, 2020. The 28th amendment was made on June 12, 2023. <u>The 29th amendment was made on May 29, 2025.</u></p>	<p>amendment was made on June 6, 2006. The 17th amendment was made on May 30, 2007. The 18th amendment was made on May 21, 2010. The 19th amendment was made on May 19, 2011. The 20th amendment was made on May 30, 2012. The 21st amendment was made on June 13, 2013. The 22nd amendment was made on May 14, 2014. The 23rd amendment was made on May 13, 2016. The 24th amendment was made on May 13, 2017. The 25th amendment was made on May 9, 2018. The 26th amendment was made on June 19, 2019. The 27th amendment was made on June 19, 2020. The 28th amendment was made on June 12, 2023.</p>	

**Chang Wah Electromaterials Inc.**  
**List of the Candidates for the Directors of the 13<sup>th</sup> Term**

Name	Juan Yao Investment Co., Ltd. Representative: Hung, Chuen-Sing	Bei Sih Jie Investment Co., Ltd. Representative: Gary, Huang
ID No.	EA0*****	T123*****
Educational Attainment	Bachelor of Mechanical Engineering, Hong Kong Polytechnic University	Master of Business Administration, Yunlin University of Science and Technology
Work Experiences	Possehl Electronics Taiwan Co., Ltd. Managing Director Sumiko Precision Mold Taiwan Co., Ltd. Managing Director Sumiko Electronics Taiwan Co., Ltd. Managing Director SH Electronics Taiwan Co., Ltd. Managing Director	Chang Wah Electromaterials Inc. Manager
Current Position(s)	Chang Wah Technology Co., Ltd. Corporate Director Representative and President JMC Electronics Co., Ltd. Corporate Director Representative Advanced Echem Materials Co., Ltd. Corporate Director Representative SH Electronics Suzhou Co., Ltd. Director SH Electronics Chengdu Co., Ltd. Director SH Precision Chengdu Co., Ltd. Director Malaysian SH Electronics Sdn. Bhd. Director SH Asia Pacific Pte. Ltd. Director Silver Connection Co., Ltd. Corporate Director Representative CWE Holding Co., Ltd. Director	Chang Wah Electromaterials Inc. Corporate Director Representative and Vice President of the Business Unit Yuan Yao Energy Technology Co., Ltd. Chairman Bei Sih Jie Investment Co., Ltd. Chairman Hexin Investment Co., Ltd. Supervisor Xinxin Investment Co., Ltd. Supervisor Jinhua Investment Co., Ltd. Supervisor
Shares Held by the Person	Shareholding of juristic person: 100,000 Shareholding of juristic person representative: 0	Shareholding of juristic person: 21,734,050 Shareholding of juristic person representative: 399,000

**Chang Wah Electromaterials Inc.**  
**List of the Candidates for the Directors of the 13<sup>th</sup> Term**

Name	Bei Sih Jie Investment Co., Ltd. Representative: Li, Hsing-Chuan	Wah Lee Industrial Corp. Representative: Lulu, Huang
ID No.	E221*****	A223*****
Educational Attainment	Bachelor of Institute of Management Science, Chiao Tung University	Master of Business Administration at University of California, Los Angeles
Work Experiences	Accton Technology Corp. Audit Department Section Chief Innolux Corporation Manager of Central Management Office	PricewaterhouseCoopers Senior manager Wah Lee Industrial Corp. Executive Assistant to the Chairman
Current Position(s)	Vizionfocus Inc. Assistant Vice President of Business Management Division, Accounting Officer and Corporate Governance Officer	Wah Lee Industrial Corp. Director Shanghai Yikang Chemicals & Industries Co., Ltd. Supervisor Wah Hong Industrial Corp. Corporate Director Representative
Shares Held by the Person	Shareholding of juristic person: 21,734,050 Shareholding of juristic person representative: 111,000	Shareholding of juristic person: 197,902,180 Shareholding of juristic person representative: 0



**Chang Wah Electromaterials Inc.**  
**List of the Candidates for the Independent Directors of the 13<sup>th</sup> Term**

Name	Kong, Chi-Chuan	Huang, Li-Yuan	Syu, Siao-Ling
ID No.	T121*****	P120*****	A222*****
Educational Attainment	Senior Petrochemical Division, Ko Ying Senior Vocational School of Commerce and Industry	Master of Business Administration, National Sun Yat-sen University	Fashion Design Division, Shih Chien College of Home Economics
Work Experiences	Jiao Chang Customs Brokerage Limited Manager	Yenrich Technology Corp. Vice General Manager Chi Lin Optoelectronics Co., Ltd. President Leadstar Micro-Crystal Display Corporation (JiangSu) Ltd. President	Bridge Roots Capital Co., Ltd. Investor Relations Manager
Current Position(s)	Jiao Chang Customs Brokerage Limited Chairman Tsing Ho Real Estate Co., Ltd. Corporate Director Representative	Leadstar Micro-Crystal Display Corporation (JiangSu) Ltd. Consultant	Bridge Roots Capital Co., Ltd. Investor Relations Manager
Shares Held by the Person	0	0	0

**Chang Wah Electromaterials Inc.**  
**Lifting of Competition Restrictions for Newly Elected Directors**

Name	Positions in Other Companies	
Juan Yao Investment Co., Ltd. Representative: Hung, Chuen-Sing	Chang Wah Technology Co., Ltd. JMC Electronics Co., Ltd. Advanced Echem Materials Co., Ltd. SH Electronics Suzhou Co., Ltd. SH Electronics Chengdu Co., Ltd. SH Precision Chengdu Co., Ltd. Malaysian SH Electronics Sdn. Bhd. SH Asia Pacific Pte. Ltd. Director Silver Connection Co., Ltd. CWE Holding Co., Ltd.	Chairman and President Corporate Director Representative Corporate Director Representative Director Director Director Director Director Corporate Director Representative Director
Bei Sih Jie Investment Co., Ltd. Representative: Gary, Huang	Yuan Yao Energy Technology Co., Ltd. Bei Sih Jie Investment Co., Ltd. Hexin Investment Co., Ltd. Xinxin Investment Co., Ltd. Jinhua Investment Co., Ltd.	Chairman Chairman Supervisor Supervisor Supervisor
Wah Lee Industrial Corp.	Daily Polymer Corp. JingYi Technology Co., Ltd. Forcera Materials Co., Ltd. Nagase Wahlee Plastics Corp. Wah Hong Industrial Corp. ORC Technology Corp. ORC Corp. Asahi Kasei Wah Lee Hi-Tech Corp. Tranceed Logistics Co., Ltd. Kingstone Energy Technology Corp. Minima Technology Co., Ltd. High Tech Gas Company Ltd. Hengyuan Renewable Energy Co., Ltd. Evergreen New Energy Corp. Fenghuang II Innovative Venture Investment Co., Ltd. TaiGene Biotechnology Co., Ltd.	Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Supervisor Representative
Wah Lee Industrial Corp. Representative: Lulu, Huang	Wah Lee Industrial Corp. Shanghai Yikang Chemicals & Industries Co., Ltd. Wah Hong Industrial Corp.	Director  Supervisor Corporate Director Representative
Kong, Chi-Chuan	Tsing Ho Real Estate Co., Ltd.	Corporate Director Representative

# Appendix

# **Chang Wah Electromaterials Inc.**

## **Articles of Incorporation (before Amendment)**

### **Chapter I General**

- Article 1: The Company is organized under the Company Act and is named **Chang Wah Electromaterials Inc.**
- Article 2: The Company's scope of business is as follow:  
(1)F113020 Wholesale of Electrical Appliances  
(2)F113070 Wholesale of Telecommunication Apparatus  
(3)F213010 Retail Sale of Electrical Appliances  
(4)F213060 Retail Sale of Telecommunication Apparatus  
(5)F401010 International Trade  
(6)C805010 Manufacture of Plastic Sheets, Pipes and Tubes  
(7)C805020 Manufacture of Plastic Films and Bags  
(8)F107190 Wholesale of Plastic Films and Bags  
(9)F119010 Wholesale of Electronic Materials  
(10)F113010 Wholesale of Machinery  
(11)F213080 Retail Sale of Machinery and Tools  
(12)E604010 Machinery Installation  
(13)JE01010 Rental and Leasing  
(14)F106010 Wholesale of Hardware  
(15)IG03010 Energy Technical Services  
(16)D101040 Non-Public Electric Power Generation  
(17)E601010 Electric Appliance Construction  
(18)E601020 Electric Appliance Installation  
(19)CC01080 Electronics Components Manufacturing  
(20)I501010 Product Designing  
(21)ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The Company may provide external guarantees for business purposes in accordance with the law and related regulations.
- Article 2-2: The total amount of the Company's reinvestment is not limited to 40% of the paid-in capital.
- Article 3: The Company has the headquarters in Kaohsiung City, and may establish branch offices in appropriate locations in Taiwan and abroad if necessary, by resolution of the Board of Directors.

### **Chapter II Shares**

- Article 4: The total capital of the Company is set at NT\$1.2 billion, divided into 1.2 billion shares at NT\$1 per share, which the Board of Directors is authorized to issue in installments, some of which may be preferred shares. The aforementioned capital stock is reserved with 120 million shares, which is reserved for the exercise of employee stock warrants, new restricted employee shares, preferred shares, and corporate bonds with warrants and may be issued in installments in accordance with the resolution of the Board of Directors.  
Qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements, entitled to

receive shares, receive share subscription warrant, and receive restricted stock for employees may be specified by the Board of Directors.

Article 4-1: The rights and obligations covered by the preferred shares and other important conditions of the issue of such shares by the Company are as follows:

1. Capped at an annual rate of 8%, dividends on preferred shares may be paid in cash on a yearly basis, based on the issue price per share, on a record date fixed by the Board of Directors or by the Chairman authorized by a resolution of the Board of Directors for payment of dividends for the preceding year. The payment of dividends in the year of issue and the year of recovery is calculated based on the actual number of days the shares were outstanding in that year.
2. The Company has the discretion to distribute dividends on the preferred shares. In the event of no or insufficient surplus in the annual financial statements of the Company to distribute dividends on the preferred shares or other necessary considerations, the Board of Directors may resolve not to distribute such dividends and such decision shall not constitute a default. Where preferred shares issued are not of a cumulative nature, dividends not to be distributed or to be distributed inadequately by resolution are not cumulatively deferred for payment in subsequent years of surplus.
3. Holders of preferred shares shall not participate in the distribution of ordinary shares in respect of surplus and capital reserves for cash and capitalization, if the preferred shares issued are in a non-participating form, other than receive the dividend referred to in subparagraph 1 of this paragraph.
4. Preferred shares issued by the Company which are convertible shall not be converted within one year from the date of issue. The period during which they may be converted is to be determined in the conditions of the issue by the Board of Directors as authorized. Holders of convertible preferred shares may apply for conversion of some or all of their preferred shares in the ratio of one preferred share to one ordinary share (1:1) in accordance with the conditions of the issue. Upon conversion of the convertible preferred shares into ordinary shares, the rights and obligations are the same as those covered by ordinary shares. Holders of preferred shares converted into ordinary shares before the ex-rights/ex-dividend date of the year of conversion may participate in the distribution of ordinary shares' earnings and capital reserves in that year but not in the distribution of dividends on the preferred shares in that year. Holders of preferred shares converted into ordinary shares after the ex-rights/ex-dividend date of the year of conversion may participate in the distribution of dividends on the preferred shares in that year but not in the distribution of ordinary shares' earnings and capital reserves in that year. Dividends on preferred shares and dividends/bonuses on ordinary shares in the same year are distributed on a non-repeating basis.
5. Holders of preferred shares shall have priority in the distribution of the remaining property of the Company over holders of ordinary shares and shall receive indemnification in the same order as the holders of each class of preferred shares issued by the Company, being lower than that of general creditors, to the extent that the amount thereof does not exceed that of the issued and outstanding preferred shares at the time of the distribution, calculated at the issue price.

6. Holders of preferred shares shall not have the rights to vote and elect at shareholder meetings but shall be entitled to be elected directors and shall have the right to vote at meetings of holders of preferred shares and at shareholder meetings concerning the rights and obligations of such holders.
7. Preferred shares have no maturity date and holders thereof shall not require the Company to recover the preferred shares held by them, but the Company may, at any time from the next day upon five years after the issue, recover all or any part of the preferred shares at the original issue price. The unrecovered preferred shares shall continue to be subject to the rights and obligations set out under the conditions of the issue in the preceding subparagraphs. If the Company resolves to pay a dividend in that year, the dividend payable up to the date of recovery shall be calculated based on the actual number of days the shares were outstanding in that year.
8. The Board of Directors is mandated to list the preferred shares and the ordinary shares converted on the Taiwan Stock Exchange or the Taipei Exchange, subject to the conditions of the Company and the market, etc.

The name of the preferred shares, the date of issue and the specific conditions of the issue are to be determined by the Board of Directors as mandated under the Company's articles of incorporation and relevant laws and regulations, depending on the capital market conditions and investors' willingness to subscribe when the preferred shares are issued.

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

When issuing new shares, the Company may print certificates for the total number of shares to be issued, or may not print certificates at all, provided that the certificates are kept or registered with a centralized securities depository.

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

### Chapter III Shareholders' meeting

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

1. Ordinary meetings shall be convened once a year by the Board of Directors, within six months after the end of each fiscal year.
2. Interim meetings shall be convened as required by law.

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

The Corporation's shareholders' meeting may be convened virtually or in other manners announced by the Ministry of Economic Affairs.

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

When the Company convenes a shareholders' meeting, the Company may exercise its voting rights in writing or by electronic means. The Company shall include

electronic means as one of the methods for shareholders to exercise their voting rights, and shareholders who exercise their voting rights by electronic means shall be deemed to be present in person, and the related matters shall be handled in accordance with the laws and regulations.

The shareholders who are entitled to do so may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. All related operations shall be conducted in accordance with the Company Act and related regulations.

Article 8: Except in the circumstances otherwise provided for in the Company Act, a shareholder shall have one voting power in respect of each share in his/her/its possession.

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

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

## Chapter IV Board of Directors

Article 11: The Company shall have seven to nine directors to be elected at the shareholders' meeting from among the individuals of legal capacity, with the term of three years. All directors shall be eligible for re-election. In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

The election of directors is based on the candidates nomination system under Article 192-1 of the Company Act, and matters related to its implementation are governed by the Company Act, the Securities and Exchange Act and other relevant laws and regulations.

The percentage of shareholdings of all directors shall be in accordance with the provisions prescribed by the competent authority in charge of securities affairs.

The Board of directors meeting may be attended by more than half of the directors as necessary, and a majority of the directors present agree to purchase liability insurance for all directors during their term of office.

Article 11-1: The number of independent directors shall not be less than three and shall not be less than one-fifth of the number of directorships. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election, and other matters for compliance with respect to independent directors shall be prescribed by

- the competent authority in charge of securities affairs.
- Article 12: The Board of directors shall be organized by the directors, and a chairperson shall be elected by and from among the directors with the presence of at least two-thirds of the directors and the consent of a majority of the directors present. The chairperson shall externally represent the Company.
- Article 13: Meetings of the Board of directors shall be convened by the chairperson of the Board of directors. In calling a meeting of the Board of directors, a notice shall be given to each director no later than seven days prior to the scheduled meeting date. In the case of emergency, a meeting of the Board of directors may be convened at any time. The notice of the convening of the Board of directors meeting may be given in writing, by e-mail or by fax.
- Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.
- In the case a director is unable to attend a board meeting for any reason, he/she may appoint in writing another director to attend as his/her proxy in accordance with the law, and the proxy may accept a proxy from one person only; if the director resides abroad, he/she may appoint in writing another shareholder residing in the country to attend the board meeting as his/her proxy on a regular basis, and he/she shall apply to the competent authority for registration, and the same applies to any change of proxy.
- In case an independent director is unable to attend a board meeting to express his/her objection or reservation for any reason, he/she shall not appoint a non-independent director to attend the board meeting on his/her behalf and shall give his/her opinion in writing, which shall be recorded in the minutes of the board meeting.
- Article 14: In case a director participates in the meeting via tele- or video-conference, it shall deemed as attendance in person. In case a chairperson cannot perform his/her duty due to certain reason, the assignment of his/her deputy shall be conducted in accordance with the Company Act.
- Article 15: The Company's Board of directors may establish functional committees such as Audit Committee and compensation committee, of which the Audit Committee shall be composed of all independent directors in accordance with Article 14-4 of the Securities and Exchange Act, and shall consist of not less than three members, one of whom shall be the convener and at least one of whom shall have accounting or financial expertise. The duties, constitution, exercise of powers and other matters to be followed by the Audit Committee shall be in accordance with the provisions of the Company Act, the Securities and Exchange Act and other relevant laws and regulations and the Company's bylaws.
- Article 15-1: Directors' remuneration is set aside within a fixed annual budget of NT\$8 million. Directors' remuneration is determined by reference to the views of the remuneration committee authorized by the Board of directors, and paid in accordance with the degree of involvement of the Company's operations and contribution to the industry in general.

## Chapter V Managerial Officers

- Article 16: The Company may have one or more managerial officers. Appointment, discharge and the compensation of the managerial officers shall be in accordance with the



## Chapter VI Accounting

- Article 17: The Company's fiscal year shall begin on January 1 and end on December 31 of each year. At the end of each fiscal year, the Board of directors shall submit to the Audit Committee for review or the Audit Committee shall appoint an accountant to review and submit a report to the shareholders for approval 30 days prior to the shareholders' meeting, including (1) Business Report; (2) Financial Statement; (3) Proposal on Distribution of Surplus and Recovery of Losses
- Article 18: The Company may distribute earnings or make up losses after the end of each semi-annual accounting period. If there is any surplus at the end of each semi-annual accounting period, the Company shall first make up the accumulated deficit, estimate and retain the taxable contributions and compensation to employees and directors, and set aside 10% of the legal reserve, except when the legal reserve has reached the Company's total paid-in capital, and set aside or reverse the special reserve as required by law or regulations prescribed by the competent authority. If there is any surplus, the remaining balance shall be added to the accumulated undistributed earnings of the previous semi-accounting year, and the Board of directors shall prepare a proposal for the distribution of the earnings, which shall be resolved by the shareholders' meeting if the earnings are to be distributed by issuing new shares, or by the Board of directors if the earnings are to be distributed in cash. If there is any surplus in the Company's annual final accounts, the Company shall first pay taxes and make up for accumulated deficits, and then set aside 10% as legal reserve, except when the accumulated legal reserve has reached the amount of the Company's paid-in capital, and after setting aside or reversing the special reserve as required by law or by the competent authority, the remaining amount shall be added to the accumulated undistributed earnings of the previous years and distributed in accordance with Article 4-1 of the Articles of Incorporation, and the Board of directors shall prepare a proposal for the distribution of earnings, and if the distribution is to be made by issuing new shares, a resolution shall be submitted to the shareholders' meeting for distribution.
- In accordance with Article 240 of the Company Act, the Company authorizes the distributable dividends and bonuses or the legal reserve and capital surplus provided for in Article 241 of the Company Act in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.
- Article 18-1: The Company is in line with the overall environment and the growth characteristics of the industry, as well as the long-term financial planning of the Company, in order to achieve sustainable and stable business development. The Company's dividend policy is based on the residual dividend policy, which is based on the Company's future capital budget plan to measure the annual capital requirements, and the remaining earnings are distributed in the form of cash and stock dividends after reserving the necessary capital for financing. The distribution steps are as follows:
1. Determine the best capital budget.
  2. Determine the amount of financing needed to meet the previous capital budget.
  3. Determine the amount of capital to be financed by retained earnings.

4. The remaining earnings may be distributed to the shareholders in the form of dividends, after reserving an appropriate amount for operating needs, and the distribution should be no less than 10% of the Company's distributable earnings for the year, provided that the portion of cash dividends is no less than 10% of the total dividends to be paid.

Article 18-2: The Company shall distribute compensation to employees at no less than 1% and no more than 12% of the Company's profitability for the year. However, if the Company has accumulated deficits, the Company shall first make up for them. When the Company's annual net income is over NT\$800 million, the surplus from NT\$800 million to NT\$1 billion and over NT\$1 billion, shall be increased the budget to directors remuneration of 2% and 4% increase in net income, respectively, and will be appropriated by resolution of the Company's stockholders in their meeting. However, if the Company has accumulated deficits, the Company shall first make up for them.

Compensation to employees may be distributed in the form of shares or in cash to employees of subsidiaries of the Company meeting certain specific requirements that are entitled to receive shares or cash; such requirements shall be established by the Board of directors.

Profit of the current year referred to in the first paragraph refers to the net income before taxation for the current year before the distribution of compensation to employees and compensation to directors.

The distribution of compensation to employees and compensation to directors shall be made by a resolution adopted by a majority vote at a meeting of Board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Article 19: To transfer shares to employees at less than the average actual share repurchase price, the Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders' meeting attended by shareholders representing a majority of total issued shares in accordance with Article 10-1 and 13 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.

Article 20: If the Company intends to issue employee stock warrants at a price lower than the market price (net value per share), the Company shall comply with the provisions of Article 56-1 and Article 76 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies and shall only issue such warrants after the resolution of the shareholders' meeting.

## Chapter VII Supplementary Provision

Article 21: The Company's bylaws and regulations are set forth separately.

Article 22: All matters not provided for in these Articles of Incorporation shall be governed by the Company Act and other laws and regulations.

Article 23: These Articles of Incorporation were established on May 4, 1989.

The 1st amendment was made on December 15, 1990.

The 2nd amendment was made on November 6, 1995.

The 3rd amendment was made on December 15, 1996.

The 4th amendment was made on April 14, 1998.

The 5th amendment was made on June 30, 1998.

The 6th amendment was made on November 23, 2000.

The 7th amendment was made on December 11, 2000.  
The 8th amendment was made on January 8, 2001.  
The 9th amendment was made on August 28, 2001.  
The 10th amendment was made on January 2, 2002.  
The 11th amendment was made on March 4, 2002.  
The 12th amendment was made on October 15, 2002.  
The 13th amendment was made on June 24, 2003.  
The 14th amendment was made on May 20, 2004.  
The 15th amendment was made on June 17, 2005.  
The 16th amendment was made on June 6, 2006.  
The 17th amendment was made on May 30, 2007.  
The 18th amendment was made on May 21, 2010.  
The 19th amendment was made on May 19, 2011.  
The 20th amendment was made on May 30, 2012.  
The 21st amendment was made on June 13, 2013.  
The 22nd amendment was made on May 14, 2014.  
The 23rd amendment was made on May 13, 2016.  
The 24th amendment was made on May 13, 2017.  
The 25th amendment was made on May 9, 2018.  
The 26th amendment was made on June 19, 2019.  
The 27th amendment was made on June 19, 2020.  
The 28th amendment was made on June 12, 2023.

Chang Wah Electromaterials Inc.

Chairperson: Hung, Chuen-Sing

# **Chang Wah Electromaterials Inc.**

## **Rules of Procedure for Shareholders' Meetings**

### **Article 1**

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

The rules of procedures for this Corporation's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

### **Article 2**

Unless otherwise provided by law or regulation, this Corporation's shareholders' meetings shall be convened by the board of directors.

Changes to the methods of convening the shareholders' meeting shall be resolved by the board of directors and made before sending out the shareholders' meeting notice.

This Corporation shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. This Corporation shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. However, if this Corporation's paid-in capital equals to or exceeds NT\$10 billion as of the end of the most recent fiscal year or the aggregate shareholding percentage of foreign and mainland Chinese investors equals to or exceeds 30% as recorded in the shareholder register of the regular shareholders' meeting in the most recent fiscal year, the aforementioned electronic versions of documents shall be uploaded 30 days before the date of a regular shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, this Corporation shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated.

The shareholders' meeting agenda and supplemental meeting materials in the preceding paragraph shall be made available by this Corporation in the following manners for shareholders to review on the date of the shareholders' meeting:

1. For physical shareholders' meetings, the documents shall be distributed at the meeting.
2. For hybrid shareholders' meetings, the documents shall be distributed at the meeting and their electronic versions shall be available on the virtual meeting platform.
3. For virtual shareholders' meetings, the electronic versions of documents shall be available on the virtual meeting platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in

the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Article 26-1 and 43-6 of the Securities and Exchange Act or Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

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

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

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

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal.

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

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

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

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

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

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

When the government or a juristic person is a shareholder, its proxy shall not be limited to one person, provided that the voting right that may be exercised shall be calculated on the basis of the total number of voting shares it holds. In case the aforesaid proxies are two persons or more, they shall exercise their voting right jointly.

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

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

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

1. The means for shareholders to attend the virtual meeting and exercise their rights.
2. Actions to be taken when the virtual meeting platform or online participation is obstructed due to natural disasters, accidents or other force majeure events. The action plan shall at least cover the following items:
  - A. The time to which the meeting is postponed if the above obstruction cannot be removed or the time the meeting will resume, and the date to which the meeting is postponed or the date the meeting will resume.
  - B. Shareholders who did not register to attend the original virtual shareholders' meeting cannot attend the postponed or resumed session.
  - C. For hybrid shareholders' meetings, if the virtual meeting cannot continue and the total number of shares represented by attending shareholders, excluding shares represented by ones attending the virtual meeting online, meets the minimum quorum requirement for a shareholders' meeting, the meeting shall continue. For shareholders who attend the virtual meeting online, their shares shall be included in the total number of shares represented by the attending shareholders, and they are deemed to have waived their rights with respect to all proposals of that shareholders' meeting.
  - D. Actions to be taken if the outcome of all proposals has been announced and extraordinary motions have not been carried out.
3. For virtual shareholders' meetings, alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

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

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

For virtual shareholders' meetings, when the meeting is called to order, the total number of shares

represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

### Article 3

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

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

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

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

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

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

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

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

### Article 4

The venue for a shareholders' meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no

earlier than 9 a.m. or no later than 3 p.m., full consideration shall be given to the opinions of independent directors with respect to the venue and time of the meeting.

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

#### Article 5

It is advisable that shareholders' meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

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

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

#### Article 6

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

#### Article 7

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

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

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

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

#### Article 8

The chair shall call the meeting to order at the appointed meeting time, at the same time, such as the numbers of no voting rights and the numbers of shares represented by the shareholders present at a meeting of shareholders shall be announced in the meeting. When the majority of the total number of issued shares is not represented by the attending shareholders, the chair may announce to postpone the meeting. The postponement is limited to two times with a combined duration of less than one hour. If the quorum is not met after two postponements and the attending shareholders still



represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. For virtual shareholders' meetings, the Corporation shall announce the adjournment of meeting at the virtual meeting platform.

If the quorum is not met after two postponements as mentioned in the preceding paragraph, but one-third or more of the total number of issued shares are represented by the attending shareholders, tentative resolutions may be made pursuant to Paragraph 1, Article 175 of this Corporation Act. All shareholders shall be notified of the tentative resolutions and the shareholders' meeting shall be convened within one month. For virtual shareholders' meetings, shareholders shall re-register with the Corporation pursuant to Article 2 herein if they intend to attend the meeting online.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolutions for a vote in the shareholders' meeting pursuant to Article 174 of this Corporation Act.

#### Article 9

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

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

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

After the meeting is adjourned, the shareholders shall not nominate a different chair to continue the meeting at the current location or another location.

#### Article 10

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

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

#### Article 11

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 3 minutes; if the consent of the chair, may be extended for 2 minutes and limited to once only. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

#### Article 12

When a juristic person is appointed to attend as proxy, it may designate only one person to represent

it in the meeting.

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

#### Article 13

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

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

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

#### Article 14

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

#### Article 15

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote. Matters relating to the resolutions of a shareholders' meeting shall be maintained in a record.

For virtual shareholders' meetings, when the meeting is called to order, shareholders attending the meeting online shall cast votes on proposals and elections via the virtual meeting platform before the chair announces the end of the voting session. Otherwise, they are deemed to have waived their rights.

For virtual shareholders' meetings, all votes are counted after the chair announces the end of the voting session. The results of voting and elections shall be announced immediately.

For hybrid shareholders' meetings, shareholders who decide to attend the physical shareholders' meeting in person after registering to attend the meeting online in accordance with Article 2 shall retract their registration two days before the date of the shareholders' meeting by the same means as their original registration. If their registration is retracted after that time, they can only attend the shareholders' meeting online.

When voting rights have been exercised by correspondence or electronic means, unless the shareholders withdraw their declarations of intent and attend the shareholders' meeting online, they cannot exercise voting rights on the original proposals, make any amendments to the original proposals or exercise voting rights on amendments to the original proposals, except for extraordinary motions.

Resolutions of the shareholders' meeting shall be recorded in the minutes, which shall be signed or sealed by the chair of the meeting with a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The minutes may be prepared and distributed by electronic means.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a

public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.

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

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

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

#### Article 16

When a meeting is in progress, the chair may announce a break based on time considerations.

#### Article 17

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors, the numbers of votes with which they were elected; and the names of those fail to be elected as directors, the numbers of votes with which they obtained.

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

#### Article 18

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

#### Article 19

The chair may direct the proctors or security personnel to help maintain order at the meeting place.

When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

#### Article 20

In the case of air-raid sirens during the meeting, the meeting shall be halted and the location be evacuated. The meeting shall resume 2 hours after the sirens cease.

#### Article 21

In the event that a shareholders' meeting cannot be convened on the day as shown on the notice for any reason, or the meeting cannot be continued due to any reason during the process, the chair of that shareholders' meeting is authorized to announce to postpone or to resume within five days in accordance with Article 182 of the Company Act, and is not applicable to the convening procedures set forth in Article 172 of the Company Act.

#### Article 22

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

#### Article 23

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

#### Article 24

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

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

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

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

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

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

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

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

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

When convening a virtual shareholders' meeting, this Corporation shall provide appropriate alternative measures to shareholders with difficulties in attending the virtual shareholders' meeting online.

#### Article 25

These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

## **Chang Wah Electromaterials Inc.**

### **Rules for Election of Directors**

Article 1: Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

Article 2: The Company's election of directors shall adopt the candidate nomination system set forth in Article 192-1 of the Company Act. During the review of qualifications, academic background, work experience and the existence of circumstances set out in Article 30 of the Company Act with respect to director candidates, the Company may not arbitrarily add requirements for additional qualification documents. The review result shall be submitted to shareholders as reference material in electing competent directors.

The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 3: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.

Article 4: The ballot boxes for the election of directors shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting

commences.

- Article 5: The Company's directors shall be elected by the shareholders' meeting from among the persons with disposing capacity. In accordance with the quotas set forth in the Company's Articles of Incorporation and the results of the election ballot, the persons elected with the higher number of votes (based on voting rights) shall be elected as independent directors and non-independent directors in order of the votes received. If two or more persons have the same number of votes and the required number of seats is exceeded, the winning candidates shall be determined by drawing lots, and the chair shall draw lots on behalf of the candidates who are not present. If the higher number of votes received for the election of independent directors is not an accounting or financial professional, the number of votes received by the candidates with accounting or financial expertise shall be calculated separately and the one with the highest number of votes shall be elected to one seat, and the remaining elected seats shall be subject to the preceding provisions. If a director elected in accordance with the preceding paragraph renounces his or her election before submitting the change of registration to the competent authority, or if it is verified that his or her personal information does not match or that his or her election is ineffective in accordance with the relevant laws and regulations, the vacant seat shall be filled by the candidate with the second highest number of original voting rights.
- Article 6: The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. Independent directors and non-independent directors shall be elected together and the number of elected seats shall be calculated separately.
- Article 7: If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.
- Article 8: A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by the board of directors.
  2. A blank ballot is placed in the ballot box.
  3. The writing is unclear and indecipherable or has been altered.
  4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform

with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.

5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
7. The number of candidates entered in each ballot exceeds the number of seats required.

Article 9: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

Article 10: The election result would be annulled for circumstances in violation of Article 26-3, paragraph 3 of the Securities and Exchange Act.

Article 11: The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 12: These Procedures shall take effect after they have been approved by the shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.



## Shareholding Status of the Directors

- I. The paid-in capital of the Company is NT\$725,648,455, and totally 725,648,455 shares have been issued.
- II. In accordance with Article 26 of the Securities and Exchange Act, the Board of Directors shall hold at least 58,051,876 shares in total.
- III. The number of shares held by the directors as of the date for suspension of share transfer of the shareholders' meeting (March 31, 2025) is as follows, which has met the criteria of the percentage stipulated in Article 26 of the Securities and Exchange Act.

Title	Name	Date of Election	Current Holding Shares		Remark
			Shares	Shareholding percentage	
Chairperson	Juan Yao Investment Co., Ltd. Juristic person representative: Hung, Chuen-Sing	June 12, 2023	100,000	0.01%	
Director	Yuan Yao Energy Technology Co., Ltd. Juristic person representative: Gary, Huang	June 17, 2022	43,298,820	5.96%	
Director	Wah Lee Industrial Corp. Juristic person representative: Lulu, Huang	June 17, 2022	197,902,180	27.27%	
Director	Huang, Shiou-Chuan	June 17, 2022	2,767,700	0.38%	
Independent Director	Kong, Chi-Chuan	June 17, 2022	0	0%	
Independent Director	Chen, Chih -Cheng	June 17, 2022	0	0%	
Independent Director	Yen, Shu-Yang	June 17, 2022	0	0%	
Total shares held by the directors			244,068,700	33.62%	

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