



Stock Code: 5355

GIA TZOONG ENTERPRISE CO., LTD.

Handbook  
for the 2023 Annual  
General Shareholder Meeting

Meeting format: In-person

Meeting date and time: 9:00am, June 14, 2023

Meeting place: No. 398, Taoying Road, Taoyuan District,  
Taoyuan City, Taiwan (Xiangfu Hall, Chuto Plaza Hotel)

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## **One. Meeting Procedures**

### **GIA TZOONG ENTERPRISE CO., LTD.**

#### **Procedures for the 2023 Annual General Shareholder Meeting**

- I. Meeting Called to Order**
- II. Remarks by the Chairperson**
- III. Report Items**
- IV. Ratification Items**
- V. Extraordinary Motions**
- VI. Meeting Adjourned**

## **Two. Meeting Agenda**

### **GIA TZOONG ENTERPRISE CO., LTD.**

#### **Agenda of the 2023 Annual General Shareholder Meeting**

Meeting format: In-person

Meeting date and time: 9:00am, June 14, 2023

Meeting place: No. 398, Taoying Road, Taoyuan District, Taoyuan City, Taiwan (Xiangfu Hall, Chuto Plaza Hotel)

I. Meeting Called to Order

II. Remarks by the Chairperson

III. Report Items

- (1) The Company's 2022 annual business report
- (2) Audit Committee Review Report on the 2022 financial statements
- (3) 2022 Annual Report on Endorsements and Guarantees

IV. Ratification Items

- (1) Ratification of the Company's 2022 Business Report and financial statements
- (2) Ratification of the Company's 2022 Loss Compensation Proposal

V. Extraordinary Motions

VI. Meeting Adjourned

## **Report Items:**

### Report 1

Report: Review of the Company's 2022 business report.

Explanation: Please refer to pages 5-11, Annex 1 of this Handbook for the Company's 2022 Business Report.

### Report 2

Report: Audit Committee Review Report on the 2022 Financial Statements.

Explanation: Please refer to page 12, Annex 2 of this Handbook for the Audit Committee Review Report on the Company's 2022 financial statements.

### Report 3

Report: Review of the Company's 2022 Annual Report on Endorsements and Guarantees.

Explanation: The Company has no endorsements or guarantees as of the end of 2022.

## **Ratification Items:**

Matter 1

(proposed by the Board of Directors)

Proposal: The 2022 Business Report and financial statements, submitted for your ratification.

Explanation: 1. The Company's 2022 annual business report, parent company-only financial statements, and consolidated financial statements have been prepared and completed in accordance with the relevant laws and regulations, and the parent company-only financial statements and consolidated financial statements have been audited by accountants TSENG KUO FU and CHENG HSIEN HSIU of Baker Tilly Clock & Co., and they have issued an unqualified audit report.

2. For the above-mentioned Business Report, Accountant's Audit Report and Financial Statements (please refer to pages 5-11 and pages 13-35, Annex I and Annex III of this Handbook)

Resolution:

Matter 2

(proposed by the Board of Directors)

Proposal: Ratification of the 2022 Loss Compensation Proposal

Explanation: The Company's net loss at the beginning of 2022 was NT\$336,383,065 and the actuarial gain or loss was credited to retained earnings of NT\$374,791, resulting in an adjusted loss of NT\$336,008,274 to be compensated for at the beginning of the year. The net loss after tax for the period was NT\$76,804,448, and the accumulated loss to be covered at the end of the period was NT\$412,812,722. Therefore, no earnings will be distributed for the year 2022. (Please refer to page 36, Annex IV of this Handbook)

Resolution:

## **Extraordinary Motions**

## **Meeting Adjourned**

## Three. Annexes

### [Annex I]

#### GIA TZOONG ENTERPRISE CO., LTD.

#### 2022 Annual Business Report

##### I. Introduction

The Company reported operating revenues of NT\$490,883 thousand and net income after tax of NT\$(68,344) thousand for 2022, with net income after tax of NT\$(0.46) per share.

The decrease in operating income and gross profit in 2022 was primarily due to a 26% decrease in operating income. Operating expenses decreased slightly from the previous year, while operating loss increased from the previous year, primarily due to the impact of the global recession. In terms of non-operating income and expenses, the Company recognized a gain on the disposal of real estate by an investee company and a foreign exchange gain in 2022, resulting in positive non-operating income and expenses for both years.

Looking ahead to 2023, the Company has been developing various products and technologies in recent years, and will continue to research and develop high-end blind submerged hole type Mini-LED circuit board products, submerged hole board HDI products, and power IC module circuit boards to improve the design structure and enhance weather resistance. For DBC laminated ceramic substrates, the Company has been optimizing the manufacturing process to improve yields. Moreover, the Company continues to invest in the development of high-end HDI circuit board products and new products for ALN ceramic substrates.

With regard to capital expenditures, the Company has continued to invest in capital expenditures such as equipment optimization and the purchase of new machinery and equipment this year in order to improve production efficiency and develop new products in the hope of becoming an expert manufacturer of DBC laminated ceramic substrates.

We will not only continuously strengthen our corporate governance and practice environmental sustainability, but also pay close attention to the impact of laws and regulations that we must follow in our operations on our finances, business, and production. We aim to enhance our awareness of environmental sustainability and fulfill our corporate social responsibility by cooperating with upstream and downstream suppliers and customers.

GIA TZOONG is grateful to the customers and supplier partners for their help and contribution, and to the shareholders for their long-term support, and to the management team and employees for their hard work and dedication.

## II. 2022 Annual Business Report

### (1) Comparative analysis of operating results

#### 1. Consolidated

Unit: NT\$ thousand

Item	2022	2021	Variation ratio
Operating revenue	490,883	665,878	-26%
Operating costs	(558,130)	(696,900)	-20%
Gross operating profit	(67,247)	(31,022)	117%
Operating expenses	(85,016)	(91,394)	-7%
Operating profit	(152,263)	(122,416)	24%
Non-operating revenue and expense	88,218	60,581	46%
Net profit before tax	(64,045)	(61,835)	4%
Income tax expense	(4,299)	(45,747)	-91%
Net profit for current year	(68,344)	(107,582)	-36%

#### 2. Parent company-only

Unit: NT\$ thousand

Item	2022	2021	Variation ratio
Operating revenue	477,113	641,439	-26%
Operating costs	(551,912)	(686,387)	-20%
Gross operating profit	(74,799)	(44,948)	66%
Operating expenses	(72,764)	(75,226)	-3%
Operating profit	(147,563)	(120,174)	23%
Non-operating revenue and expense	75,044	16,108	366%
Net profit before tax	(72,519)	(104,066)	-30%
Income tax expense	(4,285)	(7,997)	-46%
Net profit for current year	(76,804)	(112,063)	-31%

(2) Budget implementation: Does not apply

(3) Financial position and profitability analysis:

#### 1. Financial position

##### (1) Consolidated

Item	Year	
	2022	2021
Cash inflows (outflows)	(377,546)	128,756
Debt ratio(%)	15	37
Current ratio(%)	609	231



(2) Parent company-only

Item	Year	
	2022	2021
Cash inflows (outflows)	(213,327)	(28,447)
Debt ratio(%)	15	18
Current ratio(%)	590	457

2. Profitability analysis

(1) Consolidated

Analysis item		Year		
		2022	2021	
Profitability	Return on assets(%)		(3.77)	(4.70)
	Return on shareholders equity(%)		(5.36)	(8.30)
	Ratio to paid-in capital	Operating profit	(9.17)	(7.37)
	Ratio(%)	Net profit before tax	(3.86)	(3.72)
	Net profit margin(%)		(13.92)	(16.16)
	Earnings per share (NT\$)		(0.46)	(0.67)

(2) Parent company-only

Analysis item		Year		
		2022	2021	
Profitability	Return on assets(%)		(5.01)	(6.66)
	Return on shareholders equity(%)		(6.10)	(8.30)
	Ratio to paid-in capital	Operating profit	(8.88)	(7.23)
	Ratio(%)	Net profit before tax	(4.37)	(6.26)
	Net profit margin(%)		(16.10)	(17.47)
	Earnings per share (NT\$)		(0.46)	(0.67)

(4) Research and development status

1. Technologies and products developed successfully

- (1) High-end blind/buried via Mini-LED circuit board product research and development.
- (2) 35/35um buried via HDI product research and development.
- (3) Power IC module circuit board, with improved design structure and increased weather resistance.
- (4) DBC laminated ceramic substrates, with optimized manufacturing process and enhanced yield rate.

2. Research and development plan for the coming year

- (1) High-end HDI (3+ level) circuit board product research and development.
- (2) Any layer circuit board product research and development.
- (3) Power IC module double-sided copper-convex circuit board, with optimized manufacturing process and enhanced yield rate.
- (4) ALN ceramic substrate product research and development.

### **III. Summary of 2023 Business Plan:**

#### **(I) Business Strategy**

1. Operations: We will fulfill our corporate social responsibility, strengthen Board of Directors functions, establish a good corporate governance system and a corporate culture of honest management, as well as create a positive social environment and a friendly working environment.
2. Business: We will focus on the industrial control, healthcare, energy storage, and automotive markets, as well as increase the proportion of HDI, high level, and thick copper products, while expanding into DBC high power products.
3. Manufacturing: We will continuously invest in new equipment to strengthen our manufacturing capacity and offer competitive products to our customers. We will provide customers with good quality and competitive prices that meet their needs.
4. R&D: We will focus on the global market and in-depth cooperation with customers to develop high-value products with potential that aligns with market trends. We will also continue to develop niche markets such as power IC module circuit boards and copper-laminated ceramic substrates.
5. Management: We will reinforce our employees' expert skills in accordance with the Company's development needs and value them in order to maintain their competitiveness. We will continue to pay attention to environmental protection issues and a friendly workplace environment.

#### **(II) Estimated sales volume and basis**

The Company is primarily in the supply chain of high thermal conductivity products, industrial control, healthcare, and microwave radio frequency devices. The Company's niche and market development trends are as follows:

##### **1. Single-sided multi-layer metal heat sink printed circuit boards:**

For display backlight products, outdoor lighting, automotive motor control and battery equipment, high-power power supply equipment, and products requiring high heat sink function. Sales are expected to grow slightly.

##### **2. Double-sided and multi-layer printed circuit boards:**

For mini LED displays, data storage devices, surveillance devices, servers, telecommunication network equipment, energy storage equipment, satellite telecommunication equipment, industrial automation related equipment, and medical

equipment, etc. Sales are expected to grow slightly.

3. Ceramic boards and special material circuit boards:

For solar power supply systems, automotive charging devices, microwave systems, high frequency wireless systems, and power system. Samples of these products have been delivered last year and this year; we foresee a chance to go into small-quantity production this year.

4. Flexible and rigid combination circuit boards:

For flash modules, automotive parts, cell phone parts, cell phone battery modules, medical devices, etc. Sales are expected to remain unchanged.

(III) Important production and sales policies

1. Production and marketing policy: The Company's goal is to have a stable production and marketing policy, to reduce inventory risks via order-based production, and to effectively allocate orders to assess risk and reward in real time.
2. Customer Satisfaction: We provide strict quality control, prompt delivery, and good service to flexibly meet customers' needs.
3. Technology enhancement: We upgrade our equipment to conform to customers' needs, and continuously improve our production technology capacity and yield rates to cope with future market competition.

(IV) Future development strategies, external competition, regulatory environment and overall business environment that will affect the Company:

1. In terms of future development strategies:

- (1) Establishing a sound corporate governance system and structure.
- (2) Attaching importance to corporate social responsibility.
- (3) Planning for innovative products.

2. With respect to external competition:

- (1) Continuously developing new products.
- (2) Introducing new manufacturing processes and effectively reducing costs.
- (3) Strengthening employee productivity.

3. In respect of regulatory environment:

The Company continues to pay attention to tax, accounting, environmental, and labor issues. If we find any issues relevant to the Company's operation and development, we will plan action measures to deal with risks and opportunities, integrate action plans and evaluation actions into the Company's operation process, and conduct supervision, measurement, analysis and assessment to

adjust the Company's development strategies in a timely manner.

4. Concerning the overall business environment:

The overall business environment has become increasingly complex due to various factors such as the pandemic, geopolitical risks, inflation, monetary tightening policies, increasing interest rates, and fluctuations in exchange rates. The Company pays ongoing, close attention to changes in the overall environment and carefully formulates the best business strategy. Changes and fluctuations are difficult to predict and manage, thus causing outlooks for different policies to become more extreme. This causes the Company to operate with great uncertainty. In the current situation, changes in economic activities are even more challenging. In the face of environmental changes, the development of renewable energy, and the elimination of fossil fuels, the Company will adjust our strategy in a timely manner to respond to the impact of these risks.

Finally, we wish you good health and great fortune!

Chairman: Cheng An Investment Co. Ltd.

Representative: Tseng Chi-li

Chief Executive Officer: Tseng Chi-li

Chief Accounting Officer: Chan Kuan-min

[Annex II]

# GIA TZOONG ENTERPRISE CO., LTD.

## Audit Committee Review Report

The Company's Board of Directors has prepared and submitted the Company's business report, consolidated (parent company-only) financial statements, and a proposal for the loss compensation for the year 2022, of which the consolidated (parent company-only) financial statements have been audited by accountants TSENG KUO FU and CHENG HSIEN HSIU of Baker Tilly Clock & Co., and an audit report has been issued.

We, as the Audit Committee of GIA TZOONG ENTERPRISE CO., LTD., have reviewed and verified the abovementioned business report, consolidated (parent company-only) financial statements, and a proposal for loss compensation, and have determined them to have no inaccuracies. Therefore, we hereby certify the above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely submitted to

GIA TZOONG ENTERPRISE CO., LTD. 2023 Annual General Shareholder Meeting

GIA TZOONG ENTERPRISE CO., LTD. Audit Committee

Chair: Wu Tseng-feng

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## **Representation of Letter**

For 2022 (from January 1, 2022 to December 31, 2022), the companies that are required to be included in the consolidated financial statements in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those required to be included in the consolidated financial statements for the parent company and its subsidiary companies in accordance with International Financial Reporting Standard No. 10. Furthermore, the relevant information that shall be disclosed in the consolidated financial statements of related affiliates has already been disclosed in the aforementioned consolidated financial statements for the parent company and its subsidiary companies. Therefore, no separate consolidated financial statements for affiliates need to be prepared.

The entities that are required to be included in the combined financial statements of GIA TZOONG ENTERPRISE CO., LTD. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements. " In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, GIA TZOONG ENTERPRISE CO., LTD. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company Name: GIA TZOONG ENTERPRISE CO., LTD.

Responsible Person: Cheng An Investment Co., Ltd.

March 22, 2023

# Independent Auditors' Report

NO.16931110ECA

To GIA TZOONG ENTERPRISE CO., LTD.

## Opinion

We have audited the accompanying consolidated financial statements of GIA TZOONG ENTERPRISE CO., LTD. and its subsidiaries, which comprise the consolidated Balance Sheet as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of GIA TZOONG ENTERPRISE CO., LTD. and its subsidiaries as of December 31, 2022 and 2021, 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 of the Republic of China.

## Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards 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 GIA TZOONG ENTERPRISE CO., LTD. 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, 2022. 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.

Key audit matters of GIA TZOONG ENTERPRISE CO., LTD. and its subsidiaries' consolidated financial statements for the year ended December 31, 2022 are stated as follows:

### 1. Revenue recognition

#### Description of key audit matters

For the accounting policy of revenue recognition, please refer to Note 4(12); for the description of the revenue of the current period, please refer to Note 23.

The sales locations of GIA TZOONG ENTERPRISE CO., LTD. and its subsidiaries include markets in Taiwan, China, Asia, the United States, Europe, etc. Different clients apply rather different trade conditions, and it is necessary to determine the transaction terms and conditions based on client orders and other documents. Since the recognition of



relevant revenue involves more manual operations in determining the timing of the transfer of risk and rewards of ownership of sold goods, it is likely to cause inconsistent timing of revenue recognition. and the amount of the transactions during the period of time before and after the balance sheet date has a relatively direct effect on consolidated financial statements. Therefore, revenue recognition is considered one of the key audit matters.

How our audit addressed the matter

The audit procedures were as follows:

1. Acquire an understanding of the internal control of the sales cycle and test the effectiveness of the internal control, to understand whether GIA TZOONG ENTERPRISE CO., LTD. and its subsidiaries have properly implemented internal controls.
  2. Perform the cut-off test on the revenue recognition during a selected period of time before and after the balance sheet date, including verifying client orders, reviewing their transaction terms and conditions, and confirming whether the timing of revenue recognition was consistent with the timing of the performance of obligations and transfer of risk and rewards as stated in the purchase order.
2. Impairment assessment of property, plant, and equipment

Description of key audit matters

For the accounting policy of property, plant, and equipment impairment, please refer to Note 4(10); for the description of significant accounting judgments, and the uncertainty of accounting estimates and assumptions that are involved in the impairment assessment of property, plant, and equipment, please refer to Note 5(3).

The property, plant, and equipment of GIA TZOONG ENTERPRISE CO., LTD. and its subsidiaries constituted 26% of consolidated total assets. Due to factors such as market maturity and saturation of panels and consumer electronic products, competition in the printed circuit board industry to which GIA TZOONG ENTERPRISE CO., LTD. and its subsidiaries belong is relatively fierce. Where indications of impairment exist, the recoverable amounts shall be assessed. GIA TZOONG ENTERPRISE CO., LTD. and its subsidiaries engaged external experts to assess the related assets' recoverable amounts based on the net fair value and found after the assessment that there was no impairment. However, this assessment used valuation techniques to measure the recoverable amount of related assets. The adoption of these assumptions and parameters is prone to subjective judgments, which may have a significant effect on the measurement of net fair value, which would in turn affect property, plant, and equipment test results. Therefore, the assessment of the impairment of property, plant, and equipment is considered a key audit matter.

How our audit addressed the matter

The audit procedures were as follows:

1. Obtain written documents regarding indications of asset impairment and impairment test for GIA TZOONG ENTERPRISE CO., LTD. and its subsidiaries, and conducted discussions with the management.
2. Inquire about the professional qualifications, experience, and reputation of external valuation experts engaged by GIA TZOONG ENTERPRISE CO., LTD. and its

- subsidiaries, in order to ascertain whether such experts were reliable in terms of their skills and abilities, and to ascertain factors that may affect external experts' objectivity.
3. Obtain information provided by the management of GIA TZOONG ENTERPRISE CO., LTD. and its subsidiaries to external experts, to ascertain the appropriateness as well as the consistency of assumptions compared with those in the previous year.
  4. Understand the basis upon which external experts adopted methods, to assess their appropriateness and consistency.
  5. Assess the reasonableness of assumptions made by the engaged external experts and the management of GIA TZOONG ENTERPRISE CO., LTD. and its subsidiaries, through the literature on related industries, market information, or historical results.

### **Other Matter**

GIA TZOONG ENTERPRISE CO., LTD. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion, respectively.

### **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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines 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 GIA TZOONG ENTERPRISE CO., LTD. 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 GIA TZOONG ENTERPRISE CO., LTD. and its subsidiaries or to cease operations or has no realistic alternative but to do so.

Those charged with governance, (inclusive of the Audit Committee), are responsible for overseeing GIA TZOONG ENTERPRISE CO., LTD. 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 auditing standards 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 the consolidated financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgment and professional skepticism. 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 GIA TZOONG ENTERPRISE CO., LTD. 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 GIA TZOONG ENTERPRISE CO., LTD. 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 GIA TZOONG ENTERPRISE CO., LTD. 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 appropriate audit evidence regarding the financial information of the entities or business activities within the GIA TZOONG ENTERPRISE CO., LTD. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 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 audit resulting in this independent auditors' report are Tseng, Kuo-Fu and Cheng, Hsien-Hsiu.

Baker Tilly Clock & Co  
March 22, 2023

**Notice to Readers**

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flow 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 (or review) 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.*

GIA TZOONG ENTERPRISE CO., LTD. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2022 and 2021

In Thousands of New Taiwan dollars

Code	Assets	Note	Dec. 31, 2022		Dec. 31, 2021	
			Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6	\$ 302,164	21	\$ 679,710	32
1110	Financial assets measured at fair value through profit or loss-current	4, 7	80,773	6	109,851	5
1136	Financial assets measured at amortized cost - current	4, 8, 33	425,445	29	115,704	6
1150	Notes receivable - not related parties	4, 9	524	—	1,036	—
1170	Accounts receivable - not related parties	4, 9	107,694	7	165,761	8
1200	Other receivables	4	5,900	—	9,367	1
1220	Income tax assets for current period	4, 28	1,162	—	849	—
130X	Inventories	4, 10	83,014	6	128,876	6
1460	Non-current assets held for sale	4, 11	—	—	412,550	20
1470	Other current assets		3,466	—	4,912	—
11XX	Total current assets		1,010,142	69	1,628,616	78
	Non-current assets					
1510	Financial assets measured at fair value through profit or loss-non-current	4, 7	1,147	—	1,617	—
1600	Property, plant and equipment	4, 12, 33	381,168	26	382,031	18
1755	Right-of-use assets	4, 13	1,273	—	6,209	—
1780	Intangible assets	4, 15	3,519	—	4,874	—
1840	Deferred income tax assets	4, 28	39,053	3	39,701	2
1915	Prepayments for equipment		24,484	2	37,894	2
1920	Refundable deposits		2,130	—	2,328	—
15XX	Total non-current assets		452,774	31	474,654	22
1XXX	Total assets		\$ 1,462,916	100	\$ 2,103,270	100

(Continued to next page)

**GIA TZOONG ENTERPRISE CO., LTD. and Subsidiaries**  
**Consolidated Balance Sheet (continued)**  
**December 31, 2022 and 2021**

In Thousands of New Taiwan dollars

Code	Liabilities and Equity	Note	Dec. 31, 2022		Dec. 31, 2021	
			Amount	%	Amount	%
	<b>Current liabilities</b>					
2150	Notes payable - not related parties	17	\$ —	—	\$ 9	—
2170	Accounts payable - not related parties	17	63,415	4	91,271	4
2220	Other payable	18	77,060	5	105,217	5
2230	Income tax liabilities for current period	4, 28	—	—	26,223	1
2260	Liabilities directly affiliated with non-current assets held for sale	11	—	—	450,563	22
2281	Lease liabilities- current	13	963	—	3,788	—
2322	Current portion of long-term liabilities	19	19,992	2	23,686	1
2300	Other current liabilities		4,515	—	4,960	—
21XX	<b>Total current liabilities</b>		<b>165,945</b>	<b>11</b>	<b>705,717</b>	<b>33</b>
	<b>Non-current liabilities</b>					
2540	Long-term borrowings	19	31,748	2	51,724	3
2570	Deferred income tax liabilities	4, 28	14,098	1	10,367	—
2581	Lease liabilities- non-current	13	344	—	2,511	—
2640	Net defined benefit liabilities - non-current	4, 20	14,562	1	14,873	1
2645	Deposits received		1,773	—	973	—
25XX	<b>Total non-current liabilities</b>		<b>62,525</b>	<b>4</b>	<b>80,448</b>	<b>4</b>
2XXX	<b>Total liabilities</b>		<b>228,470</b>	<b>15</b>	<b>786,165</b>	<b>37</b>
	<b>Equity attributable to owners of the parent</b>	21				
	Share capital					
3110	Ordinary share		1,661,228	114	1,661,228	79
	Retained earnings					
3350	Deficit to be offset		(412,812)	(28)	(336,383)	(16)
3400	Other equity	21				
3410	Exchange differences resulting from translating the financial statements of a foreign operation	4	(26,266)	(2)	(30,576)	(1)
31XX	<b>Total of equity to owners of the parent</b>		<b>1,222,150</b>	<b>84</b>	<b>1,294,269</b>	<b>62</b>
36XX	Non-controlling interest	21	12,296	1	22,836	1
3XXX	<b>Total equity</b>		<b>1,234,446</b>	<b>85</b>	<b>1,317,105</b>	<b>63</b>
	<b>Total liabilities and equity</b>		<b>\$ 1,462,916</b>	<b>100</b>	<b>\$ 2,103,270</b>	<b>100</b>

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

**GIA TZOONG ENTERPRISE CO., LTD. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**

In Thousands of New Taiwan Dollars, Except Loss Per Share

Code	Item	Note	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	4, 23	\$ 490,883	100	\$ 665,878	100
5000	Operating costs	10	(558,130)	(114)	(696,900)	(104)
5900	Gross operating loss		(67,247)	(14)	(31,022)	(4)
6000	Operating expenses					
6100	Selling expenses		(26,928)	(5)	(32,106)	(5)
6200	Administrative expenses		(46,136)	(9)	(48,711)	(7)
6300	Research and development expenses		(12,322)	(3)	(12,640)	(2)
6450	Expected credit gain	9	370	—	2,063	—
6000	Total of operating expenses		(85,016)	(17)	(91,394)	(14)
6900	Net operating loss		(152,263)	(31)	(122,416)	(18)
7000	Non-operating revenue and expense					
7100	Interest income	24	6,213	1	1,094	—
7010	Other income	25	3,431	1	956	—
7020	Other profit and loss	26	79,931	16	66,085	10
7050	Financial cost	27	(1,357)	—	(7,554)	(1)
7000	Total non-operating revenue and expense		88,218	18	60,581	9
7900	Net loss before tax of continued operations		(64,045)	(13)	(61,835)	(9)
7950	Income tax expense	4, 28	(4,299)	(1)	(45,747)	(7)
8200	Net loss for current year		(68,344)	(14)	(107,582)	(16)
	Other comprehensive income					
8310	Components of other comprehensive loss that will not be reclassified to profit or loss:					
8311	Remeasurement of defined benefit plans	4, 20	469	—	316	—
8341	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	4, 28	(94)	—	(63)	—
8360	Items that may be subsequently reclassified into profit or loss:					
8361	Exchange differences resulting from translating the financial statements of a foreign operation	4	4,310	1	(1,109)	—
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	4, 28	—	—	—	—
8300	Other comprehensive income for current year (net after tax)		4,685	1	(856)	—
8500	Total comprehensive income for current year		\$ (63,659)	(13)	\$ (108,438)	(16)
8600	Net loss attributable to:					
8610	Owner of consolidated company		\$ (76,804)	(16)	\$ (112,063)	(17)
8620	Non-controlling interest		8,460	2	4,481	1
			\$ (68,344)	(14)	\$ (107,582)	(16)
8700	Total comprehensive income attributable to:					
8710	Owner of consolidated company		\$ (72,119)	(15)	\$ (112,919)	(17)
8720	Non-controlling interest		8,460	2	4,481	1
			\$ (63,659)	(13)	\$ (108,438)	(16)
	Loss per share	22				
	From continued operations					
9710	Basic		\$ (0.46)		\$ (0.67)	
9810	Diluted		\$ (0.46)		\$ (0.67)	

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

GIA TZOONG ENTERPRISE CO., LTD. and Subsidiaries  
Consolidated Statements of Changes in Equity  
For the years ended December 31, 2022 and 2021

In Thousands of New Taiwan dollars

Item	Equity attributable to owners of the parent			Total of Equity attributable to owners of the parent	Non-controlling interest	Total equity
	Share capital	Deficit to be offset	The exchange differences resulting from translating the financial statements of a foreign operation			
Balance on January 1, 2021	\$ 1,661,228	\$ (224,573)	\$ (29,467)	\$ 1,407,188	\$ 18,355	\$ 1,425,543
Net profit (loss) for 2021	—	(112,063)	—	(112,063)	4,481	(107,582)
Other comprehensive income (after tax) for 2021	—	253	(1,109)	(856)	—	(856)
Total comprehensive income for 2021	—	(111,810)	(1,109)	(112,919)	4,481	(108,438)
Balance on December 31, 2021	1,661,228	(336,383)	(30,576)	1,294,269	22,836	1,317,105
Net profit (loss) for 2022	—	(76,804)	—	(76,804)	8,460	(68,344)
Other comprehensive income (after tax) for 2022	—	375	4,310	4,685	—	4,685
Total comprehensive income for 2022	—	(76,429)	4,310	(72,119)	8,460	(63,659)
Decreased in non-controlling interest	—	—	—	—	(19,000)	(19,000)
Balance on December 31, 2022	\$ 1,661,228	\$ (412,812)	\$ (26,266)	\$ 1,222,150	\$ 12,296	\$ 1,234,446

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



GIA TZOONG ENTERPRISE CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

In Thousands of New Taiwan dollars

Item	2022	2021
Cash flows from operating activities		
Loss before tax for current year	\$ (64,045)	\$ (61,835)
Income and expenses having not effect on cash flows:		
Depreciation expense	35,320	36,793
Amortization expense	2,706	1,167
Expected credit gain	(370)	(2,063)
Net loss (gains) on financial assets measured at fair value through profit or loss	4,418	(3,618)
Interest expense	1,357	7,554
Interest income	(6,213)	(1,094)
Dividend income	(726)	(230)
Gain on disposal of property, plant and equipment	(1,556)	(663)
Profit from lease modification	(33)	—
Gain on disposal of non-current assets held for sale	(45,482)	(74,930)
Net change in assets and liabilities relating to operating activities		
Financial assets mandatorily measured at fair value through profit or loss	25,130	7,495
Notes receivable	512	127
Accounts receivable	57,670	(4,734)
Other receivables	5,785	(3,459)
Inventories	45,862	(34,852)
Other current assets	1,446	1,968
Notes payable	(9)	(754)
Accounts payable	(27,856)	(10,387)
Other payable	(17,049)	2,390
Other current liabilities	(445)	(316)
Net defined benefit liabilities	64	41
Net cash (used in) provided by operating activities	16,486	(141,400)
Interest received	4,895	1,381
Dividend received	726	230
Interest paid	(1,278)	(7,523)
Income tax paid	(26,456)	(1,763)
Net cash used in operating activities	\$ (5,627)	\$ (149,075)

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GIA TZOONG ENTERPRISE CO., LTD. and Subsidiaries  
Consolidated Statements of Cash Flows (continued)  
For the years ended December 31, 2022 and 2021

In Thousands of New Taiwan dollars

Item	2022	2021
Cash flows from investing activities		
Acquisition of financial assets measured at amortized cost	\$ (309,741)	\$ —
Proceeds from repayments of financial assets at amortized cost	—	18,585
Acquisition of non-current assets held for sale	(1,741)	—
Disposal of non-current assets held for sale	458,773	360,138
Acquisition of property, plant and equipment	(29,922)	(59,586)
Disposal of property, plant and equipment	1,645	663
Acquisition of investment property	—	(4,503)
(Decreased) increased in advance receipts - disposal of assets	(450,563)	450,563
Acquisition of intangible assets	(1,351)	(5,578)
Decrease (increase) in refundable deposits	198	(321)
Net cash used in (provided from) investing activities	(332,702)	759,961
Cash flows from financing activities		
Repayments of long-term debt	(23,670)	(476,095)
Increased (decreased) in deposits received	800	(67)
Repayments of principal of lease liabilities	(2,423)	(4,620)
Change in non-controlling interest	(19,000)	—
Net cash used in financing activities	(44,293)	(480,782)
Effects of exchange rate change on cash and cash equivalents	5,076	(1,348)
Net (decreased) increased in cash and cash equivalents	(377,546)	128,756
Cash and cash equivalents at the beginning	679,710	550,954
Cash and cash equivalents at the end	\$ 302,164	\$ 679,710

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

# Independent Auditors' Report

NO.16931110EA

To GIA TZOONG ENTERPRISE CO., LTD.

## Opinion

We have audited the accompanying parent company only financial statements of GIA TZOONG ENTERPRISE CO., LTD., which comprise the parent company only Balance Sheet as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, parent company only statements of changes in equity and parent company only statements of cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of GIA TZOONG ENTERPRISE CO., LTD. as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

## Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of GIA TZOONG ENTERPRISE CO., LTD. in accordance with the Certified Public Accountant code of Professional Ethics in Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. 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 GIA TZOONG ENTERPRISE CO., LTD.'s parent company only financial statements for the year ended December 31, 2022 are stated as follows:

### 1. Revenue recognition

#### Description of key audit matters

For the accounting policy of revenue recognition, please refer to Note 4(11); for the description of the revenue of the current period, please refer to Note 22.

The sales locations of GIA TZOONG ENTERPRISE CO., LTD. include markets in Taiwan, China, Asia, the United States, Europe, etc. Different clients apply rather different trade conditions, and it is necessary to determine the transaction terms and conditions based on client orders and other documents. Since the recognition of relevant revenue involves more

manual operations in determining the timing of the transfer of risk and rewards of ownership of sold goods, it is likely to cause inconsistent timing of revenue recognition. and the amount of the transactions during the period of time before and after the balance sheet date has a relatively direct effect on parent company only statements. Therefore, revenue recognition is considered one of the key audit matters.

How our audit addressed the matter

The audit procedures were as follows:

1. Acquire an understanding of the internal control of the sales cycle and test the effectiveness of the internal control, to understand whether GIA TZOONG ENTERPRISE CO., LTD. have properly implemented internal controls.
2. Perform the cut-off test on the revenue recognition during a selected period of time before and after the balance sheet date, including verifying client orders, reviewing their transaction terms and conditions, and confirming whether the timing of revenue recognition was consistent with the timing of the performance of obligations and transfer of risk and rewards as stated in the purchase order.

## 2. Impairment assessment of property, plant, and equipment

Description of key audit matters

For the accounting policy of property, plant, and equipment impairment, please refer to Note 4(9); for the description of significant accounting judgments, and the uncertainty of accounting estimates and assumptions that are involved in the impairment assessment of property, plant, and equipment, please refer to Note 5(3).

The property, plant, and equipment of GIA TZOONG ENTERPRISE CO., LTD. constituted 24% of parent company only total assets. Due to factors such as market maturity and saturation of panels and consumer electronic products, competition in the printed circuit board industry to which GIA TZOONG ENTERPRISE CO., LTD. belong is relatively fierce. Where indications of impairment exist, the recoverable amounts shall be assessed. GIA TZOONG ENTERPRISE CO., LTD. engaged external experts to assess the related assets' recoverable amounts based on the net fair value and found after the assessment that there was no impairment. However, this assessment used valuation techniques to measure the recoverable amount of related assets. The adoption of these assumptions and parameters is prone to subjective judgments, which may have a significant effect on the measurement of net fair value, which would in turn affect property, plant, and equipment test results. Therefore, the assessment of the impairment of property, plant, and equipment is considered a key audit matter.

How our audit addressed the matter

The audit procedures were as follows:

1. Obtain written documents regarding indications of asset impairment and impairment test for GIA TZOONG ENTERPRISE CO., LTD., and conducted discussions with the management.
2. Inquire about the professional qualifications, experience, and reputation of external valuation experts engaged by GIA TZOONG ENTERPRISE CO., LTD., in order to ascertain whether such experts were reliable in terms of their skills and abilities, and to ascertain factors that may affect external experts' objectivity.

3. Obtain information provided by the management of GIA TZOONG ENTERPRISE CO., LTD. to external experts, to ascertain the appropriateness as well as the consistency of assumptions compared with those in the previous year.
4. Understand the basis upon which external experts adopted methods, to assess their appropriateness and consistency.
5. Assess the reasonableness of assumptions made by the engaged external experts and the management of GIA TZOONG ENTERPRISE CO., LTD., through the literature on related industries, market information, or historical results.

### **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 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 GIA TZOONG ENTERPRISE CO., LTD.'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 GIA TZOONG ENTERPRISE CO., LTD. or to cease its operations or has no realistic alternative but to do so.

Those charged with governance, ( including members of Audit Committee), are responsible for overseeing GIA TZOONG ENTERPRISE CO., LTD.'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 auditing standards 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 the parent company only financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgment and professional skepticism. 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 GIA TZOONG ENTERPRISE CO., LTD.'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 GIA TZOONG ENTERPRISE CO., LTD.'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 GIA TZOONG ENTERPRISE CO., LTD. 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 the entities or business activities within GIA TZOONG ENTERPRISE CO., LTD. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 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 audit resulting in this independent auditors' report are Tseng, Kuo-Fu and Cheng, Hsien-Hsiu.

Baker Tilly Clock & Co  
March 22, 2023

### **Notice to Readers**

*The accompanying parent company only financial statements are intended only to present the parent company only financial position, financial performance and cash flow 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(or review) 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 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.*

GIA TZOONG ENTERPRISE CO., LTD.

Parent Company Only Balance Sheet

December 31, 2022 and 2021

In Thousands of New Taiwan dollars

Code	Assets	Note	Dec. 31, 2022		Dec. 31, 2021	
			Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6	\$ 261,598	18	\$ 474,925	30
1110	Financial assets measured at fair value through profit or loss-current	4, 7	80,773	6	109,851	7
1136	Financial assets measured at amortized cost - current	4, 8, 32	342,426	24	85,708	6
1150	Notes receivable - not related parties	4, 9	524	—	1,036	—
1170	Accounts receivable - not related parties	4, 9	104,163	7	161,599	10
1180	Accounts receivable - related parties	4, 9, 31	1,251	—	2,181	—
1200	Other receivables	4	4,519	—	9,321	1
1220	Income tax assets for current period	4, 27	1,162	—	836	—
130X	Inventories	4, 10	82,645	6	128,876	8
1479	Other current assets		3,055	—	3,271	—
11XX	Total current assets		882,116	61	977,604	62
	Non-current assets					
1510	Financial assets measured at fair value through profit or loss-non-current	4, 7	1,147	—	1,617	—
1550	Investments accounted for using the equity method	4, 11	99,506	7	136,675	9
1600	Property, plant and equipment	4, 12, 32	381,146	27	382,000	24
1755	Right-of-use assets	4, 13	1,207	—	6,209	1
1780	Intangible assets	4, 14	3,519	—	4,874	—
1840	Deferred income tax assets	4, 27	39,053	3	39,701	2
1915	Prepayments for equipment		24,484	2	37,894	2
1920	Refundable deposits		1,889	—	2,109	—
15XX	Total non-current assets		551,951	39	611,079	38
1XXX	Total assets		\$ 1,434,067	100	\$ 1,588,683	100

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**GIA TZOONG ENTERPRISE CO., LTD.**  
**Parent Company Only Balance Sheet(continued)**  
**December 31, 2022 and 2021**

In Thousands of New Taiwan dollars

Code	Liabilities and Equity	Note	Dec. 31, 2022		Dec. 31, 2021	
			Amount	%	Amount	%
	<b>Current liabilities</b>					
2150	Notes payable - not related parties	16	\$ —	—	\$ 9	—
2170	Accounts payable - not related parties	16	57,021	4	83,561	6
2180	Accounts payable- related parties	16, 31	956	—	800	—
2200	Other payable- non-related parties	17	66,020	5	97,374	6
2220	Other payable- related parties	17, 31	—	—	75	—
2281	Lease liabilities- current	13	930	—	3,788	—
2322	Current portion of long-term liabilities	18	19,992	2	23,686	1
2300	Other current liabilities		4,507	—	4,673	—
21XX	<b>Total current liabilities</b>		<b>149,426</b>	<b>11</b>	<b>213,966</b>	<b>13</b>
	<b>Non-current liabilities</b>					
2540	Long-term borrowings	18	31,748	2	51,724	3
2570	Deferred income tax liabilities	4, 27	14,098	1	10,367	1
2581	Lease liabilities- non-current	13	310	—	2,511	—
2640	Net defined benefit liabilities - non-current	4, 19	14,562	1	14,873	1
2645	Deposits received		1,773	—	973	—
25XX	<b>Total non-current liabilities</b>		<b>62,491</b>	<b>4</b>	<b>80,448</b>	<b>5</b>
2XXX	<b>Total liabilities</b>		<b>211,917</b>	<b>15</b>	<b>294,414</b>	<b>18</b>
	<b>Equity</b>	20				
	Share capital					
3110	Ordinary share		1,661,228	116	1,661,228	105
	Retained earnings					
3350	Deficit to be offset		(412,812)	(29)	(336,383)	(21)
3400	Other equity	20				
3410	Exchange differences resulting from translating the financial statements of a foreign operation	4	(26,266)	(2)	(30,576)	(2)
3XXX	<b>Total equity</b>		<b>1,222,150</b>	<b>85</b>	<b>1,294,269</b>	<b>82</b>
	<b>Total liabilities and equity</b>		<b>\$ 1,434,067</b>	<b>100</b>	<b>\$ 1,588,683</b>	<b>100</b>

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

**GIA TZOONG ENTERPRISE CO., LTD.**  
**Parent Company Only Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**

In Thousands of New Taiwan Dollars, Except Loss Per Share

Code	Item	Note	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	4, 22, 31	\$ 477,113	100	\$ 641,439	100
5000	Operating costs	10, 31	(551,912)	(116)	(686,387)	(106)
5900	Gross operating loss		(74,799)	(16)	(44,948)	(6)
6000	Operating expenses					
6100	Selling expenses		(18,326)	(4)	(22,452)	(4)
6200	Administrative expenses		(41,033)	(9)	(41,816)	(7)
6300	Research and development expenses		(12,322)	(2)	(12,640)	(2)
6450	Expected credit gain (impairment loss)	9	(1,083)	—	1,682	—
6000	Total of operating expenses		(72,764)	(15)	(75,226)	(13)
6900	Net operating loss		(147,563)	(31)	(120,174)	(19)
7000	Non-operating revenue and expense					
7100	Interest income	23	4,839	1	3,606	1
7010	Other income	24	2,590	1	901	—
7020	Other profit and loss	25	34,448	7	(8,650)	(1)
7050	Financial cost	26	(1,354)	—	(1,674)	—
7070	Shares recognized in profit or loss of subsidiary accounted for using the equity method		34,521	7	21,925	3
7000	Total non-operating revenue and expense		75,044	16	16,108	3
7900	Net loss before tax of continued operations		(72,519)	(15)	(104,066)	(16)
7950	Income tax expense	4, 27	(4,285)	(1)	(7,997)	(1)
8200	Net loss for current year		(76,804)	(16)	(112,063)	(17)
	Other comprehensive income					
8310	Components of other comprehensive loss that will not be reclassified to profit or loss:					
8311	Remeasurement of defined benefit plans	4, 19	469	—	316	—
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	4, 27	(94)	—	(63)	—
8360	Items that may be subsequently reclassified into profit or loss:					
8361	Exchange differences resulting from translating the financial statements of a foreign operation	4	4,310	1	(1,109)	—
8300	Other comprehensive income for current year (net after tax)		4,685	1	(856)	—
8500	Total comprehensive income for current year		\$ (72,119)	(15)	\$ (112,919)	(17)
	Loss per share	21				
	From continued operations					
9710	Basic		\$ (0.46)		\$ (0.67)	
9810	Diluted		\$ (0.46)		\$ (0.67)	

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

GIA TZOONG ENTERPRISE CO., LTD.  
Parent Company Only Statements of Changes In Equity  
For the years ended December 31, 2022 and 2021

In Thousands of New Taiwan dollars

Item	Share capital	Deficit to be offset	The exchange differences resulting from translating the financial statements of a foreign operation	Total equity
Balance on January 1, 2021	\$ 1,661,228	\$ (224,573)	\$ (29,467)	\$ 1,407,188
Net loss for 2021	—	(112,063)	—	(112,063)
Other comprehensive income (after tax) for 2021	—	253	(1,109)	(856)
Total comprehensive income for 2021	—	(111,810)	(1,109)	(112,919)
Balance on December 31, 2021	1,661,228	(336,383)	(30,576)	1,294,269
Net loss for 2022	—	(76,804)	—	(76,804)
Other comprehensive income (after tax) for 2022	—	375	4,310	4,685
Total comprehensive income for 2022	—	(76,429)	4,310	(72,119)
Balance on December 31, 2022	\$ 1,661,228	\$ (412,812)	\$ (26,266)	\$ 1,222,150

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

GIA TZOONG ENTERPRISE CO., LTD.  
Parent Company Only Statements of Cash Flows  
For the years ended December 31, 2022 and 2021

In Thousands of New Taiwan dollars

Item	2022	2021
Cash flows from operating activities		
Loss before tax for current year	\$ (72,519)	\$ (104,066)
Income and expenses having not effect on cash flows:		
Depreciation expense	35,277	36,061
Amortization expense	2,706	1,167
Expected credit impairment loss (profit)	1,083	(1,682)
Net loss (gains) on financial assets measured at fair value through profit or loss	4,418	(3,618)
Interest expense	1,354	1,674
Interest income	(4,839)	(3,606)
Dividend income	(726)	(230)
Share of profit of subsidiaries using the equity method	(34,521)	(21,925)
Gain on disposal and scrapping of property, plant and equipment	(1,556)	(663)
Profit from lease modification	(33)	—
Net change in assets relating to operating activities		
Financial assets mandatorily measured at fair value through profit or loss	25,130	7,495
Notes receivable	512	127
Accounts receivable	56,353	(25,865)
Accounts receivable - related parties	930	18,901
Other receivables	6,003	(3,449)
Inventories	46,231	(35,543)
Other current assets	216	1,920
Notes payable	(9)	(754)
Accounts payable	(26,540)	(3,940)
Accounts payable- related parties	156	(2,323)
Other payable	(19,821)	(2,123)
Other payable- related parties	(75)	75
Other current liabilities	(166)	(586)
Net defined benefit liabilities	64	41
Net cash (used in) provided by operating activities	19,628	(142,912)
Interest received	3,638	3,909
Dividend received	726	230
Interest paid	(1,278)	(1,493)
Income tax (paid) refunded	(232)	668
Net cash (used in) provided by operating activities	\$ 22,482	\$ (139,598)

(Continued to next page)

GIA TZOONG ENTERPRISE CO., LTD.  
Parent Company Only Statements of Cash Flows  
For the years ended December 31, 2022 and 2021

In Thousands of New Taiwan dollars

Item	2022	2021
Cash flows from investing activities		
Acquisition of financial assets measured at amortized cost	\$ (256,718)	\$ —
Proceeds from repayments of financial assets at amortized cost	—	23,861
Proceeds from capital reduction of investments accounted for using equity method	76,000	—
Acquisition of property, plant and equipment	(30,347)	(59,551)
Proceeds from disposal of property, plant and equipment	1,645	663
Acquisition of intangible assets	(1,351)	(5,578)
Decrease (increase) in refundable deposits	220	(128)
Other receivables - related parties	—	180,073
Net cash used in (provided from) investing activities	(210,551)	139,340
Cash flows from financing activities		
Repayments of long-term debt	(23,670)	(23,502)
Increased (decreased) in deposits received	800	(67)
Repayments of principal of lease liabilities	(2,388)	(4,620)
Net cash used in financing activities	(25,258)	(28,189)
Net decreased in cash and cash equivalents	(213,327)	(28,447)
Cash and cash equivalents at the beginning	474,925	503,372
Cash and cash equivalents at the end	\$ 261,598	\$ 474,925

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

[Annex IV]

**GIA TZOONG ENTERPRISE CO., LTD.**  
**2022 Loss Compensation Table**

Unit: NT\$

Net loss at the beginning of the year	(336,383,065)
Less: Actuarial gain or loss was credited to retained earnings	374,791
Adjusted loss to be compensated for at the beginning of the year	(336,008,274)
Less: Net loss after tax for the period	(76,804,448)
Accumulated loss to be covered at the end of the period	(412,812,722)

## Four. Appendices

### [Appendix I]

#### GIA TZOONG ENTERPRISE CO., LTD.

##### Rules of Procedure for Company Shareholder Meetings

1. The Company's shareholder meetings shall be conducted in accordance with these Rules, unless otherwise provided by law.
2. The Company shall maintain a sign-in sheet for the attending shareholders to sign in, or the attending shareholders shall submit an attendance card in lieu of signing in.  
The number of shares present shall be calculated by adding the number of shares exercising the right to vote by written or electronic means to those from the sign-in sheet or attendance cards.
3. Attendance and voting at shareholder meetings shall be calculated on the basis of shares.
4. The shareholder meeting shall be held at the place where the Company is located or at a place convenient for the shareholders to attend and appropriate for the shareholder meeting. The meeting shall commence neither earlier than 9:00am nor later than 3:00pm.
5. If the shareholder meeting is convened by the Board of Directors, the chairman of the meeting shall be the chairman of the Board of Directors. If the chairman of the Board of Directors is absent from work or is unable to exercise his or her duties for any reason, the vice chairman of the Board of Directors shall act as his or her proxy. If there is no vice chairman or if the vice chairman is also absent from office or unable to exercise his or her duties for any reason, the chairman of the Board of Directors shall designate one of the managing directors to act as his or her proxy; if there is no managing director, one of the directors shall be designated to act as his or her proxy; if the chairman of the Board of Directors does not designate a proxy, one of the managing directors or directors shall be elected from among themselves to act as his or her proxy.  
If a shareholder meeting is convened by a person other than the Board of Directors with the right to call such a meeting, the chairman of the meeting shall be the person with the right to call the meeting; if there are more than two persons with the right to call, they shall elect from among themselves one person to be chairman.
6. The company may appoint its attorneys, accountants, or related persons to attend the shareholder meeting.  
The staff handling administrative affairs at a shareholder meeting shall wear identification cards or armbands.
7. The Company shall make an uninterrupted audio or video recording of the entire shareholder meeting, and the recorded materials shall be retained for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the recording materials shall be retained until the conclusion of the litigation.

8. The chairman shall call the meeting to order at the appointed meeting time. However, if the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, providing that no more than two such postponements and for a combined total of no more than one hour may be made. If, after two postponements, the attending shareholders still represent less than one third of the total number of issued shares, a tentative resolution may be made in accordance with Paragraph 1 of Article 175 of the Company Act.

If, before the adjournment of such meeting, the number of shares represented by the shareholders present reaches more than half of the total number of outstanding shares, the chairman may re-submit the tentative resolution to the shareholder meeting for a vote in accordance with Article 174 of the Company Act.

9. If a shareholder meeting is convened by the Board of Directors, the agenda shall be set by the Board of Directors; the meeting shall then proceed in accordance with the scheduled agenda, which shall not be changed without a resolution of the shareholder meeting.

If a shareholder meeting is convened by a person with the right to convene other than the Board of Directors, the provisions of the preceding paragraph shall apply *mutatis mutandis*.

The chairman may not adjourn the meeting without a resolution before the conclusion of the agenda as set forth in the preceding two paragraphs (including extraordinary motions). If the chairman of the meeting adjourns the meeting in violation of the Rules of Procedure, a chairman may be elected by a majority of the shareholders present to continue the meeting.

After the meeting is adjourned, the shareholders shall not elect another chairman to continue the meeting at the same location or another venue.

10. Before the attending shareholders speak, they must write down on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak shall be determined by the chairman.

An attending shareholder who has submitted a speaker's slip but does not actually speak shall be regarded as not having spoken. When the content of the speech does not comply with the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, no other shareholders may speak or interrupt unless they have obtained the agreement of the chairman and the speaking shareholder; the chairman shall stop all violations.

11. A shareholder may not speak more than twice on the same proposal, except with the consent of the chairman, and a single speech may not exceed five minutes.

If the shareholder's speech violates the foregoing provisions or exceeds the scope of the agenda item, the chairman may terminate the speech.

12. When a corporate shareholder is appointed to attend a shareholder meeting, the corporate shareholder may appoint only one representative to attend the meeting.



If a corporate shareholder appoints more than two representatives to attend the shareholder meeting, only one of the representatives may speak on the same proposal.

13. After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.
14. When the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed and call for a vote.
15. Vote monitoring and counting personnel on a proposal shall be appointed by the chairman, providing that all monitoring personnel shall be shareholders of the Company.

The results of the voting shall be announced on the spot at the meeting, and a record of the vote shall be made.

16. When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when the meeting shall be resumed, depending on the circumstances. If the meeting venue is no longer available for continued use and not all of the matters (including extraordinary motions) on the meeting agenda have been concluded, the shareholder meeting may resolve to resume the meeting at another venue. If the agenda of a meeting cannot be concluded in one meeting, the meeting may be resolved to be extended or reconvened within five days, in accordance with the provisions of Article 182 of the Company Act.

17. When the Company convenes a shareholder meeting, shareholders may choose to exercise their voting rights by written or electronic means; the manner of such exercise shall be governed by the Company Act and other relevant laws and regulations.

Except as otherwise provided in the Company Act and the Company's Articles of Incorporation, a resolution shall be approved by a majority of the votes cast by the shareholders present. A resolution shall be deemed to have been approved if the chairman consults all shareholders present and there is no objection, and shall be as valid as a poll.

18. If there is an amendment(s) or alternative(s) to a proposal, the chairman shall decide the order in which they shall be put to a vote.

When any one proposal on an issue is passed, the other proposals shall then be regarded as rejected, so that no further voting shall be required.

19. The chairman may direct the proctors or security personnel to help maintain order at the meeting venue. The proctors or securities that help maintain order at the meeting place shall wear an armband bearing the word "Proctor".
20. Matters not provided for in these Rules shall be governed by the provisions of the Company Act, the Company's Articles of Incorporation, and other laws and regulations. These Rules shall be implemented after the approval of the shareholder meeting. The same shall apply to any amendments.

[Appendix II]

# GIA TZOONG ENTERPRISE CO., LTD.

## Articles of Incorporation

### Chapter 1 General Provisions

Article 1: The Company has been established in accordance with the provisions of the Company Act and shall be named GIA TZOONG ENTERPRISE CO., LTD.

Article 2: The Company shall conduct business in the following areas:

1. Electronic parts and components processing, manufacturing and sales (except controlled items).
2. Electronic parts, components and materials sales.
3. Import and export trade of related business.
- 4.F113010 Wholesale of Machinery
- 5.F113020 Wholesale of Electrical Appliances
- 6.F113050 Wholesale of Computers and Clerical Machinery Equipment
- 7.F113070 Wholesale of Telecommunication Apparatus
- 8.F119010 Wholesale of Electronic Materials
- 9.F213080 Retail Sale of Machinery and Tools
- 10.ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The total amount of the Company's investment shall not be subject to the limit of 40% of the paid-in capital under Article 13 of the Company Act.

Article 2-2: The Company may make external guarantees for its business needs.

Article 3: The Company shall have its head office in Taoyuan District, Taoyuan City, and may establish domestic and foreign branches as needed for business purposes by resolution of the Board of Directors.

### Chapter 2 Shares

Article 4: The total capital of the Company is set at NT\$2.5 billion, divided into 250 million shares of NT\$10 each, of which NT\$100 million, or 10 million shares, are reserved for the issuance of employee stock options. The unissued shares are authorized to be issued by the Board of Directors in instalments in accordance with the business needs of the Company.

Article 5: The shares of the Company shall be in registered form, and shall be issued after being signed or sealed by the directors on behalf of the Company, and after being attested by a bank

licensed to issue shares in accordance with the law.

The Company's shares need not be issued in printed form, but must be registered with the Taiwan Depository & Clearing Corporation. The Company's shareholders shall transfer their shares, conduct a pledge of rights, report on loss, inheritance, gift and report on stamp loss or change, change of address, and exercise all their rights in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies, unless otherwise stipulated by the provisions of the securities laws and regulations.

Article 6: Transfers of shares shall be suspended for 60 days prior to an general shareholder meeting, for 30 days prior to an extraordinary shareholder meeting, and for five days prior to the base date of the Company's decision to distribute dividends, bonuses and other benefits.

### Chapter 3 Shareholder Meetings

Article 7: The Company shall have two types of shareholder meetings: general meetings and extraordinary meetings. General meetings shall be held once a year, within six months after the end of each fiscal year, and the shareholders shall be notified at least 30 days in advance; extraordinary meetings shall be convened when necessary, and the shareholders shall be notified at least 15 days in advance.

The aforementioned notice shall specify the date and place of the meeting and the reason for the meeting.

Unless otherwise provided by law, the shareholder meeting shall be convened by the Board of Directors.

Article 8: If a shareholder is unable to attend a shareholder meeting for any reason, the shareholder may appoint a proxy to attend the meeting by issuing a proxy form issued by the Company, stating the scope of proxy authority. However, if one person is appointed by more than two shareholders at the same time, the proxy's voting rights shall not exceed 3% of the total number of issued shares; any voting rights in excess of this shall not be counted.

Except as otherwise provided in the Company Act, the procedure for proxy attendance by shareholders shall be in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies issued by the competent authorities.

Article 9: Unless otherwise provided by law, each Company share held shall have one voting right.

Article 10: Except as otherwise provided in the Company Act and these Articles of Incorporation, resolutions of shareholder meetings shall be made by the presence of shareholders representing a majority of the total number of outstanding shares and shall be approved by a majority of the voting rights of the shareholders present. When the Company adopts electronic voting in accordance with the competent authorities' regulations, the Company's shareholders may also exercise their voting rights by electronic means. Shareholders who

exercise their voting rights by electronic means shall be deemed to be present in person, and all related matters shall be handled in accordance with the provisions of the laws and regulations.

Article 11: Unless otherwise provided in the Company Act, the shareholder meeting shall be chaired by the chairman of the Board of Directors. If the chairman of the Board of Directors is absent from work or is unable to exercise his or her duties for any reason, the chairman of the Board of Directors shall appoint a proxy; if the chairman of the Board of Directors does not appoint a proxy, the directors shall elect one from among themselves to act as proxy. The shareholder meeting shall be conducted in accordance with the Company's Rules of Procedure.

Article 12: The minutes of the shareholder meeting shall be prepared, signed/sealed by the chairman, and distributed to the shareholders within 20 days after the meeting. The minutes may be distributed by public announcement.

The minutes shall contain the year, month, day, place, name of the chairman, method of resolution, the main content of the procedures, and the results of the meeting, and shall be kept permanently for the duration of the Company's existence.

The sign-in sheet and proxy form of shareholders present shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, they shall be retained until the conclusion of the litigation.

#### Chapter 4 Directors and Audit Committee

Article 13: The Company shall have five (5) to nine (9) directors, who shall be elected by the shareholder meeting from among those who have the capacity to act. The term of office shall be three years, and directors shall be eligible for re-election. Among the aforementioned quota of directors, the number of independent directors shall not be less than three and shall not be less than one-fifth of the number of directorships. The election of directors is based on a candidate nomination system. Independent directors and non-independent directors shall be elected together and the number of elected directors shall be calculated separately. The nomination of candidates for director and independent director, the method of election, and other matters to be followed shall be in accordance with the relevant regulations of the competent authorities.

The Company may purchase liability insurance for the directors during their term of office in relation to the scope of business they perform; the Board of Directors is authorized to handle all insurance-related matters.

The Board of Directors is authorized to determine remuneration to directors in accordance with the standards prevalent in the industry. Directors' transportation expenses shall be

determined by the Board of Directors. Remuneration to directors for the performance of their duties is payable regardless of profit or loss. The total number of shares of the Company's registered stock held by all directors shall be determined in accordance with the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies. The Company shall establish an Audit Committee in accordance with the Securities and Exchange Act. The Audit Committee shall be composed of all independent directors, and the exercise of its powers and functions and related matters shall be governed by the relevant laws and regulations, and be separately prescribed by the Board of Directors.

Article 14: The Board of Directors shall be composed of directors, and a chairman shall be elected by two-thirds or more of the directors present and by a majority of the directors present from among themselves. The chairman of the Board of Directors shall manage all business of the Company internally and represent the Company externally.

Article 15: The Board of Directors' meeting shall be convened by the Chairman of the Board. The Board of Directors shall notify the directors seven days prior to the meeting. However, in case of emergency, it may be convened at any time. If the chairman of the Board of Directors is absent from the meeting or is unable to exercise his or her authority for any reason, the chairman of the Board of Directors shall appoint a director to act as his or her proxy; if the chairman of the Board of Directors does not appoint a proxy, the directors shall elect one from among themselves to act as proxy. The foregoing notice of convening shall be made in writing, by e-mail, or by facsimile, stating the reason for the convening.

Article 16: If the number of director vacancies reaches one-third or more, the Board of Directors shall convene an extraordinary shareholder meeting within 60 days to hold a by-election. Such terms of office shall be limited to the period of time to fill the original term.

Article 17: If a director's term of office expires and there is no re-election, his or her office may be extended until the re-elected director assumes office. However, the competent authority may order the Company to re-elect the directors in accordance with its authority. If the directors have not been re-elected by the expiration date, they shall be dismissed from office upon the expiration of the term.

Article 18: Unless otherwise provided in the Company Act, a meeting of the Board of Directors shall be held with the presence of a majority of the directors and with the consent of a majority of the directors present. If a director is unable to attend for any reason, he/she may issue a proxy, listing the scope of authority regarding the convening of the meeting, and appoint other directors to attend the Board of Directors meeting by proxy, provided that one person shall be appointed by one person.

Article 19: Minutes for Board of Directors' meetings shall be prepared and distributed to the directors. The minutes shall record the main contents of the procedures and their results, and the

minutes shall be retained in the Company together with the sign-in sheet of the directors present and the proxy form for their attendance.

Article 20: Deleted.

#### Chapter 5: Managers

Article 21: The Company may have a president, a vice president and associate managers, whose appointment, dismissal and remuneration shall be in accordance with Article 29 of the Company Act.

#### Chapter 6 Accounting

Article 22: The Company shall have a fiscal year beginning on January 1 and ending on December 31 of each year. At the end of each fiscal year, the Board of Directors shall prepare the following documents and submit them to the shareholder meeting for ratification, in accordance with the law.

- (1) Business Report
- (2) Financial statements
- (3) Proposals for distribution of earnings or compensation for losses

Article 23: If there is any remaining balance of the current year's pre-tax income before the distribution of employee and director remuneration, as well as after retaining the amount to cover accumulated losses, the Company shall set aside no less than 3% as employee remuneration and no more than 2% as directors' remuneration.

The specific ratio of employee remuneration to director remuneration, as well as whether employees' remuneration is paid in stock or cash, shall be determined by the Board of Directors, with two-thirds of the directors present and with the approval of a majority of the directors present, then reported to the shareholder meeting.

Employees' remuneration in the form of stock or cash shall include subordinate employees who meet specific requirements.

Article 24: If the Company's annual final accounts have a surplus, it shall first be reserved to pay taxes and cover prior losses, and then 10% shall be set aside as a legal reserve. However, this restriction shall not apply if the accumulated legal reserve has reached the Company's total paid-in capital. In addition, the Company shall set aside or reverse the special reserve in accordance with the competent authorities' law and regulations. If there is any surplus, the remaining balance shall be added to the accumulated undistributed earnings for previous years, and the Board of Directors shall prepare a proposal for such distribution and submit it to the shareholder meeting for approval.

The Company is in the electronic manufacturing industry. If stock dividends are distributed

to shareholders in a profitable year, the Company may retain capital for research and development and business development activities, but this will also cause capital to expand. Thus, if profits do not increase proportionately, earnings per share will decline and shareholder equity will be affected. Therefore, the Company's current dividend policy is a cash dividend policy, implemented in accordance with the Company's future capital budget plan; the Company will pay cash dividends, when possible and after measuring capital requirements for future years. The above cash dividend policy means that cash dividends shall be distributed primarily as dividends, while stock dividends (including Stock Dividend from Retained Earnings and Stock Dividend from Capital Reserve) shall be less than 50%.

#### Chapter 7 Supplementary Provisions

Article 25: Any matters not covered by these Articles of Incorporation shall be governed by the provisions of the Company Act and other relevant laws and regulations.

Article 26: These Articles of Incorporation were established on September 8, 1988. Any amendments shall become effective after they have been approved by the shareholder meeting.

The first amendment was made on November 1, 1988.

The second amendment was made on April 10, 1989.

The third amendment was made on December 16, 1989.

The fourth amendment was made on July 1, 1994.

The fifth amendment was made on August 28, 1995.

The sixth amendment was made on April 30, 1996.

The seventh amendment was made on June 2, 1997.

The eighth amendment was made on May 20, 1998.

The ninth amendment was made on May 24, 2000.

The tenth amendment was made on May 2, 2001.

The eleventh amendment was made on June 19, 2002.

The twelfth amendment was made on June 23, 2003.

The thirteenth amendment was made on June 30, 2004.

The fourteenth amendment was made on June 30, 2005.

The fifteenth amendment was made on June 29, 2006.

The sixteenth amendment was made on June 28, 2007.

The seventeenth amendment was made on November 10, 2008.

The eighteenth amendment was made on June 26, 2009.

The nineteenth amendment was made on June 25, 2010.

The twentieth amendment was made on June 18, 2012.

The twenty-first amendment was made on June 26, 2015.

The twenty-second amendment was made on June 17, 2016.

The twenty-third amendment was made on June 20, 2017.

The twenty-fourth amendment was made on June 15, 2018.

The twenty-fifth amendment was made on August 6, 2021.

The twenty-sixth amendment was made on June 16, 2022.

GIA TZOONG ENTERPRISE CO., LTD.

Chairman: Cheng An Investment Co. Ltd



**[Appendix III]**

**GIA TZOONG ENTERPRISE CO., LTD.**

**Shareholdings of all directors**

**Basis date: April 16, 2023**

Title	Name	Number of shares registered in the Shareholders Roster	Remark
Chairman	CHENG AN INVESTMENT CO.,LTD.	1,242,134	
Director	LEE WEI HSIN	3,452,993	
Director	LEE MAO TONG	5,276,660	
Independent director	WU TSENG FENG	0	
Independent director	TAI KUO MING	0	
Independent director	TUAN MU CHENG	0	
Independent director	HUNG WEN MING	0	

Note:

- (1) The total number of shares issued by the Company as of April 16, 2023 was 166,122,792 ordinary shares.
- (2) Since the number of independent directors exceeds one-half of the total number of directors and an Audit Committee has been established, no minimum number of shares required to be held by the entire bodies of directors and supervisors applies.