

STOCK CODE : 2033

CHIA TA WORLD CO., LTD.

Handbook for the 2023 Annual Meeting of
Shareholders

MEETING TIME:
TUESDAY, JUNE 20, 2023
9 A.M.

PLACE:
CHIA TA- The First Conference Room
(No. 16, Lane 317, Zhongzheng North Road, Yongkang
District, Tainan City)

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Chia Ta World Limited Corporation

Procedure for the 2023 Annual Meeting of Shareholders

Time: 9:00 a.m. on June 20th,2023

Place: Meeting Room No 1. in No 1. Factory in Yongkang (No. 16, Ln. 317, Zhongzheng N. Rd., Yongkang Dist., Tainan City 710 , Taiwan (R.O.C.))

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Report Items
- IV. Ratification Items
- V. Questions and Motions
- VI. Adjournment

Chia Ta World Limited Corporation

Year 2023

Agenda of Annual Meeting of Shareholders

Form of Shareholders' Meeting: Physical

Time: 9:00 a.m. on June 20th,2023

Place: Meeting Room No 1. in No 1. Factory in Yongkang (No. 16, Ln. 317, Zhongzheng N. Rd., Yongkang Dist., Tainan City 710 , Taiwan (R.O.C.))

I. Call the Meeting to Order

II. Chairperson Remarks

III. Report Items

1. Business Report for 2022 and Business report for 2023
2. Audit Committee's Review of the 2022 Financial Statements

IV. Ratification Items

1. Business Report and Financial Report for 2022
2. 2022 Plan of Deficit Compensation

V. Questions and Motions

VI. Adjournment

Report Items

One. Business Report for 2022 and Business reportfor 2023

Chia Ta World Limited Corporation

Business Report

I. Business Report for 2022

(1).Result for Business reportfor 2022

Unit: Thousands of Dollars, Metric Ton

Account Names	Year	2021	2022	Difference	
				Amount	%
Sales Revenue		844,784	810,803	-33,981	-4.02
Cost of Sales		758,856	759,243	387	0.05
Gross Profits		85,928	51,560	-34,368	-40.00
Gross Margin		10.17	6.36	-3.81	-37.48
Operating Expense		71,591	66,637	-4,954	-6.92
Operating Income		14,337	-15,077	-29,414	-205.16
Total Non-Operating Income and Expense		3,933	587	-3,346	-85.08
Income before Tax		18,270	-14,490	-32,760	-179.31
Net income		14,725	-12,698	-27,423	-186.23
Other Comprehensive Income of the period		29,229	-2,843	-32,072	-109.73
Earnings per share		0.18	-0.16	-0.34	-188.89
Annual Sales		26,112	22,901	-3,211	-12.30
Annual Yield		20,673	14,980	-5,693	-27.54

Reasons for differences are listed below:

1. In the second quarter of 2022, the supply of steel wire exceeded its demand. Though the unit price has increased by 3,054 per unit, the demand quantity decreased by 3,211 comparing to last year. The cost of sales increased by 4,093 per unit, because the Company prepared more raw materials for fear of shortage and New Taiwan Dollars have depreciated fast. The gross profit decreased by 34,368 thousand because the cost of goods sold cannot reflected immediately.
2. In 2022, because the quantity of sales decreased by 1,499 tones because of shortage of cabinets and rise of shipment fees which led to the reduction of variable cost. The administrative expenses decreased because retirement of employees and the reduction of profit. In 2022, operating expense decreased by 4,954 thousand.
3. The net amount of non-operating expense has decreased because the foreign exchange net gain or loss increased by 1,958 thousand and the interest rate increased which led to the increase of interest expense amounted 2,004 thousand.
4. In the first half year of 2022, the price of product rose faster than its cost and in the latter second half year of 2022, the demand of product decreased which led to the decrease of gross profit. The overall profit has decreased 32,760 thousand comparing to 2021.

(2) Cash inflows and outflows:

The comparison of cash inflows and outflows of the Company in 2022 and 2021 are listed below:

Items	Unit: Thousands		
	2021	2022	Difference
Net Cash Inflows(Outflows)from operating activities	-65,557	12,742	78,299
Net Cash Inflows(Outflows)from investing activities	-21,455	-13,674	7,781
Net Cash Inflows(Outflows)from financing activities	85,140	22,858	-62,282

1. The difference between net cash inflows(outflows) from operating activities in 2022 and 2021 was 78,299 thousand because the account receivables decrease by 50,064 thousand in 2022 and the account receivables increased by 43,389 thousand in 2021.
2. The difference of net cash inflows(outflows) from investing activities decreased by 7,781 thousand because the Company purchased property, plant and equipment in 2022.
3. The difference of net cash inflows(outflows) from financing activities 362,282 thousand because the Company repaid its short-term notes amounted 35,000 thousand and borrowed money amounted 25,000 thousand.

(3) Analysis of profitability:

Item	2021	2022	Rate in difference
Returns on assets	1.28	-0.74	-2.02
Returns on equity	1.41	-1.22	-2.63
Profit rate	1.74	-1.57	-3.31

The gross profit in 2022 decreased, so the profit in 2022 was lower than that in 2021.

(4) The research performance in 2022:

1. The Company continuously gather data, analysis, examination in process of production in order to remove the factors leads to the defect and spoilage of the product and therefore rise the quality and yield of the products.
2. With the improvement of pickling racks, relieve pulling and extrusion force, the raw material can reach 100% availability od cleaning rate and therefore improve the quality and yield of products.

II. Business plan for 2023

Under the ease of Covid-19 in 2022, the impact of inflation and the economic impact of Russo-Ukrainian War, the price of steel and energy has become volatile. The demand of steel has decreased and therefore impact the steel market. Excepted for the reduction in demand of steel, the steel market has influenced by the economic and political environment in the second-half year. The price of energy has surged and led to the reduction of yield and annual maintenance to regulated the demand and

supply in the market. Besides, the demand has decreased which customers will first consider to use its inventories. The new offices, new factories or the public construction were postponed due to the inflation and relief expenditure.

In foreign market, no favorable General Agreement on Tariffs and Trade has caused significant stress on the cost of export. In domestic market, cheap imports always won the bid of public construction. The Company can only make profit continuously by making efforts in many aspects under the severe scenario. The Company's business plan of 2023 are listed below:

1. Actively and continuously find resources of material. Purchase raw materials with comparative advantages in order to reduce the cost in order to reduce the cost.
2. Create grading system for products in order to satisfy the demand of customers.
3. Purchase new model of drawing machine in order to improve the quality and production capacity of the wire extension product.
4. Improve the equipment and production process to improve the yield and quality.
5. Reinforce the communication and services to its customers in order to bring in more orders.
6. Execute ISO 9001:2015 for improve the quality and effectiveness of operation.
7. Strengthen the relationship of suppliers and customers for securing the supply of raw materials, robusting the selling channels and creating win-win scenario.
8. Strengthen the sensitivity of reaction to markets in order to face the fast-changing market.
9. Strictly control the capital expenditure and reduce the portion of liabilities.

3. Future development strategies, the influence of external environment and competition and the influence of regulations and macro-economic environment

(1) Future development strategies

1. The wire market's demand is diverse. The company will supply a variety of products to satisfy different group of customers' needs. To satisfy the demand, the Company will purchase material from different resources and tweak the production process and situation to satisfy the customer in many aspect and rise the satisfaction of the customers.
2. The Company decided to adopted strategy of purchasing from multiple suppliers in order to decrease the risk of shortage of material. In this way, the Company can control the resource of material, diversify the market risk and acquire advantageous price of materials and stable source of supply
3. For fear of over-concentration of sales market, the Company has decided to expand market in Japan, USA, China and South-east Asia in order to rise

the overall sales.

4. Improve the quality and yield of product in response to the changes in the market by purchasing new model of drawing machine and upgrading the existed equipment. Reduce the production cost of renewing the control system of electricity which can expand the service life of production equipment.

5. Purchase solar power equipment for generating 154KW for personal use. The Company has acquired Renewable Energy Certificates with the power generated by the equipment. The move can response to the carbon tax in foreign and domestic market and can served a further movement for dedication to governance of ESG.

(2) The influence of external environment and competition

The globe is fighting with inflation actively. Though the price of energy, iron ore and coking coal is volatile, the volatility has decreased. With the reopen of China and boosting policies of the large economy, the future market of steel is still promising. The Company will stay tuned to eh international market price and the movement of economic. Once the environment changed, the Company can alter its selling and purchasing strategies and effectively decrease the impact of the external environment of the Company. In response to change to the future price of stee, the Company will adopt flexible policies for purchasing materials and managing stock, effectively alter the stock of materials and create advantageous purchasing price and create higher operating performance and profits.

(3) The influence of regulations and macro-economic environment

The regulation environment has become increasingly stringent. Financial Supervisory Commission also ask listed companies to disclose their examined information on greenhouse gas. The Company will abide by the law for fulfilling its social responsibilities and increasing connection among employees. Though the increase of fuel, utility fee and operating cost, disposal of waste and environment issue have made operating environment tougher, the Company still face the situation with caution to ease the fluence of alternation of environment.

Since the Company has suffered from historic economic slump in 2022, the sales volume has decreased which leads to the cost cannot be transferred to its customers. The aforementioned reason and the poor exchange rate led to the unexpected profit performance of the Company. The Company sincerely apologized for it and believed with the supervision of shareholders and investors, the employees can attain the goal with all the efforts under the dynamic operating environment.

Chairman: WU,TA-HO



Manager: CHEN,ZHENG-PING



Accounting Supervisor: WANG,QIU-YUE



Two. Report Items Audit Committee's Review of the 2022 Financial Statements

Chia Ta World Limited Corporation

Audit Committee's Review of the 2022 Financial Statements

The Board of Directors has prepared the Company's 2022 Annual Business Report, Financial Statements and Statement of Earnings Distribution, of which the financial statements have been audited by the Company's auditors, NAN TAI UNION & CO., and has issued a report thereon; the above-mentioned Business Report, Financial Statements and Statement of Earnings Distribution have been examined by the Audit Committee and found to be in order, and the Committee hereby submits its report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Chia Ta World Limited Corporation

Chairman of Audit Committee: YANG, BI-CUN



March, 7, 2022

Ratification Items

1.

Proposal: 2022 Business Report and Financial Statements (Proposed by the Board)

Explanation:

- I. The business report and financial reports has been resolved by the Board on March 7th, 2023. The financial reports have been sealed by the chairman, manager and accounting supervisor. The independent auditor's report has been issued by Independent Accountant TSAI, YU-CHIN and CHANG, TAI-YUAN in NAN TAI UNION & CO. (please refer to the page 11 to 20 in the attachment) The operating reports and financial reports have been reviewed by audit committee.
- II. According to the International Standard on Auditing's revision on independent audit reports and related standards, listed companies should communicate with their accountant and disclosed its Key Audit Matters for financial reports issued after 2016.
- III. For the supplementary notes of financial report of 2022, key audit matters about assessment of inventories, impairment loss of property, plant and equipment and investment property, please refer to the attachment on page 13 to 15.
- IV. Adopted.

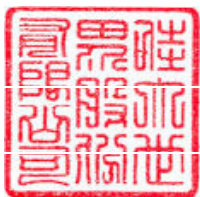
Resolution:

2.

Proposal: 2022 Deficit Compensation (Proposed by the Board)

Explanation :

- I. The deficit after tax of the Company is \$12,698,234 in 2022. The Company should prepare statement of deficit compensation in accordance with Article 228 of the Company Act.
- II. For loss after tax in 2022, considering the future plan od operation and demand for operating fund, the Company decided not to distributed its retained earnings.
- III. Adopted.



Chia Ta World Limited Corporation
Deficit Compensation Statement

2023 (Unit: NTD\$)

Items	Total
Unappropriated retained earnings of prior years	13,549,105
Add: Other comprehensive income (Remeasurement of Defined Benefits Plan)	619,478
2022 net profit (loss)	(12,698,234)
Earnings available for distribution	1,470,349
Items for compensating deficit:	
Less: Accrued statutory reserves	-
Earnings yet to be distributed	1,470,349

Chairman: WU,TA-HO Manager: CHEN,ZHENG-PING Accounting Supervisor: WANG,QIU-YUE

Chairman: WU,TA-HO  Manager: CHEN,ZHENG-PING  Accounting Supervisor: WANG,QIU-YUE 

Resolution:

Questions and Motions

Adjournment

Appendix

NAN TAI UNION & CO.

CERTIFIED PUBLIC ACCOUNTANTS
12F.-3, No. 153, Sec. 2, Minzu Rd., West Central Dist., Tainan City, Taiwan (R.O.C.)
7F., No. 316, Chuiyang Rd., East Dist., Chiayi City, Taiwan (R.O.C.)

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Independent Auditors' Report

To Chia Ta World Co., Ltd. :

Opinion

We have audited the accompanying financial statements of Chia Ta World Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company 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 and 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.

Basic 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 generally accepted in 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 the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the 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 for the Company's financial statements for the year ended December 31, 2022 are stated as follows:

Assessment of Inventories

Explanation

As of December 31, 2022, inventories of the Company amounted to NT\$259,779 thousand (net of loss for market price decline and obsolete and slow-moving inventories NT\$7,830). Please refer to Notes 4 and 6-3.

The management recognizes the loss for obsolete inventories according to inventory age, obsolete, and quality condition, and assesses the net realizable value of normal products, and recognizes the loss for market price decline inventories by the lower of cost and net realizable value.

Audit Procedures in Response

The main audit procedures performed in respect of the above-mentioned key audit matter are as follows:

1. We conducted detailed test to the inventory account, to verify the material cost, manual input and administrative expenses have been reasonably allocated to adequate inventory items.
2. We compared the recent purchase and sales price with the book value of ending inventory on a sample basis, to ensure the inventories are assessed by the lower of cost and net realizable value.
3. We compared the inventory quantities recorded in ending inventory account with physical inventory list, to verify the existence and completeness of inventory, supervised the stocktaking at the site of counting, and obtained an understanding of the inventory condition, to assess the appropriateness of the allowance for inventory valuation losses to obsolete and damaged inventories.

Impairment of Property, Plant and Equipment

Explanation

As of December 31, 2022, property, plant and equipment of the Company amounted to NT\$473,652 thousand, which accounts for 36% of total assets. The Company assesses whether there's impairment indicator of property, plant and equipment on regular basis, based on IAS 36 "Impairment of Assets." The recoverable amount of the cash-generating unit of the assets mentioned involved many assumptions and estimations, and the method of estimation directly affects the recognition of the related amount; therefore, this is one of the key audit matters.

Audit Procedures in Response

The main audit procedures performed in respect of the above-mentioned key audit matter are as follows:

1. We obtained an understanding of the assessment method of impairment of assets and the related condition of execution.
2. We assessed the rationality of management's identification of impairment indicators and the appropriateness of the assumptions, including the identification of cash-generating units, cash flow projections, discount rate, etc.

Impairment of Investment Property

Explanation

As of December 31, 2022, property, investment property of the Company amounted to NT\$164,602 thousand, which accounts for 13% of total assets. The Company assesses whether there's impairment indicator of investment property by external experts' report. The external experts' estimation to the valuation of assets depends on the choice of valuation method, reference source, etc., and the estimation results affect the recognition of related amount; therefore, this is one of the key audit matters.

Audit Procedures in Response

The main audit procedures performed in respect of the above-mentioned key audit matter are as follows:

1. We assessed the independence, objectivity, and competency of external experts.
2. We check the consistency between the schedule of property and the related materials for evaluation provided by the management to the external experts.
3. We assessed the rationality of the property valuation method that the external experts used.
4. We check the accuracy of the publicly available information quoted by the external experts.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted in 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 financial statements.

As part of an audit in accordance with the auditing standards generally accepted in 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 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 from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, we are required to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the 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 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.

NAN TAI UNION & CO.

CPA : Tsai, Yu-chin

CPA : Chang, Tai-yuan

Reference Number of the FSC Approval letter : (84)No. Taiwan-Finance-Securities-VI-24317
No. Financial-Supervisory-Securities-Auditing-1010056303

March 7, 2023

Chia Ta World Co., Ltd.
Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

Expressed in Thousands of New Taiwan Dollars

Code	Items	2022		2021	
		Amount	%	Amount	%
4000	Operating revenue				
4110	Total sales revenue	\$812,550	100	\$848,983	100
4170	net : Sales returns	(1,692)	-	(3,848)	-
4190	Sales discounts and allowances	(119)	-	(351)	-
4100	Sales revenue, net	810,739	100	844,784	100
4660	Conversion revenue	64	-	-	-
	Operating revenue, net (Note 4, 6-16)	810,803	100	844,784	100
5000	Operating costs (Note 6-23)	(759,243)	(94)	(758,856)	(90)
5900	Net gross profit	51,560	6	85,928	10
6000	Operating expenses (Note 4, 6-23)				
6100	Selling expenses	(18,463)	(2)	(20,587)	(2)
6200	Administrative expenses	(48,174)	(6)	(51,004)	(6)
	Total operating expenses	(66,637)	(8)	(71,591)	(8)
6900	Net operating income	(15,077)	(2)	14,337	2
	Non-operating income and expenses				
7100	Interest income(Note 6-17)	132	-	53	-
7010	Other income(Note 6-18)	7,564	1	7,314	1
7020	Other gains and losses, net(Note 6-19)	(3,160)	-	(829)	-
7050	Finance cost(Note 6-20)	(3,663)	-	(1,696)	-
7060	Share of profit or loss of associates accounted for using equity method(Note 4, 6-6)	(286)	-	(909)	-
7000	Total non-operating income and expenses	587	1	3,933	1
7900	Profit before tax	(14,490)	(1)	18,270	3
7950	Less: Income tax expenses(Note 4, 6-21)	1,792	-	(3,545)	-
8200	Profit	(12,698)	(1)	14,725	3
	Other comprehensive income				
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8316	Fair Value Through Other Comprehensive Income-Equity Instrument				
	Unrealised gains (losses) from investments (Note 6-5)	9,236	1	14,439	2
8311	Remeasurements of the defined benefit plan(Note 6-14)	774	-	82	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6-21)	(155)	-	(17)	-
8300	Other comprehensive income (loss), net of tax	9,855	1	14,504	2
8500	Total comprehensive income	\$(2,843)	-	\$29,229	5
	Earnings per share (NT dollars) (Note 4, 6-22)				
9750	Basic earnings per share	\$(0.16)		\$0.18	
9850	Diluted earnings per share	\$(0.16)		\$0.18	

(See accompanying notes and Independent Auditors' Report issued by Nan Tai Union & Co. on March 7, 2023)

Chairman : Wu, Da-Ho

General Manager : Chen, Jeng Ping

Accounting Officer : Wang, Chiu-yue

Chia Ta World Co., Ltd.
Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021

Expressed in Thousands of New Taiwan Dollars

Items	Share capital	Capital surplus		Retained earnings			Other equity interests	Total
		Additional paid-in capital	Donated assets received	Appropriated as legal capital reserve	Appropriated as special capital reserve	Unappropriated earnings	Unrealized gain or losses on FVTOCI financial assets	
Balance at January 1, 2021	\$806,945	\$17,629	\$409	\$93,043	\$12,003	\$42,560	\$69,280	\$1,041,869
<i>Appropriation and distribution of retained earnings of 2020</i>								
Legal reserve	-	-	-	1,981	-	(1,981)	-	-
Cash dividends	-	-	-	-	-	(24,208)	-	(24,208)
Profit	-	-	-	-	-	14,725	-	14,725
Other comprehensive income	-	-	-	-	-	65	14,439	14,504
Balance at December 31, 2021	<u>\$806,945</u>	<u>\$17,629</u>	<u>\$409</u>	<u>\$95,024</u>	<u>\$12,003</u>	<u>\$31,161</u>	<u>\$83,719</u>	<u>\$1,046,890</u>
Balance at January 1, 2022	\$806,945	\$17,629	\$409	\$95,024	\$12,003	\$31,161	\$83,719	\$1,046,890
<i>Appropriation and distribution of retained earnings of 2021</i>								
Legal reserve	-	-	-	1,473	-	(1,473)	-	-
Cash dividends	-	-	-	-	-	(16,139)	-	(16,139)
Profit	-	-	-	-	-	(12,698)	-	(12,698)
Other comprehensive income	-	-	-	-	-	619	9,236	9,855
Balance at December 31, 2022	<u>\$806,945</u>	<u>\$17,629</u>	<u>\$409</u>	<u>\$96,497</u>	<u>\$12,003</u>	<u>\$1,470</u>	<u>\$92,955</u>	<u>\$1,027,908</u>

(See accompanying notes and Independent Auditors' Report issued by Nan Tai Union & Co. on March 7, 2023)

Chairman : Wu, Da-Ho

General Manager : Chen, Jeng Ping

Accounting Officer : Wang, Chiu-yue

Chia Ta World Co., Ltd.

Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

Expressed in Thousands of New Taiwan Dollars

Items	2,022	2,021
Cash flows from operating activities :		
Profit before tax	\$(14,490)	\$18,270
Adjustments to reconcile profit (loss) :		
Income charges (credits) not affecting cash		
Depreciation expense	20,277	19,265
Interest expense	3,663	1,696
Interest revenue	(132)	(53)
Dividend revenue	(1,730)	(1,453)
Share of Loss (Profit) of Joint Ventures Accounted for Using Equity	286	909
Loss (Gain) from disposal of property, plant and equipment	-	(463)
Loss (Gain) from reversal of non-financial assets' impairment	(96)	(6)
Unrealized foreign exchange loss (gain)	(540)	297
Changes in operating assets and liabilities		
Notes receivable	(11,404)	(3,171)
Accounts receivable	50,064	(43,389)
Other receivables	-	781
Inventories	(19,156)	(46,842)
Prepayments	5,666	(9,533)
Other current assets	(52)	2,361
Accrued pension assets, net	221	289
Notes payable	(4,981)	1,807
Accounts payable	(3,591)	1,217
Other payables	(5,600)	(689)
Other current liabilities	28	(206)
Cash inflow (outflow) generated from operations	<u>18,433</u>	<u>(58,913)</u>
Interest received	132	53
Dividend received	1,730	1,453
Interest paid	(3,673)	(1,607)
Income tax paid	<u>(3,880)</u>	<u>(6,543)</u>
Net cash provided by operating activities	<u>12,742</u>	<u>(65,557)</u>
Cash flows from investing activities :		
Acquisition of property, plant and equipment	(42,716)	(9,052)
Proceeds from disposal of property, plant and equipment	-	531
Decrease (Increase) in refundable deposits	-	5,176
Decrease (Increase) in prepayments for equipment	29,042	(18,110)
Net cash flows used in investing activities	<u>(13,674)</u>	<u>(21,455)</u>
Cash flows from financing activities :		
Increase (Decrease) in short-term borrowings	74,523	85,477
Increase in short-term notes payable	655,000	215,000
Decrease in short-term notes payable	(690,000)	(190,000)
Repayment of the principle portion of lease liabilities	(526)	(1,129)
Cash dividends paid	<u>(16,139)</u>	<u>(24,208)</u>
Net cash flows provided by (used in) from financing activities	<u>22,858</u>	<u>85,140</u>
Effect of movements in exchange on cash and cash equivalents	<u>599</u>	<u>(476)</u>
Net increase (decrease) in cash and cash equivalents	22,525	(2,348)
Cash and cash equivalents at beginning of period	<u>57,646</u>	<u>59,994</u>
Cash and cash equivalents at end of period	<u><u>\$80,171</u></u>	<u><u>\$57,646</u></u>

(See accompanying notes and Independent Auditors' Report issued by Nan Tai Union & Co. on March 7, 2023)

Chairman : Wu, Da-Ho

General Manager : Chen, Jeng Ping

Accounting Officer : Wang, Chiu-yue

Appendix 1

Chia Ta World Limited Corporation Article of Association



Chapter 1 General Provisions

- Article 1 The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be 佳大世界股份有限公司 in Chinese and CHIA TA WORLD CO., LTD. in English.
- Article 2 The Company operates the following business: :
1. CA01060 Steel Wires and Cables Manufacturing
 2. CA01020 Iron and Steel Rolling and Extruding
 3. CA01050 Steel Secondary processing
 4. CA02040 Spring Manufacturing
 5. CB01990 Other Machinery Manufacturing
 6. CD01030 Motor Vehicles and Parts Manufacturing
 7. CD01040 Motorcycles and Parts Manufacturing
 8. CD01050 Bicycles and Parts Manufacturing
 9. CN01010 Furniture and Decorations Manufacturing
 10. F113050 Wholesale of Computers and Clerical Machinery Equipment
 11. F118010 Wholesale of Computer Software
 12. I301010 Information Software Services
 13. F113030 Wholesale of Precision Instruments
 14. E605010 Computer Equipment Installation
 15. CC01110 Computer and Peripheral Equipment Manufacturing
 16. CC01040 Lighting Equipment Manufacturing
 17. F119010 Wholesale of Electronic Materials
 18. F113020 Wholesale of Electrical Appliances
 19. CC01080 Electronics Components Manufacturing
 20. CB01020 Affairs Machine Manufacturing
 21. CE01010 General Instrument Manufacturing
 22. CE01030 Optical Instruments Manufacturing
 23. I301020 Data Processing Services
 24. I301030 Electronic Information Supply Services
 25. F401010 International Trade
 26. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
 27. F106010 Wholesale of Hardware
 28. F113010 Wholesale of Machinery
 29. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
 30. F114040 Wholesale of Bicycle and Component Parts Thereof
 31. H703090 Real Estate Business
 32. H701010 Housing and Building Development and Rental
 33. J901020 Regular Hotel
 34. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 According to Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the Company can make endorsements and guarantees for business needs.
- Article 2-2 The total amount of its investments in such other companies shall exceed forty percent of the amount of its own paid-up capital which is not restricted by Article 13 in Company Act.
- Article 3 The Company shall have its head office in Tainan City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the board of directors of Directors, set up

Article 4 branch offices within or outside the territory of the Republic of China when deemed necessary. Public announcements of the Company shall be made according to Article 28 of the Company Act.

Chapter 2 Capital Stock

Article 5 The total capital stock of the Company shall be in the amount of 1200,000,000 New Taiwan Dollars, divided into 120,000,000 shares, at 10 New Taiwan Dollars each, to be issued in installments.

Article 6 The Company's stock can be issued with signature of the directors who represent the Company, or sealed then approved by law. Non-physical issuance can be issued in uncertificated form.

Article 7 The name, address and seal should be recorded for check, the same also applies to any modification thereof.

Article 8 In the transfer of registered shares, the transferors should transfer the stock by endorsement and the assignees shall sign their names on the stock. The name and address of assignees should be recorded on the shareholder list.

Article 9 The Company's shareholders' services shall be governed by the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the securities regulatory authorities.

Article 10 Deleted

Article 11 No share shall be transferred within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Chapter 3 Shareholders' Meeting

Article 12 Shareholders meetings of the Company are of two kinds: (1) regular meeting and (2) special meeting. Regular meetings shall be convened at least once a year by the Board of Directors according to the law within six months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations. Special meetings should be convened according to related laws and regulations. The delivery of the shareholders' meeting notice can be done in written or electronic form with the approval of the Company's shareholders. The shareholders' meeting can be done by conference call or other form announced by the Ministry of Economic Affairs.

Article 13 If a shareholder is unable to attend a shareholders' meeting for any reason, he/she may in accordance with Article 177 of the Company Act, appoint a proxy to attend the shareholders' meeting by dealing or signing letter of authorization specified the scope of authorization in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authority.

Article 14 If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave the vice chairperson shall serve as chair. If both president and vice president are on leave, the chairperson shall appoint one of the directors 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.

Article 15 Unless otherwise provided by the act, each shareholder is entitled to one vote for each share held.

Article 16 Unless otherwise provided for in the Company Act, a meeting of shareholders 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 17 The minutes of the shareholders' meeting shall be prepared, signed or sealed by the chairperson and distributed to the shareholders within 20 days of the meeting. The foregoing minutes may be distributed by public announcement on Market Observation Post System to the shareholders. The meeting minutes of shareholders' meeting 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 results, and shall be retained for the duration of the existence of the Company. The attendance book of the directors and proxy form shall be kept for at least one year. If the shareholders file a lawsuit

according to Article 189, the book of shareholder present in the meeting and the letter of authorization of proxy should be preserved until the lawsuit ends.

Article 17-1 The Company shall file resolution to its shareholders' meeting if it decided not to list. During the period of listed and emerged, this article still take effect.

Chapter 4 Board of Directors Meeting

Article 18 The Company shall have nine to fifteen directors who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The term of office of a director shall be three years; he/she may be eligible for re-election.

The aforementioned number of directors shall consist of at least three independent directors and not less than one-fifth of the total number of directors to be elected.

The appointment of the boards is done by nomination. The shareholder can elect the board from the list of nominees.

The professional requirements, restrictions on shareholding and concurrent employment, determination of independence, nomination and election as well as other matters to be complied with for independent directors shall be in accordance with relevant laws and regulations.

The Company has set up audit committee and may set up other functional committee.

The Audit Committee shall consist of all independent directors with 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 duty, organization, exercising power and other matters of compliance should be done according to the relevant regulations and the Company's regulations.

Article 19 When the vacancy of directors reaches one-third, the board of directors shall convene an extraordinary meeting of shareholders within 60 days for by-election, and the term of office shall be limited to make up for the original term.

Article 20 When the term of office of a director expires and no re-election is performed, the term of office shall be extended until the reelected director takes the office.

Article 21 The Directors shall constitute a board of directors and shall elect a chairman from among themselves with the presence of at least two-thirds of the Directors and the consent of a majority of the Directors present. The Directors should execute the business of the company according to laws, Articles of Associations and the resolution do the shareholders' meeting and board meetings.

Article 22 The plan for the Company's operation and other important matters should be resolved by the board. Except for the first meeting of the board of directors of directors should be called by Article 203 in Company Act, a meeting of the board of directors of directors shall be called and chaired by the Chairman. When the Chairman of the board is on leave or for any reason unable to exercise the powers of the chair, the Chairman shall appoint one of the directors to act as chair, or, where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

Article 23 Except where otherwise provided by the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors. If attendance in person is not possible, they may appoint another director to attend as their proxy, and give that director a written proxy stating the scope of authorization with respect to the reasons for meeting. However, a proxy may accept a proxy from one person only.

Article 23-1 The board meeting should be held at least once in a quarter and specified in the meeting regulations.

Article 24 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. Resolutions adopted at a Board of Directors' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be keep in the Company and distributed to all directors of the Company within twenty (20) days in electronic form after the close of the meeting. The meeting minutes shall accurately record the methods by which resolutions were adopted. The aforementioned meeting minutes and the attendance book of the directors and proxy form shall be kept for at least one year.

Article 25 The remuneration of the board (including the independent directors) and the salaries of chairman and vice chairman should be paid by considering the benchmark of salaries of comparable and listed

companies.

The Company can purchase liabilities insurance for directors (including the independent directors) while performing in professional practice in term of office. The scope of insurance is authorized to be resolved by the board of directors.

Chapter 5 Managers and Employees

Article 26 The Company may have several managers. The appointment and remuneration of managers should abide by Article 29 in the Company Act.

Article 27 The Company may employ consultants or key employees with the approval of the Board of Directors according to Article 23 in the Articles of Association.

Article 28 Deleted

Chapter 6 Final Settlement

Article 29 Upon the close of each fiscal year, the board of directors shall prepare various reports and financial statements, submit them to the regular meeting of shareholders for ratification:

I. Business Report

II. Financial Statements.

III. Proposal for Profit Distribution or Loss Appropriation.

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Article 30 In case the Company makes profit during a financial year, the Company should:

1. 1% to 5% of the said profit shall be set aside for employee compensation.

2. no more than 5% of the sum of the aforementioned profit as director remuneration

However, in case of the accumulated losses, certain profits shall first be reserved to cover them.

The aforementioned compensation of employees should be issued only in cash. Recipients of the said compensation shall include Company employees that satisfy specific criteria. The aforementioned compensation for board of directors should be issued only in cash.

Article 30-1 For surplus after the close of the fiscal year, the Company shall, in accordance with the law, set aside 10% as legal reserve after its taxes have been paid and losses covered. However, when the legal reserve amounts to the Company's paid-in capital, this shall not apply, and the rest may be appropriated or reversed to special reserve according to the laws and regulations. 50% to 95% of the rest together with the undistributed earnings of last year is distributed and the alternation of aforementioned percentage can be resolved by the shareholders' meetings considering the actual profit performance and capital requirement of the year.

In line with long-term operation plans and future capital requirements, if the Company has surplus, the annual distribution of dividend should be no less than 10% of the total amount of dividends, except for the cash dividend is less than \$0.1.

If the previous fiscal year's accumulated surplus or the earning after tax isn't enough for accruing same amount of special reserve and deducting before distribution, reverse of distributed surplus should be done if there is reverse of deduction of shareholders' equity.

Chapter 7 Supplementary Provisions

Article 31 The Company's organizational rules and administrative regulations shall be prescribed by the Board of Directors.

Article 32 In regard to all matters not provided for in these Articles of Incorporation, the Company Act of the Republic of China shall govern.

Article 33 Established on April 8th, 1973.

The 1st amendment was made on April 5, 1976.

The 2nd amendment was made on April 2, 1977.

The 3rd amendment was made on April 6, 1979.

The 4th amendment was made on September 11, 1982.

The 5th amendment was made on December 10, 1982.

The 6th amendment was made on June 10, 1985.

The 7th amendment was made on July 8, 1988.

The 8th amendment was made on August, 10, 1988.

The 9th amendment was made on November 16, 1992.
The 10th amendment was made on July 24, 1993.
The 11th amendment was made on June 22, 1994.
The 12th amendment was made on June 29, 1995.
The 13th amendment was made on June 29, 1995.
The 14th amendment was made on June 19, 1996.
The 15th amendment was made on June 3, 1997.
The 16th amendment was made on October 27, 1999.
The 17th amendment was made on June 23, 2000.
The 18th amendment was made on June 12, 2001.
The 19th amendment was made on June 24, 2005.
The 20th amendment was made on June 24, 2005.
The 21st amendment was made on June 20, 2006.
The 22nd amendment was made on June 10, 2009.
The 23rd amendment was made on June 25, 2010.
The 24th amendment was made on June 17, 2011.
The 25th amendment was made on June 8, 2012.
The 26th amendment was made on June 20, 2013.
The 27th amendment was made on June 13, 2014.
The 28th amendment was made on June 17, 2016.
The 29th amendment was made on June 22, 2020.
The 30th amendment was made on July 26, 2021.
The 31st amendment was made on June 21, 2022.

Chia Ta World Limited Corporation

Chairman: WU, TA-HO



Appendix 2

Chia Ta World Limited Corporation Rules of Procedure for Shareholders

Article 1

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

Article 2

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

Article 3

(Convening shareholders meetings and shareholders meeting notices)

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

Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of 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 or supervisors, 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. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the 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 thereby.

This Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared 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 or supervisors, 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, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 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 and supervisors 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 proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. 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. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting 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.

Article 4

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.

If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation 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.

Article 5

(Principles determining the time and place of a shareholders meeting)

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. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.

Article 6

This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") 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, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend 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 or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting.

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

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.

In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1

(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7

(The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place

of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or 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.

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.

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.

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 8

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.

Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9

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 checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.

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 resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda. 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.

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 11

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

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

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 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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; the chair shall stop any violation.

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.

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

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

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.

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.

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.

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.

When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14

The election of directors or supervisors 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 and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

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

Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online

Article 16

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, 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. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During this Corporation's virtual shareholders meeting, 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.

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 17

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18

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

If the meeting venue is no longer available for continued use and not all of the items on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19

In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20

When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21

In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders 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 session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors. When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and 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 Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22

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

Article 23

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.

The 1st amendment was made and resolved by Board of Directors on May 20, 1995.

The 2nd amendment was made and resolved by Board of Directors on June 26, 1998.

The 3rd amendment was made and resolved by Board of Directors on June 12, 2002.

The 4th amendment was made and resolved by Board of Directors on June 11, 2015.

The 5th amendment was made and resolved by Board of Directors on June 22, 2020.

The 6th amendment was made and resolved by Board of Directors on July 26, 2021.

The 7th amendment was made and resolved by Board of Directors on June 21, 2022.

Appendix 3

Chia Ta World Limited Corporation Shareholding of Directors and Supervisors

The holdings of all directors on April 22, 2023 were as follows :

Position	Name	Current Holdings
Chairman	WU, TA-HO	6,859,931
Vice Chairman	HAO FU Investment Company Limited Representative: ZHUANG,HUI-ZHEN	1,049,946
Director	ZENG,WEN-JUN	3,285,730
Director	LI,SHI-MIN	338,000
Independent Director	YANG,BI-CUN	0
Independent Director	HUANG,MING-SHAN	0
Independent Director	HU,JIN-LIAN	0
Total Holdings of Directors		11,533,607

Note:

1. Total Issued shares: 80,694,536 shares on April 22, 2023 (book closure date).
2. The minimum required combined shareholding of all supervisors by Article 26 of Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies is 6,455,562 shares.

Appendix 4

Chia Ta World Limited Corporation Other Disclosures

No shareholder submitted proposals to be discussed at the meeting the period, from April 14th, 2023 to April 24th, 2023. The period is determined based on Article 172-1 in the Company Act.