

Stock Code: 6265



Kuen Chaang Uppertech Corp.

**2024 Annual Shareholders' Meeting
Meeting Handbook**

Convening method: Physical shareholders' meeting

Time: 9:00 a.m. on June 14, 2024

Location: 2F., No. 219, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City
(Room 204, ONE WORLD Community Services Center)

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I. Meeting Procedure

1. Call the Meeting to Order
2. Chairman's Remarks
3. Management Presentation
4. Ratifications
5. Discussions
6. Extempore Motions
7. Adjournment

II. Meeting Agenda

Kuen Chaang Uppertech Corp.
2024 Annual Shareholders' Meeting Agenda

Time: 9:00 a.m. on June 14, 2024 (Friday)

Location: 2 F., No. 219, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City (Room 204, ONE WORLD Community Services Center)

1. Call the Meeting to Order

2. Chairman's Remarks

3. Management Presentation

- (1) 2023 Business Report.
- (2) 2023 Audit Committee's Review Report.

4. Ratifications

- (1) 2023 Parent Company Only Financial Statements and Consolidated Financial Statements and Business Report.
- (2) 2023 Deficit Compensation.

5. Discussions

To dismiss Jerry Corporation, Ltd. and its appointed representatives (including the currently appointed representative Chang, Cheng-Wen and any subsequently appointed representatives) from their positions as directors.

6. Extempore Motions

7. Adjournment

III. Management Presentation

Proposal 1

Subject: The 2023 Business Report, for your review.

Explanation: Please refer to Attachment 1 on page 5 of this handbook.

Proposal 2

Subject: The 2023 Audit Committee's Review Report, for your review.

Explanation: Please refer to Attachment 2 on page 7 of this handbook.

IV. Ratifications

Proposal 1

(Proposed by the board of directors)

Subject: The 2023 Parent Company Only Financial Statements and Consolidated Financial Statements and Business Report are hereby proposed.

Explanation: (1) Both the 2023 Parent Company Only Financial Statements and Consolidated Financial Statements prepared and submitted by the board of directors have been audited by CPA Tu, Chan-Yuan and CPA Huang, Shih-Chun of PwC Taiwan. Such two Financial Statements, the Business Report, and the Deficit Compensation Statement have been reviewed by the audit committee.
(2) Please refer to Attachment 1 on page 5 and Attachment 3 on pages 8-27 of this handbook for the aforementioned Business Report, Independent Auditor's Audit Report, and Financial Statements.
(3) It is hereby submitted for ratification.

Resolution:

Proposal 2

(Proposed by the board of directors)

Subject: The 2023 Deficit Compensation is hereby proposed.

Explanation: (1) The board of directors has approved the 2023 Deficit Compensation Statement.
(2) The Corporation's Statement of Loss Offsetting for the year 2023 has been prepared. The net loss after tax for the year amounts to NT\$ 68,682,467, resulting in an accumulated deficit carried forward to the next period of NT\$ 105,162,697. Please refer to Attachment 4 on page 28 of this handbook.
(3) It is hereby submitted for ratification.

Resolution:

V. Discussions

Proposal 1 (Submitted in writing by shareholders holding 1% or more)

Subject: To dismiss Jerry Corporation, Ltd. and its appointed representatives (including the currently appointed representative Chang, Cheng-Wen and any subsequently appointed representatives) from their positions as directors.

Explanation: (1) At the annual shareholders' meeting, the Corporation accepts written proposals from shareholders holding 1% or more of the shares. During the acceptance period, we received a "Proposal Form for Shareholders Holding 1% or More of the Shares" from shareholders holding 1% or more of the shares in writing. Please refer to Attachment 5 on page 29 of this handbook.

(2) On May xx, 2024, after being approved by the board of directors, it will be submitted for discussion at the annual shareholders' meeting.

(3) It is hereby submitted for discussion.

Resolution:

VI. Extempore Motions

VII. Adjournment

Attachment 1. 2023 Business Report

Kuen Chaang Uppertech Corp. Business Report

The following is a brief report on the 2023 business report and operational outlook for this year:

1. 2023 Business Report

- (1) **Business Results:** Due to the weakening semiconductor market in 2023, the Corporation's consolidated revenue was NT\$ 704,031 thousand, a decrease of 43.71% from the revenue of NT\$ 1,250,708 thousand in 2022. For the year 2023, the Corporation reported a net loss after tax of NT\$ 68,682 thousand and a loss per share after tax of NT\$ 0.58, lower than the net income of NT\$ 8,824 thousand and earnings per share of NT\$ 0.07 in 2022.
- (2) **Analysis of Financial Income and Expenditure and Profitability:** For the financial overview of fiscal year 2023, please refer to the attached financial statements.
- (3) **Status of Research and Development:** The Corporation is a distributor of electronic components and is normally dedicated to customer service with no R&D expenditures.

2. Business Prospects and Future Development Strategies for the Current Year

(1) Business Policy:

The Corporation's business philosophy is "Simple, Clear, Focused, Segregated." While facing the ever-changing business environment, all of us will continue to make self-improvement and growth, and strive to develop new product lines and customers.

(2) Expected Production and Sales Overview:

Although the macroeconomic environment this year is still unfavorable and full of uncertainties, the Corporation will still strive to deepen the operation of its existing product lines and expand the development of new product lines to pursue better results than last year.

(3) Future Development Strategy:

- A. Introduce new product lines and enter new application markets – introduce new product lines with high gross margins that meet market demand and strengthen our product and market planning capabilities.
- B. Develop new customers – actively explore new customers, provide high quality professional technical support services and complete solutions for new customers and customers with specific needs.

- C. Improve value-added services – help OEMs create demand through customer relationships and rapid market response; increase overall company profitability.
- D. Commit to brand management of “Sen Tao,” resume the production of “Sen Tao” medicines, and continue to research and develop herbal functional health drinks based on the concept of “food and medicine share the same origin.”

3. Impact of External Competitive Environment, Regulatory Environment and Overall Business Environment

This year, the downstream demand for electronic terminal applications is expected to be cautiously optimistic, as it continues to be affected by major environmental factors such as geopolitics, the Russia-Ukraine war, and inflation. Currently, only major memory chip manufacturers are taking measures to reduce capital expenditures and production cuts to maintain a balance between supply and demand. However, with the development and upgrade of the Internet, artificial intelligence, and the automotive market, there are still opportunities and room for growth in the medium and long term.

In terms of regulatory environment, we continue to pay attention to important issues such as ESG (Environmental, Social, and Governance) sustainability reporting, and actively implement measures in line with the sustainable development path and the schedule for greenhouse gas inventory and verification promulgated by the Financial Supervisory Commission. We continue to focus on environmental protection policies in the industry, energy conservation, reduction of carbon emissions, creation of an eco-friendly environment and labor conditions, and fulfilling social responsibilities.

In the future, Kuen Chaang will continue to strive with a spirit of constant innovation and change, timely providing products that customers need, fully developing the Corporation’s core competencies, continuously enhancing the Corporation’s various competitive strengths, and living up to the expectations of shareholders and the general public. In response to international trends, the Corporation will extend ESG performance management to value chain partners to pursue shared growth and create sustainable competitiveness. We thank all customers, suppliers, shareholders, and employees for their long-standing support.

We wish to express our most sincere gratitude.

Chairman: Chang, Cheng-Wen
President: Chang, Cheng-Wen
Accounting Manager: Lin, Fang-Yen

Attachment 2. 2023 Audit Committee's Review Report

Kuen Chaang Uppertech Corp.
Audit committee's Review Report

The board of directors is hereby allowed to submit the Corporation's 2023 business report, consolidated financial statements, parent company only financial statements, and loss compensation proposal for review. The consolidated financial statements and parent company only financial statements have been audited by CPA Tu, Chan-Yuan and CPA Huang, Shih-Chun of PwC Taiwan, and they have issued an unqualified opinion audit report. The aforementioned business report, consolidated financial statements, parent company only financial statements, and loss compensation proposal have been reviewed by the audit committee and found to be in compliance. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for your review and approval.

Sincerely,

2024 Annual Shareholders' Meeting of Kuen Chaang Uppertech Corp.

Audit Committee Convener: Chen, Chao-Liang

Audit Committee Member: Chen, Jun-Ho

Audit Committee Member: Li, Chin-Ting

Audit Committee Member: Lien, Hai-Shan

March 13, 2024

Attachment 3. 2023 Independent Auditors' Report and Financial Statements and Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

(113) Financial Audit Report No. 23004433

To Kuen Chaang Uppertech Corp.,

Audit Opinion

We have audited the accompanying consolidated balance sheets of Kuen Chaang Uppertech Corp. (hereinafter referred to as “the Company”) and its subsidiaries (collectively, referred to as “the Group”) for the years ended December 31, 2023 and 2022 and the relevant consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements, based on our audit results, present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022 and for the years then ended, and its consolidated financial performance and consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinions

“The accountants conducted the audit in accordance with the Regulations Governing the Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters refer to the most vital matters in our audit of the consolidated financial statements of the Group for the year ended December 31, 2023, based on our professional judgment. 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 the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Assessment of an Allowance for Losses on Accounts Receivable

Event Description

For the accounting policies on the recognition and assessment of loss allowance for accounts receivable, please refer to Note 4(10) and 4(11) of the consolidated financial statements, respectively. The accounting estimates and assumptions related to the assessment of allowance for doubtful accounts receivable are subject to uncertainty, please refer to Note 5(2) of the consolidated financial statements. For the explanation of the accounts receivable accounts, please refer to Note 6(5) of the consolidated financial Statements. For the disclosure of relevant credit risk information, please refer to Note 12(2) in the consolidated financial statements.

The Group manages the collection of receivables and overdue receivables from clients and assumes relevant credit risks. Management regularly assesses its clients' credit quality and the collection situation and adjusts its credit policy for clients in a timely manner. In addition, its assessment of an allowance for losses on accounts receivable is based on the expected credit loss estimated in accordance with the relevant provisions of the IFRS 9 Financial Instruments. Management sets an expected loss ratio based on many factors that may affect each client's ability to pay on the balance sheet date and in history, such as the number of days for which the client's receivable is past due, the client's financial position, and economic situation, as well as future forward-looking information.

As the Group's amount of accounts receivable was relatively large, and the assessment process for an allowance for losses involved management's judgment, we listed the assessment of an allowance for losses on accounts receivable as one of the key audit matters.

Corresponding Audit Procedures

Our corresponding procedures for the above key audit matter are summarized as follows:

1. Understood the Group's client credit status, credit quality, and policy for provision of an allowance for losses on accounts receivable.

2. Tested the changes in the age of the accounts receivable, checked the relevant supporting documents of the accounts receivable dates, and confirmed the classification during the aging period.
3. Obtained and reviewed the relevant information provided by management and evaluated the percentage used for the provision of an allowance for losses on accounts receivable with reference to the loss occurrence rate in history and future forward-looking information.
4. Recalculated the allowance for losses that should be provided at the percentage of the provision for the allowance for losses.

Inventory Valuation

Event Description

Regarding the accounting policy for inventory valuation, please refer to Note 4(14) of the consolidated financial statements. The accounting estimates and assumptions of uncertainty related to inventory valuation are detailed in Note 5(2) of the consolidated financial statements. For an explanation of the Inventories accounting item, please refer to Note 6(6) in the consolidated financial statements.

The Group engages in the sales of electronic components. With the rapid changes in technology in the industry where it is situated, the life cycle of electronic components is short and the market competition is fierce, resulting in frequent fluctuations in product prices. The Group exercises judgment and makes estimation to determine the net realizable value of inventories on the balance sheet date, identifies the net realizable value for each inventory one by one, compares the net realizable value and the cost to see which was lower, and, at the same time, identifies the age and value of each inventory, to recognize valuation losses accordingly.

As the Group's amount of inventories was relatively large, and the inventory valuation involved management's judgment, we listed the inventory valuation as one of the key audit matters.

Corresponding Audit Procedures

Our corresponding procedures for the above key audit matter are summarized as follows:

1. Obtained the inventory valuation policy, evaluated its recognition policy, and confirmed the inventory valuation policy adopted during the financial statement period.
2. Conducted on-site inventory at the end of the period to identify whether there are obsolete, damaged, or unsalable inventories.

3. Obtained the inventory aging report, performed the inventory aging test, randomly checked the inventory material number to verify the inventory change records, confirmed the classification of the inventory age ranges, and evaluated the impact on the inventory value.
4. Obtained the inventory net realizable value statement, confirmed the calculation logic, and randomly checked and tested the relevant data with relevant evaluation documents, and recalculated the allowance for valuation losses to be provided after comparing the cost and the net realizable value to see which was lower one by one.

Other Matters – Parent Company Only Financial Statements

The Company has also prepared the parent company only financial statements for the years ended December 31, 2023 and 2022, for which we have issued an audit report with an unqualified opinion for reference.

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the Consolidated Financial Statements.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

The Group's governing bodies (including its audit committee) are responsible for supervising the 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 misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high-level 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. If misstatements, either individually or in the aggregate, could reasonably be expected

to influence the economic decisions of users taken on the basis of the consolidated financial statements, they are considered material.

In accordance with the auditing standards generally accepted in the Republic of China, the CPA exercises professional judgment and maintains professional skepticism throughout the audit. The CPA also performs the following tasks:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the parent company only financial statements; design and perform appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence as 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. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Consolidated Financial Statements (including relevant Note), and whether the Consolidated Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion about the Group.

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 provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Group's consolidated financial statements for the year ended December 31, 2023. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tu, Chan-Yuan and Huang, Shih-Chun.

PwC Taiwan
Taipei, Taiwan
Republic of China
March 24, 2024Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. 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.

KUEN CHAANG UPPERTECH CORP. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2023 and 2022

Unit: NTD Thousand

Assets		Note	December 31, 2023		December 31, 2022		Liabilities and Equity		Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%				Amount	%	Amount	%
Current Assets							Current Liabilities						
1100	Cash and cash equivalents	6(1)	\$ 561,084	37	\$ 154,089	10	2100	Short-term loans	6(14)	\$ 85,000	6	\$ 30,000	2
1110	Financial assets at fair value through profit or loss – current	6(2)	124,180	8	107,211	7	2170	Accounts payable	6(15)	50,625	3	55,264	4
1136	Financial assets at amortized cost – current	6(4) and 8	120,063	8	262,892	17	2200	Other payables		6,230	1	7,389	-
1170	Net accounts receivable	6(5)	201,484	13	231,466	15	2230	Current income tax liabilities	6(29)	4,880	-	11,647	1
1200	Other receivables		5,958	-	11,449	1	2280	Lease liabilities – current	7(2)	1,900	-	1,874	-
1220	Current tax assets	6(29)	2,126	-	-	-	2300	Other current liabilities	6(16)	67,322	4	67,541	4
130X	Inventories	6(6)	236,041	15	495,127	31	21XX	Total Current Liabilities		215,957	14	173,715	11
1410	Prepayments	6(7)	24,841	2	35,450	2	Non-Current Liabilities						
1470	Other current assets		252	-	252	-	2560	Current tax liabilities non-current	6(29)	2,033	-	-	-
11XX	Total Current Assets		1,276,029	83	1,297,936	83	2570	Deferred income tax liabilities	6(29)	1,367	-	2,295	-
Non-Current Assets							2580	Lease liabilities – non-current	7(2)	2,499	1	4,401	1
1517	Financial assets at fair value through other comprehensive income – non-current	6(3)	1,711	-	1,118	-	2645	Guarantee deposits received		2,479	-	2,598	-
1600	Property, plant, and equipment	6(8)	88,747	6	93,185	6	25XX	Total Non-Current Liabilities		8,378	1	9,294	1
1755	Right-of-use assets	6(9)	4,352	-	6,254	-	2XXX	Total Liabilities		224,335	15	183,009	12
1760	Net amount of investment property	6(11)	126,167	8	137,800	9	Equity Attributable to Owners of the Parent Company						
1780	Intangible assets	6(12)	697	-	1,569	-	Capital stock		6(18)				
1840	Deferred income tax assets	6(29)	17,234	1	8,950	1	3110	Capital stock – common shares		1,181,722	77	1,181,722	75
1920	Refundable deposits		317	-	320	-	Capital surplus		6(19)				
1990	Other non-current assets – others	6(13)(17)	22,114	2	21,496	1	3200	Capital surplus		313,679	20	313,679	20
15XX	Total Non-Current Assets		261,339	17	270,692	17	Retained earnings		6(20)				
1XXX	Total Assets		\$ 1,537,368	100	\$ 1,568,628	100	3320	Special reserve		10,771	1	10,771	1
							3350	Deficit to be offset		(105,162)	(7)	(36,480)	(3)
							Other equity interest		6(21)				
							3400	Other equity interest		(87,977)	(6)	(84,073)	(5)
							31XX	Total Equity Attributable to Owners of the Parent Company		1,313,033	85	1,385,619	88
							3XXX	Total Equity		1,313,033	85	1,385,619	88
							Significant Contingent Liabilities and Unrecognized Contractual Commitments		9				
							Significant Events After the Balance Sheet Date		11				
							3X2X	Total Liabilities and Equity		\$ 1,537,368	100	\$ 1,568,628	100

Chairman: Chang, Cheng-Wen

Managerial Officer: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

KUEN CHAANG UPPERTECH CORP. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2023, and 2022

Unit: NTD Thousand (Except earnings (deficit) per share in NTD)

Item	Note	2023		2022	
		Amount	%	Amount	%
4000 Operating revenue	6(22)	\$ 704,031	100	\$ 1,250,708	100
5000 Operating costs	6(6)	(755,917)	(107)	(1,217,517)	(98)
5900 Operating gross profit (loss)		(51,886)	(7)	33,191	2
Operating expenses	6(27)(28) and 7(2)				
6100 Selling and marketing expense		(15,477)	(2)	(18,906)	(1)
6200 Administrative expenses		(42,074)	(6)	(46,715)	(4)
6450 Expected credit impairment gains (losses)	12(2)	(14)	-	49	-
6000 Total operating expenses		(57,565)	(8)	(65,572)	(5)
6900 Operating loss		(109,451)	(15)	(32,381)	(3)
Non-operating income and expenses					
7100 Interest revenue	6(23)	21,970	3	1,885	-
7010 Other revenue	6(24)	16,035	2	20,735	2
7020 Other gains and losses	6(25)	(7,680)	(1)	27,648	2
7050 Financial costs	6(26) and 7(2)	(655)	-	(1,075)	-
7000 Total non-operating income and expenses		29,670	4	49,193	4
7900 Net Profit (Loss) Before Tax		(79,781)	(11)	16,812	1
7950 Income tax benefits (expenses)	6(29)	11,099	1	(7,988)	-
8200 Net Profit (Loss) for the Period		(\$ 68,682)	(10)	\$ 8,824	1
Other Comprehensive Income (net)					
Items That May not Be Reclassified to Profit or Loss					
8316 Unrealized valuation gains and losses from investment in equity instrument measured at fair value through other comprehensive income	6(3)	\$ 593	-	(\$ 2,595)	-
8310 Total amount of components that will not be reclassified to profit or loss		593	-	(2,595)	-
Components That May Be Reclassified to Profit or Loss					
8361 Exchange differences on translation of foreign financial statements		(4,497)	-	2,548	-
8360 Total amount of components that may be reclassified to profit or loss		(4,497)	-	2,548	-
8300 Other Comprehensive Income (Net)		(\$ 3,904)	-	(\$ 47)	-
8500 Current Total Comprehensive Income		(\$ 72,586)	(10)	\$ 8,777	1
Current net profit (loss) attributable to:					
8610 Owners of the parent company		(\$ 68,682)	(10)	\$ 8,824	1
Total comprehensive profit (loss) attributable to:					
8710 Owners of the parent company		(\$ 72,586)	(10)	\$ 8,777	1
Basic earnings (deficit) per share					
9750 Net profit (loss) for the period	6(30)	(\$ 0.58)		\$ 0.07	
Diluted earnings (deficit) per share					
9850 Net profit (loss) for the period	6(30)	(\$ 0.58)		\$ 0.07	

Chairman: Chang, Cheng-Wen

Managerial Officer: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

KUEN CHAANG UPPERTECH CORP. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2023, and 2022

Unit: NTD Thousand

		Equity Attributable to Owners of the Parent Company							
		Retained Earnings				Other Equity Interest			
							Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
Note	Capital Stock – Common Shares	Capital Surplus	Legal Reserve	Special Reserve	Deficit to Be Offset				Total Equity
<u>2022</u>									
	\$ 1,181,722	\$ 313,679	\$ 73,486	\$ 10,771	(\$ 120,012)	(\$ 85,487)	\$ 2,683	\$ 1,376,842	
	-	-	-	-	8,824	-	-	8,824	
	-	-	-	-	-	2,548	(2,595)	(47)	
	-	-	-	-	8,824	2,548	(2,595)	8,777	
6(20)	-	-	(73,486)	-	73,486	-	-	-	
	-	-	-	-	1,222	-	(1,222)	-	
	\$ 1,181,722	\$ 313,679	\$ -	\$ 10,771	(\$ 36,480)	(\$ 82,939)	(\$ 1,134)	\$ 1,385,619	
<u>2023</u>									
	\$ 1,181,722	\$ 313,679	\$ -	\$ 10,771	(\$ 36,480)	(\$ 82,939)	(\$ 1,134)	\$ 1,385,619	
	-	-	-	-	(68,682)	-	-	(68,682)	
	-	-	-	-	-	(4,497)	593	(3,904)	
	-	-	-	-	(68,682)	(4,497)	593	(72,586)	
	\$ 1,181,722	\$ 313,679	\$ -	\$ 10,771	(\$ 105,162)	(\$ 87,436)	(\$ 541)	\$ 1,313,033	

Chairman: Chang, Cheng-Wen

Managerial Officer: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

KUEN CHAANG UPPERTECH CORP. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023, and 2022

Unit: NTD Thousand

	Note	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Cash Flows from Operating Activities			
Current net profit (loss) before tax		(\$ 79,781)	\$ 16,812
Adjustment item			
Revenue and expense items			
Property, plant and equipment depreciation expense	6(27)	4,149	3,587
Right-of-use asset depreciation expense	6(27)	1,911	1,938
Investment property depreciation expense	6(25)	9,502	9,561
Expected credit impairment losses (gains)	12(2)	14 (	49)
Net loss (gain) on financial assets at fair value through profit or loss	6(25)	(3,364)	3,628
Intangible asset amortization expense	6(27)	872	2,506
Interest expense	6(26)	655	1,075
Dividend revenue	6(24)	(73 ) (	972)
Interest revenue	6(23)	(21,970 ) (	1,885)
Disposal of property, plant and equipment losses (gains)	6(25)	(44)	16
Changes in operating assets/liabilities			
Net changes in liabilities related to operating activities			
Financial assets at fair value through profit or loss – current		(15,558)	11,622
Net accounts receivable		29,968	175,526
Other receivables		4,579	128
Inventories		259,086 (	20,246)
Prepayments		10,609 (	275)
Other current assets		-	405
Other non-current assets – others		(618 ) (	616)
Net changes in assets related to operating activities			
Accounts payable		(4,639 ) (	76,644)
Other payables		(1,158 ) (	7,459)
Other current liabilities		(219)	10,514
Cash flows from operating activities		193,921	129,172
Interest income		22,882	1,517
Dividends received		73	972
Interest paid		(655 ) (	1,075)
Income tax returned		-	9
Income tax paid		(4,973 ) (	117)
Net cash inflow from operating activities		211,248	130,478
Cash Flows from Investing Activities			
Acquisition of financial assets at amortized cost		(\$ 1,155,842)	(\$ 331,028)
Disposal of financial assets measured at amortized cost		1,298,643	109,040
Disposal of financial assets at fair value through other comprehensive income – non-current		-	1,643
Acquisition of property, plant, and equipment	6(8)	-	(1,195)
Disposal of property, plant and equipment		(44)	-
Acquisition of intangible assets	6(12)	-	(1,670)
Decrease in refundable deposits		-	1,583
Net cash inflow (outflow) from investing activities		142,757	(221,627)
Cash Flows from Financing Activities			
Increase in short-term loans	6(31)	535,000	565,128
(Decrease in) short-term loans	6(31)	(480,000 ) (	602,853)
Repayment of the principal portion of lease liabilities	6(31)	(1,871 ) (	1,932)
(Decrease in) guarantee deposits received	6(31)	(933 ) (	903)
Increase in guarantee deposits received	6(31)	857	871
Net cash inflow (outflow) from financing activities		53,053	(39,689)
Effect of exchange rate changes		(63 ) (	1,207)
Increase (decrease) in cash and cash equivalents for the current period		406,995	(132,045)
Beginning cash and cash equivalent balance		154,089	286,134
Ending cash and cash equivalents balance		\$ 561,084	\$ 154,089

Chairman: Chang, Cheng-Wen

Managerial Officer: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

INDEPENDENT AUDITORS' REPORT

(113) Financial Audit Report No. 23004433

To Kuen Chaang Uppertech Corp.,

Audit Opinion

We have audited the accompanying parent company only balance sheets of Kuen Chaang Uppertech Corp. (the “Company”) for the years ended December 31, 2023 and 2022 and the relevant parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the “parent company only financial statements”).

In our opinion, the accompanying parent company only financial statements, based on our audit results, present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022 and for the years then ended, and its parent company only financial performance and parent company only cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinions

The accountants conducted the audit in accordance with the Regulations Governing the Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. The accountants’ responsibilities under those standards will be further described in the Auditors’ Responsibilities for the Audit of the Parent Company Only Financial Statements section. 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 Matter

Key audit matters refer to the most vital matters in our audit of the parent company only financial statements of the Company for the year ended December 31, 2023, based on our professional judgment. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Company’s parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Assessment of an Allowance for Losses on Accounts Receivable

Event Description

For the accounting policies on the recognition and assessment of loss allowance for accounts receivable, please refer to Notes 4(9) and 4(10) of the parent company only financial statements, respectively. The accounting estimates and assumptions related to the assessment of allowance for doubtful accounts receivable are subject to uncertainty, please refer to Note 5(2) of the parent company only financial statements. For the explanation of the accounts receivable accounts, please refer to Note 6(5) of the Parent Company Only Financial Statements. For disclosure of relevant credit risk information, please refer to Note 12(2) in the parent company only financial statements.

The Company manages the collection of receivables and overdue receivables from clients and assumes relevant credit risks. Management regularly assesses its clients' credit quality and the collection situation and adjusts its credit policy for clients in a timely manner. In addition, its assessment of an allowance for losses on accounts receivable is based on the expected credit loss estimated in accordance with the relevant provisions of the IFRS 9 Financial Instruments. Management sets an expected loss ratio based on many factors that may affect each client's ability to pay on the balance sheet date and in history, such as the number of days for which the client's receivable is past due, the client's financial position, and economic situation, as well as future forward-looking information.

As the Company's amount of accounts receivable was relatively large, and the assessment process for an allowance for losses involved management's judgment, we listed the assessment of an allowance for losses on accounts receivable as one of the key audit matters.

Corresponding Audit Procedures

Our corresponding procedures for the above key audit matter are summarized as follows:

Understood the Company's client credit status, credit quality, and policy for provision of an allowance for losses on accounts receivable.

Tested the changes in the age of the accounts receivable, checked the relevant supporting documents of the accounts receivable dates, and confirmed the classification during the aging period.

Obtained and reviewed the relevant information provided by management and evaluated the percentage used for the provision of an allowance for losses on accounts receivable with reference to the loss occurrence rate in history and future forward-looking information.

Recalculated the allowance for losses that should be provided at the percentage of the provision for the allowance for losses.

Inventory Valuation

Event Description

Regarding the accounting policy for inventory valuation, please refer to Note 4(13) of the parent company only financial statements. The accounting estimates and assumptions of uncertainty related to inventory valuation are detailed in Note 5(2) of the parent company only financial statements; For an explanation of the Inventories accounting item, please refer to Note 6(6) in the parent company only financial statements.

The Company engages in the sales of electronic components. With the rapid changes in technology in the industry where it is situated, the life cycle of electronic components is short and the market competition is fierce, resulting in frequent fluctuations in product prices. The Company exercises judgment and makes estimation to determine the net realizable value of inventories on the balance sheet date, identifies the net realizable value for each inventory one by one, compares the net realizable value and the cost to see which was lower, and, at the same time, identifies the age and value of each inventory, to recognize valuation losses accordingly.

As the Company's amount of inventories was relatively large, and the inventory valuation involved management's judgment, we listed the inventory valuation as one of the key audit matters.

Corresponding Audit Procedures

Our corresponding procedures for the above key audit matter are summarized as follows:

Obtained the inventory valuation policy, evaluated its recognition policy, and confirmed the inventory valuation policy adopted during the financial statement period.

Conducted on-site inventory at the end of the period to identify whether there are obsolete, damaged, or unsalable inventories.

Obtained the inventory aging report, performed the inventory aging test, randomly checked the inventory material number to verify the inventory change records, confirmed the classification of the inventory age ranges, and evaluated the impact on the inventory value.

Obtained the inventory net realizable value statement, confirmed the calculation logic, and randomly checked and tested the relevant data with relevant evaluation documents, and recalculated the allowance for valuation losses to be provided after comparing the cost and the net realizable value to see which was lower one by one.

Management's and Those Charged With Governance Responsibilities for the Parent Company Only Financial Statements

The responsibilities of management are to prepare parent company only financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The Company's governing bodies (including its Audit Committee) are responsible for supervising the financial reporting process.

The Responsibilities of Auditors for the Audit of Financial Statements

The purpose of our audit of the parent company only financial statements is to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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. If misstatements, either individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements, they are considered material.

In accordance with the auditing standards generally accepted in the Republic of China, the CPA exercises professional judgment and maintains professional skepticism throughout the audit. The CPA also performs the following tasks:

- Identify and evaluate the risk of material misstatements due to fraud or error in the Parent Company Only Financial Statements; design and perform appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence as 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.

- Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

Conclude on the appropriateness of management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall expression, structure and contents of the parent company only financial statements (including relevant Notes), and whether the parent company only financial statements fairly present relevant transactions and items.

Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Company, to express an opinion on the parent company only financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion about the Company.

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 provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Company's parent company only financial statements for the year ended December 31, 2023. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tu, Chan-Yuan and Huang, Shih-Chun.

PwC Taiwan

Taipei, Taiwan

Republic of China

March 24, 2024Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. 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.

KUEN CHAANG UPPERTECH CORP.

Unit: NTD Thousand

The notes to the parent company only financial statements are an integral part of these parent company only financial reports. Please refer to them together.

Managerial Officer: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2023 and 2022

Unit: NTD Thousand (Except earnings (deficit) per share in NTD)

Contents	Note	2023		2022	
		Amount	%	Amount	%
4000 Operating revenue	6(23) and 7(2)	\$ 698,939	100	\$ 1,261,489	100
5000 Operating costs	6(6)	(752,491)	(108)	(1,223,085)	(97)
5900 Operating gross profit (loss)		(53,552)	(8)	38,404	3
5910 Unrealized profit on sales	6(8)	-	-	(6,573)	(1)
5920 Realized profit on sales	6(8)	6,573	1	206	-
5950 Net operating gross profit (loss)		(46,979)	(7)	32,037	2
Operating expenses	6(28) and 7(2)				
6100 Selling and marketing expense		(11,662)	(2)	(13,595)	(1)
6200 Administrative expenses		(35,595)	(5)	(37,971)	(3)
6450 Expected credit impairment gains (losses)	12(2)	(14)	-	49	-
6000 Total operating expenses		(47,271)	(7)	(51,517)	(4)
6900 Operating loss		(94,250)	(14)	(19,480)	(2)
Non-operating income and expenses					
7100 Interest revenue	6(24)	21,530	3	1,719	-
7010 Other revenue	6(25) and 7(2)	5,410	1	10,628	1
7020 Other gains and (losses)	6(26)	(568)	-	35,235	3
7050 Financial costs	6(27) and 7(2)	(655)	-	(1,075)	-
7070 Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	6(8)	(11,248)	(2)	(10,285)	(1)
7000 Total non-operating income and expenses		14,469	2	36,222	3
7900 Net profit (loss) before tax		(79,781)	(12)	16,742	1
7950 Income tax benefits (expenses)	6(30)	11,099	2	(7,918)	-
8200 Net profit (loss) for the period		(\$ 68,682)	(10)	\$ 8,824	1
Items that may not be reclassified to profit or loss					
8316 Unrealized valuation gains and losses from investment in equity instrument measured at fair value through other comprehensive income	6(3)	\$ 593	-	(\$ 2,595)	-
8310 Total of items that may not be reclassified to profit or loss		593	-	(2,595)	-
Items that may be subsequently reclassified to profit or loss					
8361 Exchange differences on translation of foreign financial statements		(4,497)	-	2,548	-
8360 Total items that may be subsequently reclassified to profit or loss		(4,497)	-	2,548	-
8300 Other comprehensive income (net amount)		(\$ 3,904)	-	(\$ 47)	-
8500 Current total comprehensive income		(\$ 72,586)	(10)	\$ 8,777	1
Basic earnings (deficit) per share					
9750 Net profit (loss) for the period	6(31)	(\$ 0.58)		\$ 0.07	
Diluted earnings (deficit) per share					
9850 Net profit (loss) for the period	6(31)	(\$ 0.58)		\$ 0.07	

The notes to the parent company only financial statements are an integral part of these parent company only financial reports. Please refer to them together.

Chairman: Chang, Cheng-Wen

Managerial Officer: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

KUEN CHAANG UPPERTECH CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2023 and 2022

Unit: NTD Thousand

	Note	Capital - Common Stock	Capital Surplus	Retained Earnings			Other Equity Interest		Total Equity
				Legal Reserve	Special Reserve	Deficit to Be Offset	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
<u>2022</u>									
Balance at January 1, 2022		\$ 1,181,722	\$ 313,679	\$ 73,486	\$ 10,771	(\$ 120,012)	(\$ 85,487)	\$ 2,683	\$ 1,376,842
Net profit for the period		-	-	-	-	8,824	-	-	8,824
Other comprehensive profit (loss) for this period		-	-	-	-	-	2,548	(2,595)	(47)
Total comprehensive profit (loss) for this period		-	-	-	-	8,824	2,548	(2,595)	8,777
The legal reserve used to offset deficit	6(21)	-	-	(73,486)	-	73,486	-	-	-
Disposal of equity instruments at fair value through other comprehensive income		-	-	-	-	1,222	-	(1,222)	-
Balance at December 31, 2022		<u>\$ 1,181,722</u>	<u>\$ 313,679</u>	<u>\$ -</u>	<u>\$ 10,771</u>	<u>(\$ 36,480)</u>	<u>(\$ 82,939)</u>	<u>(\$ 1,134)</u>	<u>\$ 1,385,619</u>
<u>2023</u>									
Balance at January 1, 2023		\$ 1,181,722	\$ 313,679	\$ -	\$ 10,771	(\$ 36,480)	(\$ 82,939)	(\$ 1,134)	\$ 1,385,619
Current net loss		-	-	-	-	(68,682)	-	-	(68,682)
Other comprehensive profit (loss) for this period		-	-	-	-	-	(4,497)	593	(3,904)
Total comprehensive profit (loss) for this period		-	-	-	-	(68,682)	(4,497)	593	(72,586)
Balance at December 31, 2023		<u>\$ 1,181,722</u>	<u>\$ 313,679</u>	<u>\$ -</u>	<u>\$ 10,771</u>	<u>(\$ 105,162)</u>	<u>(\$ 87,436)</u>	<u>(\$ 541)</u>	<u>\$ 1,313,033</u>

The notes to the parent company only financial statements are an integral part of these parent company only financial reports. Please refer to them together.

Chairman: Chang, Cheng-Wen

Managerial Officer: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

PARENT COMPANY ONLY STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Unit: NTD Thousand

	Note	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Cash Flows from Operating Activities			
Current net profit (loss) before tax		(\$ 79,781)	\$ 16,742
Adjustment item			
Revenue and expense items			
Depreciation expense (including depreciation of property, plant and equipment, investment property, and right-of-use assets)	6(28)	5,077	4,553
Intangible asset amortization expense	6(28)	637	1,935
Expected credit impairment losses (gains)	12(2)	14	(49)
Net gain (loss) on financial assets at fair value through profit or loss	6(26)	(1,237)	5,514
Interest expense	6(27)	655	1,075
Interest revenue	6(24)	(21,530)	(1,719)
Dividend revenue	6(25)	(73)	(972)
Loss (gain) on investments accounted for using the equity method	6(8)	11,248	10,285
Unrealized profit on sales		-	6,573
Realized profit on sales		(6,573)	(206)
Changes in operating assets/liabilities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss – current		(15,558)	11,622
Net accounts receivable		30,014	175,526
Net accounts receivable – related parties		8,353	(8,353)
Inventories		254,513	(15,537)
Prepayments		10,614	451
Other receivables		5,686	168
Other receivables – related parties		-	582
Other current assets		(8)	409
Other non-current assets – others		(617)	(616)
Net changes in liabilities related to operating activities			
Accounts payable		(4,639)	(76,644)
Other payables		(1,551)	(6,830)
Other current liabilities		(162)	10,488
Cash flows from operating activities		195,082	134,997
Interest income		21,367	1,351
Dividends received		73	972
Interest paid		(655)	(1,075)
Income tax returned		-	9
Income tax paid		(4,965)	(117)
Net cash inflow from operating activities		210,902	136,137
Cash Flows from Investing Activities			
Acquisition of financial assets at amortized cost		(\$ 1,113,833)	(\$ 277,601)
Disposal of financial assets measured at amortized cost		1,235,625	95,387
Disposal of financial assets at fair value through other comprehensive income – non-current		-	1,643
Acquisition of property, plant, and equipment	6(9)	-	(874)
Acquisition of intangible assets	6(13)	-	(965)
Disposal of intangible assets	6(13)	-	505
Decrease in refundable deposits		-	1,460
Decrease (increase) in other receivables from related parties		4,123	(4,123)
Net cash inflow (outflow) from investing activities		125,915	(184,568)
Cash Flows from Financing Activities			
Investments accounted for using the equity method - cash capital increase by subsidiary	ㄅ(2)	-	(18,800)
Increase in short-term loans	6(32)	535,000	565,128
(Decrease in) short-term loans	6(32)	(480,000)	(602,853)
Repayment of the principal portion of lease liabilities	6(32)	(1,871)	(1,904)
Net cash inflows (outflow) from financing activities		53,129	(58,429)
Effect of exchange rate changes		190	(1,771)
Increase (decrease) in cash and cash equivalents for the current period		390,136	(108,631)
Beginning cash and cash equivalent balances		143,353	251,984
Ending cash and cash equivalents balance		\$ 533,489	\$ 143,353

The notes to the parent company only financial statements are an integral part of these parent company only financial reports. Please refer to them together.

Chairman: Chang, Cheng-Wen

Managerial Officer: Chang, Cheng-Wen

Accounting Manager: Lin, Fang-Yen

Attachment 4. 2023 Deficit Compensation Statement

**2023 Deficit Compensation Statement of
Kuen Chaang Uppertech Corp.**

Unit: NT\$

Item	Amount
1. Amount of Deficit to Be Offset	
(1) Beginning Undistributed Earnings	(46,527,413)
(2) Net Profit After tax for the Year	<u>(68,682,467)</u>
Total Deficit to Be Offset at the End of the Period	(105,162,697)
2. Deficit to Be Offset	(105,162,697)
3. Accumulated Deficit Carryforward to Next Period	(105,162,697)

Chairman:
Chang, Cheng-Wen

President:
Chang, Cheng-Wen

Accounting Manager:
Lin, Fang-Yen

**Attachment 5. “Proposal Form for Shareholders Holding
1% or More of Shares”**

Kuen Chaang 2024 Shareholder Meeting Proposal

Proposer Information:

Name: Wang, Wen-Ling

National ID Number:

Contact Address:

Contact Phone Number:

Number of Shares Held: 1,537,000

Proposal Content:

To dismiss Jerry Corporation, Ltd. and its designated representatives (including the currently appointed representative Chang, Cheng-Wen and any subsequently appointed representatives) from their director positions.

Proposing Shareholder Signature

Wang, Wen-Ling

Appendix 1. Rules of Procedure for Shareholders' Meetings

Rules of Procedure for Shareholders' Meetings for Kuen Chaang Uppertech Corp.

Approved at the Annual Shareholders' Meeting on June 16, 2022

- Article 1 Unless otherwise prescribed in laws and ordinances concerned, the shareholders' meeting of the Corporation shall be duly convened in accordance with these Rules.
- Article 2 The term "shareholders" as set forth herein denotes the shareholders themselves and the proxies authorized by shareholders.
- Article 3 The shareholders' meeting shall be held by means of visual communication network or other methods promulgated by the central competent authority.

For the convention of an annual shareholders' meeting, meeting agenda book shall be prepared and notices shall be sent to all shareholders 30 days before the convention of the meeting, and for shareholders holding less than 1,000 registered shares, the announcement method of uploading onto the Market Observation Post System (MOPS) may be adopted 30 days before the convention of the meeting.

The Corporate 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.

Notices and public announcements shall specify the reasons for the meeting, and the meeting notices may, as an alternative, be given by means of electronic transmission, upon obtaining a prior consent from the recipients thereof.

Election or dismissal of directors, amendments to the articles of incorporation, 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.

Shareholders holding more than 1% of the total issued shares may submit proposals in writing for the Annual 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.

The Corporation shall, prior to the book closure date before convening the annual shareholders' meeting, give a public notice announcing the place and period for shareholders to submit proposals; the period for receiving proposals shall not be less than 10 days.

The contents of each agenda item proposed by shareholders must not exceed 300 Chinese characters or the proposal shall not be accepted. Shareholders who have successfully proposed agenda items shall attend the annual shareholders' meeting in person or through proxy attendance and shall participate in the discussion.

Prior to the date for issuance of notice of a shareholders' meeting, the Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list the proposals that conform to the provisions of this article in the meeting notice. At the shareholders' meeting, the board of directors shall specify the reasons for excluding any shareholders' proposals from the meeting agenda.

Article 4 A shareholder (or proxy) attending a stockholders meeting shall be admitted to the meeting at least 30 minutes prior to the time the meeting commences. The 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. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or signed-in card and the virtual meeting platform. 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.

Article 5 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. 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

Article 6 The venue for a shareholders' meeting shall be the premises of the Corporation, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9:00 a.m. and no later than 3:00 p.m.

The restrictions on the place of the meeting shall not apply when the Corporation convenes a virtual-only shareholders' meeting. When the 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 7 If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the directors shall select one person from among themselves to serve as the chair. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.

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

Article 8 The Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

Article 9 The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 10 The 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, the Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the 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 the 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.

Article 11 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, with the number of postponements limited to two and the total postponement time not exceeding one hour. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, 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. 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 12 If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. 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.

After the meeting is adjourned, shareholders may not elect another chairperson at the original venue or another location to continue the meeting; however, if the chairperson violates the rules of procedure and declares the meeting adjourned, shareholders present who represent a majority of the voting rights may elect another person to serve as the chairperson and continue the meeting.

Article 13 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder who has the floor; the chair shall stop any violation.

Article 14 The shareholders attending the meeting are obligated to comply with the rules of the meeting, obey the rules, and maintain the order of the meeting.

Article 15 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.

Article 16 When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

- Article 17 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 18 When the chair considers that a proposals and of amendments or extempore motions proposed by a shareholder 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 19 Except as otherwise provided in the Company Act and in the Corporation's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. In the event of a vote, the vote shall be deemed to have been taken if there is no dissenting vote after consultation with the chair and shall have the same effect as a poll.
- Article 20 When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 21 Vote monitoring and counting personnel for the voting on the proposals shall be appointed by the chair, provided that the monitoring personnel has shareholder status. 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.
- Article 22 When a meeting is in progress, the Chair may announce a 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, or the meeting may be resumed without notice and announcement within five days by resolution of the shareholders' meeting.
- Article 23 The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Corporation, and the voting results shall be announced on site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of the unelected directors and supervisors and the numbers of votes with which they obtained.
- The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- Article 24 Any matters inadequately provided for herein shall be subject to provisions concerned set forth in the Company Act, Articles of Incorporation and relevant laws and regulations.

Article 25 The Rules shall be implemented after having been approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 26 Revision Date

These Regulations were set up on June 27, 2002.

The first amendment was made on June 15, 2006.

The second amendment was made on June 15, 2007.

The third amendment was made on June 19, 2013.

The fourth amendment was made on August 27, 2021.

The fifth amendment was made on June 16, 2022.

Appendix 2. Articles of Incorporation

Kuen Chaang Uppertech Corp. Articles of Incorporation

Chapter 1 Provisions

Article 1: The name of the Corporation is Kuen Chaang Uppertech Corp., which is incorporated pursuant to the Company Act.

Article 2: The business to be operated by the Corporation is as follows:

1. CC01080 Electronics Components Manufacturing.
2. E605010 Computer Equipment Installation.
3. CC01120 Data Storage Media Manufacturing and Duplicating.
4. I301010 Software Design Services.
5. I301020 Data Processing Services.
6. I301030 Electronic Information Supply Services.
7. F118010 Wholesale of Computer Software.
8. F119010 Wholesale of Electronic Materials.
9. F113050 Wholesale of Computers and Clerical Machinery Equipment.
10. F218010 Retail Sale of Computer Software.
11. F401010 International Trade.
12. F219010 Retail Sale of Electronic Materials.
13. F213030 Retail Sale of Computers and Clerical Machinery Equipment.
14. F108031 Wholesale of Drugs, Medical Goods.
15. F208031 Retail sale of Medical Equipments.
16. H701010 Housing and Building Development and Rental.
17. H703090 Real Estate Commerce.
18. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food.
19. C104010 Manufacturing of Sugar Confectionery.
20. C109010 Manufacture of Seasoning.
21. C110010 Beverage Manufacturing.
22. C201010 Feed Manufacturing.
23. C801010 Basic Industrial Chemical Manufacturing.

24. C802041 Drugs and Medicines Manufacturing.
25. C802060 Veterinary Drug Manufacturing.
26. F101030 Wholesale of Fruits.
27. F102030 Wholesale of Tobacco Products and Alcoholic Beverages.
28. F102040 Wholesale of Nonalcoholic Beverages.
29. F102170 Wholesale of Foods and Groceries.
30. F103010 Wholesale of Animal Feeds.
31. F107030 Wholesale of Cleaning Supplies.
32. F107070 Wholesale of Veterinary Drugs.
33. F108011 Wholesale of Traditional Chinese Medicine.
34. F108021 Wholesale of Western Pharmaceutical.
35. F108040 Wholesale of Cosmetics.
36. F201010 Retail Sale of Agricultural Products.
37. F202010 Retail Sale of Feeds.
38. F203010 Retail sale of Food Products and Groceries.
39. F203020 Retail Sale of Tobacco and Alcohol.
40. F207030 Retail Sale of Cleaning Supplies.
41. F207070 Retail Sale of Veterinary Drugs.
42. F208011 Retail Sale of Chinese Medicine.
43. F208021 Retail Sale of Western Pharmaceutical.
44. F208040 Retail Sale of Cosmetics.
45. F208050 Retail Over-the-counter drugs class B.
46. H703100 Real Estate Leasing.
47. IZ99990 Other Industrial and Commercial Services. (Research and Development, Experimentation and Evaluation of Western Pharmaceutical, Traditional Chinese Medicine, and Complementary Food).
48. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Corporation shall have its head office in New Taipei City, and may, pursuant to a resolution adopted at the meeting of the board of directors, establish branch offices domestically and internationally when deemed necessary.

Article 4: For business purposes, the Corporation's total amount of investments is not subject to the limit of 40% of its paid-in capital as imposed by Article 13 of the Company Act.

Article 5: The Corporation' is required to obtain external guarantees in respect of its business.

- Article 6: Public announcements of the Corporation shall be made pursuant to relevant Articles 28 of the Company Act.

Chapter 2 Capital Stock

- Article 7: The total capital of the Corporation shall be in the amount of two billion New Taiwan Dollars (NT\$ 2,000,000,000), divided into two hundred million (200,000,000) shares, with a par value of ten New Taiwan Dollars (NT\$ 10) each, and the board of directors is authorized to issue the shares in installments as necessary. In addition, NT\$ 100 million of the aforementioned capital stock was reserved for the issuance of employee stock warrants, totaling 10 million shares at NT\$ 10 per share, which may be issued in installments as resolved by the board of directors.
- Article 8: The Corporation's share certificate is registered, which is issued after being signed or sealed by a director representing the Corporation and attested in accordance with laws. The Corporation shall, upon issuance of new shares, print certificates for the total number of shares issued, and upon issuance of other marketable securities, provided that the Corporation shall consult with a securities depository for safekeeping, and the Corporation may issue shares without printing certificates, provided that the Corporation shall register them with a securities depository. The Corporation's handling of stock affairs is handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" approved and issued by the competent authority.
- Article 9: Changes in the register of shareholders shall be suspended within 60 days before the annual shareholders' meeting, 30 days before an extraordinary shareholders' meeting, or within 5 days before the day on which dividends, bonuses or other benefits is scheduled to be paid by the Corporation.

Chapter 3 Shareholders' Meetings

- Article 10: Shareholders' meetings are of two types: annual meetings and extraordinary meetings. Annual meetings shall be convened by the board of directors once a year in accordance with the law and shall be held within six months after the end of each fiscal year. Extraordinary meetings may be duly convened according to relevant laws whenever Aurora deems necessary.
- The shareholders' meeting shall be held by means of visual communication network or other methods promulgated by the central competent authority.
- Article 11: When a shareholder is unable to attend the shareholders' meeting for some reason, they may issue a proxy form issued by the company stating the scope of authorization to appoint a proxy to attend the meeting. Except for trust enterprises or shareholder service agencies approved by the securities authorities, if one person is entrusted by two or more shareholders at the same time, the proxy's voting rights shall not exceed 3% of the total issued shares. Any excess shall not be counted. In respect to the method of shareholder proxy attendance, in addition to being in accordance with the Company Act, it is noted that it shall

be handled in accordance with the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” as promulgated by the competent authorities.

- Article 12: When a shareholders’ meeting is convened by the board of directors, the chairperson of the Board shall preside over the meeting. If the chairperson is unable to attend the meeting, he or she shall appoint one of the directors to act as chair. If no one has been appointed to act as chair, the directors shall elect one from among themselves to act in that capacity. When a shareholders’ meeting is convened by any person with convening power other than the board of directors, that person shall act as the chair. If there are two or more persons having the convening power, they shall mutually select a chair from among themselves.
- Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed to be non-voting shares pursuant to Paragraph 2 of Article 179 of the Company Act.
- Article 14: 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 distribution of the preceding meeting minutes shall be conducted in accordance with Article 183 of the Company Act.

Chapter 4 Directors and the Audit Committee

- Article 15: The Corporation shall have five to seven directors for a term of three years, who shall be elected by the shareholders’ meeting from among the persons with disposing capacity, and shall be eligible for re-election. The election of directors shall be based on the candidate nomination system under Article 192-1 of the Company Act. The Corporation shall have at least three independent directors and not less than one-fifth of the total number of directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the Competent Authority. The total registered shares owned by all directors are subject to Article 26 of the Securities and Exchange Act.

The Corporation has established the audit committee in accordance with paragraph 2 of Article 14-4 of the Securities and Exchange Act and related laws and regulations.

- Article 16: The board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board. The chairman of the board of directors shall externally represent the Corporation.
- Article 17: Unless otherwise provided for in the Company Act and related laws and regulations, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In the event that a director is unable to attend the board meeting, he/she shall appoint another

director to attend a meeting of the board of directors in his/her behalf and issue a written proxy and state therein the scope of authority in accordance with the law, but only to the extent that he/she is appointed by one person. A director residing in a foreign country and who is unable to attend every board meeting in person, may appoint in writing a shareholder residing domestically as his/her proxy to attend the meetings of the board of directors on a regular basis. The appointment of the proxy the preceding paragraph, and any change thereto, shall be registered with the Ministry of Economic Affairs.

Article 17-1: The board of directors authorizes the Chairman to exercise the powers and functions of the board of directors with the following authority:

1. Approval of material contracts.
2. Approval of real estate mortgages and other loans.
3. Approval of the acquisition and disposition of general assets and properties of the Corporation.
4. Designation of directors and supervisors of the investee company.
5. Other items in accordance with the Corporation's approval authority table, management regulations, systems and other related regulations.

Article 17-2 The Corporation shall convene a meeting of the board of directors at any time in case of emergency and shall notify the Directors in writing, by e-mail or by facsimile.

Article 18: The Chairperson shall be the Chair of the board of directors. In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the proxy shall act in accordance with Article 208 of the Company Act.

Article 19: In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 20: Matters relating to the resolutions of a board of directors 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 director within 20 days after the conclusion of the meeting.

Article 21: The board of directors is authorized to determine the remuneration of all directors of the Corporation on an annual basis, regardless of profit or loss, with reference to industry standards. In case the Corporation has a surplus, the remuneration shall be distributed in accordance with Article 24.

Chapter 5 Managerial Officers

Article 22: The Corporation may appoint a President and Vice-Presidents, and their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 23: The fiscal year of the Corporation shall commence on January 1 and end on December 31 of each year. At the end of each fiscal year, the board of directors shall prepare the following statements, which shall be audited and certified by the audit committee and then submitted to the shareholders' meeting for approval.

1. Business Report
2. Financial Statements
3. Proposal for Distribution of Profits or Appropriation of Losses.

Article 24: The Corporation shall distribute not less than 1% of the profits for employees' compensation and shall distribute at a maximum 10% of the profit as remuneration to directors, provided that the Corporation's accumulated losses shall have been covered in advance.

Profit in the preceding paragraph refers to income before tax for the year before the distribution of employees' compensation and directors' remuneration.

The employees' compensation and directors' remuneration shall be distributed by a resolution of the board of directors with at least two-thirds of the directors attending and more than half of the directors attended, and reported to the shareholders' meeting.

Employees' compensation shall be paid in the form of stock or cash.

Where the Corporation makes a profit for a fiscal year, the profit shall be first used for paying taxes, offsetting the cumulative deficit, providing 10% of the remaining balance as a legal reserve, providing or reversing a special reserve in accordance with the laws and regulations or the competent authority's regulations, and then any remaining balance, together with any undistributed retained earnings from the prior years, shall be adopted by the Corporation's board of directors as the basis for making a distribution proposal. When the dividends are to be paid out in stock, it shall then be submitted to the shareholders' meeting for resolution before the distribution of the dividends.

In accordance with paragraph 5 of Article 240 of the Company Act, the board of directors is authorized to distribute dividends and bonuses or all or part of the legal reserve and capital surplus required by paragraph 1 of Article 241 of the Company Act in cash by a resolution of at least two-thirds of the directors attending and a majority of the directors attended, and to report such distribution to the shareholders' meeting.

Article 24-1: The Corporation is in the growth stage. The dividend distribution policy depends on the factors of the Corporation's current or future business strategies, capital needs, and capital budgets and based on shareholders' equity, dividend equalization, and the Corporation's long-term financial plan. The board of directors should draw up a distribution proposal per year as per law and submit it to the shareholders' meeting. Cash dividends to shareholders shall be paid at a rate of at least 30% of the total dividends.

The distribution of earnings is prioritized based on the profit after tax of the current year. However, under the principle of stable dividends, undistributed earnings from previous years and capital surplus after taking into account legal restrictions shall also be distributed as a balanced dividend policy at the discretion of the Corporation.

Chapter 7 Addendum

Article 25: Any matters inadequately provided for herein shall be subject to provisions concerned set forth in the Company Act and relevant laws and regulations.

Article 26: These Articles were established on January 16, 1998.
The first amendment was made on February 5, 1998.
The second amendment was made on June 27, 2000.
The third amendment was made on May 14, 2001.
The fourth amendment was made on May 14, 2001.
The fifth amendment was made on June 27, 2002.
The sixth amendment was made on June 11, 2004.
The seventh amendment was made on June 10, 2005.
The eighth amendment was made on June 15, 2006.
The ninth amendment was made on February 8, 2007.
The 10th amendment was made on June 15, 2007.
The 11th amendment was made on June 13, 2008.
The 12th amendment was made on June 19, 2009.
The 13th amendment was made on June 17, 2010.
The 14th amendment was made on June 22, 2011.
The 15th amendment was made on June 15, 2012.
The 16th amendment was made on June 19, 2013.
The 17th amendment was made on June 16, 2016.
The 18th amendment was made on June 14, 2019.
The 19th amendment was made on June 11, 2020.
The 20th amendment was made on June 16, 2022.

Appendix 3. Current Shareholding of Directors and Supervisors

Kuen Chaang Uppertech Corp Directors and Supervisors' Shareholdings

Book closure date: April 16, 2024

Title	Name	Date Elected	Number of Shares Held When Elected			Number of Shares Held Currently		
			Type	Number of Shares	% of Current Shares Issued	Type	Number of Shares	% of Current Shares Issued
Chairman	Jerry Corporation, Ltd. Representative: Chang, Cheng-Wen	2022.06.16	Ordinary Shares	22,321,446	18.88%	Ordinary Shares	22,321,446	18.88%
Director	Wu, Tai-Ju	2022.06.16	Ordinary Shares	0	0.00%	Ordinary Shares	0	0.00%
Director	Ho, Chieh-Hsiung	2023.06.30	Ordinary Shares	0	0.00%	Ordinary Shares	0	0.00%
Independent Director	Chen, Jun-Ho	2022.06.16	Ordinary Shares	0	0.00%	Ordinary Shares	0	0.00%
Independent Director	Chen, Chao-Liang	2022.06.16	Ordinary Shares	0	0.00%	Ordinary Shares	0	0.00%
Independent Director	Li, Chin-Ting	2022.06.16	Ordinary Shares	0	0.00%	Ordinary Shares	0	0.00%
Independent Director	Lien, Hai-Shan	2023.06.30	Ordinary Shares	8,011	0.00%	Ordinary Shares	8,011	0.00%
Total Shareholding of All Directors			Ordinary Shares	22,329,457		Ordinary Shares	22,329,457	

Remark: Number of issued ordinary shares of the Corporation: 118,172,151 shares

The statutory shareholding required for all directors: 8,000,000 shares; the total shares held as of April 16, 2024: 22,321,446 shares.

The Corporation has established an audit committee, so there is no applicable statutory requirement for the shareholding ratio of supervisors.

◎ Shares held by independent directors are excluded from the number of shares held by directors.

**Thank you for attending
the shareholders' meeting!**

**We welcome your comments
and suggestions at any time!**