



CAYMAN ENGLE Y INDUSTRIAL CO., LTD.

The Annual Shareholders' Meeting in 2024

Date: Thu., 13 June, 2024 9:00 AM

Location: 14F., No. 349, Sec. 2, Zhongshan Rd., Changhua City, Changhua County
(Building of Changhua Farmer's Association)

Attendees:

1. Total shares represented by shareholders and proxy present 91,167,181 shares(including 90,206,365 representative shares of shareholders present who exercise their rights electronically), which is 75.75% of the company's total outstanding shares, 120,346,593 shares(excluding 0 shares without voting rights).
2. Chairman: Top-Gain Enterprises Ltd(Representative: Lin Shang-Wei)
3. Director: Top-Gain Enterprises Ltd(Representative: Lin Shang-Wei), Honghan Industrial Co., Ltd.(Representative: Lin Chi-Pin), , Tsai, Meng-Han.
4. Independent Directors: Yeh, Chih-Ming, Liou, Cheng-Hwai, Hsu, Ching-Tao.
5. Recorder: Huang, Sheng-Wen.

I. Words by the Chairman

(omitted)

II. Report Items

1. 2023 Business Report.
2. Audit Committee's Review Report on the 2023 Financial Statements.
3. Status of the 2023 Employees' and Directors' Compensations.
4. Amendment to the "PROCEDURAL RULES OF BOARD MEETINGS".

III. Proposal Items

Proposal No. 1

Adoption of 2023 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanatory Notes:

1. The Company's 2023 financial statements have been resolved in the Board of Directors meeting convened on March 29, 2023. The Audit Committee has reviewed the aforementioned Financial Statements along with the Business Report and have issued the review report.
2. The Company's 2023 Business Report, Independent Auditors' Report, and the Financial Statements are attached hereto (Please refer to Attachment I and Attachment IV of the handbook).
3. Please proceed to adopt.

Resolution:

1. Ratify 90,382,681 shares (including exercised by way of electronic transmission 90,142,111 shares), accounting for 99.13% of the voting rights of shareholders present;
2. Oppose 18,039 shares (including exercised by way of electronic transmission 18,039 shares);
3. Abstain from voting 766,461 shares (including exercised by way of electronic transmission 46,215 shares).
4. Resolved, that the above proposal be and hereby was approved as proposed.

Proposal No. 2

Adoption of the Proposed Distribution of 2023 Earnings (Proposed by the Board of Directors).

Explanatory Notes:

1. The Company's proposed distribution of 2023 earnings has been resolved in the Board of Directors meeting convened on March 29, 2024 (Please refer to Attachment V of the handbook).
2. It is proposed to allocate NT\$79,428,751 from distributable earnings to distribute cash dividends. Calculated based on the actual number of outstanding shares of 120,346,593 shares on March 21, 2024, it is planned to distribute NT\$0.66 per share. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Chairman be authorized to resolve the ex-dividend date. The cash dividend distributed to each shareholder shall be calculated in whole numbers, and for fractional dividend amounts that are less than NT\$1, recognized other revenue.
3. In the event that, before the distribution record date, the number of the Company's outstanding shares changes due to an amendment to relevant laws or regulations, an

adjustment by competent authorities, convertible corporate bonds to common stock or other factors, requiring the distribution rate to change or corrected, the Board of Directors shall be authorized to duly adjust and handle related matters.

4. Please proceed to adopt.

Resolution:

1. Ratify 90,405,681 shares (including exercised by way of electronic transmission 90,165,111 shares), accounting for 99.16% of the voting rights of shareholders present;
2. Oppose 18,039 shares (including exercised by way of electronic transmission 18,039 shares);
3. Abstain from voting 743,461 shares (including exercised by way of electronic transmission 23,215 shares).
4. Resolved, that the above proposal be and hereby was approved as proposed.

IV. Discussion Items

Proposal No. 1

Amendment to the “GUIDELINES GOVERNING ELECTION OF DIRECTORS”.
(Proposed by the Board of Directors).

Explanatory Notes:

1. In order to conform to amendments to related commercial laws, the Company hereby proposes to amend the “GUIDELINES GOVERNING ELECTION OF DIRECTORS”.
2. The Company’s Comparison Table for the “GUIDELINES GOVERNING ELECTION OF DIRECTORS” Before and After Amendment is attached hereto (Please refer to Attachment VI of the handbook).

Resolution:

1. Ratify 90,403,616 shares (including exercised by way of electronic transmission 90,163,046 shares), accounting for 99.16% of the voting rights of shareholders present;
2. Oppose 20,104 shares (including exercised by way of electronic transmission 20,104 shares);
3. Abstain from voting 743,461 shares (including exercised by way of electronic transmission 23,215 shares).
4. Resolved, that the above proposal be and hereby was approved as proposed.

V. Election Items

Proposal No. 1

Re-election of All Directors. (Proposed by the Board of Directors).

Explanatory Notes:

1. In accordance with Article 74 of the Articles of Association of the Company, the Company intends to re-elect 7 directors (including 3 independent directors) at the regular meeting of shareholders this year.
2. The new directors shall take office from the date of election for a term of three years, beginning on June 13, 2024 and ending on June 12, 2027.
3. In accordance with the provisions of relevant laws and regulations, the list of candidates for directors and independent directors has been reviewed and approved by the board of directors on April 29, 113, and the list of candidates for directors and independent directors nominated by the board of directors is attached, and the reasons for nomination of independent director candidates who have served three terms (Please refer to Attachment VII of the handbook).

Election Result:

Title	Name	Votes Received
Director	BRIGHT SUCCESS INC. (Representative: Lin Shang-Wei)	94,351,308
Director	Able Well International Limited (Representative: Lin Chi-Pin)	89,351,299
Director	ABLE GAIN INVESTMENT LIMITED (Representative: Lin Shang-Chi)	87,641,895
Director	Tsai, Meng-Han	87,701,395
Independent director	Liou, Cheng-Hwai	87,794,145
Independent director	Yang, Ming-Chin	88,466,799
Independent director	Wu, Chin-Chung	88,494,876

VI. Other Motions

Proposal No. 1

Proposal to lift restrictions on competition for newly appointed directors and their representatives.. (Proposed by the Board of Directors).

Explanatory Notes:

1. In accordance with Article 209 of the Company Law, "if a director acts for himself or others within the scope of the company's business, he or she shall explain the important content of his or her actions to the shareholders' meeting and obtain their permission".
2. If the new directors and their representatives of the Company may invest in or operate other companies with the same or similar business scope as the Company and serve as directors or managers, they intend to submit to the regular shareholders' meeting for

approval in accordance with the law to lift the restrictions on non-competition before the interests of the Company are not affected.

3. Attach the list of directors who have been lifted from non-competition(Please refer to Attachment VIII of the handbook).

Resolution:

1. Ratify 90,399,307 shares (including exercised by way of electronic transmission 90,158,737 shares), accounting for 99.15% of the voting rights of shareholders present;
2. Oppose 23,238 shares (including exercised by way of electronic transmission 23,238 shares);
3. Abstain from voting 744,636 shares (including exercised by way of electronic transmission 24,390 shares).
4. Resolved, that the above proposal be and hereby was approved as proposed.

VII. Provisional motion

No provisional motions were proposed.

VIII. Closing

June 13th (Thu.), 2024 at 09:34 a.m.

(Shareholder account number 15423 spoke. The questions and answers were omitted. Regarding the shareholder's inquiries and suggestions, the chairman or his designee has fully explained them during the shareholders' meeting. The Q&A matters have also been documented and filed by the company.)

【Attachment I】

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.

2023 Business Report

(1) Business Results

According to the statistical analysis of the China Association of Automobile Manufacturers, the wholesale sales of narrow passenger vehicles in China in 2023 will be 25.531 million units, an increase of 10.2% over 2022, mainly due to the contribution of new energy vehicles under the dual role of policy and market, and the wholesale sales of new energy vehicles for the whole year will be 8.864 million units, an increase of 36.3% over 2022. In recent years, the Company has successfully received new energy vehicle projects from Volvo, FAW-Volkswagen and Beijing Benz, and will continue to actively explore contacts and discussions with other brand automobile manufacturers in the future. The 2023 revenue and expenditure, profitability analysis and report on future development strategy are as follows:

(2) Revenue and Expenditure and Profitability Analysis

Unit: NT\$ thousands; %

Item \ Year		2022 (Revised)Note2	2023	Growth
Profit and Loss Analysis	Operating Revenue	22,780,433	24,269,579	6.54%
	Gross Profit	2,401,228	3,136,795	30.63%
	Net Income	139,495	168,694	20.93%
Profitability	Return on Asset (%)	0.94	1.30	38.30%
	Return on Equity (%)	1.31	1.51	15.27%
	Operating Revenue to Paid-In Capital (%)	1.33	50.55	3,700.75%
	Net Income to Paid-In Capital (%)	21.97	36.64	66.77%
	Profit Margin (%)	0.87	1.01	16.09%
	Basic Earnings Per Share (NT\$)	1.18	1.41	19.49%
	Diluted Earnings Per Share (NT\$)	1.16	1.38	18.97%

Note1: The figures in this table are from the consolidated financial statements audited by CPAs and are prepared using the International Financial Reporting Standards.

Note2: Adjusted financial information for retrospective application of IAS 12.

(3) Future Development Strategy

1. Equipment Upgrade Plan

The company will comprehensively enhance the traditional and automated product lines of auto parts. From the perspective of technology and market promotion, around the relevant fields of the company's main products. Fully upgrade the company's manufacturing equipment, further expand the company's auto parts production scale, and meet the rapidly growing market demand.

2. Research and Development Overview

In response to the trend of lightweighting in the automotive industry, in addition to continuous process improvement of high-strength steel rolling technology, heat treatment technology and aluminum alloy products, new composite materials have been continuously invested in the development of automotive parts.

The Company strengthens the degree of automation and automatic detection technology of back-end computers to improve process accuracy and improve product yield. In response to customer requirements, we strive to develop modular products to provide better product service quality to our customers.

3. Business Development

The company will continue to follow the footsteps of the OEMs. In addition to maintaining existing customer relationships, we will also cooperate with China's major cities to purchase automobile and government-related electric vehicle subsidy policies. At the same time, we will actively plan to enter the new energy vehicle market and expand new product projects with a view to preempting them. We have successfully received new energy vehicle projects from Volvo, FAW Volkswagen and Beijing Benz to help introduce operational energy to the Company's operations. In the future, we will engage with other brands of automobile manufacturers to discuss related cooperation matters, and look forward to providing aluminum and plastic products related to new energy vehicles.

2024 will enter the fourth year of China's 14th Five-Year Plan and it will driven by the "New Energy Automobile Industry Development Plan (2021-2025)", electrification, intelligence, connectivity and digitization will accelerate the transformation and upgrading of the automobile industry, and the new energy vehicle market will also shift from policy-driven to market-driven change. Despite low Consumer Price Index in China, consumers tend to decrease unnecessary consumption with lower consumer confidence when GDP growth rate is not as high as before. Given that the growth rate in the base year is high, it can be assumed that the rapid expansion stage of the automotive industry in China may end, and the market gradually moves into the stage of stable development. However, China's macroeconomic regulation and control is still in favor of development of car manufacturers and upstream auto part firms because macro-control emphasizes continuity and stability of economic policies, which benefits large-scale firms with promising long-term effect.

Chairman: Lin, Shang-Wei

General Manager: Lin, Shang-Chi

Accounting Supervisor: Huang, Sheng-wen

【Attachment II】

CAYMAN ENGLELEY INDUSTRIAL CO., LTD.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and proposed distribution of earnings. The CPA firm of PwC. was retained to audit the Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and proposed distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

To: 2024 Annual Meeting of Shareholders, Cayman Engley Industrial Co., Ltd.

CAYMAN ENGLELEY INDUSTRIAL CO., LTD.

Convener of the Audit Committee: Liou, Cheng-Hwai

March 29, 2024

【Attachment III】**CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.****Comparison Table for the “PROCEDURAL RULES OF BOARD MEETINGS”
Before and After Revision**

AFTER THE REVISION	BEFORE THE REVISION	Explanation
Article 7 Paragraph 4 If less than a majority of all Directors are present at the Board meeting when the scheduled meeting time has arrived, the Chairman may announce to postpone the meeting <u>on the same day</u> with the postponement not more than twice. If a quorum is not constituted after the second postponement, the Chairman may reconvene the meeting in accordance with the procedure under the Articles.	Article 7 Paragraph 4 If less than a majority of all Directors are present at the Board meeting when the scheduled meeting time has arrived, the Chairman may announce to postpone the meeting with the postponement not more than twice. If a quorum is not constituted after the second postponement, the Chairman may reconvene the meeting in accordance with the procedure under the Articles.	Amended in accordance with the Order No. 1120383996 of the Financial Supervision Commission on January 11, 2024.
Article 10 Paragraph 4 <u>During the proceedings of a board meeting, if the chair is unable to chair the meeting or fails to declare the meeting closed as provided in paragraph 2, the provisions of Article 10, paragraph 3 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.</u>	Article 10 New Paragraph added.	Amended in accordance with the Order No. 1120383996 of the Financial Supervision Commission on January 11, 2024.

【Attachment IV】

**These Independent Auditors' Report and financial statements are translated from the traditional Chinese version and are unaudited by a CPA.

Independent Auditors' Report

(2024)PWCR23004916

To the Board of Directors and Shareholders of Cayman Engley Industrial CO., LTD.,

Audit Opinion

We have audited the consolidated balance sheets of Cayman Engley Industrial CO., LTD. and its subsidiaries (the "Company") as at December 31st, 2023 and 2022, and the consolidated comprehensive profit or loss statement, consolidated statement of changes in equities and consolidated cash flow table for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the abovementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31st, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis of Audit Opinion

We conducted our audits in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the Republic of China (ROC GAAS). We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, are of most significance in our audit of the consolidated financial statements of the Company's consolidated financial statements for the year ended December 31st, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in the process of forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements of the Company in 2023 are as follows

Deadline of the Recognition of the Sales Revenue

Description

For accounting policies on the recognition of revenue, please refer to Note 4 (27) of the consolidated financial report. For explanation of accounting of sales revenues, please refer to Note 6 (23) of the consolidated financial statement. The operating income of the Company is mainly derived from sales transactions with car-assembly manufacturers. Since the automobile industry is the buyer's market, the recognition of revenue comes into effect after the customer has accepted the goods and confirmed the transfer of control of products.

Since the impact of revenue on the overall financial statements is enormous, as revenue recognition is based upon completion time of customer acceptance, plus said recognition usually involves many manual controls which may increase the risk that revenue recognition is not recorded in the correct period of time, thereby affecting correctness of deadline of revenue recognition. Therefore, the accountants listed deadline for sales revenue recognition as one of the key matters for auditing.

Audit procedures in response

The accountants have implemented the following procedures in response to the specific aspects specified in the abovementioned key audit matters :

1. Understand the sales revenue operating procedures of car-assembly manufacturers of the Company; Evaluate and test effectiveness of the design and implementation of internal control system of car-assembly manufacturers related to revenue recognition
2. Verify the sales transaction with the group car assembly manufacturer within a certain period before and after the date stated in the balance sheet, and verify the proof of the transfer of control of the goods provided by the car assembly manufacturers to confirm the correctness of the transaction recognition deadline.

Evaluation of Allowance for Inventory Valuation Losses

Description

For accounting policies on inventory valuation, please refer to the Note 4 (12) of the consolidated financial report. For uncertainties of accounting estimations and assumptions of inventory valuations, please refer to Note 5 (2) of the consolidated financial report. For description of inventory accounting, please refer Note 6 (4) of the consolidated financial report. Balance of inventory and allowance for inventory valuation of December 31st, 2023 are NT \$5,533,372 and NT \$462,704 thousands respectively.

The Company is mainly engaged in the manufacturing and sales of automobile parts. The value of inventories is subject to fluctuations of the demand market and rapid

changes in technologies, which may result in higher inventory depreciation losses or outdated risks. Taking into account the significant impact on the financial statements of the inventory of the Company and its allowance for depreciation losses, the net realization value used in inventory valuation often involves subjective judgments, and thus has a high level of estimation uncertainty. Therefore, the accountants listed evaluation of allowance for inventory valuation losses as one of the key matters for auditing.

Audit procedures in response

The accountants have implemented the following procedures in response to the specific aspects specified in the abovementioned key audit matters:

1. Understand and evaluate the rationality of the Company's inventory valuation policies.
2. Obtain the inventory age statement, check inventory items randomly to examine logic behind inventory age calculation and information correctness to ensure appropriate categorization of inventory age.
3. As for net realizable value valued of inventory items, the accountants have discussed with the management team and obtained supporting documentation to assess rationality of valuation allowance decisions.

Responsibilities of the Management Team and Those in Charge with Governance for the Consolidated Financial Statements

The management team is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and for the necessary internal control related to the preparation of the consolidated financial statements to ensure that said statements are free from material misstatement, whether due to fraud or error, in accordance with the published and effective International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as recognized and endorsed by the Financial Supervisory Commission.

When preparing the consolidated financial statements, responsibilities of the management team includes assessing the Company’s ability to continue as a going concern, disclosing, as applicable, related matters, and adopting the going concern basis of accounting unless the management team either intends to liquidate the Company or to cease operations of which, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives to audit the consolidated financial statements are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report. Reasonable assurance is a high level of assurance, but 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 significant if, individually or in the aggregate, said misstatements could reasonably be expected to influence the economic decisions of users of the consolidated financial statements.

When auditing 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 implemented the following procedures

1. Identify and assess risks of material misstatement of the consolidated financial statements, whether due to fraud or error; Design and perform audit procedures responsive to the said risks; Obtain audit evidence sufficient and appropriate to provide basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain the necessary 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 appropriateness of accounting policies adopted by the management team, and the rationality of accounting estimations and related disclosures made by the management team.
4. Conclude on the appropriateness of the management team's adaptation 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 the attention of consolidated financial report users in our auditors' report to the related disclosures in the consolidated financial statements; or, if such disclosures are inappropriate, we shall modify our audit opinions accordingly. 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 lose the ability to continue as a going concern.

5. Evaluate the overall presentations, structure and content of the consolidated financial statements, including relevant notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding financial information of entities within the Company, in order to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the Company audit.

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 personnel under individual specification of the accounting firm have complied with relevant ethical requirements regarding independence of The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and to communicate with them all relationships and other matters that may reasonably be thought to affect our independence (including related safeguarding measures).

From the matters communicated with those charged with governance, we determine matters that were of most significance in the audit of the Company's consolidated financial statements for the year ended December 31st, 2023, which are therefore key audit matters. We describe these matters in our auditors' report, unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh benefits to public interest of such communication.

Hsu,Chien-Yeh

Certified Public Accountants

Liu, Mei-Lan

Financial Supervisory Commission

Approval Issuance No. JinguangzhengshenZi No.
1050035683

Financial Supervisory Commission

Approval Issuance No. JinguangzhengshenZi No.
1070323061

March 29th, 2024

Cayman Engley Industrial CO., LTD. and its Subsidiaries

Consolidated Balance Sheets

December 31st2023 and December 31st, 2022

Unit : NTD(thousands)

		Unit : MYD(Thousands)		December 31 st 2022		December 31 st 2021	
Assets		NOTES	Amount	%	Amount	%	
Current Assets							
1100	Cash and cash equivalent	6(1)	\$ 5,858,548	15	\$ 3,416,455	9	
1110	Financial assets at fair value through profit or loss	6(2)	-	-	2,092		
1136	Financial assets measured at amortised cost - current	8	228,766	1	169,909	1	
1150	Notes receivable, net	6(3)& 8	1,493,982	4	1,047,470	3	
1170	Accounts receivable, net	6(3)	4,709,556	12	5,202,179	14	
1200	Other receivables	7(3)	164,757	1	170,020	-	
1220	Current tax assets		31,649	-	13,997	-	
130X	Inventory	6(4)	5,070,668	13	6,015,325	17	
1410	Prepayments	6(5)&7(3)	1,268,090	3	1,110,057	3	
1470	Other current assets	6(6)&8	1,853,377	5	2,116,865	6	
11XX	Total current assets		20,679,393	54	19,264,369	53	
Non current assets							
1517	Financial assets at fair value through other comprehensive profit or loss – non-current	6(7)	74,927	-	79,808	-	
1550	Investment accounted for using equity method	6(8)	772,808	2	819,781	2	
1600	Property, plant and equipment	6(9)&8	12,230,848	32	11,608,061	32	
1755	Right-of-use assets	6(10)	1,440,284	4	1,489,318	4	
1780	Intangible assets	6(11)	1,163,493	3	1,246,504	3	
1840	Deferred income tax assets	6(30)	515,069	2	562,638	2	
1900	Other non-current assets	6(12)&8	1,145,243	3	1,380,214	4	
15XX	Total non-current assets		17,342,672	46	17,186,324	47	
1XXX	Total assets		\$ 38,022,065	100	\$ 36,450,693	100	

(continued)

Cayman Engley Industrial CO., LTD. and its Subsidiaries

Consolidated Balance Sheets

December 31st2023 and December 31st, 2022

Unit : NTD(thousands)

	Liabilities and equities	NOTES	December 31 st 2022		December 31 st 2021	
			Amount	%	Amount	%
	Current Liabilities					
2100	Short-term borrowings	6(14)	\$ 3,923,731	10	\$ 3,064,055	9
2130	Contract liabilities-current	6(24)	92,302	-	347,764	1
2150	Notes payable		3,666,987	10	4,090,009	11
2160	Notes payable –related parties	7(3)	123,536	-	141,972	-
2170	Accounts payable		4,384,986	12	4,921,082	14
2180	Accounts payable – related parties	7(3)	182,559	1	154,859	1
2200	Other payables	6(15)	1,533,102	4	1,468,431	4
2220	Other payables - related parties	7(3)	1	-	13,089	-
2230	Income tax payable		49,436	-	111,806	-
2280	Lease liabilities – current	7(3)	110,321	-	128,897	-
2320	Long-term liabilities, current portion	6(17)	1,995,023	5	835,846	2
2399	Other current liabilities-other		7,736	-	6,173	-
21XX	Total current liabilities		<u>16,069,720</u>	<u>42</u>	<u>15,283,983</u>	<u>42</u>
	Non current liabilities					
2527	Contract liability — non-current	6(24)	3,916	-	54,120	-
2530	Bonds payables	6(16)	-	-	457,559	1
2540	Long-term borrowings	6(17)	3,666,644	10	4,286,628	12
2570	Deferred income liabilities	6(31)	490,208	1	524,694	1
2580	Lease liabilities — non-current	7(3)	290,730	1	397,758	1
2600	Other non-current liabilities	6(18)	191,564	-	195,462	1
25XX	Total non-current liabilities		<u>4,643,062</u>	<u>12</u>	<u>5,916,221</u>	<u>16</u>
2XXX	Total liabilities		<u>20,712,782</u>	<u>54</u>	<u>21,200,204</u>	<u>58</u>
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY					
3110	Common stock	6(20)	1,203,372	3	1,184,964	3
	Capital surplus	6(21)				
3200	Capital surplus		9,221,385	24	8,257,868	23
	Retained earnings	6(22)				
3310	Legal reserve		560,095	1	546,284	2
3320	Special reserve		1,402,820	4	1,616,623	4
3350	Unappropriated retained earnings		1,072,289	3	759,307	2
	Other interests					
3400	Other interests		(1,651,374)	(4)	(1,402,820)	(4)
31XX	Total equity attributable to shareholders of the		<u>11,808,587</u>	<u>31</u>	<u>10,962,226</u>	<u>30</u>
36XX	Non-controlling interests	6(23)	<u>5,500,696</u>	<u>15</u>	<u>4,288,263</u>	<u>12</u>
3XXX	Total equity		<u>17,309,283</u>	<u>46</u>	<u>15,250,489</u>	<u>42</u>
	contingent liabilities and unrecognized contractual commitments	9				
3X2X	Total liabilities and interests		<u>\$ 38,022,065</u>	<u>100</u>	<u>\$ 36,450,693</u>	<u>100</u>

Please refer to the accompanying notes, an integral part of the consolidated financial statements.

Chairman : Lin, Shang-Wei

General manager : Lin,Shang-Chi

Accounts supervisor : Huang,Sheng-Wen

Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Comprehensive Income

January 1st to December 31st, 2023 and January 1st to December 31st, 2022 Unit : NTD(thousand)

(Except earnings per share, which is in NTD)

Items	NOTES	2023		2022	
		Amount	%	Amount	%
4000 Operating revenue	6(23)	\$ 24,269,579	100	\$ 22,780,433	100
5000 Operating cost	6(4)&7(3)	(21,132,784)	(87)	(20,379,205)	(89)
5900 Operating margin		<u>3,136,795</u>	<u>13</u>	<u>2,401,228</u>	<u>11</u>
Operating expenses	6(28)(29)&7(3)				
6100 Marketing expenses		(502,946)	(2)	(450,074)	(2)
6200 Administrative expenses		(1,090,377)	(4)	(981,665)	(5)
6300 Research and development expenses		(956,645)	(4)	(909,651)	(4)
6450 Expected credit impairment loss	12(2)	(21,437)	-	(44,042)	-
6000 Total operating expenses		<u>(2,528,531)</u>	<u>(10)</u>	<u>(2,385,432)</u>	<u>(11)</u>
6900 Operating income		<u>608,264</u>	<u>3</u>	<u>15,796</u>	<u>-</u>
Non-operating income and expenses					
7100 Interest incomes	6(25)	49,901	-	33,196	-
7010 Other incomes	6(26)	161,341	1	112,636	1
7020 Other profit and loss	6(24)	135,676	(1)	159,610	1
7050 Finance cost	6(27)&7(3)	(315,142)	(1)	(166,900)	(1)
7060 Share of profit and loss of associates and joint ventures recognized using equity method	6(8)	<u>72,275</u>	<u>-</u>	<u>105,940</u>	<u>-</u>
7000 Total non-operating income and expenses		<u>167,301</u>	<u>(1)</u>	<u>244,482</u>	<u>1)</u>
7900 Income before tax		440,963	2	260,278	1
7950 Income expenses	6(30)	(194,747)	(1)	(62,112)	-)
8200 Net profit of the year		<u>\$ 246,216</u>	<u>1</u>	<u>\$ 198,166</u>	<u>1</u>

(Continued)

Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Comprehensive Income

January 1st to December 31st, 2023 and January 1st to December 31st, 2022 Unit : NTD(thousand)

(Except earnings per share, which is in NTD)

	Items	Notes	2023		2022	
			Amount	%	Amount	%
	Components of other comprehensive profit and loss (net)					
	Items not reclassified to profit or loss					
8316	Unrealized assessed profit or loss invested by equity tools measured at fair value through other comprehensive profit or loss	6(7)	(\$ 5,519)	-	(\$ 17,462)	-
8310	Total items not reclassified to profit or loss		(5,519)	-	(17,462)	-
	Subsequent items that may be reclassified to profit or loss					
8361	Exchange differences on translation for financial statements of foreign organizations in operation		(337,205)	(1)	298,413	1)
8370	Share of other comprehensive income of associates and joint ventures recognized using equity method that may be reclassified to profit or loss	6(8)	-	-	2,713	-
8360	Total Subsequent items that may be reclassified to profit or loss		(337,205)	(1)	301,126	1)
8300	Other comprehensive profit or loss (net)		(\$ 342,724)	(1)	\$ 283,664	1)
8500	Total comprehensive profit or loss for the year		(\$ 96,508)	-	\$ 481,830	2
	Net profit (loss) attributable to:					
8610	Shareholders of the parent company		\$ 168,694	1	\$ 139,495	1
8620	Non-controlling interests	6(22)	77,522	-	58,671	-
	Net profit of the year		\$ 246,216	1	\$ 198,166	1
	Comprehensive income/loss (net) attributable to:					
8710	Shareholders of the parent company		(\$ 79,860)	-	\$ 353,298	1
8720	Non controlling interests		(16,648)	-	128,532	1
	Total comprehensive income		(\$ 96,508)	-	\$ 481,830	2
	Earnings per share	6(31)				
9750	Total basic earnings per share		\$	1.41	\$	1.18
9850	Total diluted earnings per share		\$	1.38	\$	1.16

Chairman : Lin, Shang-Wei

General manager : Lin, Shang-Chi

Accounts supervisor : Huang Sheng-Wen

Please refer to the accompanying notes, an integral part of the consolidated financial statements.

Cayman Engley Industrial CO., LTD. and itsSubsidiaries
Consolidated Statement of Changes in Equities
Jan. 1st to Dec. 31st, 2023 and Jan. 1st to Dec. 31st, 2022 Unit: NTD (thousand)

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT												
		Surplus		Retained earnings			Other interests					
	Notes	Capital stock – Common equity	Capital stock – Amount	Capital stock	Legal reservie	Special capital reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Financial assets measured at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
<u>Jan. 1st to Dec. 31st, 2022</u>												
Balance on Jan. 1 st 2022		\$ 1,180,070	\$ 8,159,881	\$ 97,470	\$ 510,940	\$ 1,422,115	\$ 1,148,833	(\$ 1,607,740)	(\$ 8,883)	\$ 10,902,686	\$ 4,188,761	\$ 15,091,447
Number of impacts of retroactive application of IAS12		-	-	-	-	-	(3,838)	-	-	3,838	-	(3,838)
Balance after restatement on January 1		1,180,070	8,159,881	97,470	510,940	1,422,115	1,144,995	(1,607,740)	(8,883)	10,898,848	4,188,761	15,087,609
Total consolidated profit and loss of the year	6(22)	-	-	-	-	-	139,495	-	-	139,495	58,671	198,166
Other comprehensive profit and loss of the year	6(22)	-	-	-	-	-	-	228,979	(15,176)	(213,803)	69,861	283,664)
Total comprehensive profit and loss of the year		-	-	-	-	-	139,495	228,979	(15,176)	353,298	128,532	481,830
Appropriation and distribution of retained earnings in2021	6(21)											
Legal reserves		-	-	-	35,344	-	(35,344)	-	-	-	-	-
Special reserves		-	-	-	-	194,508	(194,508)	-	-	-	-	-
Cash dividends		-	-	-	-	-	(295,331)	-	-	(295,331)	-	(295,331)
Conversion of convertible corporate bonds into common stock	6(16)	4,894	26,741	(880)	-	-	-	-	-	30,755	-	30,755)
Disposal of investments using the equity method		-	-	(25,344)	-	-	-	-	-	25,344)	-	(25,344)
Changes in non-controlling interests	6(22)	-	-	-	-	-	-	-	-	(-	(29,030)	(29,030)
Balance on Dec.31 st 2022		<u>\$ 1,184,964</u>	<u>\$ 8,186,622</u>	<u>\$ 71,246</u>	<u>\$ 546,284</u>	<u>\$ 1,616,623</u>	<u>\$ 759,307</u>	<u>(\$ 1,378,761)</u>	<u>(\$ 24,059)</u>	<u>\$ 10,962,226</u>	<u>\$ 4,288,263</u>	<u>\$ 15,250,489</u>
<u>Jan. 1st to Dec. 31st 2023</u>												
Balance on Jan.1 st 2023		\$ 1,184,964	\$ 8,186,622	\$ 71,246	\$ 546,284	\$ 1,616,623	\$ 759,307	(\$ 1,378,761)	(\$ 24,059)	\$ 10,962,226	\$ 4,288,263	\$ 15,250,489
Total consolidated profit and loss of the year	6(22)	-	-	-	-	-	168,694	-	-	168,694	77,522	246,216
Other consolidated profit and loss of the year.	6(22)	-	-	-	-	-	-	(245,421)	(3,133)	248,554)	(94,170)	(342,724)
Total consolidated profit and loss of the year		-	-	-	-	-	168,694	(245,421)	(3,133)	79,860)	(16,648)	(96,508)
Appropriation and distribution of retained earnings in 2023	6(21)											
Legal reserves		-	-	-	13,811	-	(13,811)	-	-	-	-	-
Special reserves		-	-	-	-	(213,803)	213,803	-	-	-	-	-
Cash dividends		-	-	-	-	-	(55,704)	-	-	(55,704)	-	(55,704)
Conversion of convertible corporate bonds into common stock	6(15)(33)	18,408	100,575	(3,270)	-	-	-	-	-	115,713	-	115,713
Recognition of changes in all equity interests in subsidiaries	4(3)6(22)	-	-	866,212	-	-	-	-	-	866,212	1,229,081	2,095,293)
Balance on Dec. 31 st , 2023		<u>\$ 1,203,372</u>	<u>\$ 8,287,197</u>	<u>\$ 934,188</u>	<u>\$ 560,095</u>	<u>\$ 1,402,820</u>	<u>\$ 1,072,289</u>	<u>(\$ 1,624,182)</u>	<u>(\$ 27,192)</u>	<u>\$ 11,808,587</u>	<u>\$ 5,500,696</u>	<u>\$ 17,309,283</u>

Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement Of Cash Flow
Jan.1st to Dec. 31st 2023 and Jan. 1st to Dec.31st,2022

Unit : NTD(thousand)

	Notes	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Income before tax of the year		\$ 440,963	\$ 260,278
Items for adjustment			
Income and expense items			
Depreciation expense-Property,plant and equipment	6(9)(28)	1,551,848	1,372,367
Depreciation expense-Right of use of assets	6(10)(28)	172,857	152,030
Amortization	6(11)(28)	126,253	121,750
Recognized share of profit(loss) of subsidiaries or associates using equity method	6(8)		
		(72,275)	(105,940)
Gain or Loss of disposal of property, plant, equipment and right of use of assets	6(24)		
		(879)	(4,669)
Gain of disposal of investment	6(24)	-	(308,508)
Loss of evaluated of financial assets measured by fair value through profit or loss	6(2)		
		(1,866)	1,276
Expected credit impairment Gain or loss	12(2)	(21,437)	44,042
Interest income	6(25)	(49,901)	(33,196)
Dividend income	6(7)(26)	(3,696)	-
Interest cost-financing	6(28)	314,825	172,324
Interest expense – lease liability	6(10)(28)	24,854	21,901
Interest expense – joint loan amortization	6(28)	2,353	2,351
Recognized income of deferred government grants	6(17)	(4,758)	(4,779)
Gain or Loss from unrealized foreign currency exchange		126,336	158,628
Asset/liability changes related to operating activities			
Net changes of assets related to operating activities			
Disposal of financial assets at fair value through profit or loss - current		3,876	6,195
Notes receivable		(446,512)	461,747
Accounts receivable, net		515,876	(1,027,805)
Other receivables		5,144	(38,952)
Inventory		870,991	(493,479)
Prepayments		(158,033)	(185,138)
Other current assets		21,132	10,786
Other non-current assets		(24,958)	(71,810)
Net changes in liabilities related to operating activities			
Contract liabilities		(305,666)	(378,720)
Notes payable		(423,022)	1,003,074
Notes payable-related parties		(18,436)	(69,942)
Accounts payable		(536,096)	197,418
Accounts payable-related parties		27,700	(123,217)
Other payables		(65,449)	95,734
Other payables- related parties		(13,088)	11,791
Other current liabilities		1,563	(36,788)
Other non-current liabilities		(10)	(3,608)
Cash inflow generated from operations		2,060,489	1,207,141
Interests received		49,648	33,196
Interests paid		(281,372)	(165,660)
Income taxes paid		(220,746)	(77,929)
Net cash flow from operating activities		<u>1,608,019</u>	<u>996,748</u>

(Continued)

Cash flow from investment activities

Financial assets measured by amortized cost		(\$	61,789)	(\$	166,035)
Investment funds for acquisition of subsidiaries (net of cash acquired)	6(33)		-	(	19,811)
Disposal of investment using equity method	6(8)		-		661,011
Dividends received from investments accounted for using equity method			108,822		75,082
Acquisition of property, plant and equipment	6(33)	(	2,042,007 )	(	1,624,702)
Interest capitalized actual payment	6(28)&6(33)	(	26,890 )	(	29,676)
Disposal of real estate, plant, equipment and right of use of assets prices			30,651		207,282
Acquisition of right of use of assets	6(33)	(	2,946 )	(	95,962)
Acquisition of intangible assets	6(11)	(	33,157 )	(	30,954)
Refundable deposits increase or decrease			<u>245,110</u>	(	<u>272,315</u>)
Net cash outflow from investment activities			(<u>1,782,206</u> )	(	<u>1,296,080</u>)

CASH FLOW FROM FINANCING ACTIVITIES

Increase in short-term loans			3,494,961		1,732,465
Decrease in short-term loans		(	2,678,342 )	(	2,184,256)
Guarantee deposits received			4,330		-
Lease principal repayment	6(34)	(	138,616 )	(	130,974)
Borrow long-term loans			1,804,000		3,353,896
Repayment of long-term loans		(	1,599,387 )	(	2,219,729)
Distributed cash dividends	6(21)(34)	(	55,704 )	(	295,331)
Cash dividends issued to non-controlling interests	6(22)		-	(	29,030)
Subsidiary issues new shares	4(3)6(22)		<u>2,095,293</u>		<u>-</u>
Net cash inflow (outflow) from financing activities			<u>2,926,535</u>		<u>227,041</u>
Exchange rate change		(	<u>310,255</u>)		<u>100,808</u>
Net increase (decrease) in cash and cash equivalents			2,442,093		28,517
Cash and cash equivalents, beginning of year	6(1)		<u>3,416,455</u>		<u>3,387,938</u>
Cash and cash equivalents, end of year	6(1)	\$	<u>5,858,548</u>	\$	<u>3,416,455</u>

Please refer to the accompanying notes, an integral part of the consolidated financial statements.

Chairman : Lin, Shang-Wei

General manager : Lin,Shang-Chi

Accounts supervisor : Huang Sheng-Wen

【Attachment V】

Cayman Engley Industrial Co., Ltd.

DISTRIBUTION OF 2023 EARNINGS

Unit: NT\$ thousands

Beginning retained earnings	\$ 906,049,925
Less: The number of impacts of the retroactive application of IAS 12	(2,457,186)
Add: 2023 net profit after tax (note 1)	<u>168,694,392</u>
Subtotal	1,072,287,131
Less: Legal reserve (10%)	(16,623,721)
Less: Special reserve (note 2)	<u>(248,552,285)</u>
Distributable net profit	\$ 807,111,125
Less: Distributable items	
Dividend to shareholders-Cash dividend (NT\$0.66 per share)	<u>(79,428,751)</u>
Unappropriated retained earnings	<u>\$ 727,682,374</u>

Notes

Note 1: The amount of employees' compensation distributed was NT\$ 86,140 accounting for 0.05% of the Company's pre-tax profit (The Company's Articles of Incorporation stipulate that the amount of employees' compensation shall not be lower than 0.05% of the pre-tax profit, and not exceed 8.00% of the pre-tax profit).

The amount of directors' compensation distributed was NT\$ 3,500,000 accounting for 2.03% of the Company's pre-tax profit (The Company's Articles of Incorporation stipulate that the amount of employees' compensation shall not be lower than 0.50% of the pre-tax profit, and not exceed 3.00% of the pre-tax profit).

Note 2: The 2023 special reserve was reversed of the debit balance of shareholder's equity-other equity items.

Chairman: Lin, Shang-Wei

General Manager: Lin, Shang-Chi

Accounting Supervisor: Huang, Sheng-wen

【Attachment VI】

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.

Comparison Table for the “GUIDELINES GOVERNING ELECTION OF DIRECTORS” Before and After Revision

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>Article 2-1 Paragraph 3</p> <p>Where any Shareholder is a corporate entity, its representative may be elected as Director. Where there are several representatives of any corporate Shareholder, such representatives may be elected as Directors <u>separately</u>.</p> <p><u>An elector may select one of the "candidates" from the list of "candidates" compiled by the Company on each ballot paper.</u></p> <p><u>However, this restriction does not apply to the exercise of voting rights by shareholders by electronic voting.</u></p>	<p>Article 6 Paragraph 3</p> <p>Where any Shareholder is a corporate entity, its representative may be elected as Director or supervisor (if any). Where there are several representatives of any corporate Shareholder, such representatives may be elected as either Directors or supervisors (if any) but not as Director and supervisors (if any) concurrently.</p>	<p>1. Revised according to the Sample Template for XXX Co., Ltd. Procedures for Election of Directors by Taiwan Stock Exchange.</p>
<p>Article 8</p> <p>4. <u>The candidates filled in are inconsistent with the list of director candidates after verification.</u></p> <p>(Excerpt)</p> <p>8. <u>In the Candidates column, the list of candidates compiled by the Company is selected by two or more candidates.</u></p>	<p>Article 8</p> <p>4. A candidate who is also a Member whose account name and Member number are inconsistent with the information recorded in the Register of Members; where a candidate who is not a Member, the name and identification number provided are inconsistent upon further verification.</p> <p>(Excerpt)</p>	<p>1. Revised according to the Sample Template for XXX Co., Ltd. Procedures for Election of Directors by Taiwan Stock Exchange.</p>

【Attachment VIII】

CAYMAN ENGLELY INDUSTRIAL CO., LTD.

Lifting the non-compete list of directors

No.	Directors	Current Positions at the Company and Other Companies
1.	BRIGHT SUCCESS INC. Representative: Lin, Shang-Wei	1. Chairman, Changchun Engley Automobile Industry Co., Ltd. 2. Chairman, Changchun Engley Auto Parts Co., Ltd. 3. Chairman, Suzhou Engley Auto Part Co., Ltd. 4. Chairman, Chengdu Engley Auto part Co., Ltd. 5. Executive Director, Foshan Engley Auto Part Co., Ltd. 6. Director, Changsha Engley Auto Part Co., Ltd. 7. General Manager, Yizheng Engley Auto Part Co., Ltd. 8. Executive Director, Tsingtao Engley Auto Part Co., Ltd. 9. Executive Director, Hefei Engley Automobile Industry Co., Ltd. 10. Executive Director & Manager, Ningbo Engley Automobile Industry Co., Ltd 11. Chairman, Ningbo Maoxiang Material Co., Ltd. (China) 12. Executive Director, Taizhou Maoqi Metal Co., Ltd. (China) 13. Executive Director, Tianjin Engley Manufacturing Co., Ltd. 14. Chairman, Linde+Engley (Changchun) Auto Parts Co., Ltd. 15. Chairman, Linde+Engley (Tianjin) Auto Parts Co., Ltd. 16. Executive Director, Changchun CECK Auto. Parts Co., Ltd. 17. Executive Director, Shanghai Honghan Engley Auto Part Co., Ltd. 18. Executive Director, Changchun Honghan Engley Aluminum Co., Ltd. 19. Director, Zhejiang Sanse Mold Technology Co., Ltd
2.	Able Well International Limited Representative: Lin, Chi-Pin	1. Director, Changchun Engley Automobile Industry Co., Ltd. 2. Vice chairman, Constellium Engley (Changchun) Automotive Structures Co., Ltd.

		3. Executive Director and CEO, Changchun Hongyun Cloud Computing Technology
3.	Able Well International Limited Representative: Lin, Shang-Chi	1. Director, Changchun Engley Automobile Industry Co., Ltd. 2. Director, Changchun Engley Auto Parts Co., Ltd. 3. Director, Chengdu Engley Auto part Co., Ltd. 4. Supervisor, Tianjin Engley Manufacturing Co., Ltd. 5. Supervisor, Suzhou Engley Auto Part Co., Ltd. 6. Supervisor, Tsingtao Engley Auto Part Co., Ltd. 7. Supervisor, Linde+Engley (Tianjin) Auto Parts Co., Ltd. 8. Supervisor, Linde+Engley (Changchun) Auto Parts Co., Ltd. 9. Director, Ningbo Maoxiang Material Co., Ltd. 10. Director, Changsha Engley Auto Part Co., Ltd. 11. Supervisor, Hefei Engley Auto Parts Co., Ltd. 12. Supervisor, Ningbo Engley Automobile Industry Co., Ltd. 13. Director, Yizheng Engley Auto Part Co., Ltd. 14. Supervisor, Shanghai Honghan Engley Auto Part Co., Ltd. 15. Supervisor, Jilin Jinli Auto part Co., Ltd. 16. Supervisor, Chengdu Youli Auto part Co., Ltd.
4.	Liou, Cheng-Hwai	HOTA INDUSTRIAL MFG. CO., LTD.