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**NAN YA PRINTED CIRCUIT BOARD CORPORATION**  
**2024 ANNUAL SHAREHOLDERS' MEETING PROCEDURE**

- 1. Call Meeting to Order**
- 2. Chairman's Address**
- 3. Report Items**
- 4. Ratification Items**
- 5. Discussion Items**
- 6. Extraordinary Motions**
- 7. Meeting Adjourned**

# **NAN YA PRINTED CIRCUIT BOARD CORPORATION**

## **2024 ANNUAL SHAREHOLDERS' MEETING AGENDA**

**Time:** 9:30 a.m., Tuesday, May 28, 2024

**Venue:** No. 338, Sec.1 Nankan Rd., Luchu Dist., Taoyuan City, Taiwan  
(Located at the Company's Jinshing Campus)

**Meeting type:** Physical Meeting

### **1. Report Items**

- (1) Business Report for 2023.
- (2) Audit Committee's Review Report for 2023.
- (3) Report of the Distribution of Employee Compensation for 2023.
- (4) Report of the Distribution of Cash Dividend for 2023.

### **2. Ratification Items**

- (1) To Ratify the Business Report and Financial Statements for 2023.
- (2) To Ratify the Proposal for Distribution of 2023 Profits.

### **3. Discussion Items**

- (1) Amendment to the Articles of Incorporation of the Company. Please discuss and resolve.

## **Report Items**

1. About the Company's business operation condition of 2023, please refer to Business Report for further details (on page 4 of the Handbook.) which is hereby reported for record.
2. The Company's Audit Committee members reviewed the 2023 Business Report and Financial Statements and issued their Review Report according to the applicable laws. Please refer to Audit Committee's Review Report (on page 8 of the Handbook.) which is hereby reported for the record.
3. The company has issued the report on compensation distributed to its employees for 2023.  
The pre-tax profit prior to deducting employees compensation distributed for 2023 is NT\$7,192,260,661. The company has no accumulated losses. Adopted by the Board Meeting on February 29, 2024, 0.2% of the profit is allocated as employees' compensation in accordance with Article 19 of the Articles of Incorporation. The total allocated amount is NT\$14,384,521 which shall be distributed in cash. The above is hereby reported for record.
4. The company has issued the report on cash dividend for 2023.  
The company adopted by the Board Meeting on February 29, 2024, the amount of cash dividend for 2023 is NT\$3,553,910,179 which is NT\$5.5 per share with Article 20 of the Articles of Incorporation. The distribution date will be further decided by the time the approval is given in the board of directors. The above is hereby reported for record.

# **NAN YA PRINTED CIRCUIT BOARD CORPORATION**

## **2023 Business Report**

### **I. Business Overview in 2023**

Nan Ya Printed Circuit Board Corporation's consolidated revenue for 2023 was 42 billion 252 million and 578 thousand NTD, a decrease of 34.64% compared to 2022. The pre-tax net profit was 7 billion 106 million and 658 thousand NTD, a decrease of 18 billion 254 million and 844 thousand NTD compared to 2022. The EPS were 9.00 NTD.

In 2023, geopolitical tensions exacerbated overall economic uncertainty due to the continuation of the war between Russia and Ukraine and the resurgence of the Israeli-Palestinian conflict. In the first half of the year, global inflation remained high, and countries adopted monetary tightening policies such as interest rate hikes to combat inflation, which cooled the economy rapidly. As a result, people reduced consumption. In addition, the tech war between the US and China led supply chain manufacturers to reorganize their production bases and simultaneously bring operational challenges for semiconductor manufacturers.

After the COVID-19 eased, the demand for electronic products such as work from home and home entertainment significantly decreased. Consumer electronics manufacturers reduced their orders for electronic components inventory corrections. The decrease in demand for related IC substrates and PCB was greater than the decline in sales of end products, which led to severe price competition among peers and greatly affected operational performance.

The Company has deeply rooted in the high-end IC substrate market and closely collaborated with customers to launch new generation high-end network communication, artificial intelligence (AI),

and high-performance computing substrates. The actions helped to mitigate the impact of the sudden decrease in demand for consumer electronic products such as personal computers (PCs) and mobile phones. During the off-season of operations, the Company reorganized and rectified production plants by continuously promoting digital optimization to improve production efficiency and maintain the Company's profitability and competitiveness.

## **II. Business Plan in 2024**

### **A. In terms of IC substrate products:**

Generative AI demand is growing rapidly, which promotes the sales of high-end graphics chips and ASICs. To seize opportunities, the Company has jointly developed large-size, high-layer counts IC substrates related to cloud server processors, 800G switches, and high-end AI chips with customers to improve product mix and enhance profitability.

AI is not only developing rapidly in the cloud but also budding in edge devices such as PCs. After Microsoft Windows 10 stops supporting updates, it will be expected to drive PC replacement demand, which could benefit AI PC sales. The Company has made early arrangements to mass-produce new generation high-end PC central processors and graphics chip application IC substrates to seize early opportunities.

The light, slim, abbreviated, and small design of mobile devices promotes the development of heterogeneous chip integration, which continuously increases the demand for system-level packaging products. The Company will jointly develop system-level packaging substrates with customers. Due to the higher technical threshold, the pressure of price competition will decrease. The profitability is expected to increase, after the introduction of new generation materials.

B. In terms of general circuit boards:

The Company focuses on the application of new-generation mobile device interposers, high-end laptops, LED beads, and industrial unmanned vehicles. Also, the Company actively enters into the AI server supply chain to mass-produce high-end graphics chip displays and network-related PCB to strengthen the product mix and improve profitability.

### **III. The Impact from the Company's Future Strategy, External Competition, Law, and Macro Operating Environment**

Inflation is gradually easing, which brings most countries slowing down their pace of interest rate hikes. The consumer electronics inventory corrections are nearing its end. With the improvement of the overall economy, restocking inventory of the manufacturers, and launch of new generation products, most semiconductor manufacturers' operational performance is expected to bottom out in the first quarter, start to recover in the second quarter, and return to the annual growth in the second half of the year.

The tech war between the U.S. and China is ongoing. The intensification of the trade ban from the United States, not only restricts the sale of high-end computing chips for AI applications to China but also affects the sales of related supply chains. Under the influence of geopolitical risks, chip manufacturers reduce the product supply from the Greater China region or require their suppliers to diversify their production locations, which poses operating challenges to the Taiwanese PCB manufacturers.

Taiwanese semiconductor manufacturers are leading in technology, and have a strong clustering effect with complete upstream and downstream supply chain. International electronics manufacturers are expected to continue to strengthen cooperation with Taiwanese semiconductor manufacturers, launching more

next-generation products. In addition, U.S.-based cloud service providers are committed to developing ASICs to enhance AI computing efficiency and save costs. China-based data center manufacturers are striving to develop ASIC to break through the trade ban from the U.S., which could bring huge potential business opportunities.

In 2024, the Company will not only strive for business opportunities in cloud AI, AI PCs, and advanced networking products as planned, but also recruit more professionals in R&D, manufacturing process improvement, and artificial intelligence. The Company will continue to refine our production technology, optimize process conditions, and improve operational efficiency through digital optimization and rationalization projects. The Company aims to strengthen operational performance by simultaneously pursuing cost savings and revenue generation.

In terms of ESG issues, the Company will keep implementing energy and electricity saving plans by expanding the utilization of green electricity in order to respond to the net zero carbon emissions target. While creating greater profits for shareholders, the Company will also enhance corporate value by fulfilling the corporate social responsibility and implementing the spirit of sustainable operation.

Chairman: Chia-Chau Wu

President: Ann-De Tang

Accountant Officer: Wen-Feng Chiang



# **NAN YA PRINTED CIRCUIT BOARD CORPORATION**

## **Audit Committee' Review Report**

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, including Consolidated and Individual Financial Statements, and Proposal for Profits Distribution. The CPA firm of KPMG was retained to audit Nan Ya Printed Circuit Board Corporation's Financial Statements and has issued an audit report relating to Financial Statements. The Business Report, Financial Statements, and Proposal for Profits Distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Nan Ya Printed Circuit Board Corporation. According to the Securities and Exchange Act and the Company Act, we hereby submit this report. Please be advised accordingly.

Nan Ya Printed Circuit Board Corporation

Chairman of the Audit Committee : Jen-Hsuen, Jen

February 29, 2024

## **Ratification Items**

## **Proposal 1**

**Proposal:** For approval of the 2023 Business Report and Financial Statements as required by the Company Act.

Proposed by the Board of Directors

### **Explanation :**

1. The preparation of the Company's 2023 Consolidated and Individual Financial Statements were completed and the same were approved by the Board Meeting on February 29, 2024 and audited by independent auditors, Mr. Hui-Chih Ko and Ms. Tzu-Hui Lee, of KPMG. The aforesaid Financial Statements together with the Business Report were reviewed by the Audit Committee, which the Audit Committee's Review Report is presented.
2. For the aforementioned Business Report, please refer to page 4 through page 7 of the Meeting Handbook. As for the Financial Statements, please refer to page 14 through page 21 of the Handbook. Please approve the Business Report and the Financial Statements.

### **Resolution :**

## **Ratification Items**

## **Proposal 2**

**Proposal:** For Approval of the Proposal for Distribution of 2023 Profits as required by the Company Act.

Proposed by the Board of Directors

### **Explanation :**

The Proposal for Distribution of 2023 Profits of the Company was reviewed by the Audit Committee and approved by the Board of Directors on February 29, 2024.(Please refer to Page 22 of the Handbook for the Statement of Profits Distribution.)

### **Resolution :**

## Discussion Items

## Proposal 1

**Proposal:** Amendment to the Articles of Incorporation of the Company.  
Please discuss and resolve.

Proposed by the Board of Directors

### Explanation :

To conform to the needs of commercial practice, certain Articles of Incorporation of the Company have been amended. The comparison table for articles before and after amendment is hereby attached.

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 9	Shareholders' meetings of the Company may be classified into ordinary regular meetings and extraordinary meetings. Ordinary meetings shall be held within 6 months after the end of each fiscal year and shall be convened by the Board of Directors. Extraordinary meetings will be held according to the law when necessary.	Shareholders' meetings of the Company may be classified into ordinary regular meetings and extraordinary meetings. Ordinary meetings shall be held within 6 months after the end of each fiscal year and shall be convened by the Board of Directors. Extraordinary meetings will be held according to the law when necessary. <u><b>The Shareholders' Meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</b></u>	The Company amends visual communication Shareholders' Meeting related articles in accordance with Article 172-2 of the Company Act.

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 20	<p>Where there is surplus of the annual final account, when allocating the net profits for each fiscal year, the Company shall first pay its income tax and offset its prior years' accumulated losses and set aside 10% legal reserve and special earning reserve as necessary <u>followed by the dividend.</u></p> <p>For remaining surplus incorporated with the accumulative earning in previous years, the Board of Directors shall prepare the proposal concerning the appropriation of net profits and is authorized to distribute dividends paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by over two-thirds of the directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The dividends paid in stock shall be submitted for the approval in a shareholders' meeting.</p>	<p>Where there is surplus of the annual final account, when allocating the net profits for each fiscal year, the Company shall first pay its income tax and offset its prior years' accumulated losses and set aside 10% legal reserve and special earning reserve as necessary. <b><u>However when the accumulated legal reserve amounts to the paid-in capital, this shall not apply.</u></b> For remaining surplus incorporated with the accumulative earning in previous years, the Board of Directors shall prepare the proposal concerning the appropriation of net profits and is authorized to distribute dividends paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by over two-thirds of the directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The dividends paid in stock shall</p>	<p>The Company amends legal reserve related articles in accordance with Article 237 of the Company Act.</p>

Article	Article before Amendment	Article after Amendment	Reason for Amendment
	(below omitted)	be submitted for the approval in a shareholders' meeting. (below omitted)	
Article 22	(Omitted)	Add " <b><u>The 20th amendment was made on May 28, 2024</u></b> " to the existing Article.	In line with the amendments to the provisions, the date of amendment is added.

**Resolution :**

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Assets</b>					<b>Liabilities and equity</b>				
<b>Current assets:</b>					<b>Current liabilities:</b>				
1100 Cash and cash equivalents (note 6(a))	\$ 12,329,798	17	20,044,117	25	2130 Current contract liabilities (note 6(m))	\$ 1,991,749	3	1,082,286	2
1120 Current financial assets at fair value through other comprehensive income	237,283	-	-	-	2170 Accounts payable	2,731,645	4	5,003,404	6
1170 Notes and accounts receivable, net (notes 6(b) and (m))	6,849,920	10	14,790,920	18	2180 Accounts payable to related parties (note 7)	330,321	-	316,155	1
1180 Accounts receivable due from related parties (notes 6(b), (m) and 7)	47,714	-	102,237	-	2219 Other payables	2,746,138	4	3,575,022	4
1200 Other receivables (note 6(c))	612,646	1	237,260	-	2220 Other payables to related parties (note 7)	36,206	-	36,960	-
1210 Other receivables due from related parties (notes 6(c) and 7)	2,302	-	5,349	-	2230 Current tax liabilities	849,868	1	3,207,309	4
1310 Inventories (note 6(d))	3,896,223	6	5,802,751	7	2281 Current lease liabilities (note 6(h))	9,588	-	9,797	-
1470 Prepayments and other current assets	498,301	1	327,741	-	2282 Current lease liabilities, related parties (notes 6(h) and 7)	246,114	-	237,025	-
<b>Total current assets</b>	<b>24,474,187</b>	<b>35</b>	<b>41,310,375</b>	<b>50</b>	Other current liabilities	158,806	-	220,572	-
<b>Non-current assets:</b>					<b>Total current liabilities</b>	<b>9,100,435</b>	<b>12</b>	<b>13,688,530</b>	<b>17</b>
1550 Investments accounted for using equity method (note 6(e))	486,857	1	513,814	1	<b>Non-current liabilities:</b>				
1600 Property, plant and equipment (note 6(f))	43,106,634	61	37,266,777	46	2527 Non-current contract liabilities (note 6(m))	7,233,676	11	7,634,928	9
1755 Right-of-use assets (notes 6(g) and 7)	1,707,192	2	1,936,781	2	2570 Deferred tax liabilities (note 6(j))	3,441,505	5	3,005,723	4
1840 Deferred tax assets (note 6(i))	647,139	1	711,133	1	2581 Non-current lease liabilities (note 6(h))	2,216	-	7,411	-
1900 Other non-current assets	15,436	-	11,597	-	2582 Non-current lease liabilities, related parties (notes 6(h) and 7)	1,435,463	2	1,660,156	2
<b>Total non-current assets</b>	<b>45,963,258</b>	<b>65</b>	<b>40,440,102</b>	<b>50</b>	Net defined benefit liability, non-current (note 6(i))	1,112,644	2	1,902,087	2
					Guarantee deposits received	203,590	-	129,075	-
					<b>Total non-current liabilities</b>	<b>13,429,094</b>	<b>20</b>	<b>14,339,380</b>	<b>17</b>
					<b>Total liabilities</b>	<b>22,529,529</b>	<b>32</b>	<b>28,027,910</b>	<b>34</b>
					<b>Equity (note 6(k)):</b>				
					Ordinary shares	6,461,655	9	6,461,655	8
					Capital surplus	18,125,615	26	18,125,608	22
					Legal reserve	7,857,185	11	5,896,621	7
					Special reserve	761,647	1	861,246	1
					Unappropriated retained earnings	15,814,388	23	23,139,084	29
					Other equity interest	(1,112,574)	(2)	(761,647)	(1)
					<b>Total equity</b>	<b>47,907,916</b>	<b>68</b>	<b>53,722,567</b>	<b>66</b>
<b>Total assets</b>	<b>\$ 70,437,445</b>	<b>100</b>	<b>81,750,477</b>	<b>100</b>	<b>Total liabilities and equity</b>	<b>\$ 70,437,445</b>	<b>100</b>	<b>81,750,477</b>	<b>100</b>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		<b>2023</b>		<b>2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (notes 6(m) and 7)</b>	\$ 42,252,578	100	64,646,836	100
5000	<b>Operating costs (notes 6(d), (f), (g), (h), (i), (n) and 7)</b>	<u>34,075,178</u>	<u>81</u>	<u>38,779,224</u>	<u>60</u>
	<b>Gross profit from operations</b>	<u>8,177,400</u>	<u>19</u>	<u>25,867,612</u>	<u>40</u>
	<b>Operating expenses (notes 6(b), (f), (g), (h), (i), (n) and 7):</b>				
6100	Selling expenses	386,349	1	663,664	1
6200	Administrative expenses	1,486,019	3	1,629,513	3
6450	Gain on reversal of expected credit impairment	<u>(24,950)</u>	<u>-</u>	<u>(488)</u>	<u>-</u>
6000	<b>Total operating expenses</b>	<u>1,847,418</u>	<u>4</u>	<u>2,292,689</u>	<u>4</u>
6900	<b>Net operating income</b>	<u>6,329,982</u>	<u>15</u>	<u>23,574,923</u>	<u>36</u>
	<b>Non-operating income and expenses (notes 6(e), (f), (h), (o) and 7):</b>				
7100	Interest income	326,880	1	136,439	-
7010	Other income	336,798	1	190,819	1
7020	Other gains and losses	116,297	-	1,420,302	2
7050	Finance costs	<u>(19,371)</u>	<u>-</u>	<u>(22,499)</u>	<u>-</u>
7060	Share of profit of associates accounted for using equity method	<u>16,072</u>	<u>-</u>	<u>61,518</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>776,676</u>	<u>2</u>	<u>1,786,579</u>	<u>3</u>
7900	<b>Profit before tax</b>	7,106,658	17	25,361,502	39
7950	Less: Tax expense (note 6(j))	<u>1,290,069</u>	<u>3</u>	<u>5,945,918</u>	<u>9</u>
8200	<b>Profit</b>	<u>5,816,589</u>	<u>14</u>	<u>19,415,584</u>	<u>30</u>
8300	<b>Other comprehensive income (notes 6(e), (j) and (k)):</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311	Gains on remeasurements of defined benefit plans	438,026	1	237,960	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u>(39,323)</u>	<u>-</u>	<u>-</u>	<u>-</u>
8320	Share of other comprehensive income of associates accounted for using equity method	749	-	(16,216)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>87,606</u>	<u>-</u>	<u>47,592</u>	<u>-</u>
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	<u>311,846</u>	<u>1</u>	<u>174,152</u>	<u>-</u>
8360	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation	(390,144)	(1)	144,380	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>(78,029)</u>	<u>-</u>	<u>28,876</u>	<u>-</u>
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	<u>(312,115)</u>	<u>(1)</u>	<u>115,504</u>	<u>-</u>
8300	<b>Other comprehensive income, net</b>	<u>(269)</u>	<u>-</u>	<u>289,656</u>	<u>-</u>
8500	<b>Total comprehensive income</b>	<u>\$ 5,816,320</u>	<u>14</u>	<u>19,705,240</u>	<u>30</u>
	<b>Earnings per share (note 6(l))</b>				
9750	<b>Basic earnings per share</b>	<u>\$ 9.00</u>		<u>30.05</u>	
9850	<b>Diluted earnings per share</b>	<u>\$ 9.00</u>		<u>30.04</u>	



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Other equity interest							

Balance at January 1, 2022

Profit for the year ended December 31, 2022

Other comprehensive income for the year ended December 31, 2022

Total comprehensive income for the year ended December 31, 2022

Appropriation and allocation of earnings:

Legal reserve appropriated

Special reserve appropriated

Cash dividends of ordinary share

Other changes in capital surplus:

Other changes in capital surplus

Balance at December 31, 2022

Profit for the year ended December 31, 2023

Other comprehensive income for the year ended December 31, 2023

Total comprehensive income for the year ended December 31, 2023

Appropriation and allocation of earnings:

Legal reserve appropriated

Reversal of special reserve

Cash dividends of ordinary share

Other changes in capital surplus:

Other changes in capital surplus

Balance at December 31, 2023

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2023 and 2022**  
(Expressed in Thousands of New Taiwan Dollars)

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Profit before tax	\$ 7,106,658	25,361,502
<b>Adjustments:</b>		
Adjustments to reconcile profit:		
Depreciation expense	5,895,871	4,343,965
Gain on reversal of expected credit impairment	(24,950)	(488)
Interest expense	19,371	22,499
Interest income	(326,880)	(136,439)
Dividend income	(12,583)	-
Share of profit of associates accounted for using equity method	(16,072)	(61,518)
Loss on disposal of property, plant and equipment	39,279	107,585
(Reversal of) impairment loss on non-financial assets	(14,033)	16,425
Unrealized foreign exchange loss	196,001	195,061
<b>Total adjustments to reconcile profit</b>	<b>5,756,004</b>	<b>4,487,090</b>
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Decrease (increase) in notes and accounts receivable (including related parties)	7,842,486	(4,018,163)
Decrease (increase) in other receivables (including related parties)	66,195	(2,186)
Decrease (increase) in inventories	1,907,587	(455,920)
Decrease in prepayments	107,385	1,721
<b>Total changes in operating assets</b>	<b>9,923,653</b>	<b>(4,474,548)</b>
Changes in operating liabilities:		
Increase in contract liabilities	508,211	7,897,275
(Decrease) increase in accounts payable (including related parties)	(2,240,039)	1,669,565
(Decrease) increase in other payables (including related parties)	(829,634)	510,709
Decrease in other current liabilities	(61,766)	(10,264)
Decrease in net defined benefit liabilities	(351,417)	(49,533)
<b>Total changes in operating liabilities</b>	<b>(2,974,645)</b>	<b>10,017,752</b>
<b>Total changes in operating assets and liabilities</b>	<b>6,949,008</b>	<b>5,543,204</b>
<b>Total adjustments</b>	<b>12,705,012</b>	<b>10,030,294</b>
Cash inflow generated from operations	19,811,670	35,391,796
Interest received	329,627	128,876
Interest paid	(19,371)	(23,428)
Income taxes paid	(3,608,544)	(3,189,801)
<b>Net cash flows from operating activities</b>	<b>16,513,382</b>	<b>32,307,443</b>
<b>Cash flows used in investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(276,606)	-
Acquisition of property, plant and equipment	(11,779,114)	(16,921,893)
Proceeds from disposal of property, plant and equipment	30,605	26,122
Increase in other financial assets	(277,922)	-
Increase in other non-current assets	(3,839)	(6,078)
Dividends received	56,364	33,168
<b>Net cash flows used in investing activities</b>	<b>(12,250,512)</b>	<b>(16,868,681)</b>
<b>Cash flows used in financing activities:</b>		
Increase in short-term loans	-	294,811
Decrease in short-term loans	-	(1,550,961)
Repayments of long-term debt	-	(724,868)
Increase (decrease) in guarantee deposits received	74,515	(453)
Payment of lease liabilities	(254,960)	(221,939)
Cash dividends paid	(11,630,978)	(6,461,655)
<b>Net cash flows used in financing activities</b>	<b>(11,811,423)</b>	<b>(8,665,065)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(165,766)</b>	<b>75,970</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(7,714,319)</b>	<b>6,849,667</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>20,044,117</b>	<b>13,194,450</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 12,329,798</b>	<b>20,044,117</b>

(English Translation of Financial Statements Originally Issued in Chinese)  
**NAN YA PRINTED CIRCUIT BOARD CORPORATION**

**Balance Sheets**

**December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets		Liabilities and equity									
Current assets:		Current liabilities:									
1100	Cash and cash equivalents (note 6(a))	\$ 7,327,220	11	16,982,031	22	2130	Current contract liabilities (note 6(m))	\$ 1,991,749	3	1,082,286	2
1120	Current financial assets at fair value through other comprehensive income	237,283	-	-	-	2170	Accounts payable	1,605,086	2	2,542,141	3
1170	Notes and accounts receivable, net (notes 6(b) and (m))	4,793,649	7	11,416,977	15	2180	Accounts payable to related parties (note 7)	575,585	1	599,788	1
1180	Accounts receivable due from related parties (notes 6(b), (m) and 7)	11,430	-	75,345	-	2200	Other payables (note 7)	2,322,369	3	3,074,317	4
1200	Other receivables (note 6(c))	162,460	-	226,858	-	2230	Current tax liabilities	849,868	1	2,974,301	4
1210	Other receivables due from related parties (notes 6(c) and 7)	20,515	-	45,561	-	2281	Current lease liabilities (note 6(h))	9,588	-	9,797	-
1310	Current inventories (note 6(d))	2,023,519	3	3,553,982	5	2282	Current lease liabilities, related parties (notes 6(h) and 7)	246,114	-	237,025	-
1470	Prepayments and other current assets	255,971	-	257,811	-	2300	Other current liabilities	98,024	-	147,978	-
Total current assets		14,832,047	21	32,558,565	42	Total current liabilities		7,698,383	10	10,667,633	14
Non-current assets:		Non-current liabilities:									
1550	Investments accounted for using equity method (notes 6(e) and 7)	24,345,359	35	22,654,782	29	2527	Non-current contract liabilities (note 6(m))	7,233,676	11	7,634,928	10
1600	Property, plant and equipment (notes 6(f) and 7)	27,364,501	40	20,804,070	26	2570	Deferred tax liabilities (note 6(j))	3,441,505	5	3,005,723	4
1755	Right-of-use assets (notes 6(g) and 7)	1,677,857	3	1,905,862	2	2581	Non-current lease liabilities (note 6(h))	2,216	-	7,411	-
1840	Deferred tax assets (note 6(i))	647,139	1	711,133	1	2582	Non-current lease liabilities, related parties (notes 6(h) and 7)	1,435,463	2	1,660,156	2
1900	Other non-current assets	15,202	-	11,471	-	2640	Net defined benefit liability, non-current (note 6(i))	1,112,644	2	1,902,087	2
Total non-current assets		54,050,058	79	46,087,318	58	2645	Guarantee deposits received	50,302	-	45,378	-
						Total non-current liabilities		13,275,806	20	14,255,683	18
						Total liabilities		20,974,189	30	24,923,316	32
		Equity (note 6(k)):									
	Ordinary shares					3100	Ordinary shares	6,461,655	10	6,461,655	8
	Capital surplus					3200	Capital surplus	18,125,615	26	18,125,608	23
	Legal reserve					3310	Legal reserve	7,857,185	12	5,896,621	8
	Special reserve					3320	Special reserve	761,647	1	861,246	1
	Unappropriated retained earnings					3350	Unappropriated retained earnings	15,814,388	23	23,139,084	29
	Other equity interest					3400	Other equity interest	(1,112,574)	(2)	(761,647)	(1)
Total equity							Total equity	47,907,916	70	53,722,567	68
Total liabilities and equity		\$ 68,882,105	100	78,645,883	100	Total liabilities and equity		\$ 68,882,105	100	78,645,883	100

(English Translation of Financial Statements Originally Issued in Chinese)  
NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(m) and 7)	\$ 29,480,433	100	48,345,341	100
5000	Operating costs (notes 6(d), (f), (g), (h), (i), (n) and 7)	<u>23,510,903</u>	<u>80</u>	<u>29,565,989</u>	<u>61</u>
	<b>Gross profit from operations</b>	5,969,530	20	18,779,352	39
5910	Less: Unrealized profit on from sales (note 7)	745	-	2,669	-
5920	Add: Realized profit on from sales (note 7)	<u>2,669</u>	<u>-</u>	<u>2,825</u>	<u>-</u>
	<b>Gross profit from operations</b>	<u>5,971,454</u>	<u>20</u>	<u>18,779,508</u>	<u>39</u>
	<b>Operating expenses (notes 6(b), (f), (g), (h), (i), (n) and 7):</b>				
6100	Selling expenses	313,029	1	550,671	1
6200	Administrative expenses	1,135,564	4	1,214,286	3
6450	Gain on reversal of expected credit impairment	<u>(24,950)</u>	<u>-</u>	<u>-</u>	<u>-</u>
6000	<b>Total operating expenses</b>	<u>1,423,643</u>	<u>5</u>	<u>1,764,957</u>	<u>4</u>
6900	<b>Net operating income</b>	<u>4,547,811</u>	<u>15</u>	<u>17,014,551</u>	<u>35</u>
	<b>Non-operating income and expenses (notes 6(f), (h), (o) and 7):</b>				
7100	Interest income	220,023	1	79,096	-
7010	Other income	235,435	1	231,322	-
7020	Other gains and losses	85,139	-	1,212,436	3
7050	Finance costs	<u>(19,371)</u>	<u>-</u>	<u>(14,277)</u>	<u>-</u>
7070	Share of profit (loss) of subsidiaries and associates accounted for using equity method, net	<u>2,108,839</u>	<u>7</u>	<u>5,669,384</u>	<u>12</u>
	<b>Total non-operating income and expenses</b>	<u>2,630,065</u>	<u>9</u>	<u>7,177,961</u>	<u>15</u>
7900	<b>Profit before tax</b>	<u>7,177,876</u>	<u>24</u>	<u>24,192,512</u>	<u>50</u>
7950	Less: Tax expense (note 6(j))	<u>1,361,287</u>	<u>4</u>	<u>4,776,928</u>	<u>10</u>
	<b>Profit</b>	<u>5,816,589</u>	<u>20</u>	<u>19,415,584</u>	<u>40</u>
8300	<b>Other comprehensive income (notes 6(e), (i), (j) and (k)):</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311	Gains on remeasurements of defined benefit plans	438,026	1	237,960	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u>(39,323)</u>	<u>-</u>	<u>-</u>	<u>-</u>
8330	Share of other comprehensive income of associates accounted for using equity method	749	-	(16,216)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>87,606</u>	<u>-</u>	<u>47,592</u>	<u>-</u>
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	<u>311,846</u>	<u>1</u>	<u>174,152</u>	<u>-</u>
8360	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation	(390,144)	(1)	144,380	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>(78,029)</u>	<u>-</u>	<u>28,876</u>	<u>-</u>
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	<u>(312,115)</u>	<u>(1)</u>	<u>115,504</u>	<u>-</u>
8300	<b>Other comprehensive income, net</b>	<u>(269)</u>	<u>-</u>	<u>289,656</u>	<u>-</u>
8500	<b>Total comprehensive income</b>	<u>\$ 5,816,320</u>	<u>20</u>	<u>19,705,240</u>	<u>40</u>
	<b>Earnings per share (note 6(l))</b>				
9750	<b>Basic earnings per share</b>	<u>\$ 9.00</u>		<u>30.05</u>	
9850	<b>Diluted earnings per share</b>	<u>\$ 9.00</u>		<u>30.04</u>	

(English Translation of Financial Statements Originally Issued in Chinese)  
**NAN YA PRINTED CIRCUIT BOARD CORPORATION**

**Statements of Changes in Equity**

**For the years ended December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars)

Other equity interest									
		Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income							
		Exchange differences on translation of foreign financial statements		Unappropriated retained earnings		Special reserve		Legal reserve	
Ordinary share	Capital surplus								
\$ 6,461,655	18,125,600	4,859,640	592,160	11,301,164	(860,048)	(1,197)	Total	(861,245)	Total equity
-	-	-	-	19,415,584	-	-	-	-	40,478,974
-	-	-	-	190,058	115,504	(15,906)	99,598	99,598	19,415,584
-	-	-	-	19,605,642	115,504	(15,906)	99,598	99,598	289,656
-	-	-	-	-	-	-	-	-	19,705,240
-	-	1,036,981	-	(1,036,981)	-	-	-	-	-
-	-	-	269,086	(269,086)	-	-	-	-	-
-	-	-	-	(6,461,655)	-	-	-	-	(6,461,655)
-	8	-	-	-	-	-	-	-	8
6,461,655	18,125,608	5,896,621	861,246	23,139,084	(744,544)	(17,103)	(761,647)	(761,647)	53,722,567
-	-	-	-	5,816,589	-	-	-	-	5,816,589
-	-	-	-	350,658	(312,115)	(38,812)	(350,927)	(350,927)	(269)
-	-	-	-	6,167,247	(312,115)	(38,812)	(350,927)	(350,927)	5,816,320
-	-	1,960,564	-	(1,960,564)	-	-	-	-	-
-	-	-	(99,599)	99,599	-	-	-	-	-
-	-	-	-	(11,630,978)	-	-	-	-	(11,630,978)
-	7	-	-	-	-	-	-	-	7
6,461,655	18,125,615	7,857,185	761,647	15,814,388	(1,056,659)	(55,915)	(1,112,574)	(1,112,574)	47,907,916

**Balance at January 1, 2022**

Profit for the year ended December 31, 2022

Other comprehensive income for the year ended December 31, 2022

Total comprehensive income for the year ended December 31, 2022

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Special reserve appropriated

Cash dividends of ordinary share

Other changes in capital surplus:

Other changes in capital surplus

Other changes in capital surplus

**Balance at December 31, 2022**

Profit for the year ended December 31, 2023

Other comprehensive income for the year ended December 31, 2023

Total comprehensive income for the year ended December 31, 2023

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Reversal of special reserve

Cash dividends of ordinary share

Other changes in capital surplus:

Other changes in capital surplus

**Balance at December 31, 2023**

(English Translation of Financial Statements Originally Issued in Chinese)  
NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
<b>Cash flows from operating activities:</b>		
Profit Before tax	\$ 7,177,876	24,192,512
Adjustments:		
Adjustments to reconcile profit :		
Depreciation expense	3,578,415	2,435,414
Gain on reversal of expected credit impairment	(24,950)	-
Interest expense	19,371	14,277
Interest income	(220,023)	(79,096)
Dividend income	(12,583)	-
Share of profit of subsidiaries and associates accounted for using equity method	(2,108,839)	(5,669,384)
Loss on disposal of property, plant and equipment	2,091	2,861
(Reversal of) impairment loss on non-financial assets	(14,033)	16,425
Unrealized profit on from sales	745	2,669
Realized profit on from sales	(2,669)	(2,825)
Unrealized foreign exchange loss	197,191	188,541
<b>Total adjustments to reconcile profit</b>	<u>1,414,716</u>	<u>(3,091,118)</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in notes and accounts receivable (including related parties)	6,534,206	(2,979,970)
Decrease (increase) in other receivables (including related parties)	87,479	(36,746)
Decrease (increase) in inventories	1,530,463	(577,399)
Decrease (increase) in prepayments	101,753	(58,539)
<b>Total changes in operating assets</b>	<u>8,253,901</u>	<u>(3,652,654)</u>
<b>Changes in operating liabilities:</b>		
Increase in contract liabilities	508,211	8,005,239
(Decrease) increase in accounts payable (including related parties)	(943,704)	402,203
(Decrease) increase in other payables	(751,944)	425,208
(Decrease) increase in other current liabilities	(49,954)	48,683
Decrease in net defined benefit liability	(351,417)	(49,533)
<b>Total changes in operating liabilities</b>	<u>(1,588,808)</u>	<u>8,831,800</u>
<b>Total changes in operating assets and liabilities</b>	<u>6,665,093</u>	<u>5,179,146</u>
<b>Total adjustments</b>	<u>8,079,809</u>	<u>2,088,028</u>
Cash inflow generated from operations	15,257,685	26,280,540
Interest received	220,806	75,833
Interest paid	(19,371)	(14,277)
Income taxes paid	(2,994,252)	(1,898,164)
<b>Net cash flows from operating activities</b>	<u>12,464,868</u>	<u>24,443,932</u>
<b>Cash flows used in investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(276,606)	-
Acquisition of investments accounted for using equity method	-	(2,118,214)
Acquisition of property, plant and equipment	(9,888,656)	(10,316,944)
Proceeds from disposal of property, plant and equipment	10,722	20,558
Increase in other financial assets	(100,000)	-
Increase in other non-current assets	(3,731)	(6,060)
Dividends received	56,364	33,168
<b>Net cash flows used in investing activities</b>	<u>(10,201,907)</u>	<u>(12,387,492)</u>
<b>Cash flows used in financing activities:</b>		
Increase in guarantee deposits received	4,924	15,122
Payment of lease liabilities	(254,960)	(221,939)
Cash dividends paid	(11,630,978)	(6,461,655)
<b>Net cash flows used in financing activities</b>	<u>(11,881,014)</u>	<u>(6,668,472)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(36,758)</u>	<u>(9,055)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	(9,654,811)	5,378,913
<b>Cash and cash equivalents at beginning of period</b>	<u>16,982,031</u>	<u>11,603,118</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 7,327,220</u>	<u>16,982,031</u>

**NAN YA PRINTED CIRCUIT BOARD CORPORATION**  
**Statement of Profits Distribution**  
**For the year of 2023**

Unit:NT\$

Items	Amount
Available for Distribution:	
1. Unappropriated retained earnings of previous years	9,647,140,207
2. Net Income of 2023	5,816,589,012
3. Change in retained earnings results from items other than Net Income	350,658,881
Total	15,814,388,100
Distribution Items:	
1. Appropriation of Legal Reserve	616,724,789
2. Appropriation of Special Reserve (other deductions from equity of 2023)	350,927,113
3. Distribution of dividends and bonuses in cash (\$5.5 per share)	3,553,910,179
4. Unappropriated retained earnings	11,292,826,019
Total	15,814,388,100
Explanation	
<p>1. In accordance with Article 20 of the Articles of the Company's Articles of Incorporation, the cash dividend distribution is authorized to the board of directors to make a resolution and report to the shareholders' meeting.</p> <p>2. The distribution is \$5.5 per share.</p> <p>3. The total distribution of dividends and bonuses amount to \$3,553,910,179; all of which are from the net income of 2023.</p> <p>4. Change in retained earnings resulting from Other Comprehensive Income is the remeasurement of defined benefit obligation.</p> <p>5. Cash dividends distributed to each shareholder will be rounded to the nearest NTD.</p>	

## **Independent Auditors' Report**

To the Board of Directors of Nan Ya Printed Circuit Board Corporation:

### **Opinion**

We have audited the consolidated financial statements of Nan Ya Printed Circuit Board Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 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 Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) and the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 of our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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 for the Group's financial statements are stated as follows:

#### **1. Valuation of inventories**

The Group estimates the loss on decline of inventory market price on a monthly basis using the aging analysis of inventories and the lower of cost or net realizable value. Since the net realizable value of inventory relies on the impact of international raw material prices, the valuation of inventories is one of the key audit matters while conducting the audit for the financial statements of the Group. For accounting policies, estimation uncertainty, and related disclosures on the valuation of inventories, please refer to notes 4(h), 5(a), and 6(d), respectively, of the consolidated financial statements.



The principal audit procedures performed to address the aforementioned key audit matter included understanding the basis adopted by the management in the estimate of net realizable value, and sampling to test the reasonableness of the net realizable value and the aging analysis of inventories.

### **Other Matter**

Nan Ya Printed Circuit Board Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit committee) are responsible for overseeing the Group's financial reporting process.

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit.

We communicated 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 identified during our audit.

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

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

The engagement partners on the audit resulting in this independent auditors' report are Ko, Hui-Chih and Lee, Tzu-Hui.

KPMG

Taipei, Taiwan (Republic of China)  
February 29, 2024

#### **Notes to Readers**

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

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

## **Independent Auditors' Report**

To the Board of Directors of Nan Ya Printed Circuit Board Corporation:

### **Opinion**

We have audited the financial statements of Nan Ya Printed Circuit Board Corporation (“the Company”), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

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

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Company's financial statements are stated as follows:

#### **1. Valuation of inventories**

The Company estimates the loss on decline of inventory market price on a monthly basis using the aging analysis of inventories and the lower of cost or net realizable value. Since the net realizable value of inventory relies on the impact of international raw material prices, the valuation of inventories is one of the key audit matters while conducting the audit for the financial statements of the Company. For accounting policies, estimation uncertainty, and related disclosures on the valuation of inventories, please refer to notes 4(g), 5(a), and 6(d), respectively, of the financial statements.

The principal audit procedures performed to address the aforementioned key audit matter included understanding the basis adopted by the management in the estimate of net realizable value, and sampling to test the reasonableness of the net realizable value and the aging analysis of inventories.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicated 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 identified during our audit.

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

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

The engagement partners on the audit resulting in this independent auditors' report are Ko, Hui-Chih and Lee, Tzu-Hui.

KPMG

Taipei, Taiwan (Republic of China)  
February 29, 2024

#### **Notes to Readers**

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

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.