

Stock Code : 6120

# **DARWIN PRECISIONS CORPORATION**

## **2023 Annual General Shareholders' Meeting**

### **Meeting Agenda** (Translation)

**Date: June 14, 2023**

*Passion  
Quality  
Innovation*

**DARWIN**

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-----Disclaimer-----

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2023 ANNUAL GENERAL SHAREHOLDERS' MEETING OF DARWIN PRECISIONS CORPORATION THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY DISCREPANCY BETWEEN THE ENGLISH VERSION AND CHINESE VERSION, THE CHINESE VERSION SHALL PREVAIL.

# **I. Meeting Procedure**

## **DARWIN PRECISIONS CORPORATION**

### **2023 Annual General Shareholders' Meeting Procedure**

- Call Meeting to Order
- Chairman's Address
- Report Items
- Recognition Items
- Election Items
- Discussion Item
- Extraordinary Motions
- Meeting Adjourn

## II. Meeting Agenda

### **DARWIN PRECISIONS CORPORATION 2023 Annual General Shareholders' Meeting Agenda**

Time: 9:00 a.m., June 14, 2023, Wednesday

Means: Physical Shareholders Meeting

Place: Meeting Room in GIS HSP Convention Center EINSTIEN Room  
(2F, No.1, Gongye E. 2nd Rd., East Dist., Hsinchu City, Taiwan)

- 1 、 Call Meeting to Order
- 2 、 Chairman's Address
- 3 、 Report Items
  - (1) To report the business of 2022
  - (2) Audit Committee's Review Report of 2022
  - (3) To report the cash dividend distribution of 2022
  - (4) To report the distribution of employees' and directors' remuneration of 2022
- 4 、 Recognition Items
  - (1) To accept 2022 Business Report and Financial Statements
  - (2) To accept the proposal for the distribution of 2022 earnings
- 5 、 Election Item  
To elect seven directors (including three independent directors) being the thirteenth-term directors
- 6 、 Discussion Item  
To lift non-competition restrictions on board members
- 7 、 Extraordinary Motions
- 8 、 Meeting Adjourn

# Report Items

## 1. To report the business of 2022

Explanation: The 2022 Business Report is attached hereto as Attachment 1 (pages 7~9).

## 2. Audit Committee's Review Report of 2022

Explanation: The Audit Committee's Review Report is attached hereto as Attachment2 (page 10).

## 3. To report the cash dividend distribution of 2022

Explanation:

- (1) In accordance with Article 18-2 of the Articles of Incorporation of the Company, where the Company has a profit at the end of each fiscal year, the Board of Directors shall prepare an earnings distribution proposal. Dividend distribution in the form of cash shall be approved by the Board of Directors and a report of such distribution shall be submitted to the shareholders' meeting.
- (2) The available earnings for distribution was NT\$101,969,935 at the end of the 2022 period, and the Company distributed cash dividends of NT\$0.15321035 per common share , have been approved by the meeting of Board held on April 25,2023, and approved that the Chairman of the Board is authorized to determine the ex-dividend date and payment date for the cash dividend distribution and other related matters.
- (3) If the dividend distribution ratio is adjusted due to a change in the Company's total number of outstanding common shares it is approved that the Chairman of the Board be authorized to adjust the ratio of dividend to be distributed to each common share based on the total amount of cash dividends and the actual number of common shares outstanding on the record date for distribution.

(4) The cash dividend is calculated according to the distribution ratio up to the nearest NT Dollar by unconditional rounding based on the names of shareholders and their shareholdings as recorded in the stockholders' register on the record date for distribution and the total undistributed dividend which less than one NT Dollar shall be adjusted by the decimal places from the largest to the smallest and the shareholder's account number from the first to the last in order to meet the total amount of cash dividends distributed.

#### **4.To report the distribution of employees' and directors' remuneration of 2022**

Explanation :

Distribution of NT\$15,814,345 and NT\$1,581,435 in cash as remunerations to employees and directors, respectively, have been approved by the meeting of the Board of Directors held on February 6 , 2023.

## **Recognition Items**

### **I.To accept 2022 Business Report and Financial Statements (Proposed by the Board of Directors)**

Explanation:

- (1) The 2022 Financial Statements were audited by the independent auditors, Shyh-Huar Kuo and Chun-Yuan Wu of KPMG.
- (2) For the 2022 Business Report, Independent Auditors' Report, and Financial Statements thereto, please refer to Attachment 1 (pages 7~9) and Attachments 3-4 (pages 11~ 27).

Resolution:

## **2. To accept the proposal for the distribution of 2022 earnings (Proposed by the Board of Directors)**

Explanation: For the Proposal for 2022 Earnings Distribution, please refer to Attachment 5 (page 28).

Resolution:

## **Election Item**

**To elect seven directors (including three independent directors) being the thirteenth-term directors.  
(Proposed by the Board of Directors)**

Explanation:

- (1) The term of office for the twelfth-term directors expired on June 11, 2023. Thus, it is proposed to elect seven directors (including three independent directors) at the 2023 Annual General Shareholders' Meeting. The term of office for the new directors (including independent directors) is three years from June 14, 2023 to June 13, 2026. The twelfth-term directors will leave their office when the 2023 Annual General Shareholders' Meeting is completed.
- (2) According to the Company's Articles of Incorporation, directors shall be elected by adopting candidate nomination system and nomination and election of the directors shall be conducted in accordance with the applicable laws and regulations. Shareholders shall elect the directors from the nominated candidates. The academic background, experience, reason of continuing nomination and relevant information of the nominated candidates are attached hereto as Attachment 6 (pages 29-30).

Result:

## **Discussion Item**

### **To lift non competition restrictions on board members (Proposed by the Board of Directors)**

#### Explanation:

- (1) According to Article 209 of the Company Act, any Director conducting business for himself/herself/itself or on behalf of other people that is within the Company's business scope, shall provide explanation for the essential contents of such conduct at the Shareholders' Meeting, and obtain approval therefrom.
- (2) List of non-competition restrictions proposed to be lifted in the 2023 Annual General Shareholders' Meeting is as Attachment 7 (pages 31-33).

#### Resolution:

## **Extraordinary Motions**

## **Meeting Adjourn**

## Attachment 1

### **2022 Annual Business Report**

The entire world was impacted by the COVID-19 pandemic in 2021; however, driven by the stay-at-home economy, the demand of the overall PC industry was very strong, and the overall revenue of DARWIN grew significantly. Entering 2022, because of the negative factors such as the continual impact of the pandemic, inflation and conflict between Ukraine and Russia, weakening of the global economy and channel inventories being too high, the market demand for notebook computers and desktop monitors rapidly declined in the second quarter; the performance and revenue of DARWIN were also affected by this and declined. Speeding up the adjustment of the operating system, strengthening technology development and client relationship have become the focuses of the company operation at this time.

Consolidated revenue for the FY2022 is NT\$14.47 billion, a decrease of 29% from 2021. The net operating loss for the same year is NT\$1.15 billion, with net profit after tax standing at NT\$126 million. The basic earnings per share is NT\$0.19.

#### **Looking back at 2022, important achievements and progresses are as follows:**

- Manufacturing:
  1. Non-competitive plants were converged to save operational costs and activate capital utilization.
  2. Improved the smart manufacturing capability of the Wujiang fab and Xiamen fab:
    - Wujiang fab: NB automation transformation, increased prolificacy by 25%.
    - Xiamen fab: MNT completed the construction of 2 new automated advanced process production lines, and increased production capacity by 30%.
- Precision Components:
  1. Mass production of NB Fly-cut LGP; shipment in 2022 was over 50K.
  2. Commercialization of MNT Fly-cut LGP; the panel plant was successfully introduced and verification had started. MP is expected to begin in Q3 of 2023.
  3. Car Mini LED BLU successfully introduced the panel plant client; MLP (Mini Lens Plate) related technologies can reduce LED usage effectively and improve the product cost performance. The development of Cavity Mini LED BLU has completed, which can improve the Halo effect; it is being actively promoted to clients.
  4. Fine metal masks (FMM): Continually developing thin (16um~20um) FMM for mobile phones and large width FMM for tablets and notebook computers, while conducting client product verifications.
  5. Crossed into the semiconductor QFN lead frame field by utilizing experiences in chemical etching integrated with electroplating technology. In terms of lead frame etching process, DARWIN has half-etching technology for fine metal masks, and the process can be copied and used for QFN to improve product precision; existing microetching technology can also be used for the roughening needs of client products to improve the adhesion of product packaging processes. Our etching equipment that combines customization and flexible scheduling allows us to develop and grow together with our clients.
  6. Integrated precision mold processing and electrochemical technologies and developed microneedle patch with fine structures. This product is a new transdermal delivery technology that can penetrate the stratum corneum and work directly on the dermis layer; it can be used for medical aesthetics, medical treatment, vaccines and bio-sensing applications in the future.

- **System Integration:**
  1. Crossed into smart mobile: Cooperative development of smart display station signs and charging piles.
  2. Crossed into field applications: Smart indicators at university campuses, transparent displays at train stations.
  3. Customized manufacturing service: Professional monitors, advertising machines, central consoles and POS machine manufacturing services.

### **Overall Business Environment and Industry Trends:**

The PC industry will continue to maintain a steady growth trend in 2023. According to market research reports, the global income of the PC market is expected to reach US\$290 billion dollars in 2023, growing by approximately 3.5%. Predicted development trends that may impact the PC industry in 2023 include:

1. Artificial intelligence technology and big data technology will further impact and change the PC market.
2. Lightweight and ultra-thin designs; products will become thinner, lighter and easier to carry in the future.
3. The increase in game and entertainment needs will push the demand for higher specification PC hardware products.
4. The increase in awareness on sustainability and environmental protection; PC products will pay more attention to energy efficiency and the use of environmentally friendly materials in the future.

Market research companies also predict that the growth rate of the global in-vehicle display market will maintain at approximately 5~6% in 2023. There are several factors that might push the growth of this market. For example, improving driver experience will require the use of more in-vehicle displays, as well as the increasing demand from consumers for the intellectualization of vehicles, and connecting the Internet to entertainment. In addition, with the development of the self-driving technology and the Internet of Things, the in-vehicle display market may have more potentials. Steady market growth can be expected for the next five years. In-vehicle displays will become another incubation hotbed for the Mini LED backlight application field. In-vehicle displays have higher requirements for brightness, contrast and reliability; under the stimulation of the active pursuit of higher display effect and digital dashboard display trends, Mini LED backlights will also be the first to be widely equipped on new energy vehicles.

### **Business Strategy and Outlook**

Looking into 2023, the operation of DARWIN will still focus on stability and the strengthening of profitability:

1. For client products, complete the market realization of collimated back light (CBL) components and also enter mass production; its application fields include: privacy display applications and brightened energy-saving display applications.
2. Expand the implementation scale of Mini LED backlight modules for in-vehicle displays.
3. In 2023, the performances of NB and MNT are expected to grow each season. DARWIN manufacturing plants will quickly introduce automated production lines to improve manufacturing efficiency and quality capabilities, and to increase the proportion of high-end products in order to strengthen profitability.
4. In the second half of 2023, realize the plan to achieve full production of the seven MNT lines of the Xiamen fab.
5. System integration service business, we continue to optimize the energy of Taiwan's manufacturing service, and continue to promote smart application fields and system

integration solutions, and also expand the overseas markets.

6. P-Device fine metal mask (FMM): Expanded into China's OLED FMM market, expanded the PMOLED metal mask business, and developed Quad Flat No Leads Package (QFN) lead frame sample for new application fields.
7. Continued to promote the microneedle technology, developed different base formulas for different application fields, and carried out supporting development for mass production automation.
8. Key technology development:
  - Development for applying privacy light guide plates on in-vehicle display products.
  - The energy efficiency of Fly-cut Gen I has improved by 10-15% and it is now mass produced, and we are now planning for second generation energy-saving high-brightness products, with a target energy efficiency of 40%.
  - Develop and promote front light guide plates that can be applied on e-paper readers and new generation reflective LCD or cholesteric liquid crystal displays.
  - Continue to optimize the modularization design of POS machines and display signages. Provide more choices for end-users through modular designs.
  - Continue to develop smart display solutions for field applications, such as: charging piles with smart display modules and customized smart display solutions.
  - Precision component business (FMM metal mask), continued to develop FMM for thin WQHD OLED smartphone applications; realized large AMOLED product applications and mass production.
  - Continually improved the microneedle patch technology and entered the mass production stage; the product has first entered the medical aesthetic field, and was used to develop whitening and anti-wrinkle skin care products. In the future, it will develop towards the medical medicine field.
  - Continued improving the semiconductor QFN lead frame process, and developed towards high-precision. Also, for the electroplating process, maskless photoresist electroplating production lines will be developed in response to the diverse production processes of QFN, to give high added-value to QFN lead frames. Value-added technical services and professional manufacturing capabilities will be provided to help clients further expand their market share, and we will continue to work hard to strengthen Taiwan's leading edge in semiconductor technology.

Global inflation and geopolitical rivalry are getting worse, and the business environment continues to be filled with challenges and uncertainty. DARWIN will use the stable and focused business philosophies to speed up the improvement of profitability and seek breakthroughs in technology development and layout of new businesses, actively pushing the improvement of business performances, and establish sustainable development business models to give back to the society, shareholders and employees for their support.

Kuo-Hsin (Michael) Tsai,  
Chairman

Sheng-Kai (SK) Huang,  
President

Kuo-Tai Ching,  
Chief Accounting Officer

## Attachment 2

### **Audit Committee's Review Report**

The Board of Directors has prepared the Company's Business Report, Financial Statements, and Earnings Distribution Proposal for the year of 2022. Shyh-Huar Kuo and Chun-Yuan Wu, Certified Public Accountants of KPMG, have audited the Financial Statements. The 2022 Business Report, Financial Statements, and Earnings Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee of DARWIN PRECISIONS CORPORATION. I, as the Chair of the Audit Committee, hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

DARWIN PRECISIONS CORPORATION

Chair of the Audit Committee meeting

I-Shih Chen  
April 25, 2023

## **Attachment 3**

# **Independent Auditors' Report**

To the Board of Directors of Darwin Precisions Corporation:

### **Opinion**

We have audited the financial statements of Darwin Precisions Corporation. ("the Company"), which comprise the balance sheet as of December 31, 2022 and 2021, 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 significant accounting policies.

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

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **1. Revenue recognition**

Please refer to individual financial report Note 4(15) and Note 6(16) of the financial statements for accounting policies on revenue recognition and revenue recognition, respectively.

Description of key audit matter:

Revenue is recognized when the control over a product has been transferred to the customer as specified in each individual contract with customers. The Company recognizes revenue depending on the various sales terms in each individual contract with customers to ensure the performance obligation has been satisfied by transferring control over a product to a customer. If the recognition occurs at inappropriate time, transactions that happened near the financial reporting date can have a significant impact on the financial statement. Therefore, revenue recognition is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures include ensuring the transaction conditions and revenue of the sale contracts have been properly recorded; random sampling of sales transactions within a certain period before and after the financial reporting date; analyzing the client contract of the sample; and evaluating the transaction conditions contained in the sales contract to confirm that revenue recognition has been recorded in an appropriate period.

## 2. Impairment of long-term non-financial assets (excluding goodwill)

Refer to Note 4(13) "Impairment of nonfinancial assets" , Note 5 "Critical accounting judgments and key sources of estimation and assumption uncertainty" , and Note 6(7) Impairment-non-financial assets of estimation" to the financial statements.

Description of key audit matter:

The Company operates in an industry with high investment costs, and may experience volatility in response to changes in the external market; hence, it is important to assess the impairment of its long-term non-financial assets. The impairment assessment includes identifying cash-generating units, determining a valuation model, determining those significant assumptions, and computing the recoverable amounts. With the complexity of the impairment assessment process and the involvement of significant management judgment regarding the assumptions used, impairment assessment one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Company's controls surrounding the impairment assessment and testing process; assessing whether there are impairment indications for the identified cash-generating units of the Company and its related assets; understanding and assessing the appropriateness of the valuation model used by the management in the impairment assessment and the significant assumptions used to determine related assets' future cash flows projection, useful lives, and weighted-average cost of capital; retrospectively reviewing the accuracy of assumptions used in prior-period estimates and performing a sensitivity analysis of key assumptions and results;we also appointed an inquiry of the management and identified any event after the balance sheet date to determine whether it is able to affect the results of the impairment assessment.

## **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 maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 auditor's 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 communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partners on the audit resulting in this independent auditors' report are Shyh-Huar Kuo and Chun-Yuan Wu.

KPMG

Taipei, Taiwan (Republic of China)  
February 6, 2023

#### **Notes to Readers**

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and its 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying parent company only 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 auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)  
**DARWIN PRECISIONS CORPORATION**

**Balance Sheets**

**December 31, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2022		December 31, 2021		Liabilities and Equity		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (Note 6(1))	\$ 1,523,896	8	898,828	4	2130	Contract liabilities—current(Note 6(16) and 7)	24,659	-	52,449	-
1170	Accounts receivable(Note 6(3))	311,889	2	699,638	4	2170	Accounts payable	208,432	1	247,636	1
1180	Accounts receivable from related parties (Note 6(3) and 7)	1,413,805	8	2,076,978	10	2180	Accounts payable to related parties(Note 7)	1,664,177	9	2,516,910	13
1200	Other receivables (Note 6(4))	2,236,841	12	54	-	2200	Other payables	471,821	3	474,743	2
1210	Other receivables from related parties (Note 6(4) and 7)	1,420,658	8	2,021,961	10	2220	Other payables to related parties (Note 7)	1,738,178	9	2,638,762	13
1310	Inventories (Note 6(5))	232,379	1	399,396	2	2250	Provisions—current (Note 6(11))	37,574	-	89,228	1
1476	Other financial assets—current (Note 8)	230,490	1	-	-	2320	Long-term borrowings, current portion (Note 6(10) and 8)	299,912	2	40,116	-
1479	Other current assets (Note (6)8)	14,386	-	13,707	-	2399	Other liabilities—current (Note 6(9) and 7)	464,442	3	466,159	2
		<u>7,384,344</u>	<u>40</u>	<u>6,110,562</u>	<u>30</u>			<u>4,909,195</u>	<u>27</u>	<u>6,526,003</u>	<u>32</u>
<b>Noncurrent assets:</b>						<b>Noncurrent liabilities:</b>					
1517	Financial assets at fair value through other comprehensive income—noncurrent (Note 6(2))	98,263	-	98,263	1	2540	Long-term borrowings (Note 6(10) and 8)	3,362,069	18	3,690,021	19
1550	Investments in equity-accounted investees (Note 6(6))	7,640,417	41	9,594,262	47	2570	Deferred tax liabilities (Note 6(13))	895,320	5	833,861	4
1600	Property, plant and equipment (Note 6(7) 、7 and 8)	2,529,427	14	4,289,917	21	2600	Other liabilities—noncurrent	92	-	272	-
1840	Deferred tax assets (Note 6(13))	138,373	1	148,275	1			<u>4,257,481</u>	<u>23</u>	<u>4,524,154</u>	<u>23</u>
1915	Prepayments for business facilities	10,508	-	20,374	-		<b>Total liabilities</b>	<u>9,166,676</u>	<u>50</u>	<u>11,050,157</u>	<u>55</u>
1980	Other financial assets—noncurrent(Note 8)	693,138	4	1,762	-		<b>Equity attributable to owners of parent (Note 6(14)):</b>				
		<u>11,110,126</u>	<u>60</u>	<u>14,152,853</u>	<u>70</u>	3100	Common Stock	6,655,551	36	6,655,551	32
						3200	Capital surplus	2,837,438	15	3,486,669	17
						3300	Retained earnings	920,934	5	146,039	1
						3400	Other components of equity	(1,086,129)	(6)	(1,075,001)	(5)
							<b>Total equity</b>	<u>9,327,794</u>	<u>50</u>	<u>9,213,258</u>	<u>45</u>
<b>Total assets</b>		<u>\$ 18,494,470</u>	<u>100</u>	<u>20,263,415</u>	<u>100</u>		<b>Total liabilities and equity</b>	<u>\$ 18,494,470</u>	<u>100</u>	<u>20,263,415</u>	<u>100</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**DARWIN PRECISIONS CORPORATION**

**Statements of Comprehensive Income**

**For the years ended December 31, 2022 and 2021**

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

		<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	<b>Operating revenue</b> (Note 6(16) and 7)	\$ 6,809,294	100	10,740,173	100
5000	<b>Operating costs</b> (Note 6(5), (12), (17), Note 7)	<u>6,886,017</u>	<u>101</u>	<u>10,767,523</u>	<u>100</u>
	<b>Gross loss from operations</b>	<u>(76,723)</u>	<u>(1)</u>	<u>(27,350)</u>	<u>-</u>
6000	<b>Operating expenses</b> (Note 6(12), (17) , Note 7):				
6100	Selling expenses	134,316	2	183,107	2
6200	Administrative expenses	359,512	6	331,897	3
6300	Research and development expenses	<u>355,673</u>	<u>5</u>	<u>321,001</u>	<u>3</u>
		<u>849,501</u>	<u>13</u>	<u>836,005</u>	<u>8</u>
	<b>Loss from Operations</b>	<u>(926,224)</u>	<u>(14)</u>	<u>(863,355)</u>	<u>(8)</u>
7000	<b>Non-operating income and expenses:</b>				
7100	Interest income (Note 6(18))	36,684	1	1,431	-
7010	Other income (Note 6(18) and 7)	167,852	2	163,314	2
7020	Other gains and losses (Note 6(7), (18) and 7)	1,085,178	16	19,295	-
7050	Finance costs (Note 6(18))	(41,290)	(1)	(36,790)	-
7370	Share of (losses) profit of subsidiaries, associates and joint ventures accounted for using the equity method, net (Note 6(6))	<u>(23,309)</u>	<u>-</u>	<u>43,984</u>	<u>-</u>
		<u>1,225,115</u>	<u>18</u>	<u>191,234</u>	<u>2</u>
7900	<b>Profit (loss) before income tax</b>	298,891	4	(672,121)	(6)
7950	Less: Income tax expenses (benefit) (Note 6(13))	<u>173,227</u>	<u>2</u>	<u>(22,890)</u>	<u>-</u>
8200	<b>Profit (loss) for the period</b>	<u>125,664</u>	<u>2</u>	<u>(649,231)</u>	<u>(6)</u>
	<b>Other comprehensive income:</b>				
8360	<b>Items that may be reclassified subsequently to profit or loss</b> (Note 6(14))				
8361	Exchange differences on translation of foreign financial statements	(13,910)	-	(82,195)	(1)
8399	Income tax related to items that may be reclassified subsequently(Note 6(13))	<u>2,782</u>	<u>-</u>	<u>16,439</u>	<u>-</u>
8300	<b>Other comprehensive income(loss), net of tax</b>	<u>(11,128)</u>	<u>-</u>	<u>(65,756)</u>	<u>(1)</u>
8500	<b>Total comprehensive income (loss) for the year</b>	<u>\$ 114,536</u>	<u>2</u>	<u>(714,987)</u>	<u>(7)</u>
	<b>Earnings (loss) per share (NT dollars)</b> (Note 6(15))				
9750	Basic earnings (loss) per share	<u>\$ 0.19</u>		<u>(0.98)</u>	
9850	Diluted earnings (loss) per share	<u>\$ 0.19</u>		<u>(0.98)</u>	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**DARWIN PRECISIONS CORPORATION**

**Statements of Changes in Equity**

**For the years ended December 31, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

	Share capital		Retained earnings				Total other equity interest			Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (Accumulated deficit)	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	
<b>Balance at January 1, 2021</b>	\$ 6,655,551	4,308,845	414,023	795,270	(1,236,199)	(26,906)	(1,006,745)	(2,500)	(1,009,245)	9,928,245
Appropriation and distribution of retained earnings:										
Capital surplus used to cover accumulated deficits	-	(822,176)	-	-	822,176	822,176	-	-	-	-
Legal reserve used to cover accumulated deficits	-	-	(414,023)	-	414,023	-	-	-	-	-
	-	(822,176)	(414,023)	-	1,236,199	822,176	-	-	-	-
Loss for the year	-	-	-	-	(649,231)	(649,231)	-	-	-	(649,231)
Other comprehensive income for the year	-	-	-	-	-	-	(65,756)	-	(65,756)	(65,756)
Total comprehensive income (loss) for the year	-	-	-	-	(649,231)	(649,231)	(65,756)	-	(65,756)	(714,987)
<b>Balance at December 31, 2021</b>	<b>\$ 6,655,551</b>	<b>3,486,669</b>	<b>-</b>	<b>795,270</b>	<b>(649,231)</b>	<b>146,039</b>	<b>(1,072,501)</b>	<b>(2,500)</b>	<b>(1,075,001)</b>	<b>9,213,258</b>
<b>Balance at January 1, 2022</b>	\$ 6,655,551	3,486,669	-	795,270	(649,231)	146,039	(1,072,501)	(2,500)	(1,075,001)	9,213,258
Appropriation and distribution of retained earnings:										
Capital surplus used to cover accumulated deficits	-	(649,231)	-	-	649,231	649,231	-	-	-	-
	-	(649,231)	-	-	649,231	649,231	-	-	-	-
Profit for the year	-	-	-	-	125,664	125,664	-	-	-	125,664
Other comprehensive income for the year	-	-	-	-	-	-	(11,128)	-	(11,128)	(11,128)
Total comprehensive income (loss) for the year	-	-	-	-	125,664	125,664	(11,128)	-	(11,128)	114,536
<b>Balance at December 31, 2022</b>	<b>\$ 6,655,551</b>	<b>2,837,438</b>	<b>-</b>	<b>795,270</b>	<b>125,664</b>	<b>920,934</b>	<b>(1,083,629)</b>	<b>(2,500)</b>	<b>(1,086,129)</b>	<b>9,327,794</b>

**DARWIN PRECISIONS CORPORATION****Statements of Cash Flows****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit (Loss) before income tax</b>	\$ 298,891	(672,121)
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expense	316,328	346,956
Interest expense	41,290	36,790
Interest income	(36,684)	(1,431)
Dividend income	(1,939)	(1,768)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	23,309	(43,984)
Gain on disposal of property, plant and equipment, net	(970,015)	(24,444)
<b>Total adjustments to reconcile (loss) profit</b>	<u>(627,711)</u>	<u>312,119</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease in accounts receivable	387,749	50,589
Decrease (increase) in accounts receivable from related parties	663,173	(452,014)
Increase in other receivables	(4,835)	(26)
Decrease (increase) in other receivable from related parties	601,303	(884,554)
Decrease in inventories	167,017	94,316
(Increase) decrease in prepaid assets	(1,442)	4,947
Decrease in other current assets	3,532	7,158
<b>Total changes in operating assets</b>	<u>1,816,497</u>	<u>(1,179,584)</u>
<b>Changes in operating liabilities:</b>		
Decrease in accounts payable	(39,204)	(130,131)
(Decrease) increase in accounts payable to related parties	(852,733)	140,173
Increase (decrease) in other payables	5,665	(89,573)
(Decrease) increase in other payable to related parties	(900,584)	822,026
(Decrease) increase in provisions	(51,654)	29,505
(Decrease) increase in other current liabilities	(29,507)	196,356
<b>Total changes in operating liabilities</b>	<u>(1,868,017)</u>	<u>968,356</u>
<b>Total changes in operating assets and liabilities</b>	<u>(51,520)</u>	<u>(211,228)</u>
<b>Total adjustments</b>	<u>(679,231)</u>	<u>100,891</u>
Cash generated from operations	(380,340)	(571,230)
Interest received	36,684	1,431
Dividends received	1,823,418	352,471
Interest paid	(40,841)	(37,038)
Income taxes paid	(101,853)	(35,877)
<b>Net cash flows from (used in) operating activities</b>	<u>1,337,068</u>	<u>(290,243)</u>
<b>Cash flows from (used in) investing activities:</b>		
Return of capital of investments in equity-accounted investees	95,147	-
Acquisition of property, plant and equipment	(35,310)	(90,276)
Proceeds from disposal of property, plant and equipment	2,458,218	93,069
Decrease (Increase) in refundable deposits	94	(148)
Increase in other receivables	(2,231,952)	-
Increase in other financial assets	(921,960)	-
Increase in prepayments for business facilities	(7,901)	(10,219)
<b>Net cash used in investing activities</b>	<u>(643,664)</u>	<u>(7,574)</u>
<b>Cash flows from (used in) financing activities:</b>		
Proceeds from long-term borrowings	4,186,960	1,986,000
Repayments of long-term borrowings	(4,255,116)	(2,037,351)
Decrease in guarantee deposits received	(180)	-
<b>Net cash used in financing activities</b>	<u>(68,336)</u>	<u>(51,351)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	625,068	(349,168)
<b>Cash and cash equivalents at beginning of period</b>	898,828	1,247,996
<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,523,896</u>	<u>898,828</u>

## **Attachment 4**

# **Independent Auditors' Report**

To the Board of Directors of Darwin Precisions Corporation:

### **Opinion**

We have audited the consolidated financial statements of Darwin Precisions Corporation (“the Company”) and its subsidiaries (together referred to as “the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements 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 significant 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, 2022 and 2021, 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 (“IAS”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or 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 Auditing and Certification of Financial Statements by 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 Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **1. Revenue recognition**

Please refer to Note 4(15) and Note 6(18) of the consolidated financial statements for accounting policies on revenue recognition and revenue recognition, respectively.

Description of key audit matter:

Revenue is recognized when the control over a product has been transferred to the customer as specified in each individual contract with customers. The Group recognizes revenue depending on the various sales terms in each individual contract with customers to ensure the performance obligation has been satisfied by transferring control over a product to a customer. Therefore, revenue recognition is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures include ensuring the transaction conditions and revenue of the sale contracts have been properly recorded; random sampling of sales transactions within a certain period before and after the financial reporting date; analyzing the client contract of the sample; and evaluating the transaction conditions contained in the sales contract to confirm that revenue recognition has been recorded in an appropriate period.

2. Impairment of long-term non-financial assets (excluding goodwill)

Refer to Note 4(13) “Impairment of nonfinancial assets”, Note 5 “Critical accounting judgments and key sources of estimation and assumption uncertainty”, and Note 6(7) “Impairment-non-financial assets of estimation” of the consolidated financial statements.

Description of key audit matter:

The Group operates in an industry with high investment costs, and may experience volatility in response to changes in the external market; hence, it is important to assess the impairment of its long-term non-financial assets. The impairment assessment includes identifying cash-generating units, determining a valuation model, determining those significant assumptions, and computing the recoverable amounts. With the complexity of the impairment assessment process and the involvement of significant management judgment regarding the assumptions used, impairment assessment one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Group’ s controls surrounding the impairment assessment and testing process; assessing whether there are impairment indications for the identified cash-generating units of the Group and its related assets; understanding and assessing the appropriateness of the valuation model used by the management in the impairment assessment and the significant assumptions used to determine related assets’ future cash flows projection, useful lives, and weighted-average cost of capital; retrospectively reviewing the accuracy of assumptions used in prior-period estimates and performing a sensitivity analysis of key assumptions and results; We also performed an inquiry of the management and identified any event after the balance sheet date to determine whether it is able to affect the results of the impairment assessment.

## **Other Matter**

The Company has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified audit 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, IAS, 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 (inclusive of the Audit Committee) are responsible for overseeing the Company'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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Shyh-Huar Kuo and Chun-Yuan Wu.

KPMG

Taipei, Taiwan (Republic of China)  
February 6, 2023

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2022		December 31, 2021		Liabilities and Equity		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(1))	\$ 4,058,322	22	5,958,728	30	2100	Short-term loans (note 6(10))	\$ -	-	43,324	-
1110	Financial assets at fair value through profit or loss—current (note 6(2))	9,752	-	13,597	-	2130	Contract liabilities—current (note 6(18) and 7)	54,011	-	77,521	-
1150	Notes receivable (note 6(3))	-	-	68,831	-	2170	Accounts payable	2,095,230	11	3,895,029	20
1170	Accounts receivable (note 6(3))	1,025,278	6	1,589,699	8	2180	Accounts payable to related parties (note 7)	94,113	-	212,511	1
1180	Accounts receivable from related parties (note 6(3) and 7)	1,404,727	8	1,968,934	10	2200	Other payables	1,026,278	6	1,266,546	6
1200	Other receivables (note 6(4))	2,275,537	13	42,076	-	2220	Other payables to related parties (note 7)	14,990	-	19,673	-
1210	Other receivables from related parties (note 6(4) and 7)	557	-	1,967	-	2230	Current tax liabilities	108,172	1	227,753	1
1310	Inventories (note 6(5))	984,181	5	1,691,159	9	2250	Provisions—current (note 6(13))	58,938	-	93,215	1
1476	Other financial assets—current (note 8)	230,490	1	-	-	2320	Long-term borrowings, current portion (note 6(12) and 8)	300,794	2	40,116	-
1479	Other current assets (note 6(9) and 7)	72,177	-	153,047	1	2399	Other current liabilities (note 6(11) and 7)	325,934	2	123,801	1
		<u>10,061,021</u>	<u>55</u>	<u>11,488,038</u>	<u>58</u>			<u>4,078,460</u>	<u>22</u>	<u>5,999,489</u>	<u>30</u>
<b>Noncurrent assets:</b>						<b>Noncurrent liabilities:</b>					
1517	Financial assets at fair value through other comprehensive income—noncurrent (note 6(2))	98,263	1	98,263	-	2540	Long-term borrowings (note 6(12) and 8)	3,787,843	21	3,690,021	19
1535	Financial assets at amortized cost (note 6(2))	1,142,218	6	706,340	4	2550	Provisions—noncurrent (note 6(13))	4,688	-	17,004	-
1550	Investments in equity-accounted investees (note 6(6))	257,410	1	330,192	2	2570	Deferred tax liabilities (note 6(15))	895,320	5	833,861	4
1600	Property, plant and equipment (note 6(7),7 and 8)	5,572,871	31	6,848,937	34	2600	Other noncurrent liabilities	88,785	-	101,887	1
1755	Right-of-use assets (note 6(8) and 8)	204,974	1	210,084	1			<u>4,776,636</u>	<u>26</u>	<u>4,642,773</u>	<u>24</u>
1840	Deferred tax assets (note 6(15))	138,373	1	148,275	1		<b>Total liabilities</b>	<u>8,855,096</u>	<u>48</u>	<u>10,642,262</u>	<u>54</u>
1915	Prepayments for business facilities	10,508	-	20,374	-	<b>Equity attributable to owners of parent (note 6(16)):</b>					
1980	Other financial assets—noncurrent (note 8)	694,751	4	4,048	-	3100	Common stock	6,655,551	37	6,655,551	33
1995	Other noncurrent assets	2,501	-	969	-	3200	Capital surplus	2,837,438	16	3,486,669	17
		<u>8,121,869</u>	<u>45</u>	<u>8,367,482</u>	<u>42</u>	3300	Retained earnings	920,934	5	146,039	1
						3400	Other components of equity	(1,086,129)	(6)	(1,075,001)	(5)
							<b>Total equity</b>	<u>9,327,794</u>	<u>52</u>	<u>9,213,258</u>	<u>46</u>
<b>Total assets</b>		<b>\$ 18,182,890</b>	<b>100</b>	<b>19,855,520</b>	<b>100</b>		<b>Total liabilities and equity</b>	<b>\$ 18,182,890</b>	<b>100</b>	<b>19,855,520</b>	<b>100</b>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2022 and 2021**

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

		2022		2021	
		Amount	%	Amount	%
4000	<b>Operating Revenue</b> (notes 6(18) and 7)	\$ 14,465,590	100	20,284,221	100
5000	<b>Operating Costs</b> (notes 6(5), (14) and 7)	14,493,310	100	20,287,932	100
	<b>Gross loss from operations</b>	(27,720)	-	(3,711)	-
6000	<b>Operating expenses</b> (notes 6(3), (14) and 7):				
6100	Selling expenses	185,374	1	246,448	1
6200	Administrative expenses	580,586	4	705,710	3
6300	Research and development expenses	355,674	2	321,001	2
		1,121,634	7	1,273,159	6
	<b>Loss from Operations</b>	(1,149,354)	(7)	(1,276,870)	(6)
	<b>Non-operating income and expenses:</b>				
7100	Interest income (note 6(20))	119,364	-	84,313	-
7010	Other income (note 6(20) and 7)	146,197	1	110,918	1
7020	Other gains and losses (note 6(7) 、(20) and 7)	1,330,751	9	744,050	4
7050	Finance costs (note 6(20))	(45,317)	-	(37,046)	-
7370	Share of losses of associates and joint ventures accounted for using the equity method, net (note 6(6))	(12,533)	-	(107,146)	(1)
		1,538,462	10	795,089	4
7900	<b>Profit (loss) before income tax</b>	389,108	3	(481,781)	(2)
7950	Less: Income tax expenses (note 6(15))	263,444	2	167,450	1
	Profit (loss) for the period	125,664	1	(649,231)	(3)
8200	<b>Other comprehensive income:</b>				
8360	<b>Items that may be reclassified subsequently to profit or loss</b> (note 6(16))				
8361	Exchange differences on translation of foreign financial statements	(13,910)	-	(82,195)	-
8399	Income tax related to items that may be reclassified subsequently (note 6(15))	2,782	-	16,439	-
8300	<b>Other comprehensive income (loss), net of tax</b>	(11,128)	-	(65,756)	-
8500	<b>Total comprehensive income (loss) for the year</b>	<b>\$ 114,536</b>	<b>1</b>	<b>(714,987)</b>	<b>(3)</b>
	<b>Earnings (loss) per share (NT dollars)</b> (note 6(17))				
9750	Basic earnings (loss) per share	<b>\$ 0.19</b>		<b>(0.98)</b>	
9850	Diluted earnings (loss) per share	<b>\$ 0.19</b>		<b>(0.98)</b>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent						Other components of equity			
	Share capital		Retained earnings				Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total				
<b>Balance at January 1, 2021</b>	\$ 6,655,551	4,308,845	414,023	795,270	(1,236,199)	(26,906)	(1,006,745)	(2,500)	(1,009,245)	9,928,245
Appropriation and distribution of retained earnings:										
Capital surplus used to cover accumulated deficits	-	(822,176)	-	-	822,176	822,176	-	-	-	-
Legal reserve used to cover accumulated deficits	-	-	(414,023)	-	414,023	-	-	-	-	-
	-	(822,176)	(414,023)	-	1,236,199	822,176	-	-	-	-
Loss for the year	-	-	-	-	(649,231)	(649,231)	-	-	-	(649,231)
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(65,756)	-	(65,756)	(65,756)
Total comprehensive income (loss) for the year	-	-	-	-	(649,231)	(649,231)	(65,756)	-	(65,756)	(714,987)
<b>Balance at December 31, 2021</b>	<b>\$ 6,655,551</b>	<b>3,486,669</b>	<b>-</b>	<b>795,270</b>	<b>(649,231)</b>	<b>146,039</b>	<b>(1,072,501)</b>	<b>(2,500)</b>	<b>(1,075,001)</b>	<b>9,213,258</b>
<b>Balance at January 1, 2022</b>	\$ 6,655,551	3,486,669	-	795,270	(649,231)	146,039	(1,072,501)	(2,500)	(1,075,001)	9,213,258
Appropriation and distribution of retained earnings:										
Capital surplus used to cover accumulated deficits	-	(649,231)	-	-	649,231	649,231	-	-	-	-
	-	(649,231)	-	-	649,231	649,231	-	-	-	-
Profit for the year	-	-	-	-	125,664	125,664	-	-	-	125,664
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(11,128)	-	(11,128)	(11,128)
Total comprehensive income (loss) for the year	-	-	-	-	125,664	125,664	(11,128)	-	(11,128)	114,536
<b>Balance at December 31, 2022</b>	<b>\$ 6,655,551</b>	<b>2,837,438</b>	<b>-</b>	<b>795,270</b>	<b>125,664</b>	<b>920,934</b>	<b>(1,083,629)</b>	<b>(2,500)</b>	<b>(1,086,129)</b>	<b>9,327,794</b>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2022	2021
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit (loss) before income tax</b>	\$ 389,108	(481,781)
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expense	965,055	1,090,465
Expected credit gain	-	(2,318)
Net loss (gain) on financial instruments at fair value through profit or loss	80,068	(63,945)
Interest expense	45,317	37,046
Interest income	(119,364)	(84,313)
Dividend income	(1,939)	(1,768)
Share of loss of associates and joint ventures accounted for using equity method	12,533	107,146
Gain on disposal of investment	(148,620)	-
Gains on disposal of property, plant and equipment, net	(1,036,920)	(714,552)
Gains on disposal of right-of-use asset	-	(8,294)
Others	-	(143)
<b>Total adjustments to reconcile profit</b>	(203,870)	359,324
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
(Increase) decrease in Financial assets at fair value through profit or loss	(76,223)	123,166
Decrease in notes and accounts receivable	633,252	269,315
Decrease (increase) in accounts receivable from related parties	564,207	(521,930)
(Increase) decrease in other receivables	(4,883)	1,164
Decrease in other receivables from related parties	1,410	461,684
Decrease (increase) in inventories	698,366	(161,489)
Decrease (increase) in other current assets	71,944	(5,418)
(Increase) decrease in other noncurrent assets	(1,532)	4,350
<b>Total changes in operating assets</b>	1,886,541	170,842
<b>Changes in operating liabilities:</b>		
(Decrease) increase in accounts payable	(1,799,799)	707,389
(Decrease) increase in accounts payable to related parties	(118,398)	10,862
Decrease in other payables	(201,284)	(42,925)
(Decrease) increase in other payable to related parties	(4,683)	3,421
(Decrease) increase in provisions	(46,882)	15,748
Increase in other current liabilities	178,623	34,876
Increase in other noncurrent liabilities	6,834	44,904
<b>Total changes in operating liabilities</b>	(1,985,589)	774,275
<b>Total changes in operating assets and liabilities</b>	(99,048)	945,117
<b>Total adjustments</b>	(302,918)	1,304,441

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>2022</b>	<b>2021</b>
Cash generated from operations	86,190	822,660
Interest received	93,113	61,967
Dividends received	1,939	1,768
Interest paid	(44,477)	(37,235)
Income taxes paid	(299,291)	(126,302)
<b>Net cash (used in) provided by operating activities</b>	<b>(162,526)</b>	<b>722,858</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortized cost	(402,664)	(695,648)
Proceeds from disposal of financial assets at fair value through profit or loss	-	551,841
Return of capital of investments in equity-accounted investees	83,152	-
Acquisition of property, plant and equipment	(1,159,678)	(798,118)
Proceeds from disposal of property, plant and equipment	2,539,347	1,214,515
Proceed from disposal of right-of-use assets	-	12,752
Decrease in refundable deposits	1,158	3,878
Increase in other receivables	(2,231,952)	-
Increase in other financial assets	(921,960)	-
Increase in prepayments for business facilities	(7,901)	(10,219)
<b>Net cash (used in) provided by investing activities</b>	<b>(2,100,498)</b>	<b>279,001</b>
<b>Cash flows from (used in) financing activities:</b>		
Proceeds from short-term borrowings	118,894	173,426
Repayments of short-term borrowings	(162,814)	(130,000)
Proceeds from long-term borrowings	4,613,616	1,986,000
Repayments of long-term borrowings	(4,255,116)	(2,037,351)
(Decrease) increase in guarantee deposits received	(19,936)	19,546
Payment of lease liabilities	-	(4,857)
<b>Net cash provided by financing activities</b>	<b>294,644</b>	<b>6,764</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>67,974</b>	<b>(47,871)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(1,900,406)</b>	<b>960,752</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>5,958,728</b>	<b>4,997,976</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 4,058,322</b>	<b>5,958,728</b>

## Attachment 5

### DARWIN PRECISIONS CORPORATION 2022 Earnings Distribution Proposal

	Amount in NT\$
Items	Amount
<b>Net income of 2022</b>	125,664,198
Less : Provisioned as legal reserve	(12,566,420)
Less : Appropriation of special reserve(Note 1)	(11,127,843)
<b>Retained earnings available for distribution as of December 31, 2022</b>	101,969,935
Distribution item:	
Cash dividends to shareholders (Note 2) (NT\$0.15321035 per share)	(101,969,935)
<b>Unappropriated retained earnings, ending balance</b>	0

Note1 : The Copmany set aside the special reserve based on the decrease of other components of equity (Exchange differences on translation of foreign financial statements) that occurred in the current year.

Note2 : The above dividend per share is calculated based on the number of common shares outstanding shares on the date of local book-close period for the 2023 Annual General Shareholders' Meeting (April 16, 2023). The actual dividend per share will be based on the actual number of common shares outstanding on the record date for distribution and the total amount of cash dividends.

Kuo-Hsin (Michael) Tsai,  
Chairman

Sheng-Kai (SK) Huang,  
President

Kuo-Tai Ching,  
Chief Accounting Officer

## Attachment 6

### List of Director Candidates

(Nominated by the Company's Board of Directors)

No.	Types of Nominee	Name	Gender	Shareholding (Note)	Major Education & Experience	Major Current Positions
1	Director	Kuo-Hsin (Michael) Tsai, Representative of AUO Corporation	Male	190,107,961	- Executive MBA, National Chiao Tung University - President and COO, AUO Corporation - Senior Vice President and the General Manager, Video Solutions Business Group, AUO Corporation	- Chairman and CEO, DARWIN PRECISIONS CORPORATION
2	Director	Sheng-Kai (SK) Huang, Representative of AUO Corporation	Male		- Master of Business Administration EMBA, National Taiwan University - Master of Physics, National Cheng Kung University - Vice President, Manufacturing Business, AUO Corporation - Chairman and President, AUO Envirotech Inc.	- President, DARWIN PRECISIONS CORPORATION
3	Director	Frank Ko, Representative of AUO Corporation	Male		- Ph.D., Photonics, National Chiao Tung University - President and COO, AUO Corporation - Chairman and CEO, E INK HOLDINGS INC. - Vice President, Strategic Development Office, AUO Corporation - Vice President, TV Display Business Group, AUO Corporation	- Director, AUO Corporation - CEO and President, AUO Corporation - Director, ADLINK TECHNOLOGY INC.
4	Director	Feng-Cheng Su	Male	42,000	- Ph.D. , Materials Science and Engineering, State University of New York, Stony Brook - Vice President, AUO Corporation	- Director, ENNOSTAR Inc. - Chairman and CEO, Lextar Electronics Corp. - Chairman, Yenrich Technology Corporation - Chairman, Hexawave, Inc. - Chairman, Trendylite Corporation - Chairman, Vogito Innovation Co., Ltd
5	Independent Director	I-Shih Chen	Male	0	- Master of Management Science, National Chiao Tung University - Vice President, ACER INCORPORATED	- Chairman and CSO, Apacer Technology Inc. - Director, JOIUP TECHNOLOGY INC. - Director, OTO PHOTONICS INC.

No.	Types of Nominee	Name	Gender	Shareholding (Note)	Major Education & Experience	Major Current Positions
6	Independent Director	Cheng-Chung Li	Male	0	<ul style="list-style-type: none"> <li>- Ph.D., Materials Engineering, National Chiao Tung University</li> <li>- Master of Business EMBA, Stanford University</li> <li>- Deputy General Director of Electronic and Optoelectronic System Research Laboratories, Industrial Technology Research Institute</li> <li>- Deputy Director of Display Center Director Room, Industrial Technology Research Institute</li> </ul>	<ul style="list-style-type: none"> <li>- Deputy General Director of Electronic and Optoelectronic System Research Laboratories, Industrial Technology Research Institute</li> </ul>
7	Independent Director	Huei-Shih Lung	Female	0	<ul style="list-style-type: none"> <li>- Bachelor, Department of Business Administration, National ChengChi University</li> <li>- Chief Accounting Officer, ACER INCORPORATED</li> </ul>	<ul style="list-style-type: none"> <li>- Chairman, HsiangLung Investment Co. Ltd.</li> <li>- Chairman, Aserve Technology Corp.</li> <li>- Independent Director and member of Remuneration Committee, AOPEN Incorporated</li> <li>- Independent Director and member of Remuneration Committee, ProLight Opto Technology Corporation</li> <li>- Independent Director and member of Remuneration Committee, Acer Cyber Security Inc.</li> </ul>

Note : The collective shareholdings were shown as of April 16, 2023, the first date of local book close period for the 2023 Annual General Shareholders' Meeting.

**Reason of continuing to nominate Mr. I-Shih Chen who has served consecutively as independent director for three consecutive terms as independent director of the Company:**

Mr. I-Shih Chen has met the requirements of independence during his service as a director, and has rich industry experience and the professional ability required for business execution, so that he can continue to provide supervision and professional advice by using his expertise to the Board of Directors. In consideration of the overall diversification of the members of the Board of Directors, Mr. I-Shih Chen continues to be nominated as an independent director of the Company in this election.

## Attachment 7

### List of non-competition restrictions proposed to be lifted

Name	Released restriction items
AUO Corporation	<ul style="list-style-type: none"><li>- Director, Qisda Corporation</li><li>- Director, AUO Crystal Corporation</li><li>- Director, Konly Venture Corp.</li><li>- Director, Ronly Venture Corp.</li><li>- Director, Star River Energy Corp.</li><li>- Director, Star Shining Energy Corporation</li><li>- Director, Space Money Inc.</li><li>- Director, AUO Envirotech Inc.</li><li>- Director, AUO Display Plus Corporation</li><li>- Director, Da Ping Green Energy Corporation</li><li>- Director, AUO Health Corporation</li><li>- Director, AUO Care Inc.</li><li>- Director, ADLINK TECHNOLOGY INC.</li><li>- Director, ENNOSTAR Inc.</li><li>- Director, SINTRONES Technology Corp.</li></ul>
Kuo-Hsin (Michael) Tsai	<ul style="list-style-type: none"><li>- Chairman, Darwin Precisions (L) Corp.</li><li>- Chairman, Darwin Precisions (Hong Kong) Limited</li><li>- Chairman, FORHOUSE INTERNATIONAL HOLDING LTD.</li><li>- Chairman, FORTECH INTERNATIONAL CORP.</li><li>- Chairman, FORWARD OPTRONICS INTERNATIONAL CORPORATION</li><li>- Chairman, FOREFRONT CORPORATION</li><li>- Chairman, BriView (L) Corp.</li><li>- Director, WiBASE Industrial Solutions Inc.</li></ul>

Name	Released restriction items
Sheng-Kai (SK) Huang	<ul style="list-style-type: none"> <li>- Director, Darwin Precisions (L) Corp.</li> <li>- Director, FORHOUSE INTERNATIONAL HOLDING LTD.</li> <li>- Director, FORTECH INTERNATIONAL CORP.</li> <li>- Director, FORWARD OPTRONICS INTERNATIONAL CORPORATION</li> <li>- Director, FOREFRONT CORPORATION</li> <li>- Director, BriView (L) Corp.</li> <li>- Chairman, Darwin Precisions (Xiamen) Corp.</li> <li>- Chairman, Fortech Electronics (Suzhou) Co., Ltd.</li> <li>- Chairman, Darwin Precisions (Suzhou) Corp.</li> <li>- Chairman, Suzhou Forplax Optronics Co., Ltd.</li> <li>- Chairman, Forhouse Electronics (Suzhou) Co., Ltd.</li> </ul>
Frank Ko	<ul style="list-style-type: none"> <li>- Director, AUO Corporation</li> <li>- CEO and President, AUO Corporation</li> <li>- Director, ADLINK TECHNOLOGY INC.</li> <li>- Director, AUO Display Plus Corporation</li> <li>- Director, AUO Health Inc.</li> <li>- Director, AUO Display Plus America Corp.</li> <li>- Director, AUO Display Plus Netherlands B.V.</li> <li>- Director, Rise Vision Incorporated</li> <li>- Director, AUO Foundation</li> <li>- Director, Heilongjiang Talenda Smart Display Technology Co., Ltd.</li> </ul>
Feng-Cheng Su	<ul style="list-style-type: none"> <li>- Director, ENNOSTAR Inc.</li> <li>- Chairman and CEO, Lextar Electronics Corp.</li> <li>- Chairman, Yenrich Technology Corporation</li> <li>- Chairman, Liang Li Venture Corp.</li> <li>- Chairman, Wellybond Corporation</li> <li>- Chairman, Hexawave, Inc.</li> <li>- Chairman, Trendylite Corporation</li> <li>- Chairman, Vogito Innovation Co., Ltd</li> <li>- Director, Wellypower Optronics Corporation</li> <li>- Director, Apower Optronics Corporation</li> <li>- Director, WellyWave Semiconductors Inc.</li> <li>- Director, WELLYHERTZ ELECTRONICS CORP.</li> <li>- Director, Wellybond Optronics (H.K.) Corporation</li> </ul>

Name	Released restriction items
I-Shih Chen	<ul style="list-style-type: none"> <li>- Chairman and CSO, Apacer Technology Inc.</li> <li>- Director, Apacer Technology (BVI) Inc.</li> <li>- Director, JOIUP TECHNOLOGY INC.</li> <li>- Director, OTO PHOTONICS INC.</li> </ul>
Cheng-Chung Li	<ul style="list-style-type: none"> <li>- Deputy General Director of Electronic and Optoelectronic System Research Laboratories, Industrial Technology Research Institute</li> </ul>
Huei-Shih Lung	<ul style="list-style-type: none"> <li>- Chairman, HsiangLung Investment Co. Ltd.</li> <li>- Chairman, Aserve Technology Corp.</li> <li>- Independent Director and member of Remuneration Committee, AOPEN Incorporated</li> <li>- Independent Director and member of Remuneration Committee, ProLight Opto Technology Corporation</li> <li>- Independent Director and member of Remuneration Committee, Acer Cyber Security Inc.</li> </ul>

## Appendix 1

### **DARWIN PRECISIONS CORPORATION**

#### **Articles of Incorporation**

##### **Chapter 1 General Rules**

Article 1: The Company shall be incorporated under the Company Act, and its name shall be 達  
運精密工業股份有限公司 in the Chinese language, and DARWIN PRECISIONS  
CORPORATION in the English language.

Article 2: The scope of business of the Company shall be as follows:

1. CC01080 Electronics Components Manufacturing
2. CQ01010 Mold and Die Manufacturing
3. C805010 Manufacture of Plastic Sheets, Pipes and Tubes
4. F401010 International Trade
5. I501010 Product Designing
6. CC01040 Lighting Equipment Manufacturing
7. CC01120 Data Storage Media Manufacturing and Duplicating
8. C805050 Industrial Plastic Products Manufacturing
9. C805990 Other Plastic Products Manufacturing
10. CA02990 Other Metal Products Manufacturing
11. CE01990 Other Optics and Precision Instrument Manufacturing
12. CC01030 Electrical Appliances and Audiovisual Electronic Products  
Manufacturing
13. ZZ99999 All business items that are not prohibited or restricted by law, except  
those that are subject to special approval.

Article 3: The Company shall have its head office in Hsinchu County, and when it is determined to be necessary, upon the approval of the Board of Directors, branch offices may be established domestically or overseas.

Article 4: The Company may provide external endorsements and guarantees within the same industry or between affiliated enterprises depending upon the business needs and based on the principle of reciprocity. The operation procedure thereof shall be handled according to the Procedures for Endorsement and Guarantee of the Company.

Article 4-1: Upon the approval of the Board of Directors of the Company, the reinvestment amount of the Company in other enterprises may exceed the limit of forty percent of the paid-in capital.

##### **Chapter 2 Shares**

Article 5: The total capital of the Company shall be NTD 8,500,000,000, divided into 850,000,000 shares, at a par value of NTD 10, and the Board of Directors is authorized to perform share issuance at discrete times. An amount of NTD 200,000,000 of the total capital described in Paragraph 1 shall be reserved for the issuance of share subscription warrants, preferred shares with warrants or corporate bonds with warrants, for a total of 20,000,000 shares at a par value of NTD 10, which may be issued in discrete times according to the resolution of the Board of Directors.

In the event that the Company's shares can be bought back by the Company according to the law, the Board of Directors is authorized to execute such buyback according to the laws and regulations.

Article 6: The share certificates of the Company shall be in registered form, signed or sealed by the Directors representing the Company, and shall be duly certified or authenticated by

the bank which is competent to certify shares under the laws before issuance. For the shares issued by the Company, the printing of share certificates may be exempted; however, the shares shall be registered with a centralized securities depository enterprise.

Article 7: The shareholder services of the Company shall be handled according to the Company Act and the "Regulations Governing the Administration of Shareholder Services of Public Companies" and relevant laws and regulations announced by the competent authorities.

### **Chapter 3 Shareholders' Meeting**

Article 8: The Shareholders' meeting of the Company shall be classified into two types of regular Shareholders' meeting and extraordinary Shareholders' meeting. The regular Shareholders' meeting shall be convened at least once annually, which shall be convened within six months after the end of each fiscal year by the Board of Directors. The extraordinary Shareholders' meeting shall be convened whenever necessary according to relevant laws and regulations.

Article 8-1: The scheduled meeting date, location, and reason of convention shall be provided to all shareholders in notices and shall be announced publicly at least thirty days in advance for the convention of a regular Shareholders' meeting or at least fifteen days in advance for the convention of an extraordinary shareholders' meeting. The notice of the Shareholders' meeting shall be handled according to relevant laws and regulations.

The Shareholders' meeting of the Company can be held by means of visual communication network or other methods promulgated by the Ministry of Economic Affairs.

Article 9: Where a shareholder for any reasons cannot attend the Shareholders' meeting in person, he or she may appoint a proxy to attend a Shareholders' meeting on his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. Shareholders appointing proxies to attend meetings shall be handled according to relevant laws and regulations.

Article 10: Each shareholder of the Company shall have one voting right for each share held; however, where the Company is subject to conditions described in Article 179 of the Company Act, there shall be no voting right.

Article 11: Resolutions at a shareholders' meeting shall, unless otherwise provided for in relevant laws, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 11-1: Resolutions made in a Shareholders' meeting shall be recorded in meeting minutes and shall be handled according to Article 183 of the Company Act.

### **Chapter 4 Board of Directors and Audit Committee**

Article 12: The Company shall have five to eleven Directors, and the number of Directors shall be determined according to the resolution of the Board of Directors.

The election of Directors shall adopt a candidate nomination system, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The term of office shall be three years, and re-election shall be permissible.

Among the number of Directors, it shall include at least three Independent Directors. Relevant matters of the professional qualification, shareholding, concurrent position restrictions nomination and election methods of the Independent Directors and other necessary requirements shall be handled according to relevant laws and regulations.

For the election of Directors, each share shall have the voting rights in number equal to the number of Directors to be elected, and maybe cast for a single candidate or

split among multiple candidates. The candidates with ballots representing greater numbers of voting rights shall be elected as the Directors. Independent Directors and non-independent Directors shall be elected at the same time; however, the number of independent directors and non-independent directors elected shall be calculated separately.

During the term of office of the Directors, the Company shall purchase liability insurances for the Directors to indemnify the liabilities resulting from exercising their duties.

Article 12-1: The Company shall establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, and the Audit Committee shall consist of all Independent Directors. The first term of the Audit Committee shall be established on the date when the Independent Directors are determined through an election in the regular Shareholders' meeting in 2010.

The exercise of authorities of the Audit Committee and its members as well as relevant matters shall be handled according to the Securities and Exchange Act and relevant laws and regulations.

Article 13: The Board of Directors shall elect a Chairman of the Board Directors from among the Directors by a majority vote at a meeting attended by over two-thirds of the Directors, and the Chairman shall represent the Company externally. In addition, the same method may be adopted to elect a Vice-Chairman among the Directors.

Article 13-1: A director may appoint another director by proxy to attend a meeting of the board of directors, and the attendance by proxies shall be handled in accordance with relevant laws and regulations. In calling a meeting of the Board of Directors, a notice shall be given to each director no later than seven days prior to the scheduled meeting date; provided that in case of emergencies, such meetings may be convened at any time. In calling a meeting of the board of directors, a notice shall set forth therein the subject(s) to be discussed at the meeting and may be effected by means of writing, E-mail, or fax.

Article 14: In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the proxy thereof shall be handled according to the regulation of Article 208 of the Company Act.

Article 15: The Board of Directors is authorized to determine the remuneration for all Directors, taking into account the extent and value of the services provided for the Company's operation and with reference to the standards of industry.

#### **Chapter 5 Managerial officers**

Article 16: The Company may have one President and several Vice Presidents; the appointment, discharge, and the remuneration thereof shall be handled in accordance with relevant regulations of the Company Act, the Securities and Exchange Act and the Civil Code.

#### **Chapter 6 Accounting**

Article 17: After the end of each fiscal year, the Board of Directors shall prepare various statements and reports according to relevant regulations of the Company Act and the Securities and Exchange Act, which shall also be submitted to the regular Shareholders' meeting for acceptance.

Article 18: Where the Company has a profit before tax for each fiscal year, the Company shall first reserve certain amount of the profit to recover losses for preceding years, and then set aside no less than 1% of the remaining profit for distribution to employees as remuneration and no more than 1% of the remaining profit for distribution to directors as remuneration.

Article 18-1: Where the Company plans to cease the public issuance of its shares, it shall be

proposed to the Shareholders' meeting for resolution, and such clause shall not be changed during the public issuance of its shares.

Article 18-2: Where the Company has a profit at the end of each fiscal year, the Company shall first allocate the profit to pay taxes and cover accumulated losses, and then 10% of the remaining net earnings shall be allocated as the Company's legal reserve unless and until the accumulated legal reserve reaches the paid in capital. Certain amount shall be further allocated as special reserve or the special reserve shall be reversed in accordance with applicable laws and regulations or as requested by the competent authority. If there is still remaining earning, it shall be combined with the accumulated undistributed earnings for the Board of Directors to prepare an earnings distribution proposal in order to execute the distribution thereof through resolution according to the laws. Dividend distribution in the form of shares in whole or in part shall be approved by the shareholders' meeting. Dividend distribution in the form of cash shall be approved by the Board of Directors and a report of such distribution shall be submitted to the shareholders' meeting.

The Company's dividend policy is to pay dividends from surplus considering factors such as the Company's current and future investment environment, cash requirements, domestic and overseas competitive conditions and capital budget requirements, and taking into account the shareholders' interest, maintenance of a balanced dividend and the Company's long term financial plan. The shareholders' dividend distribution ratio, in principle, could be zero percent to eighty percent of the distributable earnings. The ratio of the cash dividends paid shall not be less than thirty percent of the total amount of the cash and stock dividends paid in the current year.

Article 18-3: Where the Company incurs no loss, it may distribute the legal reserve exceeding twenty-five percent of the paid-up capital and the capital reserve complying with the provision of Article 241 of the Company Act, in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash. Where the Company distributing surplus earning in the form of new shares to be issued by the Company, it shall be approved by the Shareholders' meeting; if such surplus earning is distributed in the form of cash, it shall be approved by the Board of Directors and reported to the Shareholders' meeting.

Article 18-4: The employees who are entitled to the bought back shares to be transferred by the Company, employee stock option, employees remunerations in the form of shares or cash, the new shares reserved for employees subscription in the Company's share offering and restricted employee stock include employees of subsidiaries of the Company meeting certain specific qualifications and the Board of Directors or the person duly designated by the Board of Directors is authorized to decide such qualifications and allocation.

### **Chapter 7 Rules**

Article 19: Any matters not specified in these Articles of Incorporation shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 20: These Articles of Incorporation were enacted on October 6, 1989. The first amendment was made on June 4, 1990. The second amendment was made on June 12, 1992. The third amendment was made on October 1, 1992. The fourth amendment was made on March 5, 1995. The fifth amendment was made on June 16, 1997. The sixth amendment was made on October 30, 1997. The seventh amendment was made on June 20, 1998. The eighth amendment was made on November 9, 1998. The ninth amendment was made on June 26, 1999. The tenth

amendment was made on June 15, 2000. The eleventh amendment was made on June 9, 2001. The twelfth amendment was made on October 13, 2001. The thirteenth amendment was made on May 28, 2002. The fourteenth amendment was made on May 30, 2003. The fifteenth amendment was made on June 24, 2004. The sixteenth amendment was made on June 30, 2005. The seventeenth amendment was made on April 27, 2006. The eighteenth amendment was made on June 13, 2007. The nineteenth amendment was made on June 13, 2008. The twentieth amendment was made on June 13, 2008. The twenty-first amendment was made on October 17, 2008. The twenty-second amendment was made on June 16, 2009. The twenty-third amendment was made on June 4, 2010. The twenty-fourth amendment was made on June 12, 2012. The twenty-fifth amendment was made on June 11, 2014. The twenty-sixth amendment was made on November 20, 2014. The twenty-seventh amendment was made on June 7, 2016. The twenty-eighth amendment was made on June 13, 2018. The twenty-ninth amendment was made on June 12, 2019. The thirtieth amendment was made on June 15, 2022.

## Appendix 2

### **DARWIN PRECISIONS CORPORATION** **Rules of Procedures for Shareholders Meeting**

Adopted by the regular shareholders meeting resolution on June 15, 2022

1. The rules of procedures for shareholders meeting of the Company, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
2. Shareholders meeting shall provide the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
3. The attendance and voting at a shareholders meeting shall be calculated based on the number of shares.
4. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.  
The restrictions on the place of the provision in the preceding paragraph shall not apply when the Company convenes a virtual-only shareholders meeting, and shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.  
When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.
5. Where a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chair, one of the directors shall be appointed by the chairman of the board to act as chair. When the chairman of the board does not make such a designation, the directors shall select from among themselves one person to serve as chair.  
Where a shareholders meeting is convened by a party with the power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
6. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.
7. The shareholders meeting, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.  
Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording shall be properly kept by the Company during the entirety of its

existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

8. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

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

When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

9. Where a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

After the chair declares the meeting adjourned, shareholders shall not further elect a chair to continue the meeting at the original site or another place.

10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not speak shall be

deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
12. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
13. Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Article 10 to 12 do not apply.
14. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
15. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
16. When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.  
In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.
17. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.  
If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.  
A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.
18. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.  
At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. In addition, on the same day after the conclusion of the shareholders meeting, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation

Post System (MOPS).

19. When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.
20. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."  
Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.  
At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.  
When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.
21. The chair decides the order of discussion and voting for various proposals proposed by shareholders in the interim motion.
22. Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of the Company may propose to the Company a proposal for discussion at a regular shareholders meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.  
Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders meeting, the Company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.  
When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.  
A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.  
The Company shall, prior to preparing and delivering the shareholders meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders meeting to be convened.
23. These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.  
Any matters not specified in these Rules shall be handled in accordance with the Company Act, Articles of Incorporation of the Company, and other relevant laws and regulations.

## Appendix 3

### **DARWIN PRECISIONS CORPORATION** **Rules for the Election of Directors (the “Rules”)**

Adopted by the regular shareholders meeting resolution on June 4, 2010

Article1: Unless otherwise provided in applicable laws and regulations, the Rules specified herein shall govern the election of the Company’s directors.

Article2: The Company’s directors shall be elected at the Shareholders’ Meeting.

Article3: In election of the Company’s directors, each share is entitled to the voting rights equivalent to the number of directors to be elected. The voting rights may be concentrated to one candidate or be allocated among several candidates.

Article4: The election of Directors shall adopt a candidate nomination system, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates, and such number shall be in compliance with the number of positions for director set forth in the Articles of Incorporation. The candidates who receive the most voting rights for the position of director shall win the election and the voting rights received shall be ranked separately to determine the Director-Elect and Independent Director-Elect.

If two or more candidates receive the same number of voting rights, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any candidate not in attendance.

If the elected director in accordance with the procedure above is confirmed that the personal information of an elected Director is not correct or that the election of an elected director shall be null pursuant to the Applicable Law, the candidate receiving second most voting rights to such director in the same Shareholders’ Meeting shall be elected to fill the vacancy.

Article 4-1: The election of independent directors and non-independent directors shall be held together, but the voting rights received shall be ranked separately to determine the Director-Elect and Independent Director-Elect.

Article5: The board of directors shall prepare the voting ballots, which shall not only be stamped with the company’s seal, but also noted the number of electors’ voting rights.

Article 6: If the candidate is a shareholder of this Company, voters shall fill the candidate's name and shareholder's number in the "candidate" column of the ballot. If the candidate is not a shareholder of this Company, voters shall fill the candidate's name, the candidate's ID number. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name(s) of their representative(s) should be filled. In the event that several candidates represent a government agency or a legal entity, the names of the representatives shall be filled separately in the column.

Article7: At the beginning of the election, the chair shall appoint a number of monitoring persons with shareholder status and a number of counting persons to perform the respective duties of votes.

Article8: The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article9: A ballot is invalid under any of the following circumstances:

1. is not provided under the Rules;

2. is placed into the ballot box blank;
3. contains illegible words or corrections;
4. If the candidate is a shareholder of this Company, the name or shareholder's number of the candidate filled in the ballot inconsistent with the shareholders' register. If the candidate is not a shareholder of this Company, the name or ID number of the candidate filled in the ballot is incorrect;
5. contains any words or marks in addition to candidate's name or shareholder's number (ID number) and the number of voting rights cast for the candidate;
6. is not filled in candidate's name or shareholder's number (ID number);
7. contains two or more candidates.

Article10: When the total number of voting rights casted for the candidates is less than the number of voting rights held by the electors, the reduced number shall be regarded as abstention.

Article 11: The voting rights shall be calculated on site immediately after the end of the poll and the results of the election shall be announced by the chair.  
The Company shall issue notifications to the persons elected as directors separately after the shareholders' meeting.

Article11-1: When a person serving as director is in violation of the provisions of Article 26-3, paragraph 3 or paragraph 4 of the Securities and Exchange Act, the qualification of director becomes invalid.

Article 12: The Rules and any amendment thereof shall become effective after approval by the Shareholders' Meeting. The Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.  
Any matters not specified in the Rules shall be handled in accordance with the Company Act and other relevant laws and regulations.

## Appendix 4

### Shareholding of Directors

- (1) As of April 16 2023, the first date of local book-close period for the 2023 Annual General Shareholders' Meeting, the issued capital of the Company is NT\$6,655,551,140 representing 665,555,114 common shares. In accordance with the Article 26 of the Securities & Exchange Act, the minimum requirements of the collective shareholding for directors are 21,297,763 common shares.
- (2) As of April 16, 2023, the actual collective shareholdings of directors were shown as below:

Title	Name	No. of Shareholding	Shareholding %
Chairman	Kuo-Hsin (Michael) Tsai, Representative of AUO Corporation	190,107,961	28.56%
Director	Sheng-Kai (SK) Huang, Representative of AUO Corporation		
Director	Frank Ko, Representative of AUO Corporation		
Director	Hsuan-Bin Chen	563,200	0.08%
Independent Director	I-Shih Chen	0	-
Independent Director	Cheng-Chung Li	0	-
Independent Director	Huei-Shih Lung	0	-
Total		190,671,161	28.64%

Note: According to the Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", "if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20 percent", and the Company has applied the above regulations.

The Company has set up an audit committee, so the provisions on the minimum percentage requirements for the shareholding of supervisors shall not apply.

## Appendix 5

### **Influence of Proposed Stock Dividend Distribution upon 2022 Operating Performance, Earnings Per Share, and Return on Investment : N/A.**

(Not applicable because the Company's Board of Directors did not propose stock dividend distribution for the year of 2022.)



Passion  
Quality  
Innovation ▶▶▶