

DARWIN PRECISIONS CORPORATION

2024 Annual General Shareholders' Meeting

Meeting Agenda (Translation)

Date: June 14, 2024

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-----Disclaimer-----

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2024 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 **2024 Annual General Shareholders' Meeting Procedure**

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

II. Meeting Agenda

DARWIN PRECISIONS CORPORATION 2024 Annual General Shareholders' Meeting Agenda

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

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 2023
 - (2) Audit Committee's Review Report of 2023
 - (3) To report the distribution of employees' and directors' remuneration of 2023
 - (4) To report the cash distribution from capital surplus
- 4 、 Recognition Items
 - (1) To accept 2023 Business Report and Financial Statements
 - (2) To accept the proposal for the distribution of 2023 earnings
- 5 、 Discussion Item
To amend the Articles of Incorporation
- 6 、 Extraordinary Motions
- 7 、 Meeting Adjourn

Report Items

1. To report the business of 2023

Explanation: The 2023 Business Report is attached hereto as Attachment 1 (pages 6~9).

2. Audit Committee's Review Report of 2023

Explanation: The Audit Committee's Review Report is attached hereto as Attachment 2 (page 10).

3. To report the distribution of employees' and directors' remuneration of 2023

Explanation :

Distribution of NT\$8,873,207 and NT\$887,321 in cash as remunerations to employees and directors, respectively, have been approved by the meeting of the Board of Directors held on January 29, 2024.

4. To report the cash distribution from capital surplus

Explanation:

- (1) It is proposed to distribute NT\$66,555,511 to shareholders in cash, NT\$0.1 per share from capital surplus of the issuing premium of the par value of the common share pursuant to Article 241 of the Company Act, have been approved by the meeting of Board held on May 2, 2024, and approved that the Chairman of the Board is authorized to determine the record date and payment date of the cash distribution from capital surplus and other related matters.
- (2) If the capital surplus cash 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 cash to be distributed to each common share based on the

total amount of cash distribution from capital surplus and the actual number of common shares outstanding on the record date for distribution.

- (3) The distribution will be based on the list of shareholders registered as of the record date of cash distribution from capital surplus. The distribution to each shareholder will be paid to the rounded-down full NT dollar. Amounts less than one whole NT dollar are rounded-down to the nearest NT dollar. The cash distribution under NT\$1 will be recognized as “Other Income” of the Company.

Recognition Items

1. To accept 2023 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanation:

- (1) The 2023 Financial Statements were audited by the independent auditors, Shyh-Huar Kuo and Yen-Hui Chen of KPMG.
- (2) For the 2023 Business Report, Independent Auditors’ Report, and Financial Statements thereto, please refer to Attachment I (pages 6~9) and Attachments 3-4 (pages 11~27).

Resolution:

2. To accept the proposal for the distribution of 2023 earnings (Proposed by the Board of Directors)

Explanation: For the Proposal for 2023 Earnings Distribution, please refer to Attachment 5 (page 28).

Resolution:

Discussion Item

To amend the Articles of Incorporation

(Proposed by the Board of Directors)

Explanation:

- (1) To comply with the operational needs. It is proposed to amend certain articles of the Articles of Incorporation of the Company.
- (2) Comparison table for before and after the amendments of the Articles of Incorporation, please refer to Attachment 6 (pages 29~30).

Resolution:

Extraordinary Motions

Meeting Adjourn

Attachment 1

2023 Annual Business Report

After the end of the COVID-19 pandemic in 2023, we expected the global economy to recover gradually. However, due to global inflation, tightening monetary policy in the U.S., and continued global geopolitical tensions, the global economic growth rate declined to 3.1% from 3.5% in 2022. In the PC industry, the inventory destocking was not as expected and inflation was causing consumption crunch. Global NB sales declined (-7%), as did MNT (-11%). Due to the optimization of product portfolio and significant improvement of operational structure, Darwin Precision's shipments increased by 26% year-on-year, MNT increased by 33% year-on-year, and overall revenue grew significantly.

In 2023, the consolidated revenue was NT\$17.77 billion, a 23% growth compared to 2022. The net operating loss was NT\$277 million, the net income after tax was NT\$115 million, and the basic earnings per share was NT\$0.17.

Looking back at 2023, important achievements and progresses are as follows:

- Manufacturing:
 - Upgrade factories' smart manufacturing capabilities and product quality:
 - Wujiang Factory: Profitability improved significantly in the second half of the year due to the automation upgrade of the NB production line and the increase in the proportion of high-end products. Launched the 259K Brightness Enhancement Fly-cut model in mass production.
 - Xiamen Factory: MNT has completed the construction and introduction of new products for Line 6 & 7; shipments grew by 33% in 2023. Completed the introduction of the brightening Fly-cut model and proceeded with mass production.
- Precision Components:
 - Low blue light MNT LCM: By adjusting the wavelength of the LED chip and re-matching other optical components, the proportion of harmful blue light can be effectively reduced to achieve the effect of low blue light eye protection.
 - Borderless MNT LCM: Through the development of highly reflective printed light guide plates and O/C process adjustment, the visual effect of borderless on all sides is achieved.
 - Automotive Mini-LEDs BLU: New technologies such as MLP and Cavity are introduced to effectively improve light efficiency and reduce the Halo Effect.
 - Auto privacy BLU: The special double-layer backlight structure achieves the switching effect of the viewing angle. It has been tested by foreign first-tier manufacturers and is now in the product verification stage.
- System Integration:
 - Display modules with adjustable curvature: The back panel curvature can be adjusted according to customer needs, and the back panel mold does not need to be re-opened due to the different curvature.
 - Photography auxiliary display: The feature of programmable logic gate is used to develop the IP of the photography auxiliary function, and the heat dissipation structure design is used to achieve the purpose of fanless, and avoid the noise generated by the fan that rotates for heat dissipation.
 - Large high-brightness display modules: Development completed for a 75" display

module with 3500 nits brightness, ensuring clear visibility in bright outdoor conditions. Additionally, a 65" display module with 4000 nits brightness has been developed, featuring 200-zone local dimming backlight control. This technology adjusts the backlight dynamically based on the displayed content, achieving energy efficiency while maintaining high brightness.

- Rugged display: The Company has developed a 15.6" rugged display with IP66 waterproof and dustproof performance, as well as special waterproof specifications for the external connectors (HDMI / USB) of the machine, and IK8 impact protection.
- Touch display module series: 15.6", 21.5", 23.8", 27", 32", 43", 55" series of touch display modules have been developed, suitable for various digital signage or Kiosk for multimedia multi-function terminal.
- Touch display with Human Machine Interface (HMI): Completed the development of 4.3" LCD operating light controller to replace the traditional membrane key switch. The customized software enables real-time switching of control interfaces. The same version of software can be used to switch between different control interfaces and can be used for different models.
- New technologies and new businesses:
 - Construction of the UFO TOUCH non-contact button: This technology makes use of a matrix lens in conjunction with specialized graphic files to produce the illusion of floating 3D images. By integrating it with floating touch technology, a multitude of application products can be created that enable users to manipulate images in the air, thereby enhancing the intuitiveness of the operating experience.
 - Dissolvable microneedle patch: 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.
 - Micro-channel biomedicine and sensor chips: Combining precision mold core processing, casting, transfer technology and simulation design, we develop organ chips for biomedical applications and precision medical testing chips.
 - Development of smart field system: Combining a variety of display devices (LCD, EPD...) with the front-end device and back-end management system equipped with the operating system, and integrating various functional sensing devices and AI technology (ToF, face recognition, AI,...) to provide a complete solution.
 - The waterproof, dustproof, and corrosion-resistant design of the outdoor reflective display unit is suitable for use in outdoor marine environments.
 - AI image recognition detection and warning prevent personnel from accidentally traversing the motorcycle lane and prevent traffic accidents.
 - The mobile full-color e-paper billboard replaces paper posters and can broadcast information such as boarding routes, government decrees, and advertisements.
 - AI-based virtual smart customer service that provides information such as sightseeing and transportation through intuitive dialogue and interaction, and supports multiple languages.

Overall Business Environment and Industry Trends:

The global PC market is expected to grow in 2024, mainly due to the strong PC replacement trend that will occur in 2024, and the substantial growth of gaming PCs. TrendForce expects the global notebook market to exhibit moderate growth in 2024, with an annual growth rate of about 3.6%, to 172 million units:

- It is expected that the inventory of major notebook manufacturers will gradually disappear.
- Slowing inflation.
- The market expects the U.S. Fed to start cutting interest rates.
- The generational change of Microsoft operating system is expected to drive the demand for notebook replacement.

In addition, the AI PC topic will continue to flourish in 2024. At the same time, when combined with the Copilot hotkeys of Microsoft's Windows 11 operating system, it is expected to drive the strong momentum of PC growth in the next two to three years.

As for automotive display panels, ITRI pointed out that automotive panels will be the fastest growing application market, with shipments of 200 million units in 2023, and the related production value will reach US\$10 billion in 2026. The compound growth rate (CAGR) was 8.1% for 2022 to 2026.

The display-related industry is expected to rebound from the trough this year and grow.

Business Strategy and Outlook

Looking forward to 2024, the Company will focus on achieving steady profits while strengthening technology development and strategic cooperation to lead the Company's future development:

- Strengthen cooperation with MNT customers for high-end models, transform the four-sided borderless production line and introduce models into mass production, and increase the proportion of OEM+ products to increase the capacity utilization rate.
- Improve NB BL automatic assembly capacity and establish the capacity to undertake high-end NB manufacturing.
- Strengthen the order-taking capacity of in-vehicle BLU in the mainland china market and international market, and establish the automotive market with potential growth in the future:
 - For client products, complete the automotive 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.
 - Promote the introduction of Mini LED backlight module GLP thinning technology in automotive displays.
- P-Device Precision Metal Mask (FMM): Execute strategic transformation and reduce losses.
- Continued to promote the microneedle technology, developed different base formulas for different application fields, and carried out supporting development for mass production automation.
- Key technology development:
 - Aim for high-end MNT LCM, with two main targets: one is four-sided borderless high-end panels, and the other is LCD modules with high color saturation and low blue light. It is hoped to gradually change the product group and increase gross profit.
 - In response to the trend of multiple screens per vehicle and the size enlargement of automotive displays, we combine optical design and ultra-precision processing technology to lock in three high value-added applications of switchable viewing angle backlights, Mini LED backlights, and curved surfaces, and accelerate the layout and formation of technology patents Task force team to accelerate product promotion.
 - Develop peripheral products related to photography auxiliary displays, such as image wireless transmission modules, which can transmit or receive images wirelessly when paired with photography auxiliary displays to increase the competitiveness of display products.
 - Research and functional development and verification are conducted for some

individual fields (such as military regulations, navigation, transportation, medical care, etc.), such as sunshine requirements, salt spray requirements, vibration requirements, etc., in order to expand the application of displays in new fields.

- The display combined with SBC (Single Board PC) product application has the function of network connection and can be applied to mass transportation display, Kiosk, etc.
- The micro-needle patch technology continues to improve and is moving towards the stage of mass production. Samples are first moving towards the field of medical aesthetics, and research and development of whitening and anti-wrinkle skin care products are being carried out. Later, they are developed into the field of medicine and pharma.
- The Organ-On-a-Chip technology continues to focus on potential projects, cultivate different types of application fields, develop micro-channel simulation technology, and simultaneously integrate the development of chip and observation system equipment, hoping to provide one-stop service for downstream customers and shorten the time for customers to develop new products.
- The pandemic prevention benefits of floating touch have attracted wide attention among the mall elevators in Taipei 101, and the Company has actively expanded it to more end-owners such as department stores, hospitals, construction companies, and public venues. With the continuous breakthrough of UFO TOUCH technology, it can be extended to public places such as ATM machines, ticket machines and cash registers (POS machines) in the future.
- Advanced field applications: Combine AI algorithms, dedicated cameras and other advanced technologies to develop complete solutions, such as commodity promotion and shelf inventory management, real-time traffic monitoring and improvement, etc., to strengthen the expansion of the application of innovative display technology in retail, mobile and other fields.

The global economic environment is still in a consolidation phase, but the worst has passed. We have seen rapid developments in AI chips and applications, which will drive the upcoming replacement wave. The Darwin team is fully committed to preparing for the market recovery, moving towards long-term stable management in dual-axis business, and continuing on the path to profitability.

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 2023. Shyh-Huar Kuo and Yen-Hui Chen, Certified Public Accountants of KPMG, have audited the Financial Statements. The 2023 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

May 2, 2024

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, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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; verifying invoices and forms 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 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 Kuo, Shyh-Huar and Chen, Yen-Hui.

KPMG

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

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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(1))	\$ 3,499,330	20	1,523,896	8	2130	Contract liabilities—current(Note 6(16) and 7)	\$ 1,983	-	24,659	-
1170	Accounts receivable(Note 6(3))	422,542	3	311,889	2	2170	Accounts payable	184,397	1	208,432	1
1180	Accounts receivable from related parties (Note 6(3) and 7)	1,758,607	10	1,413,805	8	2180	Accounts payable to related parties(Note 7)	2,099,969	12	1,664,177	9
1200	Other receivables (Note 6(4))	5,856	-	2,236,841	12	2200	Other payables	421,777	2	471,821	3
1210	Other receivables from related parties (Note 6(4) and 7)	1,385,115	8	1,420,658	8	2220	Other payables to related parties (Note 7)	1,863,900	11	1,738,178	9
1310	Inventories (Note 6(5))	237,407	1	232,379	1	2250	Provisions—current (Note 6(11))	26,762	-	37,574	-
1476	Other financial assets—current (Note 8)	307,180	2	230,490	1	2320	Long-term borrowings, current portion (Note 6(10) and 8)	490,362	3	299,912	2
1479	Other current assets (Note (6)8)	25,076	-	14,386	-	2399	Other current liabilities (Note 6(9) and 7)	213,534	1	464,442	3
		<u>7,641,113</u>	<u>44</u>	<u>7,384,344</u>	<u>40</u>			<u>5,302,684</u>	<u>30</u>	<u>4,909,195</u>	<u>27</u>
Noncurrent assets:						Noncurrent liabilities:					
1517	Financial assets at fair value through other comprehensive income—noncurrent (Note 6(2))	58,331	-	98,263	-	2540	Long-term borrowings (Note 6(10) and 8)	2,021,392	12	3,362,069	18
1550	Investments in equity-accounted investees (Note 6(6))	6,840,077	39	7,640,417	41	2550	Provisions-noncurrent(Note 6(11))	7,864	-	-	-
1600	Property, plant and equipment (Note 6(7), 7 and 8)	2,348,612	14	2,529,427	14	2570	Deferred tax liabilities (Note 6(13))	902,047	5	895,320	5
1840	Deferred tax assets (Note 6(13))	177,949	1	138,373	1	2600	Other noncurrent liabilities	30	-	92	-
1915	Prepayments for business facilities	3,726	-	10,508	-			<u>2,931,333</u>	<u>17</u>	<u>4,257,481</u>	<u>23</u>
1980	Other financial assets—noncurrent(Note 8)	385,980	2	693,138	4			<u>8,234,017</u>	<u>47</u>	<u>9,166,676</u>	<u>50</u>
		<u>9,814,675</u>	<u>56</u>	<u>11,110,126</u>	<u>60</u>						
Total assets		<u>\$ 17,455,788</u>	<u>100</u>	<u>18,494,470</u>	<u>100</u>	Total liabilities					
						Equity attributable to owners of parent (Note 6(2) and(14)):					
						3100	Common Stock	6,655,551	38	6,655,551	36
						3200	Capital surplus	2,837,442	16	2,837,438	15
						3300	Retained earnings	944,953	6	920,934	5
						3400	Other components of equity	(1,216,175)	(7)	(1,086,129)	(6)
								<u>9,221,771</u>	<u>53</u>	<u>9,327,794</u>	<u>50</u>
						Total equity		<u>9,221,771</u>	<u>53</u>	<u>9,327,794</u>	<u>50</u>
						Total liabilities and equity		<u>\$ 17,455,788</u>	<u>100</u>	<u>18,494,470</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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (Note 6(16) and 7)	\$ 8,027,530	100	6,809,294	100
5000 Operating costs (Note 6(5), (12), (17), Note 7)	8,111,200	101	6,886,017	101
Gross loss from operations	(83,670)	(1)	(76,723)	(1)
6000 Operating expenses (Note 6(12), (17) , Note 7):				
6100 Selling expenses	138,739	2	134,316	2
6200 Administrative expenses	316,640	4	359,512	6
6300 Research and development expenses	351,346	4	355,673	5
	806,725	10	849,501	13
Loss from Operations	(890,395)	(11)	(926,224)	(14)
7000 Non-operating income and expenses:				
7100 Interest income (Note 6(18))	108,294	1	36,684	1
7010 Other income (Note 6(18) and 7)	127,878	2	167,852	2
7020 Other gains and losses (Note 6(7), (18) and 7)	(39,803)	-	1,085,178	16
7050 Finance costs (Note 6(18))	(39,494)	-	(41,290)	(1)
7370 Share of profit (losses) of subsidiaries, associates and joint ventures accounted for using the equity method, net (Note 6(6))	901,224	11	(23,309)	-
	1,058,099	14	1,225,115	18
7900 Profit before income tax	167,704	3	298,891	4
7950 Less: Income tax expenses (Note 6(13))	53,045	1	173,227	2
8200 Profit for the period	114,659	2	125,664	2
Other comprehensive income:				
8310 Items that will not be reclassified subsequently to profit or loss				
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income (Note 6(2))	13,830	-	-	-
8360 Items that may be reclassified subsequently to profit or loss (Note 6(14))				
8361 Exchange differences on translation of foreign financial statements	(165,691)	(2)	(13,910)	-
8399 Income tax related to items that may be reclassified subsequently (Note 6(13))	33,145	-	2,782	-
Total items that may be reclassified subsequently to profit or loss	(132,546)	(2)	(11,128)	-
8300 Other comprehensive income(loss), net of tax	(118,716)	(2)	(11,128)	-
8500 Total comprehensive income (loss) for the year	<u>\$ (4,057)</u>	<u>-</u>	<u>114,536</u>	<u>2</u>
Earnings per share (NT dollars) (Note 6(15))				
9750 Basic earnings per share	<u>\$ 0.17</u>		<u>0.19</u>	
9850 Diluted earnings per share	<u>\$ 0.17</u>		<u>0.19</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, 2023 and 2022
(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) from financial assets measured at fair value through other comprehensive income		Total	
Balance at January 1, 2022	\$ 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	-	-	-	-	
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	
Balance at December 31, 2022	\$ 6,655,551	2,837,438	-	795,270	125,664	920,934	(1,083,629)	(2,500)	(1,086,129)	9,327,794	
Balance at January 1, 2023	\$ 6,655,551	2,837,438	-	795,270	125,664	920,934	(1,083,629)	(2,500)	(1,086,129)	9,327,794	
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	12,566	-	(12,566)	-	-	-	-	-	
Special reserve	-	-	-	11,128	(11,128)	-	-	-	-	-	
Cash dividends on ordinary share	-	-	-	-	(101,970)	(101,970)	-	-	-	(101,970)	
	-	-	12,566	11,128	(125,664)	(101,970)	-	-	-	(101,970)	
Profit for the year	-	-	-	-	114,659	114,659	-	-	-	114,659	
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(132,546)	13,830	(118,716)	(118,716)	
Total comprehensive income (loss) for the year	-	-	-	-	114,659	114,659	(132,546)	13,830	(118,716)	(4,057)	
Changes in equity of associates accounted for using equity method	-	4	-	-	-	-	-	-	-	4	
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	11,330	11,330	-	(11,330)	(11,330)	-	
Balance at December 31, 2023	\$ 6,655,551	2,837,442	12,566	806,398	125,989	944,953	(1,216,175)	-	(1,216,175)	9,221,771	

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

DARWIN PRECISIONS CORPORATION
Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) operating activities:		
Profit before income tax	\$ 167,704	298,891
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	258,587	316,328
Interest expense	39,494	41,290
Interest income	(108,294)	(36,684)
Dividend income	(178)	(1,939)
Share of (gain) loss of subsidiaries, associates and joint ventures accounted for using equity method	(901,224)	23,309
Gain on disposal of investment	(11,470)	-
Property, plant and equipment transferred to expense	343	-
Gain on disposal of property, plant and equipment, net	1,334	(970,015)
Total adjustments to reconcile (loss) profit	<u>(721,408)</u>	<u>(627,711)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in accounts receivable	(110,653)	387,749
(Increase) decrease in accounts receivable from related parties	(344,802)	663,173
Increase in other receivables	(967)	(4,835)
Decrease in other receivable from related parties	35,543	601,303
(Increase) decrease in inventories	(5,028)	167,017
Decrease (increase) in prepayments	5,078	(1,442)
(Increase) decrease in other current assets	(5,183)	3,532
Total changes in operating assets	<u>(426,012)</u>	<u>1,816,497</u>
Changes in operating liabilities:		
Decrease in accounts payable	(24,035)	(39,204)
Increase (decrease) in accounts payable to related parties	435,792	(852,733)
(Decrease) increase in other payables	(60,357)	5,665
Increase (decrease) in other payable to related parties	125,722	(900,584)
Decrease in provisions	(2,948)	(51,654)
Decrease in other current liabilities	(15,250)	(29,507)
Total changes in operating liabilities	<u>458,924</u>	<u>(1,868,017)</u>
Total changes in operating assets and liabilities	<u>32,912</u>	<u>(51,520)</u>
Total adjustments	<u>(688,496)</u>	<u>(679,231)</u>
Cash generated from operations	(520,792)	(380,340)
Interest received	108,294	36,684
Dividends received	851,081	1,823,418
Interest paid	(39,211)	(40,841)
Income taxes paid	(61,469)	(101,853)
Net cash flows from operating activities	<u>337,903</u>	<u>1,337,068</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	53,762	-
Acquisition of investments accounted for using equity method	(36,720)	-
Return of capital of investments in equity-accounted investees	472,965	95,147
Acquisition of property, plant and equipment	(26,344)	(35,310)
Proceeds from disposal of property, plant and equipment	10	2,458,218
(Increase) decrease in refundable deposits	(337)	94
Decrease (increase) in other receivables	2,231,952	(2,231,952)
Decrease (increase) in other financial assets	234,905	(921,960)
Increase in prepayments for business facilities	(36,303)	(7,901)
Net cash flows from (used in) investing activities	<u>2,893,890</u>	<u>(643,664)</u>
Cash flows from (used in) financing activities:		
Proceeds from long-term borrowings	3,001,000	4,186,960
Repayments of long-term borrowings	(4,155,327)	(4,255,116)
Decrease in guarantee deposits received	(62)	(180)
Cash dividends paid	(101,970)	-
Net cash used in financing activities	<u>(1,256,359)</u>	<u>(68,336)</u>
Net increase in cash and cash equivalents	1,975,434	625,068
Cash and cash equivalents at beginning of period	1,523,896	898,828
Cash and cash equivalents at end of period	<u>\$ 3,499,330</u>	<u>1,523,896</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, 2023 and 2022, 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 material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the 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(17) 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; verifying invoices and forms 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, 2023 and 2022, 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, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Kuo, Shyh-Huar and Chen, Yen-Hui.

KPMG

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

Notes to Readers

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

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

(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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(17) and 7)	\$ 17,769,982	100	14,465,590	100
5000 Operating costs (notes 6(5), (13), (18) and 7)	16,917,772	95	14,493,310	100
Gross profit (loss) from operations	<u>852,210</u>	<u>5</u>	<u>(27,720)</u>	<u>-</u>
6000 Operating expenses (notes 6(3), (13), (18) and 7):				
6100 Selling expenses	178,879	1	185,374	1
6200 Administrative expenses	599,406	3	580,586	4
6300 Research and development expenses	351,346	2	355,674	2
	<u>1,129,631</u>	<u>6</u>	<u>1,121,634</u>	<u>7</u>
Loss from Operations	<u>(277,421)</u>	<u>(1)</u>	<u>(1,149,354)</u>	<u>(7)</u>
7000 Non-operating income and expenses:				
7100 Interest income (note 6(19))	203,873	1	119,364	-
7010 Other income (note 6(19) and 7)	115,821	-	146,197	1
7020 Other gains and losses (note 6(7) 、(19))	(8,022)	-	1,330,751	9
7050 Finance costs (note 6(19))	(57,204)	-	(45,317)	-
7370 Share of profit (losses) of associates and joint ventures accounted for using the equity method, net (note 6(6))	818	-	(12,533)	-
	<u>255,286</u>	<u>1</u>	<u>1,538,462</u>	<u>10</u>
7900 (Loss) profit before income tax	(22,135)	-	389,108	3
7950 Less: Income tax (benefit) expenses (note 6(14))	(136,794)	(1)	263,444	2
8200 Profit for the period	<u>114,659</u>	<u>1</u>	<u>125,664</u>	<u>1</u>
Other comprehensive income:				
8310 Items that will not be reclassified subsequently to profit or loss				
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income(note 6(2))	13,830	-	-	-
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(165,691)	(1)	(13,910)	-
8399 Income tax related to items that may be reclassified subsequently (note 6(14))	33,145	-	2,782	-
Total items that may be reclassified subsequently to profit or loss	<u>(132,546)</u>	<u>(1)</u>	<u>(11,128)</u>	<u>-</u>
8300 Other comprehensive income (loss), net of tax	<u>(118,716)</u>	<u>(1)</u>	<u>(11,128)</u>	<u>-</u>
8500 Total comprehensive income (loss) for the year	<u>\$ (4,057)</u>	<u>-</u>	<u>114,536</u>	<u>1</u>
Earnings per share (NT dollars) (note 6(16))				
9750 Basic earnings per share	<u>\$ 0.17</u>		<u>0.19</u>	
9850 Diluted earnings per share	<u>\$ 0.17</u>		<u>0.19</u>	

(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, 2023 and 2022
(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) from 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				
Balance at January 1, 2022	\$ 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	-	-	-	-
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
Balance at December 31, 2022	\$ 6,655,551	2,837,438	-	795,270	125,664	920,934	(1,083,629)	(2,500)	(1,086,129)	9,327,794
Balance at January 1, 2023	\$ 6,655,551	2,837,438	-	795,270	125,664	920,934	(1,083,629)	(2,500)	(1,086,129)	9,327,794
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	12,566	-	(12,566)	-	-	-	-	-
Special reserve	-	-	-	11,128	(11,128)	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(101,970)	(101,970)	-	-	-	(101,970)
Profit for the year	-	-	-	-	114,659	114,659	-	-	-	114,659
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(132,546)	13,830	(118,716)	(118,716)
Total comprehensive income (loss) for the year	-	-	-	-	114,659	114,659	(132,546)	13,830	(118,716)	(4,057)
Changes in equity of associates accounted for using equity method	-	4	-	-	-	-	-	-	-	4
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	11,330	11,330	-	(11,330)	(11,330)	-
Balance at December 31, 2023	\$ 6,655,551	2,837,442	12,566	806,398	125,989	944,953	(1,216,175)	-	(1,216,175)	9,221,771

(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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Loss (profit) before income tax	\$ (22,135)	389,108
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	925,915	965,055
Expected credit loss	4,507	-
Net loss on financial instruments at fair value through profit or loss	16,704	80,068
Interest expense	57,204	45,317
Interest income	(203,873)	(119,364)
Dividend income	(178)	(1,939)
Share of (gain) loss of associates and joint ventures accounted for using equity method	(818)	12,533
Gain on disposal of investment	(41,567)	(148,620)
Property, plant and equipment transferred to expense	343	-
Gains on disposal of property, plant and equipment, net	(8,964)	(1,036,920)
Total adjustments to reconcile profit	749,273	(203,870)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in financial assets at fair value through profit or loss	(18,816)	(76,223)
(Increase) decrease in accounts receivable	(1,302,590)	633,252
(Increase) decrease in accounts receivable from related parties	(315,871)	564,207
Increase in other receivables	(1,043)	(4,883)
Decrease in other receivables from related parties	82	1,410
(Increase) decrease in inventories	(339,481)	698,366
Decrease in prepayments	6,012	-
(Increase) decrease in other current assets	(4,889)	71,944
Decrease (increase) in other noncurrent assets	2,138	(1,532)
Total changes in operating assets	(1,974,458)	1,886,541
Changes in operating liabilities:		
Increase (decrease) in accounts payable	1,436,356	(1,799,799)
Increase (decrease) in accounts payable to related parties	52,015	(118,398)
Increase (decrease) in other payables	77,542	(201,284)
Increase (decrease) in other payable to related parties	2,553	(4,683)
Decrease in provisions	(2,778)	(46,882)
(Decrease) increase in other current liabilities	(9,541)	178,623
Increase in other noncurrent liabilities	7,308	6,834
Total changes in operating liabilities	1,563,455	(1,985,589)
Total changes in operating assets and liabilities	(411,003)	(99,048)
Total adjustments	338,270	(302,918)

(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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash generated from operations	316,135	86,190
Interest received	196,904	93,113
Dividends received	178	1,939
Interest paid	(56,908)	(44,477)
Income taxes paid	(138,501)	(299,291)
Net cash provided by (used in) operating activities	317,808	(162,526)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(532,470)	(402,664)
Proceeds from disposal of financial assets at amortized cost	767,634	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	53,762	-
Acquisition of investments accounted for using equity method	(36,720)	-
Return of capital of investments in equity-accounted investees	-	83,152
Acquisition of property, plant and equipment	(381,149)	(1,159,678)
Proceeds from disposal of property, plant and equipment	22,974	2,539,347
(Increase) decrease in refundable deposits	(304)	1,158
Decrease (increase) in other receivables	2,231,952	(2,231,952)
Decrease (increase) in other financial assets	234,905	(921,960)
Increase in prepayments for business facilities	(36,303)	(7,901)
Net cash provided by (used in) investing activities	2,324,281	(2,100,498)
Cash flows from (used in) financing activities:		
Proceeds from short-term borrowings	-	118,894
Repayments of short-term borrowings	-	(162,814)
Proceeds from long-term borrowings	3,001,000	4,613,616
Repayments of long-term borrowings	(4,156,191)	(4,255,116)
Decrease in guarantee deposits received	(923)	(19,936)
Cash dividends paid	(101,970)	-
Net cash (used in) provided by financing activities	(1,258,084)	294,644
Effect of exchange rate changes on cash and cash equivalents	(109,794)	67,974
Net increase (decrease) in cash and cash equivalents	1,274,211	(1,900,406)
Cash and cash equivalents at beginning of year	4,058,322	5,958,728
Cash and cash equivalents at end of year	\$ 5,332,533	4,058,322

Attachment 5

DARWIN PRECISIONS CORPORATION 2023 Earnings Distribution Proposal

Items	Amount in NT\$ Amount
Net income of 2023	114,659,191
Add : Disposal of investments in equity instruments measured at fair value through other comprehensive income	11,330,228
Subtotal	125,989,419
Add : Reversal of special reserve <small>(Note 1)</small>	2,500,000
Less : Provisioned as legal reserve <small>(Note 2)</small>	(12,598,942)
Appropriation of special reserve <small>(Note 3)</small>	(115,890,477)
Unappropriated retained earnings, ending balance	0

Note1 : The Copmany will reverse the special reserve based on the increase of other components of equity (Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income) that occurred in the current year.

Note2 : According to Article 237 of the Company Act and the letter issued by the Ministry of Economic Affairs (Jing Shang-Tze No. 10802432410) on January 9, 2020.

Note3 : The Copmany will 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.

Kuo-Hsin (Michael) Tsai,
Chairman

Sheng-Kai (SK) Huang,
President

Kuo-Tai Ching,
Chief Accounting Officer

Attachment 6

**Comparison Table for the Articles of Incorporation
Before and After the Amendment**

After amendment	Before amendment	Reason of amendment
<p>Article 2: The scope of business of the Company shall be as follows:</p> <ol style="list-style-type: none"> 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 <u>13. CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing</u> <u>14. I301030 Electronic Information Supply Services</u> 15. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval. 	<p>Article 2: The scope of business of the Company shall be as follows:</p> <ol style="list-style-type: none"> 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 <u>13. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</u> 	<p>To comply with the Company's operation needs and adjust the serial number</p>
<p>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</p>	<p>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</p>	<p>To add date of revision</p>

<p>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. <u>The thirty-first amendment was made on June 14, 2024.</u></p>	<p>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.</p>	
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Appendix 1

DARWIN PRECISIONS CORPORATION **Articles of Incorporation (Before the amendments)**

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

Shareholding of Directors

- (1) As of April 16 2024, the first date of local book-close period for the 2024 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, 2024, 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	Feng-Cheng Su	100,000	0.02%
Independent Director	I-Shih Chen	0	-
Independent Director	Cheng-Chung Li	0	-
Independent Director	Huei-Shih Lung	0	-
Total		190,207,961	28.58%

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 4

Influence of Proposed Stock Dividend Distribution upon 2023 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 2023.)



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