



ONANO INDUSTRIAL CORP.

Stock Code: 6405

2024 Annual General Shareholders' Meeting

Meeting Handbook

(Translation)

June 14, 2024

DISCLAIMER :

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2024 ANNUAL SHAREHOLDERS' MEETING OF ONANO INDUSTRIAL CORP. THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY DISCREPANCY BETWEEN ENGLISH VERSION AND CHINESE VERSION, THE CHINESE VERSION SHALL PREVAIL.

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ONANO INDUSTRIAL CORP.
2024 Annual Shareholders' Meeting Procedure

1. Call the Meeting to Order
2. Chairman Remarks
3. Company Reports
4. Issues Posed for Acknowledgement
5. Extemporaneous Motion(s)
6. Adjournment

ONANO INDUSTRIAL CORP.

2024 Annual Shareholders' Meeting Agenda

Form of Shareholders' Meeting: Physical

Meeting held at: 09:00 a.m. on June 14, 2024

Meeting held in: No.18, Beiyuan Rd., Zhongli Dist., Taoyuan City, Taiwan

1. Call the Meeting to Order
2. Chairman Remarks
3. Reports on Company Affairs
 - (1) 2023 Business Report.
 - (2) 2023 Audit Committee's Review Report.
 - (3) 2023 Compensation Report for Employees and Directors.
 - (4) The Company's Capital Surplus Cash Distribution Report.
4. Issues Posed for Acknowledgement
 - (1) 2023 Business Report and Financial Statements.
 - (2) Proposal for 2023 Deficit Compensation.
5. Extemporaneous Motion(s)
6. Adjournment

Reports on Company Affairs

Report No. 1

2023 Business Report.

Description:

Please refer to Attachment 1 Page 7 of this Handbook for the Business Report.

Report No. 2

2023 Audit Committee's Review Report.

Description:

Please refer to Attachment 2 Page 8 of this Handbook for Audit Committee's Review Report.

Report No. 3

2023 Compensation Report for Employees and Directors.

Description:

Based on the company had no profits in 2023, the company will not distribute compensation to directors and employees, approved by the ninth meeting of the seventh the Board on March 14, 2024.

Report No. 4

The Company's Capital Surplus Cash Distribution Report.

Description:

1. According to Article 21 of Incorporation and Article 241 of the Company Act, the capital surplus will be distributed in cash after being approved by the Board as authorized and reported to the Annual Meeting of Shareholders.
2. The Company will withdraw NTD\$ 6,580,000 from the capital surplus of NTD\$ 460,429,223 derived from the issuance at a premium of the income to distribute to shareholders all in cash where per share distributes NTD\$ 0.1.

3. The capital surplus distribution cash is calculated on distribution ratio up to unit NTD\$, rounded up below NTD\$ 1, and the total amount of allotment less than NTD\$ 1 is included in the company's other income. If changes in the number of common shares affect the distribution ratio of shareholders, it is proposed that the Chairman be authorized to formulate the distribution cash reference date, distribution date, and other relevant issues.

Issues Posed for Acknowledgement

Proposal for acknowledgement 1 (Proposed by the Boards)

2023 Business Report and Financial Statements are submitted for approval.

Description:

1. The Company's 2023 Financial Statements have been prepared by the Board, and have been audited by CPAs, Yu, Chih-Fan and Lin, Chia-Hung of PwC Taiwan. Also, Business Report has been approved by the Audit Committee to issue the review report.
2. Please refer to Attachment 1 Page 7, Attachments 3 and 4 Pages 9 to 28 of this Handbook for the said Business Report and Financial Statements.

Decision resolved:

Proposal for acknowledgement 2 (Proposed by the Board)

Proposal for 2023 deficit compensation is submitted for approval.

Description:

1. Proposal for 2023 deficit compensation of the Company has been approved by the Board of Directors and has been reviewed by the Audit Committee on March 14, 2024.
2. Please refer to Attachment 5 Page 29 of this Handbook for 2023 deficit compensation of the Company.

Decision resolved:

Extemporaneous Motion(s)

Adjournment

Attachment 1

ONANO INDUSTRIAL CORP. 2023 Business Report

1. Implementation outcomes of the business plan:

The operating revenue of the Company in 2023 was NT\$209,016 thousand, which decreased by 44% compared with NT\$374,958 thousand in 2022. The reason for the decline in operating revenue is mainly due to factors such as rising materials and inflation, which have led to negative growth in global economic growth. Coupled with geopolitical factors, the panel market has directly faced an impact, resulting in weak market prices and continued sluggishness, and industrial losses have also gradually increased. Therefore, the slimming demand, followed by the panel semi-finished goods processing, is also deeply affected. As a result of the significant decrease in operating revenue, the gross profit in 2023 was NT\$-4,412 thousand, which decreased by 109% compared with NT\$46,769 thousand in 2022. The gross profit margin decreased from 13% in 2022 to -2% in 2023.

2. Analysis of profitability and financial position:

The Company's net operating loss was NT\$117,428 thousand in 2023, which decreased by NT\$51,827 thousand from NT\$65,601 thousand in 2022 due to the decline in revenue. The pre-tax profit decreased from NT\$37,119 thousand in 2022 to NT\$84,129 thousand in 2023, resulting in a pre-tax net loss. Net profit after tax decreased from NT\$4,454 thousand in 2022 to a net loss after tax of NT\$86,002 thousand in 2023. Basic earnings per share also decreased from NT\$0.07 in 2022 to NT\$-1.31 in 2023.

In terms of financial position, the current ratio, quick ratio and debts ratio of the Company in 2023 were 2027.2%, 2012.4%, and 3.1% respectively. The Company has always maintained sound financial operations, so the financial structure ratio is satisfactory.

Item		2023	2022	
Financial status	Current ratio (%)	2,027.20	1,297.21	
	Quick ratio (%)	2,012.40	1,288.94	
	Debt ratio (%)	3.10	7.54	
Profitability	Return on assets (%)		(3.23)	0.19
	Return on equity (%)		(3.42)	0.17
	Paid-in capital ratio	Operating income (loss)	(17.85)	(9.97)
		Profit (loss) before tax	(12.79)	5.64
	Earnings per share after tax (NTD)		(1.31)	0.07

3. Research and development status:

The Company has specialized in researching, developing, manufacturing, and serving opto-electronic glass slimming. To provide our customers with high-quality products and complete manufacturing services, the Company continues to invest in R&D in the in-house development and manufacturing of the equipment, fixture, chemical recipes, etc. In addition to fully mastering autonomous technology, it can also strengthen the overall competitiveness of the Company. R&D expenditure in 2023 amounted to NT\$65,341 thousand, an increase of 7.2% over NT\$60,958 thousand in 2022. To build the entry barriers and prolong competitive advantage, in addition to continuously improving production and management efficiency to reduce production costs, the Company's research and development will aim at providing high-quality and complete glass substrate slimming, polishing, and film coating services, including high-impedance film coated photoelectric glass process development, ultra-slim photoelectric glass process development, high performance slimming chemical recipes development.

Chairman:
Chen, Chun-Hsia

General Manager:
Chen, Chun-Hsia

Accounting Manager:
Wang, Ching-Hung

Attachment 2

Audit Committee's Review Report

The Company's Board of Directors has prepared the business report, financial statements and the deficit compensation proposal for the year 2023, in which the financial statements have been audited by Pricewaterhouse Coopers (PwC) Taiwan. An audit report thus has been issued with unqualified opinion. The above-mentioned business report, financial statements and deficit compensation proposal have been reviewed by the Audit Committee and are deemed as appropriate. Therefore, a review report is provided as above for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2024 Annual General Shareholders' Meeting, ONANO INDUSTRIAL CORP.

ONANO INDUSTRIAL CORP.

Audit Committee Convener: Li, Kun-Chang

March 14, 2024

INDEPENDENT AUDITORS' REPORT

PWCR 23000521

To the Board of Directors and Shareholders of Onano Industrial Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Onano Industrial Corp. and subsidiaries (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of 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 at 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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 Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Impairment assessment of property, plant and equipment

Description

Refer to Notes 4(14) and 4(16) for accounting policies on property, plant and equipment, Note 5(2) for the uncertainty of accounting estimates and assumptions applied on property, plant and equipment impairment valuation, and Notes 6(5) and 6(8) for details of property, plant and equipment.

As of December 31, 2023, the Group's property, plant and equipment amounted to NT\$910,401 thousand (net of accumulated impairment amounting to NT\$70,194 thousand), constituting 36% of total assets. In accordance with IAS 36, "Impairment of Assets", the Group assesses at each balance sheet date whether there is an indication of impairment. If there is an indication of impairment, the Group shall estimate the recoverable amount of those assets. Evaluation of impairment indication involves subjective judgements of management, various assumptions and estimates with high degree of uncertainty.

As the amount of property, plant and equipment is material and the valuation process of impairment loss involves management judgement, we considered impairment assessment of property, plant and equipment as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Obtained an understanding of the management access and approval process on the impairment of property, plant and equipment.
2. Obtained the asset impairment checklist used by the management based on each cash-generating unit, and assessed the reasonableness of key assumptions used by the management.

Other matter – Parent company only financial statements

We have audited and expressed an unqualified opinion on the parent company only financial statements of Onano Industrial Corp. as at and for the years ended December 31, 2023 and 2022.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

Yu, Chih-Fan

Lin, Chia-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

ONANO INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

			December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Assets			Notes					
Current assets								
1100	Cash and cash equivalents	6(1)	\$	1,126,034	44	\$	1,677,550	61
1136	Financial assets at amortised cost	6(1)		400,000	16		-	-
1170	Accounts receivable, net	6(3)		59,928	3		100,024	4
1200	Other receivables			3,048	-		2,089	-
1220	Current income tax assets			2,985	-		490	-
130X	Inventories	6(4)		3,497	-		4,431	-
1410	Prepayments			8,218	-		6,996	-
1470	Other current assets			659	-		283	-
11XX	Total current Assets			1,604,369	63		1,791,863	65
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(2)		32,169	1		-	-
1600	Property, plant and equipment	6(5)(8) and 8		910,401	36		948,895	34
1755	Right-of-use assets	6(6)		-	-		280	-
1840	Deferred income tax assets	6(23)		6,773	-		12,100	-
1900	Other non-current assets	6(5)		1,011	-		16,946	1
15XX	Total non-current assets			950,354	37		978,221	35
1XXX	Total assets		\$	2,554,723	100	\$	2,770,084	100

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ONANO INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current liabilities								
2170	Accounts payable		\$	8,634	-	\$	12,957	1
2200	Other payables	6(9)		70,508	3		59,782	2
2230	Current income tax liabilities			-	-		32,627	1
2280	Current lease liabilities			-	-		283	
2320	Long-term liabilities, current portion	6(10)		-	-		32,118	1
2399	Other current liabilities, others			-	-		365	-
21XX	Total current Liabilities			79,142	3		138,132	5
Non-current liabilities								
2540	Long-term borrowings	6(10)		-	-		68,488	3
2570	Deferred tax liabilities	6(23)		-	-		1,364	-
2600	Other non-current liabilities			61	-		1,006	-
25XX	Total non-current liabilities			61	-		70,858	3
2XXX	Total Liabilities			79,203	3		208,990	8
Equity attributable to owners of parent								
	Share capital	6(12)						
3110	Ordinary share			658,000	26		658,000	23
	Capital surplus	6(13)						
3200	Capital surplus			460,429	18		467,009	17
	Retained earnings	6(14)						
3310	Legal reserve			247,159	10		247,159	9
3320	Special reserve			3,825	-		3,825	-
3350	Unappropriated retained earnings			1,106,464	43		1,185,101	43
	Other equity interest	6(15)						
3400	Other equity interest		(357)	-		-	-
31XX	Equity attributable to owners of the parent			2,475,520	97		2,561,094	92
3XXX	Total equity			2,475,520	97		2,561,094	92
	Significant contingent liabilities and unrecoginsed contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$	2,554,723	100	\$	2,770,084	100

The accompanying notes are an integral part of these consolidated financial statements.

ONANO INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings (loss) per share amounts)

			Year ended December 31			
	Items	Notes	2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16)	\$ 209,016	100	\$ 374,958	100
5000	Operating costs	6(4)(21)	(213,428)	(102)	(328,189)	(87)
5900	Net operating margin		(4,412)	(2)	46,769	13
	Operating expenses	6(21)				
6100	Selling expenses		(7,397)	(4)	(9,309)	(3)
6200	General and administrative expenses		(40,290)	(19)	(42,132)	(11)
6300	Research and development expenses		(65,341)	(31)	(60,958)	(16)
6450	Gain on expected credit impairment	12(2)	12	-	29	-
6000	Total operating expenses		(113,016)	(54)	(112,370)	(30)
6900	Operating loss		(117,428)	(56)	(65,601)	(17)
	Non-operating income and expenses					
7100	Interest income	6(17)	33,199	16	17,186	5
7010	Other income	6(7)(18)	6,734	3	3,668	1
7020	Other gains and losses	6(19)	(6,378)	(3)	83,467	22
7050	Finance costs	6(20)	(256)	-	(1,601)	(1)
7000	Total non-operating income and expenses		33,299	16	102,720	27
7900	Profit (loss) before income tax		(84,129)	(40)	37,119	10
7950	Income tax expense	6(23)	(1,873)	(1)	(32,665)	(9)
8200	Profit (loss) for the year		(\$ 86,002)	(41)	\$ 4,454	1
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)(15)	\$ 7,008	3	(\$ 105,908)	(28)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(15)	-	-	(543)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		7,008	3	(106,451)	(28)
8300	Total other comprehensive income (loss) for the year		\$ 7,008	3	(\$ 106,451)	(28)
8500	Total comprehensive loss for the year		(\$ 78,994)	(38)	(\$ 101,997)	(27)
	Profit (loss), attributable to:					
8610	Owners of the parent		(\$ 86,002)	(41)	\$ 4,454	1
	Comprehensive loss attributable to:					
8710	Owners of the parent		(\$ 78,994)	(38)	(\$ 101,997)	(27)
	Basic earnings (loss) per share	6(24)				
9750	Total basic earnings (loss) per share		(\$ 1.31)		\$ 0.07	
	Diluted earnings (loss) per share	6(24)				
9850	Total diluted earnings (loss) per share		(\$ 1.31)		\$ 0.07	

The accompanying notes are an integral part of these consolidated financial statements.

ONANO INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent								
				Retained earnings			Other equity interest	
	Notes	Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
<u>Year ended December 31, 2022</u>								
At January 1, 2022		\$ 658,000	\$ 532,809	\$ 153,131	\$ 3,825	\$ 1,449,082	(\$ 2,156)	\$ 2,794,691
Profit for the year		-	-	-	-	4,454	-	4,454
Other comprehensive loss		-	-	-	-	-	(106,451)	(106,451)
Total comprehensive (loss) income		-	-	-	-	4,454	(106,451)	(101,997)
Appropriation and distribution of 2021 retained earnings:								
Legal reserve appropriated	6(14)	-	-	94,028	-	(94,028)	-	-
Cash dividends	6(14)	-	-	-	-	(65,800)	-	(65,800)
Cash from capital surplus	6(13)	-	(65,800)	-	-	-	-	(65,800)
Disposal of investments in equity instruments designated at fair value through other comprehensive (loss) income	6(2)(15)	-	-	-	-	(108,607)	108,607	-
At December 31, 2022		\$ 658,000	\$ 467,009	\$ 247,159	\$ 3,825	\$ 1,185,101	\$ -	\$ 2,561,094
<u>Year ended December 31, 2023</u>								
At January 1, 2023		\$ 658,000	\$ 467,009	\$ 247,159	\$ 3,825	\$ 1,185,101	\$ -	\$ 2,561,094
Loss for the year		-	-	-	-	(86,002)	-	(86,002)
Other comprehensive income		-	-	-	-	-	7,008	7,008
Total comprehensive (loss) income		-	-	-	-	(86,002)	7,008	(78,994)
Cash from capital surplus	6(13)	-	(6,580)	-	-	-	-	(6,580)
Disposal of investments in equity instruments designated at fair value through other comprehensive (loss) income	6(2)(15)	-	-	-	-	7,365	(7,365)	-
At December 31, 2023		\$ 658,000	\$ 460,429	\$ 247,159	\$ 3,825	\$ 1,106,464	(\$ 357)	\$ 2,475,520

The accompanying notes are an integral part of these consolidated financial statements.

ONANO INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		(\$ 84,129)	\$ 37,119
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges on property, plant and equipment	6(21)	65,972	84,385
Depreciation charges on right-of-use assets	6(21)	280	335
Gain on expected credit impairment	12(2)	(12)	(29)
Interest expense	6(20)	256	1,601
Interest income	6(17)	(33,199)	(17,186)
Dividend income	6(18)	(2,398)	(2,680)
Gains on disposals of property, plant and equipment	6(19)	(80)	(95)
Impairment loss recognised in profit or loss, property, plant and equipment	6(19)	-	30,483
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		40,108	95,668
Other receivables		555	(347)
Inventories		934	355
Prepayments		1,883	(652)
Other current assets		(376)	(255)
Other non-current assets		5,995	5,894
Changes in operating liabilities			
Notes payable		-	(3)
Accounts payable		(4,323)	(12,768)
Other payables		13,466	(53,697)
Other current liabilities		(365)	(407)
Cash inflow generated from operations		4,567	167,721
Interest received		31,685	15,816
Dividends received		2,398	3,237
Interest paid		(375)	(1,581)
Income taxes paid		(33,032)	(130,211)
Net cash flows from operating activities		5,243	54,982

(Continued)

ONANO INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 520,845)	(\$ 392,363)
Proceeds from disposal of financial assets at fair value through other comprehensive income		495,684	425,333
Acquisition of financial assets at amortised cost	6(1)	(400,000)	-
Acquisition of property, plant and equipment	6(25)	(23,264)	(246,014)
Proceeds from disposal of property, plant and equipment		80	95
Increase in prepayments for business facilities		-	(7,959)
Net cash flows used in investing activities		(448,345)	(220,908)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in guarantee deposits received		(945)	946
Proceeds from short-term loans	6(26)	60,000	110,000
Repayments of short-term loans	6(26)	(60,000)	(110,000)
Repayments of long-term debt	6(26)	(100,606)	(29,369)
Payments of lease liabilities	6(26)	(283)	(335)
Cash distribution of capital surplus	6(26)	(6,580)	(65,800)
Cash dividends paid	6(26)	-	(65,800)
Net cash flows used in financing activities		(108,414)	(160,358)
Net decrease in cash and cash equivalents		(551,516)	(326,284)
Cash and cash equivalents at beginning of year		1,677,550	2,003,834
Cash and cash equivalents at end of year		<u>\$ 1,126,034</u>	<u>\$ 1,677,550</u>

The accompanying notes are an integral part of these consolidated financial statements.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 23000522

To the Board of Directors and Shareholders of Onano Industrial Corp.

Opinion

We have audited the accompanying parent company only balance sheets of Onano Industrial Corp. (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of 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 parent company only financial statements present fairly, in all material respects, the financial position of the Company as at 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.

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 parent company only 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 for 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 Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Impairment assessment of property, plant and equipment

Description

Refer to Notes 4(14) and 4(16) for accounting policies on property, plant and equipment, Note 5(2) for the uncertainty of accounting estimates and assumptions applied on property, plant and equipment impairment valuation, and Notes 6(6) and 6(9) for details of property, plant and equipment.

As of December 31, 2023, the Company's property, plant and equipment amounted to NT\$910,401 thousand (net of accumulated impairment amounting to NT\$70,194 thousand), constituting 36% of total assets. In accordance with IAS 36, "Impairment of Assets", the Company assesses at each balance sheet date whether there is an indication of impairment. If there is an indication of impairment, the Company shall estimate the recoverable amount of those assets. Evaluation of impairment indication involves subjective judgements of management, various assumptions and estimates with high degree of uncertainty.

As the amount of property, plant and equipment is material and the valuation process of impairment loss involves management judgement, we considered impairment assessment of property, plant and equipment as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Obtained an understanding of the management access and approval process on the impairment of property, plant and equipment.
2. Obtained the asset impairment checklist used by the management based on each cash-generating unit, and assessed the reasonableness of key assumptions used by the management.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability 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 parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 parent company only 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 parent company only 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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only 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 parent company only 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.

Yu, Chih-Fan

Lin, Chia-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ONANO INDUSTRIAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

			December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Assets			Notes					
Current assets								
1100	Cash and cash equivalents	6(1)	\$	1,126,034	44	\$	1,631,736	59
1136	Financial assets at amortised cost	6(1)		400,000	16		-	-
1170	Accounts receivable, net	6(3)		59,928	3		100,024	4
1200	Other receivables			3,048	-		1,971	-
1220	Current income tax assets			2,985	-		490	-
130X	Inventories	6(4)		3,497	-		4,431	-
1410	Prepayments			8,218	-		6,996	-
1470	Other current assets			659	-		283	-
11XX	Total current assets			1,604,369	63		1,745,931	63
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(2)		32,169	1		-	-
1550	Investments accounted for using the equity method	6(5)		-	-		45,932	2
1600	Property, plant and equipment	6(6)(9) and 8		910,401	36		948,895	34
1755	Right-of-use assets	6(7)		-	-		280	-
1840	Deferred income tax assets	6(24)		6,773	-		12,100	-
1900	Other non-current assets	6(6)		1,011	-		16,946	1
15XX	Total non-current assets			950,354	37		1,024,153	37
1XXX	Total assets		\$	2,554,723	100	\$	2,770,084	100

(Continued)

ONANO INDUSTRIAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current liabilities								
2170	Accounts payable		\$	8,634	-	\$	12,957	1
2200	Other payables	6(10)		70,508	3		59,782	2
2230	Current income tax liabilities			-	-		32,627	1
2280	Current lease liabilities			-	-		283	-
2320	Long-term liabilities, current portion	6(11)		-	-		32,118	1
2399	Other current liabilities, others			-	-		365	-
21XX	Total current liabilities			79,142	3		138,132	5
Non-current liabilities								
2540	Long-term borrowings	6(11)		-	-		68,488	3
2570	Deferred tax liabilities	6(24)		-	-		1,364	-
2600	Other non-current liabilities			61	-		1,006	-
25XX	Total non-current liabilities			61	-		70,858	3
2XXX	Total liabilities			79,203	3		208,990	8
Equity								
	Share capital	6(13)						
3110	Ordinary share			658,000	26		658,000	23
	Capital surplus	6(14)						
3200	Capital surplus			460,429	18		467,009	17
	Retained earnings	6(15)						
3310	Legal reserve			247,159	10		247,159	9
3320	Special reserve			3,825	-		3,825	-
3350	Unappropriated retained earnings			1,106,464	43		1,185,101	43
	Other equity interest	6(16)						
3400	Other equity interest		(357)	-		-	-
3XXX	Total equity			2,475,520	97		2,561,094	92
	Significant contingent liabilities and unrecoginsed contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$	2,554,723	100	\$	2,770,084	100

The accompanying notes are an integral part of these parent company only financial statements.

ONANO INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amounts)

			Year ended December 31			
	Items	Notes	2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17)	\$ 209,016	100	\$ 374,958	100
5000	Operating costs	6(4)(22)	(213,428)	(102)	(328,189)	(87)
5900	Net operating margin		(4,412)	(2)	46,769	13
	Operating expenses	6(22)				
6100	Selling expenses		(7,397)	(4)	(9,309)	(3)
6200	General and administrative expenses		(40,229)	(19)	(42,103)	(11)
6300	Research and development expenses		(65,341)	(31)	(60,958)	(16)
6450	Gain on expected credit impairment	12(2)	12	-	29	-
6000	Total operating expenses		(112,955)	(54)	(112,341)	(30)
6900	Operating loss		(117,367)	(56)	(65,572)	(17)
	Non-operating income and expenses					
7100	Interest income	6(18)	32,337	16	16,498	4
7010	Other income	6(8)(19)	6,734	3	3,668	1
7020	Other gains and losses	6(20)	(6,463)	(3)	79,022	21
7050	Finance costs	6(21)	(256)	-	(1,601)	-
7070	Share of profit of subsidiaries, affiliates and joint ventures recognised using equity method	6(5)	886	-	5,104	1
7000	Total non-operating income and expenses		33,238	16	102,691	27
7900	Profit (loss) before income tax		(84,129)	(40)	37,119	10
7950	Income tax expense	6(24)	(1,873)	(1)	(32,665)	(9)
8200	Profit (loss) for the year		(\$ 86,002)	(41)	(\$ 4,454)	1
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)(16)	\$ 7,008	3	(\$ 105,908)	(28)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(16)	-	-	(543)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		7,008	3	(106,451)	(28)
8300	Total other comprehensive income (loss) income for the year		(\$ 7,008)	(3)	(\$ 106,451)	(28)
8500	Total comprehensive loss for the year		(\$ 78,994)	(38)	(\$ 101,997)	(27)
	Basic earnings (loss) per share	6(25)				
9750	Total basic earnings (loss) per share		(\$ 1.31)		\$ 0.07	
	Diluted earnings (loss) per share	6(25)				
9850	Total diluted earnings (loss) per share		(\$ 1.31)		\$ 0.07	

The accompanying notes are an integral part of these parent company only financial statements.

ONANO INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent						Other equity interest	Total equity
		Retained earnings					Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
	Notes	Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings			
<u>Year ended December 31, 2022</u>									
At January 1, 2022		\$ 658,000	\$ 532,809	\$ 153,131	\$ 3,825	\$ 1,449,082	(\$ 2,156)	\$ 2,794,691	
Profit for the year		-	-	-	-	4,454	-	4,454	
Other comprehensive loss		-	-	-	-	-	(106,451)	(106,451)	
Total comprehensive (loss) income		-	-	-	-	4,454	(106,451)	(101,997)	
Appropriation and distribution of 2021 retained earnings:									
Legal reserve appropriated	6(15)	-	-	94,028	-	(94,028)	-	-	
Cash dividends	6(15)	-	-	-	-	(65,800)	-	(65,800)	
Cash from capital surplus	6(14)	-	(65,800)	-	-	-	-	(65,800)	
Disposal of investments in equity instruments designated at fair value through other comprehensive (loss) income	6(2)(16)	-	-	-	-	(108,607)	108,607	-	
At December 31, 2022		\$ 658,000	\$ 467,009	\$ 247,159	\$ 3,825	\$ 1,185,101	\$ -	\$ 2,561,094	
<u>Year ended December 31, 2023</u>									
At January 1, 2023		\$ 658,000	\$ 467,009	\$ 247,159	\$ 3,825	\$ 1,185,101	\$ -	\$ 2,561,094	
Loss for the year		-	-	-	-	(86,002)	-	(86,002)	
Other comprehensive income		-	-	-	-	-	7,008	7,008	
Total comprehensive (loss) income		-	-	-	-	(86,002)	7,008	(78,994)	
Cash from capital surplus	6(14)	-	(6,580)	-	-	-	-	(6,580)	
Disposal of investments in equity instruments designated at fair value through other comprehensive (loss) income	6(2)(16)	-	-	-	-	7,365	(7,365)	-	
At December 31, 2023		\$ 658,000	\$ 460,429	\$ 247,159	\$ 3,825	\$ 1,106,464	(\$ 357)	\$ 2,475,520	

The accompanying notes are an integral part of these parent company only financial statements.

ONANO INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		(\$ 84,129)	\$ 37,119
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges on property, plant and equipment	6(22)	65,972	84,385
Depreciation charges on right-of-use assets	6(22)	280	335
Gain on expected credit impairment	12(2)	(12)	(29)
Interest expense	6(21)	256	1,601
Interest income	6(18)	(32,337)	(16,498)
Dividend income	6(19)	(2,398)	(2,680)
Share of loss of subsidiaries accounted for under equity method, associates and joint ventures	6(5)	(886)	(5,104)
Gains on disposals of property, plant and equipment	6(20)	(80)	(95)
Impairment loss recognised in profit or loss, property, plant and equipment	6(20)	-	30,483
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		40,108	95,668
Other receivables		555	(347)
Inventories		934	355
Prepayments		1,883	(652)
Other current assets		(376)	(255)
Other non-current assets		5,995	5,894
Changes in operating liabilities			
Notes payable		-	(3)
Accounts payable		(4,323)	(12,768)
Other payables		13,466	(53,697)
Other current liabilities		(365)	(407)
Cash inflow generated from operations		4,543	163,305
Interest received		30,705	15,246
Dividends received		2,398	3,237
Interest paid		(375)	(1,581)
Income taxes paid		(33,032)	(130,211)
Net cash flows from operating activities		4,239	49,996

(Continued)

ONANO INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 520,845)	(\$ 392,363)
Proceeds from disposal of financial assets at fair value through other comprehensive income		495,684	425,333
Acquisition of financial assets at amortised cost	6(1)	(400,000)	-
Proceeds from disposal of investments accounted for under equity method - subsidiaries	6(5)	46,818	-
Acquisition of property, plant and equipment	6(26)	(23,264)	(246,014)
Proceeds from disposal of property, plant and equipment		80	95
Increase in prepayments for business facilities		-	(7,959)
Net cash flows used in investing activities		(401,527)	(220,908)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in guarantee deposits received		(945)	946
Proceeds from short-term loans	6(27)	60,000	110,000
Repayments of short-term loans	6(27)	(60,000)	(110,000)
Repayments of long-term debt	6(27)	(100,606)	(29,369)
Payments of lease liabilities	6(27)	(283)	(335)
Cash distribution of capital surplus	6(27)	(6,580)	(65,800)
Cash dividends paid	6(27)	-	(65,800)
Net cash flows used in financing activities		(108,414)	(160,358)
Net decrease in cash and cash equivalents		(505,702)	(331,270)
Cash and cash equivalents at beginning of year		1,631,736	1,963,006
Cash and cash equivalents at end of year		<u>\$ 1,126,034</u>	<u>\$ 1,631,736</u>

The accompanying notes are an integral part of these parent company only financial statements.

ONANO INDUSTRIAL CORP.

2023 Deficit Compensation Sheet

Unit: NTD

Items	Amounts
Unappropriated retained earnings at beginning of the term	\$ 1,185,101,595
Add: Net loss after-tax of 2023	(86,002,467)
Less: Disposal retained earnings from the equity instruments measured at fair value through other comprehensive income	7,365,272
Unappropriated retained earnings at the end of the term	\$ 1,106,464,400

Chairman:
Chen, Chun-Hsia

General Manager:
Chen, Chun-Hsia

Accounting Manager:
Wang, Ching-Hung

Appendix 1

ONANO INDUSTRIAL CORP.

Rules of Procedure for Shareholders' Meetings

Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Article 2 The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3 Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors.

Any changes in the method of holding the Company's Shareholders' Meeting shall be resolved by the board of directors, and shall be made no later than sending the Shareholders' Meeting notice.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders' meeting or 15 days before the date of a special shareholders' meeting. And 21 days before the date of a regular shareholders' meeting or 15 days before the date of a special shareholders' meeting, the agenda and supplemental materials for the Shareholders' Meeting, make electronic versions, and upload them to the MOPS. If the amount reaches NT\$10 billion or more, or if the regular shareholders' meeting in the most recent fiscal year is held, and the shareholder's name list the total shareholding ratio of foreign and mainland investors is more than 30%, the regular shareholders' meeting shall be held 30 days before the completion of uploading electronic versions. The Company shall, at least 15 days before the Shareholders' Meeting date, properly prepare the agenda and supplemental materials for the then current Shareholders' Meeting, and make them available to shareholders for reference at any time. The meeting agenda and supplemental materials shall be displayed in the Company and its appointed professional stock service agent.

The meeting agenda and supplemental materials mentioned in the preceding paragraph shall be provided to the Company's shareholders for reference in the following ways on the then current Shareholders' Meeting day:

1. If the Company holds a physical Shareholders' Meeting, it shall issue the meeting agenda and supplemental materials on site at the meeting.
2. If the Company holds a video-assisted Shareholders' Meeting, it shall issue the meeting agenda and supplemental materials on site at the meeting, and shall send the same to the video conference platform in an electronic way.
3. If the Company holds a video Shareholders' Meeting, it shall send the meeting agenda and supplemental materials to the video conference platform in an electronic way.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

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.

A shareholder holding 1% or more of the Company's total number of outstanding shares may submit a proposal to the Company for discussion at an annual 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. Shareholders may submit a suggestive proposal to urge the Company to promote public interests or fulfill social responsibilities. The procedures shall be 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 subject to the relevant provisions of Article 172-1 of the Company Act. In addition, 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.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, correspondence or electronic means, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder shall issue only one Power of Attorney and can entrust only one proxy, and shall serve the Power of Attorney to the Company at least 5 days before the Shareholders' Meeting date. If there are more than one Power of Attorney, the one served the earliest shall prevail, unless it announces to cancel the earliest appointment of the proxy.

If a shareholder intends to attend the meeting in person or by video or to exercise voting rights by correspondence or electronically after a Power of Attorney has been served to the Company, it shall send a notice about cancellation of the Power of Attorney to the Company in writing two days before the meeting date; In case of overdue cancellation, it shall be subject to the voting rights exercised by the proxy present.

Article 5 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. Full consideration shall be given to the opinions of the independent directors with respect to the place and of the meeting.

The Company shall not be subject to the restrictions on the meeting place as specified in the preceding paragraph if it holds a video Shareholders' Meeting.

Article 6 The Company shall specify, in the meeting notice, acceptance shareholder, solicitor, the sign-in time of a proxy (hereinafter referred to as shareholder), sign-in place, and other matters for attention.

The sign-in mentioned in the preceding paragraph shall be completed at least 30 minutes prior to the meeting commencement time; There shall be clear marks, and a sufficient number of suitable persons appointed to handle sign-in affairs, at the sign-in place; For a Shareholders' Meeting held via video, shareholders shall sign in on the video conference platform of Shareholders' Meeting 30 minutes prior to the meeting commencement time, and those completed sign-in shall be deemed as attending the meeting personally.

Shareholders shall attend a Shareholders' Meeting based on attendance cards, sign-in cards, or other certificates of attendance. The Company shall not arbitrarily raise additional requirements for other certifying documents beyond those showing eligibility to attend as presented by shareholders. A solicitor soliciting a Power of Attorney shall also take identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

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 proxy, it may designate only one person to represent it in the meeting.

If a Shareholders' Meeting will be held by video conference, and a shareholder intends to attend the meeting by video conference, it shall register with the Company two days before the meeting.

If a Shareholders' Meeting will be held by video conference, the Company shall upload agenda, annual report and other related data to the video conference platform of Shareholders' Meeting at least 30 minutes before the meeting, and shall continue to disclose them, until the end of the meeting.

Article 6-1. If the Company intends to hold a Shareholders' Meeting by video, the following items shall be specified in the Shareholders' Meeting notice:

1. The methods for shareholders to attend the video conference and exercise their rights.
2. The method for dealing with any obstacles related to the video conference platform or to attending the meeting by video caused by any natural disasters, accidents or other force majeure events, at least including (that):
 - (1) The time to which the meeting must be postponed or when it shall be resumed due to occurrence the above-mentioned obstacles that continue and cannot be eliminated, and the date to which the meeting must be postponed or when it must be assumed.
 - (2) Shareholders who have not registered attending the original Shareholders' Meeting via video shall not attend the postponed or assumed meeting.
 - (3) Where a video-assisted Shareholders' Meeting is held and the video part of the meeting cannot be continued, the meeting shall continue if the total number of shares represented by the shareholders present reaches the quorum for holding a Shareholders' Meeting after deducting the number of shares represented by the Shareholders' Meeting attending the meeting via video, and the number of shares represented by the shareholders attending the meeting by video shall be included in the total number of the shares represented by the shareholders present, and it shall be regarded as abstention regarding all the resolutions at this Shareholders' Meeting.
 - (4) The method for dealing with the situation where the results of all the motions have been announced without extraordinary motion made.
3. For holding a video Shareholders' Meeting, appropriate alternative measures offered to the shareholders who have difficulty in attending the meeting by video shall be specified.

Article 7 If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

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

If a Shareholders Meeting is convened by the Board of Directors, the meeting shall be presided over by the Chairman in person, and there shall be over half of the directors from the Board of Directors and at least one member of various functional committees attending the meeting on behalf of these committees, and the attendance status shall be recorded in the minutes of the Shareholders' Meeting.

If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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.

- Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.
- The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- If a Shareholders' Meeting is held by video conference, the Company shall record shareholder's registration, sign-in, questioning and voting, the Company's vote counting results and other data, and shall keep such records, and record the audio and video throughout the meeting without interruption.
- The Company shall properly keep the data as well as the audio and video recordings mentioned in the preceding paragraph during its survival period, and provide the audio and video recordings to the person dealing with the video meeting-related affairs as entrusted, for keeping.
- If a Shareholders' Meeting is held by video conference, the Company shall record the audio and video on video conference platform backstage operation interface.
- Article 9 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares represented by the shareholders present shall be the number of shares specified in the attendance book or delivered sign-in cards and the number of shares represented by the shareholders signed in on video conference platform, plus the number of shares represented by the shareholders exercised voting rights in writing or electronically.
- The chair shall call the meeting to order upon the meeting time, while announcing relevant information, including the number of non-voting rights and the number of shares in attendance.
- 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 there are only the shareholders representing less than 1/3 of the total issued shares present after 2 postponements, the chairperson shall announcement adjournment. If a Shareholders' Meeting is held by video conference, the Company shall announce such adjournment on the video conference platform of Shareholders' Meeting separately.
- If there are shareholders representing less than 1/3 of the total issued shares present after 2 postponements as specified in the preceding paragraph, a tentative resolution may be made pursuant to Apr. under Article 175 of the Company Act; And all shareholders shall be notified of the tentative resolution and another Shareholders' Meeting shall be held within 1 month; If the Shareholders' Meeting will be held by video conference, a shareholder who intends to attend the meeting by video shall register with the Company again according to Article 6.
- When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- Article 10 If 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 the proposals on the agenda one by one (including extempore 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 by 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 and call for a vote and arrange sufficient time for voting.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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.

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.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

If a Shareholders' Meeting is held by video conference, the shareholders attending the meeting by video may ask questions in text form on the video conference platform of Shareholders' Meeting, after the chairperson has announced opening of the meeting, until announcing closure of the meeting. Questions may be raised for each proposal for no more than 2 times, and each question shall be limited to 200 characters, and paragraphs 1 to 5 shall not apply.

If the preceding questioning does not violate the rules or exceed the scope of the agenda item, the Company shall disclose on video conference platform to well-known.

Article 12 Voting at a shareholders' meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

If a shareholder intends to attend the Shareholders' Meeting in person or by video after having exercised voting rights in writing or electronically, it shall cancel its intention showed in or related to

the said exercising of voting rights two days before the meeting date in the same way as it has exercised voting rights. In case of overdue cancellation, it shall be subject to the voting rights exercised in writing or electronically. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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. the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

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.

If the Company holds a Shareholders' Meeting by video, the shareholders attending the meeting by video shall vote for various proposals and election proposals through the video conference platform of Shareholders' Meeting after the chairperson has announced opening of the meeting. Such voting shall be completed before the chairperson announces closure of the meeting, and any overdue voting shall be deemed as abstention.

If a Shareholders' Meeting is held by video conference, vote shall be calculated at one time after the chairperson announces ending of voting, and the voting and election results shall be announced.

Where the Company holds a video-assisted Shareholders' Meeting, if a shareholder who has registered to attend the meeting via video under Article 6 intends to attend the meeting physically in person, it shall cancel the registration two days before the meeting in the same way as it has been registered; In case of overdue cancellation, it may attend the meeting via video only.

If a shareholder attending a Shareholders' Meeting via video has exercised voting rights in writing or electronically and has not canceled its intention, it shall not exercise voting rights again on, or propose any amendment to, the former proposal or exercise voting rights on such amendment, except for extraordinary motion.

Article 14 Election of directors at a Shareholders' Meeting, if any, shall be subject to the related election rules formulated by the Company, and the election results shall be announced on the spot, including the list of those elected as directors and the numbers of votes they won and list of those lose the election as directors and the numbers of votes they gained.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of votes won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

If a Shareholders' Meeting is held by video conference, meeting minutes shall specify the opening and ending time of the meeting, meeting holding method, name of the chairperson and the minutes, and the method for dealing with any obstacles related to the video conference platform or to attending the meeting by video caused by any natural disasters, accidents or other force majeure events and the situation thereafter, in addition to the matters that shall be recorded as specified in the preceding paragraph.

If the Company holds a video Shareholders' Meeting, it shall specify, in the minutes of the meeting, the alternative measures offered to the shareholders who have difficulty in attending the meeting by video, in addition to complying with the preceding paragraph.

Article 16 The Company shall expressly disclose the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, and the number of shares represented by the shareholders attending the meeting in writing or electronically, in the meeting place, by using the statistical statement prepared in the stipulated format, on the current day of the Shareholder' Meeting. If the Company holds a Shareholders' Meeting by video, the total shares represented by the shareholders attending the meeting shall be disclosed on video conference platform upon announcement of the opening of the meeting. The same shall apply if total number of shares represented by the shareholders attending the meeting and the number of their voting rights are calculated separately during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

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

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.

Article 18 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 5 days in accordance with Article 182 of the Company Act.

Article 19 If a Shareholders' Meeting is held by video conference, the Company shall, after ending of the voting, disclose the voting results of various proposals and election results in a real time on the video conference platform of Shareholders' Meeting according to stipulations in a continued way for 15 minutes after the chairperson announces a postponement of the meeting.

Article 20 When the Company holds a video Shareholders' Meeting, chairperson and recording persons shall be at the same place in domestic, and the chairperson shall announce the address of such place when the meeting is held.

Article 21 If a Shareholders' Meeting is held by video conference, the Company shall make a simple test on connection between and among shareholders before the meeting, and shall provide related services in a real time before and during the meeting to offer assistance in dealing with any technical problems in communication.

If a Shareholders' Meeting is held by video conference, the chairperson shall, upon announcement of the opening of the meeting, separately announce that the meeting shall be adjourned within 5 days or the date when the meeting shall be assumed, and that Article 182 of the Company Act shall not apply, if any obstacle related to the video conference platform or to attending the meeting by video caused by any natural disasters, accidents or other force majeure events lasts for more than 30 minutes before the chairperson announces adjournment of the meeting, except for the situation that adjournment of meeting or assumed meeting is not required as specified in paragraph 4 under Article 44-20 of the Regulations on Dealing with Stock-related Affairs for Public Offering Companies.

In case of postponed or assumed meeting as specified in the preceding paragraph, the shareholders who have not registered attending the original Shareholders' Meeting via video shall not attend the postponed or assumed meeting.

Where a meeting needs to be postponed or resumed under paragraph 2, if a shareholder who has registered attending the original Shareholders' Meeting via video and have signed in does not attend the postponed or resumed meeting, the shares represented, and the voting and election rights already exercised, by it at the original Shareholders' Meeting shall be included and calculated in the total shares and the number of voting and election rights represented by the shareholders attending the postponed or resumed meeting.

If a Shareholders' Meeting is postponed or resumed under paragraph 2, a proposal for which voting and votes accounting have been completed and voting results or the list of those elected as directors and supervisors have been announced may not be discussed or revolved again.

Where the Company holds a video-assisted Shareholders' Meeting, in case of the failure in proceeding the video part of the meeting under paragraph 2, the Shareholders' Meeting shall proceed, without the necessity to adjourn or assume the meeting according to paragraph 2, if the total shares represented by the shareholders present reach the quorum for holding a Shareholders' Meeting after deducting the shares represented by the shareholders attending the meeting by video.

If a meeting shall proceed as specified in the preceding paragraph, the shares represented by a shareholder attending the Shareholders Meeting via video shall be included and calculated into the total shares represented by the shareholders attending the meeting, but it shall be deemed as abstaining from voting on all the resolutions of at the meeting.

If the Company adjourn or resume a Shareholders' Meeting under paragraph 2, it shall make preparation based on the original meeting date and such provisions in accordance with paragraph 7 under Article 44-20 of the Regulations on Dealing with Stock-related Affairs for Public Offering Companies.

As for the time period specified in the paragraph(s) after Article 12 and paragraph 3 under Article 13 of the Regulations on the Use of Power of Attorney to Attend Shareholders' Meeting for Public Offering Companies and in the paragraph 2 under Article 44-5, Article 44-15, and paragraph 1 under Article 44-17 of the Regulations on Dealing with Stock-related Affairs for Public Offering Companies, the Company shall handle it based on the postponed or assumed meeting date according to paragraph 2.

Article 22 If the Company holds a video Shareholders' Meeting, it shall offer appropriate alternative measures to the shareholders who have difficulty in attending the meeting by video.

Article 23 These Rules shall take effect after approval by shareholders' meetings, including any amendments.

Article 24 These Rules were formulated on June 15, 2012.

The 1st amendment was made on March 21, 2013.

The 2nd amendment was made on June 11, 2015.

The 3rd amendment was made on June 12, 2020.

The 4th amendment was made on July 15, 2021.

The 5th amendment was made on June 16, 2022.

Appendix 2

ONANO INDUSTRIAL CORP.

Articles of Incorporation

Chapter 1 General Provisions

- Article 1: Subject to the Company Act, the Company shall organize named Onano Industrial Corp., and the English named Onano Industrial Corp.
- Article 2: The Company's businesses are as follows:
1. C805050 Industrial Plastic Products Manufacturing
 2. CC01080 Electronics Components Manufacturing
 3. F119010 Wholesale of Electronic Materials
 4. F401010 International Trade
 5. All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The Company's investment not subject to Article 13 of the Company Act may not exceed 40% of its paid-in capital.
- Article 2-2: The Company may provide endorsement or guarantee due to business needs and proceed according to its Procedures of Endorsement or Guarantee.
- Article 3: The Company is headquartered in Taipei City, and may establish subsidiaries at home and abroad by the resolution of its Board of Directors if necessary.
- Article 4: The Company's announcement method shall be subject to Article 28 of the Company Act and competent securities authority.

Chapter 2 Shares

- Article 5: The Company's total capital is registered at NT\$1.5 billion, which is composed of 150 million shares with a par value of NT\$10 only per share. The Board of Directors is authorized to issue the shares in batches. The total number of shares in the preceding paragraph reserves 2 million shares for the issuance of employee stock option certificates, and the Board of Directors is authorized to issue the shares in batches.
- Article 6: The Company's all shares are registered, and are signed or affixed with seal by three directors or more, and are certified legally before they will be issued.
The Company may adopt non-physically exempted from printing stock certificates for the shares after being publicly issued, only it shall register their issuance with the centralized securities depository enterprises.
- Article 6-1: The Company deals with affairs in compliance with the Regulations on Dealing with Stock-related Affairs for Public Offering Companies after publicly issued shares.
- Article 7: Register of shareholders on the record shall change at least 60 days before the regular Shareholders' Meeting, 30 days before the special Shareholders' Meeting, or the transfer of shares shall be stopped at least 5 days before the based date for distribution of dividends and bonuses or other benefits as decided by the Company.

Chapter 3 Shareholders' Meetings

- Article 8: Shareholders' Meetings are composed of regular Shareholders' Meetings and special Shareholders' Meetings. Regular Shareholders' Meetings shall be held within six months after the end of each fiscal year under the Board of Directors legally. Special Shareholders' Meetings shall be held legally if it is necessary. Shareholders' meetings may be held in the form of physical shareholders' meetings, video-assisted shareholders' meetings, or video-conference shareholders' meetings after resolution of the Board of

Directors, and shall be subject to the Regulations on Dealing with Stock-related Affairs for Public Offering Companies published by the competent authority.

Article 8-1: The Company's regular shareholders' meeting shall be held 30 days before the meeting, and the special shareholders' meeting shall be held 15 days before the meeting, and the date, place and reason for the meeting shall be notified to all shareholders.

Article 9: For the shareholders' meeting, a shareholder cannot attend due to any reason and may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. In addition to the provisions of Article 177 of the Company Act, the procedures for shareholders to entrust attendance shall be subject to the Regulations on Dealing with Stock-related Affairs for Public Offering Companies promulgated by the competent authority after the Company's shares are publicly issued.

Article 9-1: The chairman shall serve as a chairperson for a Shareholders' Meeting. If the chairman asks for leave or cannot exercise the said powers due to any reason, he/she shall designate a director to act as chairperson for him/her. In the absence of such a designation, the directors shall elect a chairperson among themselves. 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.

Article 10: The Company's shareholders shall be entitled to one vote for each share held by it, except for any shareholder who is entitled to no voting right as specified under Article 179 of the Company Act.

Article 11: Unless otherwise provided for in the Company Act, resolutions of the Shareholders' Meeting shall be approved by the shareholders representing more than half of the voting rights of the shareholders attending such meeting as is attended by the shareholders representing over half of the total number of issued shares. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes of the preceding paragraph may be made and distributed in a public announcement.

Article 12: The Company cease its status as a public company shall be approved by the shareholders representing more than two-thirds of the voting rights of the shareholders attending such meeting as is attended by the shareholders representing over half of the total number of issued shares.

The attending shareholders holding a total number of outstanding shares less than the preceding total shareholdings may be approved by the shareholders representing more than half of the voting rights of the shareholders attending such meeting as is attended by the shareholders representing over two-thirds of the total number of issued shares.

Chapter 4 Directors and Audit Committee

Article 13: The Company engages seven to nine directors, with a three-year term, who have the capacity to be elected by the Shareholders' Meeting, and can be re-elected. Subject to Article 192, paragraph 1 of the Company Act, the directors shall be elected by the Shareholders' Meeting from the director nomination list by adopting the candidates nomination system. In case of failure to conduct a re-election timely upon expiration of the tenure of a director, the tenure of such director shall be extended, until a newly elected director takes office legally.

The Company may purchase liability insurance for the directors during their tenure for the compensation liabilities they are legally required to undertake in the scope of their business.

Conform to Article 14-2 of the Securities and Exchange Act, Among the Company's directors, there shall be no less than three independent directors, accounting to no less than one-fifth of the total number of directors. The professional qualifications, shareholding, restriction on concurrent positions, and nomination and election methods of, and other provisions that shall be complied with regarding, independent directors shall be subject to the relevant regulations of competent securities authority.

Article 14: Directors shall organize the Board of Directors to elect a Chairman among them as approved by more than half of the directors attending such meeting as is attended by over two-thirds of all the directors. The Chairman represents the Company.

Article 14-1: The Board of Directors' meeting shall be held at least once a quarter and shall be convened by the Chairman. But the first meeting of each Board of Directors shall be convened by the director obtained the ballots with the most voting rights. The first meeting of each Board of Directors shall be held within 15 days after re-election.

Article 14-2: If the Board of Directors' meeting is held, the reasons shall be specified, and directors shall be notified at least 7 days before the meeting date. However, a meeting may be held at any time in case of any emergency. The Board of Directors' meeting notice shall be notified in writing or by e-mail or fax.

Article 14-3: Unless otherwise provided by the Company Act, a resolution shall be adopted by the Board of Directors approval of more than half of the attending directors.

Article 15: If the chairman asks for leave or cannot exercise the said powers due to any reason, his agency shall be handled in accordance with the provisions of Article 208 of the Company Act.

A director shall attend a Board of Directors' meeting in person. If a Board of Directors' meeting will be held by video conference The directors who attend the meeting by video conference shall be deemed as attending the meeting personally. If a director cannot attend in person due to any reason that may entrust other directors to attend a meeting for him/her, he/she shall issue a Power of Attorney each time, specifying authorization scope based on the reasons for holding the meeting, the independent director shall be present in person or entrust other independent director representatives to attend. For the purpose of the preceding paragraphs, a proxy shall be entrusted by one director only.

Article 16: The remuneration of the directors of the Company, regardless of operation profit or loss, shall be determined by the Board of Directors authorized according to the participation in the Company's operations and the value of their contributions, taking into account domestic and foreign industry standards.

Article 17: The Company engages an Audit Committee established in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee was composed of all independent directors.

The exercise of powers and related matters of the Audit Committee and its members shall be handled subject to the Securities and Exchange Act and related laws and regulations.

Chapter 5 Managers

Article 18: The Company may engage managers, whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 19: The Company's fiscal year begins on January 1 of each year and ends on December 31 of

the same year. At the end of each fiscal year, the Board of Directors shall prepare the list prescribed in Article 228 of the Company Act and submit it to the regular shareholders' meeting for approval legally.

Article 20: If the Company makes a profit in the year, it is proposed no less than 0.5% of the employee's remuneration and no more than 3% of the director's remuneration. But if the Company has accumulated a deficit, the profit shall be reserved for deficit compensation. Distribution of profits in shares or cash for the employee and director remuneration shall be resolved by the Board of Directors approved by more than half of the directors attending such meeting as is attended by over two-thirds of all the directors, and it shall be reported to the Shareholders' Meeting.

The Company's distribution of employee remuneration, issuance of new shares for employee rights, issuance of share subscription warrants to employees, issuance of new shares to employees who purchase shares, and objects of share purchase and transfer may include employees of the Company controlled or subordinated by specific requirements set by the Board of Directors.

Article 21: If the Company has surplus profits in its annual final accounts, it shall pay taxes legally. After the deficit compensation of previous years, another 10% shall be set aside as a legal reserve. However, when the legal reserve amounts to the paid-in shares capital, it shall not be applied. Aside from the aforesaid legal reserve, the company may set aside another sum as a special reserve legally. If there are any surplus profits, the undistributed accumulated surplus from the previous year may be added, and the Board of Directors shall prepare a distribution plan and submit it to the Shareholders' Meeting for a resolution on the distribution of shareholder bonuses.

Distribution of dividends and bonuses or legal reserve from the capital surplus all or part in cash subject to Article 241 of the Company Act shall be approved by more than half of the directors attending the Board of Directors' Meeting authorized as is attended by over two-thirds of all the directors, and it shall be reported to the Shareholders' Meeting.

The Company's dividend and bonuses distribution policy must be determined by the Board of Directors based on factors such as the Company's current and future investment environment, capital needs, domestic and foreign competition situations, and capital budgets, etc., and taking into account shareholders' interests, balanced dividends and bonuses, and the Company's long-term financial planning, etc. The after-tax surplus profits in excess of the current year are the principle, but under special circumstances, they can also be distributed as a capital surplus or accumulated distributable surplus profits. In addition, the distribution of shareholder bonuses can be distributed in cash or share, and the proportion of shareholder cash bonuses distribution shall not be less than 10% of the total shareholder bonuses.

Chapter 7 Supplementary Provisions

Article 22: Any issues or matters not specified in the Articles of Incorporation shall be subject to the Company Act and other relevant laws and regulations.

Article 23: The Articles of Incorporation shall be formulated on June 20, 2004.

The 1st amendment was made on May 25, 2005.

The 2nd amendment was made on February 26, 2006.

The 3rd amendment was made on June 30, 2006.

The 4th amendment was made on June 27, 2008.

The 5th amendment was made on May 31, 2010.

The 6th amendment was made on June 15, 2012.

The 7th amendment was made on March 21, 2013.

The 8th amendment was made on June 17, 2016.

The 9th amendment was made on June 12, 2019.

The 10th amendment was made on June 16, 2022.

The 11st amendment was made on June 16, 2023.

Appendix 3

ONANO INDUSTRIAL CORP. Total Shareholding of All Directors

1. The Company's paid-in capital is NT\$658,000,000, issued 65,800,000 shares.
2. In accordance with the Regulations on Dealing with Stock-related Affairs for Public Offering Companies, the number of shares held by individual and all directors recorded in the shareholder register as of the book closure date, April 16, 2024, at the regular Shareholders' Meeting is disclosed. The detailed statement is as follows.
3. Subject to the Rules on the Shareholding of Public Offering Directors and Supervisors and on Implementation of Verification on the Shareholding, all shareholders shall hold 5,264,000 shares at the minimum.

April 16, 2024

Title	Name	Quantity of Shareholding	Ratio of Shareholding(%)
Chairman	Hong Cheng Investment Ltd. Representative: Chen, Chun-Hsia	3,594,580	5.46
Director	Hong Yu Investment Ltd. Representative: Chen, Chih-Cheng	1,444,158	2.19
Director	Marumi Electronics Corporation Representative: Wu, Cheng-Che	3,915,239	5.95
Director	Marumi Electronics Corporation Representative: Huang, Shan-Jung		
Independent director	Li, Kun-Chang	0	0
Independent director	Hsu, Ying-Chieh	0	0
Independent director	Chou, Hui-Yu	0	0
Independent director	Cheng, Tung-Sheng	0	0
Total of all directors		8,953,977	13.60

ONANO INDUSTRIAL CORP.
Additional Information

1. The impact of issuance of bonus shares proposed in the present shareholders' meeting upon the Company's business performance and earning per share: Not applicable.
2. Description of shareholders' proposal at the regular Shareholders' Meeting:
 - (1) As per Article 172-1 of the Company Act, a shareholder holding 1% or more of the Company's total number of outstanding shares may submit a proposal to the Company for discussion at an annual shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and each proposal is limited to 300 characters.
 - (2) During this year's regular Shareholders' Meeting, the Company did not receive any qualified shareholders' proposals.
3. Differences, reasons, and handling between the annual estimated amount of recognized expenses and in remuneration amount proposed by the Board of Directors to be distributed to employees and directors: No difference.