



CHROMA ATE INC.
2024 Annual General Shareholders' Meeting
Meeting Agenda
(Translation)

Date: 9:30am June 6, 2024
Venue: No. 88, Wenmao Rd., Guishan Dist., Taoyuan City, Taiwan

CHROMA ATE INC.

Meeting Agenda for the 2024 Annual General Shareholders' Meeting

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CHROMA ATE INC.

Procedure for the 2024 Annual General Shareholders' Meeting

1. Call Meeting to Order
2. Chairman's Statements
3. Report Items
4. Acknowledgement Items
5. Discussion Items
6. Special Motions
7. Meeting Adjourned

CHROMA ATE INC.

2024 Annual General Shareholders' Meeting Agenda

Time: 9:30am, June 6, 2024

Venue: No. 88, Wenmao Rd., Guishan Dist., Taoyuan City, Taiwan (Chroma Headquarters)

Type of meeting: physical meeting

1. Call meeting to order

2. Chairman's statements

3. Report items:

- (1) Business report of 2023
- (2) Audit Committee's review report of 2023
- (3) Profit distribution report of 2023
- (4) Distribution of employee bonuses and directors' remunerations in 2023
- (5) Itemized list of endorsements and guarantees in 2023

4. Acknowledgement items:

- (1) Acknowledge the 2023 Business Report and Financial Statements
- (2) Acknowledge the 2023 Earnings Distribution Proposal

5. Discussion items:

- (1) Amendments to the Procedures for Endorsements and Guarantees.

6. Special motions

7. Meeting adjourned

Report Items

1. Business report of 2023

Explanatory Notes: Please refer to Attachment (1)

2. Audit committee's review report of 2023

Explanatory Notes: Please refer to Attachment (2)

3. Profit distribution report of 2023

Explanatory Notes:

- (1) The 2023 earnings distributions proposal is based on the Company Act and the Company's Articles of Incorporation, clause 34-1. It is proposed that Chroma's Board of Directors will be authorized to allocate the cash dividend to be distributed to each common share by special resolution.
- (2) The total cash dividend proposed by the Board of Directors is NT\$2,807,405,285 on February 26, 2024. Each common shareholder will be entitled to receive a cash dividend of NT\$6.6 per share. The Chairman was authorized to set the ex-dividend record date. Henceforth, if the dividend rate changes as a result of a change in the number of outstanding shares due to the cancellation of employee restricted stock awards (RSAs) or other reasons, the Chairman of the Board is fully authorized to address the matter.

4. Distribution of employee bonuses and directors' remunerations in 2023

Explanatory Notes: The Board of Directors resolved on February 26, 2024 that the employee bonuses from 2023 amount to NTD 336,426,645 and directors' remunerations amount to NTD 13,684,932, and will all be distributed in cash.

5. Itemized list of endorsements and guarantees in 2023

Explanatory Notes: As end of December 31, 2023, please refer to attachment (3) for details on the endorsements and guarantees.

Acknowledgement Items

1. Acknowledge the 2023 Business Report and Financial Statements (proposed by the Board of Directors)

Explanatory Notes:

- (1) Chroma's 2023 Business Report, Individual Financial Statements, and Consolidated Financial Statements were completed. The Individual Financial Statements and Consolidated Financial Statements were audited by independent auditors Lin, Wen-Chin and Liu, Chien-Liang of Deloitte & Touche. The Business Report has been reviewed by the Company's Audit Committee.
- (2) Please refer to Attachments (1) and (4).
- (3) Adoption of the aforementioned Business Report and Financial Statements.

Resolution:

2. Acknowledge the 2023 Earnings Distribution Proposal (proposed by the Board of Directors)

Explanatory Notes:

- (1) The 2023 Earnings Distribution Proposal has been approved by the Board of Directors and reviewed by the Company's Audit Committee, attached hereto as Attachment (5).
- (2) Adoption of the aforementioned 2023 Earnings Distribution Proposal.

Resolution:

Discussion Items

1. Amendments to the Procedures for Endorsements and Guarantees (Proposed by Board of Directors)

Explanatory Notes:

- (1) In order to meet the requirements of law and for practical operational reasons, it is proposed to revise certain provisions of the Procedures for Endorsements and Guarantees of the Company.
- (2) The Comparison Table for the amendments to the Procedures for Endorsements and Guarantees is attached hereto as Attachment (6).
- (3) The proposed amendments are submitted for discussion.

Resolution:

Special Motions

Meeting Adjourned

ATTACHMENT 1

Business Report

In 2023, with the exception of the electric vehicle (EV) industry, which continued to grow steadily, global market demand remained sluggish. Manufacturers saw their inventory digestion and adjustments fall short of expectations. Capacity expansion slowed down, particularly so for mature-node semiconductors. Although the company had a strong grasp on the demands of the EV industry, our overall growth was still negatively affected. Last year's revenue was NT\$12,530 million, with group revenue reaching NT\$18,676 million, post-tax net profit at NT\$3,979 million, and basic earnings per share at NT\$9.45.

Looking back at last year, Chroma group's overall revenue from test & measurement instruments declined by 12%. Still, driven by the booming EV industry and strong demand for testing of related components, revenue from power test instruments grew by 15%. However, semiconductor/photronics test systems saw a 34% decline in revenue due to sluggish demand. Within the group, MAS Automation's revenue was down by 21%, and overall group revenue declined by 15%. Other relevant consolidated financial figures are as follows:

Financial Revenue and Profitability Analysis

Item		2023	2022
Financial Structure (%)	Debt-to-Asset Ratio	32.75	35.34
	Long-term Capital to Fixed Assets Ratio	349.57	349.73
Debt Servicing Capacity (%)	Current Ratio	187.34	191.39
	Quick Ratio	128.32	137.28
Profitability (%)	Return on Assets	11.97	16.25
	Return on Equity	18.37	25.61
	Net Profit Margin	21.31	23.14

Looking ahead into 2024, market demand remains uncertain due to factors such as regional wars, inflation, and concerns about oversupply of EVs. Yet, with semiconductor inventories back to normal levels, and especially with the hot demand for AI/HPC, we anticipate a gradual recovery in market conditions. In response, our company will undertake the following measures, aiming to overcome current challenges, seize opportunities arising from the economic recovery, and continue to generate revenue and profit:

- (1) Accelerate development of Test & Measurement Solutions for both front-end and back-end semiconductor manufacturing processes.
- (2) Accelerate efforts to win world-class, 1st Tier customers.
- (3) Enhance manufacturing efficiency, improve product quality, and increase customer satisfaction.

Finally, we would like to express sincere gratitude to all shareholders for their long-term support and encouragement, and wish everyone good health and all the best!

Chairman
Leo Huang

CEO
Leo Huang

CFO
Paul Ying

ATTACHMENT 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Individual Financial Statements, Consolidated Financial Statements, and Earnings Distribution Proposal. The CPA firm of Deloitte and Touche was retained to audit Chroma's Individual Financial Statements and Consolidated Financial Statements. The Business Report, Financial Statements, and Earnings Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of CHROMA ATE INC. In compliance with Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

CHROMA ATE INC.

Convener of Audit Committee

Steven Wu

February 27th, 2024

CHROMA ATE INC. AND SUBSIDIARIES**ENDORSEMENTS/GUARANTEES PROVIDED****FOR THE YEAR ENDED DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement /Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement /Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement /Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement Guarantee Limit (Note 2)	Endorsement /Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement /Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement /Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Corporation	Chroma ATE Inc.	Subsidiary	\$ 3,293,381	\$ 245,640	\$ 122,820	\$ -	\$ -	0.56%	\$ 6,586,763	Y	-	-
		Chroma Japan Corp.	Subsidiary	3,293,381	43,400	43,400	32,550	-	0.20%	6,586,763	Y	-	-
		Chroma ATE (Suzhou) Co., Ltd.	Subsidiary	3,293,381	1,549,066	865,400	222,969	-	3.94%	6,586,763	Y	-	Y
		Chroma ATE Europe B.V.	Subsidiary	3,293,381	50,970	50,970	-	-	0.23%	6,586,763	Y	-	-
		Chroma Electronics (Shanghai) Co., Ltd.	Subsidiary	3,293,381	43,270	43,270	9,087	-	0.20%	6,586,763	Y	-	Y
		Saject System Technology (Suzhou) Co., Ltd.	Subsidiary	3,293,381	21,635	21,635	-	-	0.10%	6,586,763	Y	-	Y
		Mas Automation Corp.	Subsidiary	3,293,381	300,000	100,000	-	-	0.46%	6,586,763	Y	-	-

Note 1: According to Regulation of the “Procedures for Endorsement/Guarantee and lending of Funds”, the Corporation limits the endorsement/guarantee amount on each entity to within 15% of the net value of the Corporation.

Note 2: According to Regulation of the “Procedures for Endorsement/Guarantee and Lending of Funds”, the Corporation limits the endorsement/guarantee amount within the 30% of the net value of the Corporation.

Note 3: The amounts listed in columns were translated into the New Taiwan dollars at the exchange rate of US\$1=NT\$30.705, JPY1=NT\$0.217, RMB1=NT\$4.327, EUR1=NT\$33.980, as of December 31, 2023.

ATTACHMENT 4

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders

Chroma ATE Inc.

Opinion

We have audited the accompanying consolidated financial statements of Chroma ATE Inc. (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 based on our audits and the report of other auditors.

Key Audit Matters

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

Key audit matter of the consolidated financial statements for the year ended December 31, 2023 is stated as follows:

Occurrence of Sales Revenue from Specific Customers

The Group mainly sells test instruments and other products. In 2023, the revenue from specific customers had changed significantly as compared with last year. Considering that there may be greater risks of fraud in revenue recognition and that the management could be under pressure to meet expected financial goals, we identified the occurrence of sales revenue from specific customers as a key audit matter.

The main audit procedures we performed for the aforementioned matter are as follows:

1. We obtained an understanding of and tested the processes of internal controls related to the sales cycle and evaluated the effectiveness of design and implementation.
2. We obtained sales details, selected samples and performed test of details, and we verified the documents such as sales order, delivery orders and invoices and confirmed the occurrence of sales revenue.
3. We obtained samples of sales details and tested for any significant difference in customers and the amount of the receivables, or whether they are still within the credit period, to confirm the occurrence of sales revenue.

Other Matter

The financial statements of some investees included in the financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying financial statement for investees, is based solely on the reports of other auditors. As of December 31, 2023, the carrying amounts of investments accounted for using the equity method were NT\$3,795,310 thousand, representing 11% of the total assets. For the years ended December 31, 2023, the related shares of profit or loss of associates were NT\$376,649 thousand, representing 7% of the profit before income tax.

We have also audited the parent company only financial statements of Chroma ATE Inc. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion with the other matter section and an unmodified opinion, respectively.

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 IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the FSC of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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 statements 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 for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Chin Lin and Chien-Liang Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

CHROMA ATE INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 4,132,261	12	\$ 5,941,512	18
Financial assets at fair value through profit or loss (Note 7)	331,348	1	394,823	1
Financial assets at fair value through other comprehensive income (Note 8)	74,506	-	-	-
Financial assets at amortized cost (Notes 9 and 31)	256,079	1	348,304	1
Contract assets (Note 22)	543,318	2	1,084,012	3
Notes receivable (Note 10)	297,335	1	315,547	1
Trade receivables (Notes 5 and 10)	5,040,498	15	4,382,943	13
Trade receivables - related parties (Notes 10 and 30)	7,143	-	64,746	-
Inventories (Notes 5 and 11)	4,675,370	14	4,752,967	14
Prepayments	294,167	1	270,143	1
Other current assets	<u>120,128</u>	<u>-</u>	<u>213,379</u>	<u>1</u>
Total current assets	<u>15,772,153</u>	<u>47</u>	<u>17,768,376</u>	<u>53</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	4,205	-	4,513	-
Financial assets at fair value through other comprehensive income (Note 8)	1,240,888	4	1,204,438	4
Financial assets at amortized cost (Notes 9 and 31)	141,988	1	205,541	1
Investments accounted for using the equity method (Note 13)	4,265,058	13	3,860,769	11
Property, plant and equipment (Notes 14, 30 and 31)	7,169,684	21	7,018,188	21
Right-of-use assets (Notes 15 and 30)	308,608	1	359,887	1
Investment properties (Note 16)	2,478,333	7	2,478,333	7
Goodwill (Notes 17 and 27)	189,400	1	231,589	1
Intangible assets (Note 27)	68,650	-	79,542	-
Deferred tax assets (Note 24)	424,568	1	355,298	1
Prepayments for equipment	1,273,532	4	149,860	-
Refundable deposits	24,122	-	24,779	-
Prepayments for investment	33,120	-	-	-
Other non-current assets (Note 20)	<u>87,239</u>	<u>-</u>	<u>87,707</u>	<u>-</u>
Total non-current assets	<u>17,709,395</u>	<u>53</u>	<u>16,060,444</u>	<u>47</u>
TOTAL	<u>\$ 33,481,548</u>	<u>100</u>	<u>\$ 33,828,820</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 31)	\$ 2,131,550	6	\$ 1,819,080	5
Contract liabilities (Note 22)	1,190,461	4	1,656,656	5
Notes payable	26,701	-	39,113	-
Notes payable - related parties (Note 30)	771	-	2,559	-
Trade payables	2,587,268	8	2,890,681	8
Trade payables - related parties (Note 30)	3,242	-	5,399	-
Other payables (Note 19)	1,788,036	5	1,645,259	5
Current tax liabilities	456,913	1	697,668	2
Lease liabilities (Notes 15 and 30)	145,813	1	134,237	-
Current portion of long-term borrowings (Notes 18 and 31)	4,244	-	205,260	1
Other current liabilities	<u>83,806</u>	<u>-</u>	<u>188,155</u>	<u>1</u>
Total current liabilities	<u>8,418,805</u>	<u>25</u>	<u>9,284,067</u>	<u>27</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18 and 31)	989,835	3	1,164,625	3
Deferred tax liabilities (Note 24)	1,185,641	4	1,025,287	3
Lease liabilities (Notes 15 and 30)	191,552	1	258,447	1
Net defined benefit liabilities (Note 20)	153,235	-	155,619	1
Guarantee deposits received	20,834	-	60,923	-
Other non-current liabilities	<u>4,761</u>	<u>-</u>	<u>7,171</u>	<u>-</u>
Total non-current liabilities	<u>2,545,858</u>	<u>8</u>	<u>2,672,072</u>	<u>8</u>
Total liabilities	<u>10,964,663</u>	<u>33</u>	<u>11,956,139</u>	<u>35</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 21)				
Ordinary share capital	<u>4,253,644</u>	<u>13</u>	<u>4,253,970</u>	<u>13</u>
Capital surplus	<u>4,544,870</u>	<u>13</u>	<u>4,502,473</u>	<u>13</u>
Retained earnings				
Legal reserve	3,747,675	11	3,237,808	10
Special reserve	86,888	-	86,888	-
Unappropriated earnings	<u>9,004,779</u>	<u>27</u>	<u>8,970,974</u>	<u>26</u>
Total retained earnings	<u>12,839,342</u>	<u>38</u>	<u>12,295,670</u>	<u>36</u>
Other equity	<u>348,888</u>	<u>1</u>	<u>339,463</u>	<u>1</u>
Treasury shares	<u>(30,868)</u>	<u>-</u>	<u>(30,868)</u>	<u>-</u>
Total equity attributable to owners of the Corporation	21,955,876	65	21,360,708	63
NON-CONTROLLING INTERESTS	<u>561,009</u>	<u>2</u>	<u>511,973</u>	<u>2</u>
Total equity	<u>22,516,885</u>	<u>67</u>	<u>21,872,681</u>	<u>65</u>
TOTAL	<u>\$ 33,481,548</u>	<u>100</u>	<u>\$ 33,828,820</u>	<u>100</u>

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

CHROMA ATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 22 and 30)	\$ 18,676,043	100	\$ 22,067,242	100
OPERATING COSTS (Notes 11, 23 and 30)	<u>7,918,828</u>	<u>42</u>	<u>10,710,148</u>	<u>48</u>
GROSS PROFIT	10,757,215	58	11,357,094	52
(UNREALIZED) REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	<u>(229)</u>	<u>-</u>	<u>61</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>10,756,986</u>	<u>58</u>	<u>11,357,155</u>	<u>52</u>
OPERATING EXPENSES (Notes 23 and 30)				
Selling and marketing expenses	2,944,801	16	2,947,968	13
General and administrative expenses	1,368,412	7	1,445,580	7
Research and development expenses	1,757,322	10	1,917,411	9
Expected credit impairment losses	<u>13,614</u>	<u>-</u>	<u>6,940</u>	<u>-</u>
Total operating expenses	<u>6,084,149</u>	<u>33</u>	<u>6,317,899</u>	<u>29</u>
PROFIT FROM OPERATIONS	<u>4,672,837</u>	<u>25</u>	<u>5,039,256</u>	<u>23</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs	(60,664)	-	(55,068)	-
Share of profit of associates and joint ventures accounted for using the equity method (Note 13)	437,570	2	493,445	2
Interest income	85,256	-	35,643	-
Dividend income	59,108	-	55,705	-
Other income	137,205	1	128,186	1
Gain on disposal of property, plant and equipment	1,317	-	94,952	-
Gain on disposal of investment	7,627	-	396,685	2
Gain on lease modification	148	-	702	-
Other expenses	(36,314)	-	(8,026)	-
Foreign exchange (loss) gain	(57,769)	-	263,216	1
(Loss) gain on financial assets at fair value through profit or loss	(36,109)	-	8,509	-
Impairment loss (Note 17)	<u>(44,129)</u>	<u>-</u>	<u>(11,737)</u>	<u>-</u>
Total non-operating income and expenses	<u>493,246</u>	<u>3</u>	<u>1,402,212</u>	<u>6</u>
PROFIT BEFORE INCOME TAX	5,166,083	28	6,441,468	29
INCOME TAX EXPENSE (Note 24)	<u>1,070,409</u>	<u>6</u>	<u>1,219,910</u>	<u>5</u>
NET PROFIT FOR THE YEAR	<u>4,095,674</u>	<u>22</u>	<u>5,221,558</u>	<u>24</u>

(Continued)

CHROMA ATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	\$ (19,803)	-	\$ (8,432)	-
Unrealized gain or loss on investments in equity investments designated as at fair value through other comprehensive income	(34,128)	(1)	(51,766)	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(42)	-	4,351	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(41,924)	-	222,069	1
Share of the other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	(4,344)	-	323,550	1
Total other comprehensive income	(100,241)	(1)	489,772	2
TOTAL COMPREHENSIVE INCOME	<u>\$ 3,995,433</u>	<u>21</u>	<u>\$ 5,711,330</u>	<u>26</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 3,979,247	21	\$ 5,105,824	23
Non-controlling interests	116,427	1	115,734	1
	<u>\$ 4,095,674</u>	<u>22</u>	<u>\$ 5,221,558</u>	<u>24</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 3,877,351	21	\$ 5,563,563	25
Non-controlling interests	118,082	-	147,767	1
	<u>\$ 3,995,433</u>	<u>21</u>	<u>\$ 5,711,330</u>	<u>26</u>
EARNINGS PER SHARE (NT\$; Note 25)				
Basic	<u>\$ 9.45</u>		<u>\$ 12.14</u>	
Diluted	<u>\$ 9.37</u>		<u>\$ 12.00</u>	

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

(Concluded)

CHROMA ATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation													
	Retained Earnings						Other Equity							
							Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Unearned Employee Benefit	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Ordinary Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total								
BALANCE AT JANUARY 1, 2022	\$ 4,218,745	\$ 4,087,223	\$ 2,824,310	\$ 86,888	\$ 7,255,798	\$ 10,166,996	\$ (604,041)	\$ 678,674	\$ -	\$ 74,633	\$ (33,686)	\$ 18,513,911	\$ 433,547	\$ 18,947,458
Appropriation of the 2021 earnings														
Legal reserve	-	-	413,498	-	(413,498)	-	-	-	-	-	-	-	-	-
Cash dividends - NTS7 per share	-	-	-	-	(2,970,000)	(2,970,000)	-	-	-	-	-	(2,970,000)	-	(2,970,000)
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	53,511	-	-	-	-	-	-	-	-	-	53,511	-	53,511
Net profit for the year ended December 31, 2022	-	-	-	-	5,105,824	5,105,824	-	-	-	-	-	5,105,824	115,734	5,221,558
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	(6,455)	(6,455)	513,692	(49,498)	-	464,194	-	457,739	32,033	489,772
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	5,099,369	5,099,369	513,692	(49,498)	-	464,194	-	5,563,563	147,767	5,711,330
Stocks of the parent company disposed of by the subsidiary and recognized as treasury shares transaction	-	22,345	-	-	-	-	-	-	-	-	2,818	25,163	-	25,163
Adjustments of capital surplus for the Corporation's cash dividends received by subsidiaries	-	11,551	-	-	-	-	-	-	-	-	-	11,551	-	11,551
Disposal of investments accounted for using the equity method	-	(22,860)	-	-	-	-	-	-	-	-	-	(22,860)	-	(22,860)
Exercise of employee share options	6,125	28,971	-	-	-	-	-	-	-	-	-	35,096	-	35,096
Issuance of employee restricted shares	29,100	340,498	-	-	-	-	-	-	(253,198)	(253,198)	-	116,400	-	116,400
Share-based payment transaction	-	(18,766)	-	-	-	-	-	-	53,139	53,139	-	34,373	-	34,373
Share-based payment transaction by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	7	7
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(69,348)	(69,348)
Unrealized gain or loss transferred to retained earnings from disposal of equity instruments designated at fair value through other comprehensive income and investments accounted for using the equity method	-	-	-	-	(695)	(695)	-	695	-	695	-	-	-	-
BALANCE AT DECEMBER 31, 2022	4,253,970	4,502,473	3,237,808	86,888	8,970,974	12,295,670	(90,349)	629,871	(200,059)	339,463	(30,868)	21,360,708	511,973	21,872,681
Appropriation of the 2022 earnings														
Legal reserve	-	-	509,867	-	(509,867)	-	-	-	-	-	-	-	-	-
Cash dividends - NTS8 per share	-	-	-	-	(3,403,176)	(3,403,176)	-	-	-	-	-	(3,403,176)	-	(3,403,176)
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	29,389	-	-	-	-	-	-	-	-	-	29,389	-	29,389
Net profit for the year ended December 31, 2023	-	-	-	-	3,979,247	3,979,247	-	-	-	-	-	3,979,247	116,427	4,095,674
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(20,252)	(20,252)	(47,140)	(34,504)	-	(81,644)	-	(101,896)	1,655	(100,241)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	3,958,995	3,958,995	(47,140)	(34,504)	-	(81,644)	-	3,877,351	118,082	3,995,433
Adjustment of capital surplus for the Corporation's cash dividends received by subsidiaries	-	13,238	-	-	-	-	-	-	-	-	-	13,238	-	13,238
Disposal of investments accounted for using the equity method	-	(556)	-	-	-	-	-	-	-	-	-	(556)	-	(556)
Changes in ownership interests in subsidiaries	-	-	-	-	(12,137)	(12,137)	-	-	-	-	-	(12,137)	12,137	-
Share-based payment transaction	(326)	326	-	-	-	-	-	-	91,059	91,059	-	91,059	-	91,059
Share-based payment transaction by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(81,184)	(81,184)
Unrealized gain or loss transferred to retained earnings from disposal of equity instruments designated at fair value through other comprehensive income and investments accounted for using the equity method	-	-	-	-	(10)	(10)	-	10	-	10	-	-	-	-
BALANCE AT DECEMBER 31, 2023	<u>\$ 4,253,644</u>	<u>\$ 4,544,870</u>	<u>\$ 3,747,675</u>	<u>\$ 86,888</u>	<u>\$ 9,004,779</u>	<u>\$ 12,839,342</u>	<u>\$ (137,489)</u>	<u>\$ 595,377</u>	<u>\$ (109,000)</u>	<u>\$ 348,888</u>	<u>\$ (30,868)</u>	<u>\$ 21,955,876</u>	<u>\$ 561,009</u>	<u>\$ 22,516,885</u>

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

CHROMA ATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 5,166,083	\$ 6,441,468
Adjustments for:		
Depreciation expenses	722,446	654,433
Amortization expenses	24,148	29,267
Expected credit loss recognized on trade receivables	13,614	6,940
Loss (gain) on financial assets at fair value through profit or loss	36,109	(8,509)
Finance costs	60,664	55,068
Interest income	(85,256)	(35,643)
Dividend income	(59,108)	(55,705)
Compensation costs of share-based payment	91,060	61,152
Share of profit of associates and joint ventures accounted for using the equity method	(437,570)	(493,445)
Gain on disposal of property, plant and equipment	(1,317)	(94,952)
Loss from liquidation of subsidiary	-	17,883
Gain on disposal of investments accounted for using the equity method	(7,627)	(414,568)
Write-downs (reversal) of inventories	36,296	(12,925)
Impairment loss	44,129	11,737
Unrealized (realized) gain on transactions with associates	229	(61)
Net loss (gain) on foreign currency exchange	13,487	(34,865)
Gain on lease modification	(148)	(702)
Net changes in operating assets and liabilities		
Contract assets	547,339	(304,465)
Notes receivable	18,212	(116,694)
Trade receivables	(654,175)	21,391
Inventories	(48,989)	(960,170)
Prepayments	(12,921)	14,647
Other current assets	94,003	83,372
Contract liabilities	(466,195)	909,710
Notes payable	(14,200)	7,170
Trade payables	(303,339)	(169,601)
Other payables	14,615	280,900
Other current liabilities	(104,349)	109,828
Net defined benefit liabilities	(22,187)	(27,702)
Cash generated from operations	4,665,053	5,974,959
Income tax paid	(1,256,643)	(678,258)
Net cash generated from operating activities	<u>3,408,410</u>	<u>5,296,701</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire financial assets at fair value through other comprehensive income	(133,247)	(89,033)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	10,151	585
Increase in financial assets at amortized cost	(245,517)	(363,780)

(Continued)

CHROMA ATE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Decrease in financial assets at amortized cost	\$ 394,063	\$ 1,187,759
Payments to acquire financial assets at fair value through profit or loss	(569,134)	(777,879)
Proceeds from disposal of financial assets at fair value through profit or loss	596,755	906,419
Net cash inflow on disposal of investments accounted for using the equity method	11,115	608,622
Increase in prepayments for investments	(33,120)	-
Net cash inflow on acquisition of subsidiaries	-	5,147
Payments for property, plant and equipment	(545,924)	(119,990)
Proceeds from disposal of property, plant and equipment	11,069	21,537
Decrease (increase) in refundable deposits	657	(4,511)
Payments to acquire intangible assets	(15,557)	(6,675)
Decrease (increase) in other non-current assets	457	(2,050)
Increase in prepayments for equipment	(1,074,808)	(569,370)
Interest received	84,504	34,963
Dividends received	<u>114,458</u>	<u>69,870</u>
Net cash (used in) generated from investing activities	<u>(1,394,078)</u>	<u>901,614</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	8,912,700	6,927,471
Decrease in short-term borrowings	(8,599,360)	(7,021,286)
Proceeds from long-term borrowings	885,000	216
Repayments of long-term borrowings	(1,262,231)	(312,629)
(Decrease) increase in guarantee deposits	(40,089)	17,589
Repayment of the principal portion of lease liabilities	(171,161)	(131,666)
Decrease in other non-current liabilities	(2,410)	(2,550)
Cash dividends paid	(3,403,176)	(2,970,000)
Exercise of employee share options	-	35,096
Interest paid	(70,559)	(60,369)
Cash dividends distributed to non-controlling interests	(81,184)	(69,348)
Proceeds from issuance of employee restricted shares	<u>-</u>	<u>116,400</u>
Net cash used in financing activities	<u>(3,832,470)</u>	<u>(3,471,076)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>8,887</u>	<u>126,115</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,809,251)	2,853,354
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>5,941,512</u>	<u>3,088,158</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 4,132,261</u>	<u>\$ 5,941,512</u>

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders

Chroma ATE Inc.

Opinion

We have audited the financial statements of Chroma ATE Inc. (the "Corporation"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter of the financial statements for the year ended December 31, 2023 is described as follows:

**Investments Accounted for Using the Equity Method -
Occurrence of Sales Revenue of Some Subsidiaries**

The Corporation's subsidiaries mainly sell test instruments and other products. In 2023, the revenue from specific customers had changed significantly as compared with last year. Considering that there may be greater risks of fraud in revenue recognition and the management could be under pressure to meet expected financial goals, we identified the occurrence of sales revenue from specific customers as a key audit matter.

The main audit procedures we performed for the aforementioned matter are as follows:

1. We obtained an understanding of and tested the processes of internal controls related to the sales cycle and evaluated the effectiveness of design and implementation.
2. We obtained sales details, selected samples and performed test of details, and we verified the documents such as sales order, delivery orders and invoices and confirmed the occurrence of sales revenue.
3. We obtained samples of sales details and tested for any significant difference in customers and the amount of the receivables, or whether they are still within the credit period, to confirm the occurrence of sales revenue.

Other Matter

The financial statements of some investees included in the financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying financial statement for investees, is based solely on the reports of other auditors. As of December 31, 2023, the carrying amounts of investments accounted for using the equity method were NT\$3,795,310 thousand, representing 13% of the total assets. For the years ended December 31, 2023, the related shares of profit or loss of associates were NT\$376,649 thousand, representing 8% of the profit before income tax.

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

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

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation 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 Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the 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 statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partners on the audits resulting in this independent auditors' report are Wen-Chin Lin and Chien-Liang Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

CHROMA ATE INC.

BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 1,308,296	4	\$ 2,928,946	10
Notes receivable (Note 9)	9,263	-	7,621	-
Trade receivables (Notes 5 and 9)	1,237,989	4	1,193,642	4
Trade receivables - related parties (Notes 9 and 27)	2,794,258	9	2,196,021	7
Other receivables - related parties (Note 27)	199,950	1	193,764	1
Inventories (Notes 5 and 10)	3,247,863	11	3,370,295	12
Prepayments	203,673	1	102,895	-
Other current assets	54,058	-	41,659	-
Total current assets	9,055,350	30	10,034,843	34
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	4,205	-	4,513	-
Financial assets at fair value through other comprehensive income (Note 8)	1,079,856	4	1,020,905	4
Investments accounted for using the equity method (Note 11)	9,425,915	32	8,893,937	31
Property, plant and equipment (Note 12)	5,908,919	20	6,172,221	21
Right-of-use assets (Note 13)	95,124	-	115,834	-
Investment properties (Note 14)	2,478,333	9	2,478,333	9
Goodwill (Note 15)	94,424	-	94,424	-
Intangible assets	36,631	-	39,554	-
Deferred tax assets (Note 22)	306,200	1	251,055	1
Prepayments for equipment	1,171,462	4	116,605	-
Refundable deposits	10,375	-	10,653	-
Prepayments for investments	62,573	-	-	-
Total non-current assets	20,674,017	70	19,198,034	66
TOTAL	\$ 29,729,367	100	\$ 29,232,877	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 2,000,000	7	\$ 1,300,000	4
Contract liabilities (Note 20)	190,532	1	158,868	1
Trade payables	1,498,816	5	1,478,714	5
Trade payables - related parties (Note 27)	16,339	-	16,013	-
Other payables (Note 17)	1,394,603	5	1,462,903	5
Current tax liabilities (Note 22)	333,006	1	515,344	2
Lease liabilities (Note 13)	48,261	-	45,402	-
Current portion of long-term borrowings (Note 16)	-	-	200,000	1
Other current liabilities (Note 27)	52,789	-	442,076	1
Total current liabilities	5,534,346	19	5,619,320	19
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	850,000	3	950,000	3
Deferred tax liabilities (Note 22)	1,148,250	4	987,512	4
Lease liabilities (Note 13)	67,035	-	98,891	-
Net defined benefit liabilities (Note 18)	153,235	-	155,619	1
Guarantee deposits received	20,625	-	60,827	-
Total non-current liabilities	2,239,145	7	2,252,849	8
Total liabilities	7,773,491	26	7,872,169	27
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 19)				
Ordinary share capital	4,253,644	15	4,253,970	15
Capital surplus	4,544,870	15	4,502,473	15
Retained earnings				
Legal reserve	3,747,675	13	3,237,808	11
Special reserve	86,888	-	86,888	-
Unappropriated earnings	9,004,779	30	8,970,974	31
Total retained earnings	12,839,342	43	12,295,670	42
Other equity	348,888	1	339,463	1
Treasury shares	(30,868)	-	(30,868)	-
Total equity	21,955,876	74	21,360,708	73
TOTAL	\$ 29,729,367	100	\$ 29,232,877	100

The accompanying notes are an integral part of the financial statements.

CHROMA ATE INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 27)				
Sales	\$ 12,535,645	100	\$ 13,464,963	100
Less: Sales returns	(1,877)	-	(1,719)	-
Sales allowances	(3,994)	-	(2,220)	-
Net operating revenue	12,529,774	100	13,461,024	100
OPERATING COSTS (Notes 10, 21 and 27)	5,520,808	44	6,145,451	46
GROSS PROFIT	7,008,966	56	7,315,573	54
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	(196,706)	(2)	(322,638)	(2)
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	6,812,260	54	6,992,935	52
OPERATING EXPENSES (Notes 21 and 27)				
Selling and marketing expenses	1,015,211	8	1,157,272	9
General and administrative expenses	745,399	6	848,010	6
Research and development expenses	1,541,683	12	1,638,617	12
Expected credit loss	7,000	-	8,000	-
Total operating expenses	3,309,293	26	3,651,899	27
PROFIT FROM OPERATIONS	3,502,967	28	3,341,036	25
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Note 21)	(39,026)	-	(29,643)	-
Share of profit of subsidiaries, associates and joint ventures (Note 11)	1,209,407	10	1,728,947	13
Interest income (Note 27)	31,426	-	8,990	-
Rental income	14,402	-	14,379	-
Dividend income	30,313	-	48,957	-
Other income	45,422	-	32,191	-
Gain on disposal of property, plant and equipment	1,339	-	89,132	1
Gain on disposal of investment	7,627	-	415,679	3
Foreign exchange (loss) gain	(52,577)	-	263,422	2
Other expenses	(850)	-	(859)	-
Gain (loss) on financial assets at fair value through profit or loss	930	-	(121)	-
Impairment loss	(44,129)	-	(11,737)	-
Total non-operating income and expenses	1,204,284	10	2,559,337	19

(Continued)

CHROMA ATE INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	\$ 4,707,251	38	\$ 5,900,373	44
INCOME TAX EXPENSE (Note 22)	<u>728,004</u>	<u>6</u>	<u>794,549</u>	<u>6</u>
NET PROFIT FOR THE YEAR	<u>3,979,247</u>	<u>32</u>	<u>5,105,824</u>	<u>38</u>
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	(22,675)	(1)	(8,841)	-
Unrealized gain or loss on investments in equity investments designated as at fair value through other comprehensive income	(12,888)	-	(133,562)	(1)
Share of the other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	(19,193)	-	86,450	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(42,796)	-	190,142	2
Share of the other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	<u>(4,344)</u>	<u>-</u>	<u>323,550</u>	<u>2</u>
Total other comprehensive (loss) income	<u>(101,896)</u>	<u>(1)</u>	<u>457,739</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 3,877,351</u>	<u>31</u>	<u>\$ 5,563,563</u>	<u>41</u>
EARNINGS PER SHARE (NT\$; Note 23)				
Basic	<u>\$ 9.45</u>		<u>\$ 12.14</u>	
Diluted	<u>\$ 9.37</u>		<u>\$ 12.00</u>	

The accompanying notes are an integral part of the financial statements.

(Concluded)

CHROMA ATE INC.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	Retained Earnings						Other Equity					
	Ordinary Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefit	Total	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2022	\$ 4,218,745	\$ 4,087,223	\$ 2,824,310	\$ 86,888	\$ 7,255,798	\$ 10,166,996	\$ (604,041)	\$ 678,674	\$ -	\$ 74,633	\$ (33,686)	\$ 18,513,911
Appropriation of the 2021 earnings												
Legal reserve	-	-	413,498	-	(413,498)	-	-	-	-	-	-	-
Cash dividends - NT\$7 per share	-	-	-	-	(2,970,000)	(2,970,000)	-	-	-	-	-	(2,970,000)
Change in capital surplus from investments in subsidiaries, associates and joint ventures accounted for using the equity method	-	53,511	-	-	-	-	-	-	-	-	-	53,511
Net profit for the year ended December 31, 2022	-	-	-	-	5,105,824	5,105,824	-	-	-	-	-	5,105,824
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	(6,455)	(6,455)	513,692	(49,498)	-	464,194	-	457,739
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	5,099,369	5,099,369	513,692	(49,498)	-	464,194	-	5,563,563
Stocks of the parent company disposed of by the subsidiary and recognized as treasury shares transaction	-	22,345	-	-	-	-	-	-	-	-	2,818	25,163
Adjustment of capital surplus for the Corporation's cash dividends received by subsidiaries	-	11,551	-	-	-	-	-	-	-	-	-	11,551
Disposal of investments accounted for using the equity method	-	(22,860)	-	-	-	-	-	-	-	-	-	(22,860)
Exercise of employee share options	6,125	28,971	-	-	-	-	-	-	-	-	-	35,096
Issuance of employee restricted shares	29,100	340,498	-	-	-	-	-	-	(253,198)	(253,198)	-	116,400
Share-based payment transaction	-	(18,766)	-	-	-	-	-	-	53,139	53,139	-	34,373
Unrealized gain or loss transferred to retained earnings from disposal of equity instruments designated at fair value through other comprehensive income and investments accounted for using the equity method	-	-	-	-	(695)	(695)	-	695	-	695	-	-
BALANCE AT DECEMBER 31, 2022	4,253,970	4,502,473	3,237,808	86,888	8,970,974	12,295,670	(90,349)	629,871	(200,059)	339,463	(30,868)	21,360,708
Appropriation of the 2022 earnings												
Legal reserve	-	-	509,867	-	(509,867)	-	-	-	-	-	-	-
Cash dividends - NT\$ 8 per share	-	-	-	-	(3,403,176)	(3,403,176)	-	-	-	-	-	(3,403,176)
Change in capital surplus from investments in subsidiaries, associates and joint ventures accounted for using the equity method	-	29,389	-	-	-	-	-	-	-	-	-	29,389
Net profit for the year ended December 31, 2023	-	-	-	-	3,979,247	3,979,247	-	-	-	-	-	3,979,247
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(20,252)	(20,252)	(47,140)	(34,504)	-	(81,644)	-	(101,896)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	3,958,995	3,958,995	(47,140)	(34,504)	-	(81,644)	-	3,877,351
Adjustment of capital surplus for the Corporation's cash dividends received by subsidiaries	-	13,238	-	-	-	-	-	-	-	-	-	13,238
Disposal of investments accounted for using the equity method	-	(556)	-	-	-	-	-	-	-	-	-	(556)
Changes in ownership interests in subsidiaries	-	-	-	-	(12,137)	(12,137)	-	-	-	-	-	(12,137)
Share-based payment transaction	(326)	326	-	-	-	-	-	-	91,059	91,059	-	91,059
Unrealized gain or loss transferred to retained earnings from disposal of equity instruments designated at fair value through other comprehensive income and investments accounted for using the equity method	-	-	-	-	(10)	(10)	-	10	-	10	-	-
BALANCE AT DECEMBER 31, 2023	\$ 4,253,644	\$ 4,544,870	\$ 3,747,675	\$ 86,888	\$ 9,004,779	\$ 12,839,342	\$ (137,489)	\$ 595,377	\$ (109,000)	\$ 348,888	\$ (30,868)	\$ 21,955,876

The accompanying notes are an integral part of the financial statements.

CHROMA ATE INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,707,251	\$ 5,900,373
Adjustments for:		
Depreciation expenses	464,058	446,460
Amortization expenses	17,311	19,683
Expected credit loss recognized on trade receivables	7,000	8,000
(Gain) loss on financial assets at fair value through profit or loss	(930)	121
Finance costs	39,026	29,643
Interest income	(31,426)	(8,990)
Dividend income	(30,313)	(48,957)
Compensation costs of share-based payments	91,059	61,145
Share of profit of subsidiaries, associates and joint ventures		
accounted for using the equity method	(1,209,407)	(1,728,947)
Gain on disposal of property, plant and equipment	(1,339)	(89,132)
Gain on disposal of investments accounted for using the equity method	(7,627)	(415,679)
Write-downs (reversal) of inventories	17,000	(19,384)
Impairment loss	44,129	11,737
Unrealized gain on transactions with subsidiaries and associates	196,706	322,638
Net loss (gain) on foreign currency exchange	32,202	(184,956)
Net changes in operating assets and liabilities		
Notes receivable	(1,642)	(2,474)
Trade receivables	(690,193)	(610,387)
Inventories	50,463	(444,403)
Prepayments	(115,639)	7,749
Other current assets	34,894	11,804
Contract liabilities	31,664	107,835
Trade payables	22,659	(80,494)
Other payables	(219,865)	328,938
Other current liabilities	(389,287)	417,161
Net defined benefit liabilities	(25,059)	(26,380)
Cash generated from operations	3,032,695	4,013,104
Income tax paid	(804,749)	(422,455)
Net cash generated from operating activities	<u>2,227,946</u>	<u>3,590,649</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire financial assets at fair value through other comprehensive income	(60,000)	(89,033)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	10,151	585
Decrease in financial assets at amortized cost	-	279,778
Payments to acquire financial assets at fair value through profit or loss	(500,000)	(300,000)

(Continued)

CHROMA ATE INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Proceeds from disposal of financial assets at fair value through profit or loss	\$ 501,238	\$ 300,159
Net cash inflow on disposal of investments accounted for using the equity method	11,115	608,622
Increase in prepayments for investments	(62,573)	-
Net cash inflow on disposal of subsidiaries	-	459,119
Decrease (increase) in refundable deposits	278	(275)
(Increase) decrease in other receivables - related parties	(13,449)	236,895
Payments to acquire intangible assets	(13,744)	(4,360)
Increase in prepayments for equipment	(1,016,158)	(537,846)
Interest received	30,967	8,549
Dividends received	<u>481,506</u>	<u>388,581</u>
Net cash (used in) generated from investing activities	<u>(630,669)</u>	<u>1,350,774</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	8,020,000	4,607,471
Decrease in short-term borrowings	(7,320,000)	(4,507,471)
Increase in long-term borrowings	850,000	-
Repayments of long-term borrowings	(1,150,000)	(300,000)
(Decrease) increase in guarantee deposits	(40,202)	17,580
Repayment of the principal portion of lease liabilities	(48,816)	(47,400)
Dividends paid by cash	(3,403,176)	(2,970,000)
Exercise of employee share options	-	35,096
Acquisition of additional interests in subsidiaries	(100,000)	-
Interest paid	(38,926)	(28,365)
Proceeds from issuance of employee restricted shares	<u>-</u>	<u>116,400</u>
Net cash used in financing activities	<u>(3,231,120)</u>	<u>(3,076,689)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>13,193</u>	<u>70,054</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,620,650)	1,934,788
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,928,946</u>	<u>994,158</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,308,296</u>	<u>\$ 2,928,946</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)

CHROMA ATE INC.
Earnings Distribution Proposal
For Year Ended December 31, 2023

	Unit: NT\$
Undistributed Earnings of Previous Year	\$ 5,057,930,229
Plus: 2023 Net Income	3,979,247,774
Accrued Pension Costs under Retained Earnings	(20,252,509)
Retain earnings adjustments due to Investments accounted for using equity method	(12,136,919)
Disposal of Equity Method Investments Transferred to Retained Earnings through Consolidated Unrealized Gains and Losses of other Equity Instruments Measured at Fair Value	(9,914)
Less: 10% Legal Reserve	<u>(394,684,843)</u>
2023 Earnings Available for Distribution	8,610,093,818
Distribution Item:	
Cash Dividends to Common Share Holders (NT\$6.6 per Share)	<u>(2,807,405,285)</u>
Unappropriated Retained Earnings	<u><u>5,802,688,533</u></u>

Note:

1. Net Income of 2023 shall be preferred in the profit distribution.
2. The total cash dividends allotted to each shareholder will be rounded off to NT dollar. The fractional shares with a value less than one dollar are accumulated and adjusted to meet the total amount of profit resolved to be distributed.

Chairman Leo Huang
CEO Leo Huang
CFO Paul Ying

ATTACHMENT 6

Comparison Table for the amendments to the Procedures for Endorsements and Guarantees

After Revision	Before Revision	Explanation
4. Amount Limit of Endorsements and Guarantees 4.1 The Company's total amount of liabilities under endorsements and guarantees shall be limited to 30% of the net value of the Company. The amount of an endorsement and guarantee provided to any single enterprise shall be limited to 15% of the net value of the Company. 4.2 The total amount of endorsements and guarantees provided by the Company and its subsidiaries shall not exceed 40% of the net value of the Company. The amount of endorsements provided to any single enterprise shall not exceed 15% of the net value of the Company. <u>4.3</u> For any endorsement or guarantee provided by the Company due to business dealings, the amount of endorsement or guarantees shall be equivalent to product purchase or sale amount of the enterprise receiving the endorsement or guarantee during the previous year or during the current year up to the time of endorsement or guarantee, whichever is higher. <u>4.4</u> However, if any endorsement or guarantee is required on urgent basis, the board may authorize the chairman to proceed within an amount limit to 15% of net value of the Company and report may be submitted to the board of directors subsequently for ratification. Provisions of endorsements and guarantees and relevant matters shall be reported to the shareholders meeting for reference.	4. Amount Limit of Endorsements and Guarantees 4.1 The Company's total amount of liabilities under endorsements and guarantees shall be limited to 30% of the net value of the Company. The amount of an endorsement and guarantee provided to any single enterprise shall be limited to 15% of the net value of the Company <u>and limited to the paid-in capital of the guarantee company.</u> 4.2 The total amount of endorsements and guarantees provided by the Company and its subsidiaries shall not exceed 40% of the net value of the Company. The amount of endorsements provided to any single enterprise shall not exceed 15% of the net value of the Company <u>and limited to the paid-in capital of guarantee company.</u> <u>4.3 the above restriction shall not apply for any subsidiary of which the Company holds directly or indirectly 100% of voting shares.</u> 4.4 For any endorsement or guarantee provided by the Company due to business dealings, the amount of endorsement or guarantees shall be equivalent to product purchase or sale amount of the enterprise receiving the endorsement or guarantee during the previous year or during the current year up to the time of endorsement or guarantee, whichever is higher. 4.5 However, if any endorsement or guarantee is required on urgent basis, the board may authorize the chairman to proceed within an amount limit to 15% of net value of the Company and report may be submitted to the board of directors subsequently for ratification. Provisions of endorsements and guarantees and relevant matters shall be reported to the shareholders	Align with the revision of laws and practical operation.

After Revision	Before Revision	Explanation
	meeting for reference.	
13. Amendments and Execution These procedures and their amendments shall be approved by over half of the Audit Committee and then approved by the Board of Directors, and proposed at the shareholders' meeting for approval. Same as amendments. If any director expresses objection on the record or in a written statement, the Company shall submit the objection to the Audit Committee and the shareholders' meeting for discussion. Aforementioned statements, if amendments not approved by over half of the Audit Committee, and then shall be approved by over two-third (2/3) of Board of Directors, and proposed at the Board of Directors' meeting with written statement of Audit Committee's resolutions. The Company has established independent directors, according to item 1, it shall consider the dissenting opinions from all independent directors fully and list the consenting and objecting opinions and their reasons in the meeting minutes of the Board of Directors. The Audit Committees and aforementioned Board of Directors stated in item 1 shall mean the actual number of persons currently holding the positions. 1st amendment approved by General Shareholder's Meeting held on 15 May, 2003. 2nd amendment approved by General Shareholder's Meeting held on 16 May, 2006. 3rd amendment approved by General Shareholder's Meeting held on 22 May, 2009. 4th amendment approved by General Shareholder's Meeting held on 26 May, 2010. 5th amendment approved by General Shareholder's Meeting held on 10 June, 2013. 6th amendment approved by General Shareholder's Meeting held on 8 June, 2017. 7th amendment approved by General Shareholder's Meeting held on 10 June, 2020.	13. Amendments and Execution These procedures and their amendments shall be approved by over half of the Audit Committee and then approved by the Board of Directors, and proposed at the shareholders' meeting for approval. Same as amendments. If any director expresses objection on the record or in a written statement, the Company shall submit the objection to the Audit Committee and the shareholders' meeting for discussion. Aforementioned statements, if amendments not approved by over half of the Audit Committee, and then shall be approved by over two-third (2/3) of Board of Directors, and proposed at the Board of Directors' meeting with written statement of Audit Committee's resolutions. The Company has established independent directors, according to item 1, it shall consider the dissenting opinions from all independent directors fully and list the consenting and objecting opinions and their reasons in the meeting minutes of the Board of Directors. The Audit Committees and aforementioned Board of Directors stated in item 1 shall mean the actual number of persons currently holding the positions. 1st amendment approved by General Shareholder's Meeting held on 15 May, 2003. 2nd amendment approved by General Shareholder's Meeting held on 16 May, 2006. 3rd amendment approved by General Shareholder's Meeting held on 22 May, 2009. 4th amendment approved by General Shareholder's Meeting held on 26 May, 2010. 5th amendment approved by General Shareholder's Meeting held on 10 June, 2013. 6th amendment approved by General Shareholder's Meeting held on 8 June, 2017. 7th amendment approved by General Shareholder's Meeting	Added latest amendment and date.

After Revision	Before Revision	Explanation
<u>8th amendment approved by General Shareholder's Meeting held on 6 June, 2024.</u>	held on 10 June, 2020.	

CHROMA ATE INC.
Articles of Incorporation

Chapter One: General Provisions

Article 1

The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be CHROMA ATE INC.

The Company English name is CHROMA ATE INC.

Article 2

The scope of business of the Corporation shall be as follow:

1. CC01110 Computers and peripheral equipment manufacturing.
2. F113050 Wholesale of computers and clerical machinery equipment.
3. F213030 Retail sale of computers and clerical machinery equipment.
4. E605010 Computing equipment installation.
5. CC01080 Electronics components manufacturing.
6. F119010 Wholesale of electronic materials.
7. F219010 Retail sale of electronic materials.
8. JA02010 Electrical appliance and electronic products repair.
9. CC01120 Data storage media manufacturing and duplicating.
10. F118010 Wholesale of computer software.
11. F218010 Retail sale of computer software.
12. I301010 Information software services.
13. CE01010 General instrument manufacturing.
14. F113030 Wholesale of precision instruments.
15. F213040 Retail sale of precision instruments.
16. EZ05010 Apparatus installation.
17. CC01060 Wired communication mechanical equipment manufacturing.
18. CC01070 Wireless communication mechanical equipment manufacturing.
19. CC01101 Controlled telecommunications radio-frequency devices and materials manufacturing.
20. F401021 Controlled telecommunications radio-frequency devices and materials import.
21. F401010 International trade.
22. CB01010 Mechanical equipment manufacturing.
23. CE01030 Optical instruments manufacturing.
24. CF01011 Medical devices manufacturing.
25. F113070 Wholesale of telecommunication instruments.
26. F213060 Retail sale of telecommunication apparatus.
27. H701040 Specific area development.
28. H701060 New towns, new community development.
29. H701010 Housing and building development and rental.
30. H701020 Industrial factory development and rental.
31. H702010 Construction manager.
32. H703090 Real estate business.
33. H703100 Real estate leasing.
34. F108031 Wholesale of medical devices.
35. F208031 Retail sale of medical apparatus.
36. ZZ99999 All businesses that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The Corporation shall be able to render guarantee (including endorsement) to a third party for business purposes.

Article 4

When the Corporation invests in other companies as a shareholder, it shall not be subject to the restriction of the Company Law which provides that the total amount of such investment shall not exceed forty percent (40%) of the amount of this Corporation's paid-in capital. Any such investment by this Corporation shall be made in accordance with a resolution adopted by the Board of Directors.

Article 5

The head office of the Company shall be in Taoyuan City, Taiwan. Pursuant to the resolutions adopted by the Board of Directors, the Company may, if necessary, set up branches or factories within and outside the R.O.C.

Article 6

Any public announcement by this Corporation shall be made in accordance with the Company Law.

Chapter Two: Capital Stock

Article 7

The total authorized capital stock of the Corporation is Five Billion New Taiwan Dollars (NT\$5,000,000,000), divided into Five Hundred Million (500,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10). The Board of Directors is authorized to issue the un-issued shares in installments, of which Three Hundred Million New Taiwan Dollars (NT\$300,000,000), divided into Thirty Million (30,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) are reserved for issuance of employee stock options. The Board of Directors is authorized to issue the unissued shares at a premium in installments.

Article 8

Where the exercise price of the employee stock options is set to be lower than the closing price of the Corporation's common shares on the date that the options are issued, the Corporation may need over two-thirds of the votes in the shareholders' meeting attended by over 50% of shares represented by the shareholders present at the meeting.

Where the exercise price of the employee stock options is set to be lower than the average buyback price of common shares, the Corporation may transfer the buy-back common shares to the employees, by over two-thirds of the votes in the shareholders' meeting attended by over 50% of shares presented by the shareholders present at the meeting.

Article 9

The Company may, upon approval, repurchase treasury shares to any employees of the Company and its Subsidiaries.

The Company may, upon approval by a majority of the Directors at a meeting, adopt incentive programmes and may issue restricted shares or options, warrants, or other similar instruments,

to employees of the Company and its Subsidiaries.

Where the Company increases its capital in cash by issuing new shares in R.O.C., the Company may reserve a number of new shares to be issued to employees of the Company and its Subsidiaries.

Article 10

Registered shares issued by the Company may be exempted from printing on a share certificate, but must be registered with a centralized securities depository.

Article 11

Shareholders shall provide a seal (or specimen signature) card and submit it to the Company for verification when collecting dividends and exercising their shareholder rights.

Article 12

Shareholders of the Company shall handle share affairs such as stock transfer, pledge, loss, inheritance and gift, as well as seal loss, change or change of address in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies ", except if otherwise provided by securities laws and regulations.

Article 13

Registration of share transfers shall be suspended for sixty (60) days prior to any ordinary meeting of shareholders, thirty (30) days prior to any extraordinary meeting of shareholders, and five (5) days prior to any rate on which dividends, and bonuses or any other benefits are scheduled to be distributed by the Corporation.

Chapter Three: Shareholders' Meetings

Article 14

Shareholders' meetings may be ordinary meetings or extraordinary meetings. Ordinary meetings shall be convened at least once a year, and shall be convened by the Board of Directors within six months after the end of each fiscal year. Extraordinary meetings may be convened when necessary in accordance with applicable laws.

The shareholders' meeting may be conducted by video conference or other means announced by the Ministry of Economic Affairs.

Article 15

The Chairman of the Board of Directors shall preside at each meeting of shareholders. In the event the Chairman of the Board of Directors is absent, he shall designate one director to act on his behalf. In the absence of such a designation, the directors shall elect a director from among themselves to preside at the meeting.

If the shareholders' meeting is called by any convener external to the Board of Directors, the chairperson shall be assumed by the convener. If there are more than two conveners, the chairperson shall be elected out of the conveners.

Article 16

If a shareholder is unable to attend a meeting, he / she may appoint a representative to attend it, and to exercise, on his / her behalf, all specified rights at the meeting, in accordance with Article 177 of the Company Law.

Article 17

A shareholder shall be entitled to one vote for each share held by him / her; except those shares for which the voting rights are restricted or excluded as stipulated in Article 179 Item 2 of the Company Law.

Article 18

Unless otherwise provided in the Company Law, any resolution at a shareholders' meeting shall be adopted if voted in favor by the majority of votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

A shareholder who exercises his voting right in the way of electronic transmission shall be deemed to have attended the shareholders' meeting in person.

Article 19

The resolution adopted by the shareholders' meeting shall be recorded in writing; the meeting minutes must be signed by or imprinted with the seal of the chairperson and distributed to shareholders within twenty (20) days after the meetings. The minutes of the shareholders' meeting shall record the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and results of the meetings. The minutes shall be kept permanently throughout the life of the Corporation.

The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Corporation for the minimum period of one year.

Chapter 4: Directors and Audit Committee

Article 20

The Company shall establish the Board of Directors constituted by five (5) to nine (9) directors. The shareholders' meeting votes shall be cast among candidates on the candidates list through the cumulative ballot system specified in Article 198 of the Company Act. The term of office for Directors shall be three (3) years, and all Directors shall be eligible for re-election.

As per the Company Act and Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least three independent directors.

The directors (including independent directors) shall be elected from among the nominees listed as director candidates pursuant to the candidates' nomination system. Compliance matters with respect to independent directors shall be subject to the regulations prescribed by the Company Act and the securities authority.

When the posts of one-third or more of the directors have been vacated, a special meeting of shareholders shall be convened to elect directors to fill the vacancies within sixty (60) days. The term of office of the new directors shall be the same as the original director(s)' term(s).

The Company may purchase liability insurance for directors and management in accordance with business requirements.

Article 21

The Board of Directors shall be organized by the directors in accordance with the relevant laws. The Chairman of the Board of Directors shall be elected by a majority of the directors present at a meeting attended by two-thirds of the directors. The Chairman of the Board of Directors shall be the authorized representative of the Corporation. If necessary, Chairman may appoint consultants as resolute by the Board of Directors.

Article 22

Except for the Board meetings convened pursuant to the provisions of Article 203 or Article 203-1 of the Company Act, Board meetings shall be convened by the Chairman, who shall also be the chairman of the meeting. The agenda of the Board of Directors meeting shall be arranged in advance and sent to all directors seven (7) days in advance with detailed information of the meeting's date, venue, and agenda. A Board meeting may be convened at any time, without such prescribed notice, in case of urgent circumstances. Notifications for the meetings of the Board of Directors may be communicated through written notice, fax, and electronic mail.

Article 23

Unless provided in the Company Law or the Corporation's Articles of Incorporation, all resolutions of the Board shall be passed by the approval of over 50% of the directors present at the Board meetings with the attendance of over 50% of all the directors.

Article 24

In case the Chairman of the Board of Directors is on leave or otherwise cannot exercise his powers, he may designate in accordance with Article 208 of the Company Law.

Article 25

If a director is unable to attend the Board meeting for any reason, they shall issue a proxy describing the scope of the authorization as regards the subjects to be discussed at the meeting, and thereby appoint another director to attend the meeting on their behalf. Each director is limited to act as the representative of one other director only.

Article 26

The duties of the Board of Directors are as follows:

1. Formulate the business plan.
2. Approve the profit allocation plan.
3. Propose the increase/decrease of capital.
4. Formulate and amend the Articles of Incorporation.
5. Approve important contracts.
6. Approve the appointment, dismissal of, and remuneration payable to the Managerial Officers.
7. Establish or dissolve branch office.

8. Approve proposed budget and closing accounting.
9. Approve the merchandise of real estate or investment of other companies.
10. Other matters required by the laws and regulations and authorized by the shareholders' meeting.

Article 27

The established Audit Committee will be constituted by all the independent directors and replace the duty of supervisors.

Article 28

Responsibilities of the Audit Committee or the members of Audit Committee shall be those specified under the Company Law, Securities and Exchange Law, and other relevant laws and regulations.

Article 29

The remuneration of the directors shall be determined by the Board of Directors in consideration of the directors' participation in and devotion to the operation of the Corporation as well as reference to industry standards, regardless of the Corporation's profits or losses. If the Corporation has earnings, the remuneration will be distributed in accordance with Article 34 of the Corporation's Articles of Incorporation.

Chapter 5: Managerial Officers

Article 30

The Corporation has one President and several Vice Presidents. The President shall be nominated by the Chairman; and his appointment shall be approved by more than 50% of the directors. The Vice Presidents shall be nominated by the President; and their appointment shall be approved by Chairman of the directors and report to Board of Directors.

Article 31

The President shall be authorized by the Board of Directors to execute the Corporation business in accordance with the Articles of Incorporation and excluded from managerial office defined in the Article 26 Item 6.

Chapter 6: Accounting

Article 32

The fiscal year of the Company shall begin on 1 January and end on 31 December of each year. Upon closing of each fiscal year, the Board of Directors shall prepare the following statements and reports, and shall submit these to the Shareholders' Meeting in accordance with the procedures as prescribed by law.

1. Business report.
2. Financial statements.
3. Proposal for distributing earnings or covering losses.

Article 33

The allocation of net profits will be distributed after taking into consideration of the Corporation's business environment and growth phase as well as the profitability, capital expenditures, and capital needs for future development plans. Such distribution may be made in ways and amount of payout. When the Corporation is currently in a growth phase, in concerning the cash needs for future development, the annual distributable cash earnings shall be no less than 20% of the total distributed cash and dividends.

Article 34

If the Company has surplus of that fiscal year, it shall allocated the profit to (1) 5-20% to employee bonuses, either in shares or cash as decided by the Board of Directors, persons eligible for such distribution shall include employees of the Company's subsidiaries who meet certain qualifications; (2) no more than 1.5% as the remuneration for directors. Employee bonuses and remuneration for directors should be presented in the shareholders' meeting.

The Company shall make up losses for preceding years before above mentioned payments are made.

Article 34-1

The Corporation shall allocate the earnings for each fiscal year in the order of paying tax, making up losses for preceding years, and a legal reserve at 10% of the earnings unless the accumulated amount of the legal reserve has reached the total authorized capital of the Corporation. The Corporation may also set aside earnings, for operation or reverse a special reserve according to relevant regulations when necessary. Any surplus balance after the above mentioned payments are made, together with the undistributed earnings as of the beginning of that fiscal year, shall be allocated pursuant to resolution by the shareholders' meeting. When the Corporation has no surplus, no dividends and bonuses will be distributed.

If the Corporation's earnings distribution made by the way of cash dividend, the Board of Directors shall be authorized through special resolution to distribute and report to the shareholders meeting. Where the Corporation incurs no loss, it may, pursuant to a resolution to be adopted by a shareholders' meeting as required in the preceding Article, distribute its legal reserve and the following capital reserve, in whole or in part. The legal reserve can be distributed by issuing new shares or by cash and shall be limited to the part of the reserve exceeding, 25% of the paid-in capital. If above mentioned article are made to distribute the Corporation's legal reserve and the following capital reserve, in whole or in part of cash payment, the Board of Directors are authorized through special resolution to distribute and report to the shareholders' meeting.

Chapter 7: Supplementary Articles

Article 35

Any matters not provided for in these Articles of Incorporation shall be governed by the Company Law.

Article 36

The Articles of Incorporation were made on 23 October, 1984.

The first amendment was made on 15 November, 1986.

The second amendment was made on 16 May, 1987.

The third amendment was made on 3 October, 1988.

The fourth amendment was made on 20 September, 1989.

The fifth amendment was made on 14 May, 1990.

The sixth amendment was made on 8 November, 1990.

The seventh amendment was made on 30 April, 1991.

The eighth amendment was made on 20 June, 1991.

The ninth amendment was made on 28 December, 1991.

The tenth amendment was made on 25 June, 1993.

The eleventh amendment was made on 10 September, 1993.

The twelfth amendment was made on 7 April, 1994.

The thirteenth amendment was made on 21 July, 1995.

The fourteenth amendment was made on 25 March, 1996.

The fifteenth amendment was made on 11 October, 1996

The sixteenth amendment was made on 24 May, 1997.

The seventeenth amendment was made on 28 April, 1998.

The eighteenth amendment was made on 13 May, 1999.

The nineteenth amendment was made on 10 May, 2000.

The twentieth amendment was made on 30 May, 2001.

The twentieth-first amendment was made on 21 May, 2002.

The twentieth-second amendment was made on 15 May, 2003.

The twentieth-third amendment was made on 18 May, 2005.

The twentieth-four amendment was made on 16 May, 2006.

The twentieth-five amendment was made on 30 May, 2007.

The twentieth-six amendment was made on 13 June, 2008.

The twentieth-seven amendment was made on 22 May, 2009.

The twentieth-eight amendment was made on 9 June, 2011.

The twentieth-nine amendment was made on 6 June 2012.

The thirtieth amendment is made on 10 June, 2015.

The 31st amendment is made on 7 June, 2016.

The 32nd amendment is made on 8 June, 2017.

The 33rd amendment is made on 8 June, 2018.

The 34th amendment is made on 18 June, 2019.

The 35th amendment is made on 9 June, 2022.

CHROMA ATE INC.

Procedures for Endorsements and Guarantees (Before Amendment)

1. Purpose

All matters related to endorsements and guarantees by the Company for another entity shall be in accordance with these Rules.

2. Endorsements and Guarantees

(1) Any company having direct business dealings with the Company.

(2) Any subsidiary of which more than 50% ordinary shares are directly and indirectly held by the Company.

(3) Any parent company that owns more than 50% of ordinary shares of the Company directly or indirectly.

Any subsidiary of which ninety percent or more voting shares are held directly or indirectly by the Company may provide endorsement or guarantee for any other subsidiary meeting the same requirement. Such endorsement or guarantee shall be subject to prior approval by the board of directors through resolution and the amount of endorsement or guarantee shall not exceed ten percent of the net value of the Company.

However, the above restriction shall not apply for any endorsement or guarantee provided by any subsidiary of which the Company holds directly or indirectly 100% of voting shares for any other subsidiary meeting the same requirement.

Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the public company, or through a company in which the public company holds 100% of the voting shares.

3. Scope

3.1 Financing endorsements / guarantees including:

(1) Bill discount financing.

(2) Endorsement or guarantee made to meet the financing needs of another company.

(3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company itself.

3.2 Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.

3.3 Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of

the above two subparagraphs.

4. Amount Limit of Endorsements and Guarantees

- 4.1 The Company's total amount of liabilities under endorsements and guarantees shall be limited to 30% of the net value of the Company. The amount of an endorsement and guarantee provided to any single enterprise shall be limited to 15% of the net value of the Company and limited to the paid-in capital of the guarantee company.
- 4.2 The total amount of endorsements and guarantees provided by the Company and its subsidiaries shall not exceed 40% of the net value of the Company. The amount of endorsements provided to any single enterprise shall not exceed 15% of the net value of the Company and limited to the paid-in capital of guarantee company.
- 4.3 the above restriction shall not apply for any subsidiary of which the Company holds directly or indirectly 100% of voting shares.
- 4.4 For any endorsement or guarantee provided by the Company due to business dealings, the amount of endorsement or guarantees shall be equivalent to product purchase or sale amount of the enterprise receiving the endorsement or guarantee during the previous year or during the current year up to the time of endorsement or guarantee, whichever is higher.
- 4.5 However, if any endorsement or guarantee is required on urgent basis, the board may authorize the chairman to proceed within an amount limit to 15% of net value of the Company and report may be submitted to the board of directors subsequently for ratification. Provisions of endorsements and guarantees and relevant matters shall be reported to the shareholders meeting for reference.

5. Procedures for Endorsements and Guarantees by the Company

- 5.1 For any amount of endorsement and guarantee with the amount limit, the recipient enterprise should provide the company information and financial statement with application to the Company finance division for evaluation to complete the endorsement procedures. The Company shall review and assess the purpose and use of the loan by the recipient of endorsement or guarantee, consider the impact of the Company's total amount of endorsements and guarantees on the Company's operational risk, financial condition and shareholders' interest and evaluate possible risks and determine whether the appropriate collateral should be required.
- 5.2 After the endorsement or guarantee has been approved, the checks will be process by cashier or seal keeper to process and record in endorsement registration form.
- 5.3 The finance division of the Company shall establish the endorsement registration form for detailed record the following items in providing for auditor review, evaluation and public announcement purpose.
 - (1) Matters of guarantees
 - (2) Names of recipient enterprise
 - (3) Amount of endorsement and guarantee.
 - (4) Conditions for release of endorsement and guarantee liabilities.
- 5.4 The seal used for any endorsement or guarantee shall be the Company seal registered with

the Ministry of Economic Affairs.

5.5 The finance division of the Company shall evaluate possible risk of endorsement and disclose the relevant information in the financial report in providing for auditor review.

5.6 The Company every year shall report all endorsement and guarantee items to board of directors for resolution.

6. Termination

The recipient company shall file the “Endorsement or Guarantee Cancellation Form” to the Company finance division to terminate the endorsement or guarantee.

7. Endorsement Procedures:

7.1 The internal auditing staff of the Company shall perform audits on the procedures and performance of endorsements and guarantees on a quarterly basis and written records shall be prepared. If any significant breach of this rule is discovered, each Audit Committee shall be notified in writing.

7.2 If the recipient company qualification changed cause by the Company, which the amount of endorsement or guarantee exceeds the amount limit due to change to the basis of calculation, the internal audit of the Company shall supervise the finance division to eliminate the contract upon expiry date or the fixed deadline under provision plan and report shall be made to the Audit Committee and report to the board of directors.

7.3 If any business requirements of the enterprise receiving the endorsement or guarantee above the amount limit, shall receive over half of the Audit Committee consents then to the board of directors’ consents and revise the procedures accordingly. Amendments of endorsements and guarantees shall be reported to the shareholders meeting for reference.

If the Company has independent directors, opinions of each independent director shall be taken into consideration during discussions at the board and their consents or clear opinion against the proposal and the reasons for such objection shall be include into the minutes of the board meetings.

8. Public Announcement Procedure

The Company shall make relevant public announcements with regard to matters related to endorsements and guarantees in accordance with the criteria for public announcement.

8.1 The Company shall make a public announcement for the balance amount of endorsements and guarantees on a monthly basis before 10th of each month.

8.2 If the balance amount of endorsements and guarantees meet any of following criteria, the Company shall make a public announcement within two (2) days from the date of effective.

(1) The Company and its subsidiaries’ balance amount of endorsements and guarantees reach over 50% net value of the Company, based on latest financial report.

(2) The Company and its subsidiaries’ balance amount of endorsements and guarantees to single recipient company reach 20% net value of the Company, based on latest financial report.

(3) The Company and its subsidiaries’ balance amount of endorsements and guarantees to single recipient company reach over NT\$ 10 million. Also the sums of the endorsement,

invested capital to equity method investment and lending capital have reached 30% net value of the Company, based on latest financial report.

- (4) The Company and its subsidiaries new added balance amount of endorsements and guarantees have reached over NT\$ 30 million and also reached 5% net value of the Company, based on latest financial report.

8.3 If the Company's subsidiary is not a domestic public company, the Company will follow the requirement on behalf of its subsidiary to make a public announcement.

The effective date is defined as contract date, payment date, board of directors' resolution date or other sufficient information to indicate the date of counterparties and endorsement amount.

9. Control Procedure for Endorsements and Guarantees by Subsidiaries

- (1) Any endorsement or guarantee provided by any subsidiary of the Company to any other entity shall be done in accordance with the applicable "Operating Rules for Endorsements and Guarantees" established by such subsidiary. The net value is based on each provided subsidiary.
- (2) The balance amount and recipients of endorsements and guarantees for the previous month shall be submitted to the Company in writing by the 10th day of each month.
- (3) The internal auditing staff of the Company shall perform audits on the procedures and performance of endorsements and guarantees on a quarterly basis and written records shall be prepared. If any significant breach of this rule is discovered, each Audit Committee shall be notified in writing.
- (4) The Company Internal Audit need to review on subsidiary's endorsements and guarantee procedures and execution in accordance to annual audit plan. If there is any violation, the internal audit shall submit a report the Company's chairman and CEO.

10. Penalty

The Company's managers and persons-in-charge shall follow the Procedures. Should there be any violation of related regulations or the Procedures, subsequent castigation is subject to the related Personnel Articles of the Company.

11. If the Company or its subsidiaries provides any endorsement or guarantee for any subsidiary whose net value is lower than one-half of its paid-in capital, the Company or subsidiary shall review the necessity, rationality and risk control of endorsement or guarantee in accordance to Article 5. Also it has to review the recipient's statements in accordance to Article 7 in order to prevent the risks from endorsement and guarantee.

If the subsidiaries has no par value or par value is not equal to NT\$ 10 for paid-in capital, the paid-in capital will be referred to sum of capital stock and legal reserve minus issue premium.

12. Any subsidiary of which ninety percent or more voting shares are held directly or indirectly by the Company may provide endorsement or guarantee for any other subsidiary meeting the same requirement. Such endorsement or guarantee shall be subject to prior approval by the board of directors through resolution. However, the above restriction shall not apply for any endorsement or guarantee provided by any subsidiary of which the Company holds directly or

indirectly 100% of voting shares for any other subsidiary meeting the same requirement.

13. Amendments and Execution

These procedures and their amendments shall be approved by over half of the Audit Committee and then approved by the Board of Directors, and proposed at the shareholders' meeting for approval. Same as amendments. If any director expresses objection on the record or in a written statement, the Company shall submit the objection to the Audit Committee and the shareholders' meeting for discussion.

Aforementioned statements, if amendments not approved by over half of the Audit Committee, and then shall be approved by over two-third (2/3) of Board of Directors, and proposed at the Board of Directors' meeting with written statement of Audit Committee's resolutions.

The Company has established independent directors, according to item 1, it shall consider the dissenting opinions from all independent directors fully and list the consenting and objecting opinions and their reasons in the meeting minutes of the Board of Directors.

The Audit Committees and aforementioned Board of Directors stated in item 1 shall mean the actual number of persons currently holding the positions.

1st amendment approved by General Shareholder's Meeting held on 15 May, 2003.

2nd amendment approved by General Shareholder's Meeting held on 16 May, 2006.

3rd amendment approved by General Shareholder's Meeting held on 22 May, 2009.

4th amendment approved by General Shareholder's Meeting held on 26 May, 2010.

5th amendment approved by General Shareholder's Meeting held on 10 June, 2013.

6th amendment approved by General Shareholder's Meeting held on 8 June, 2017.

7th amendment approved by General Shareholder's Meeting held on 10 June, 2020.

CHROMA ATE INC.

Rules of Procedure for Shareholders' Meetings

1. The Shareholders' Meeting of the Corporation (the "Meeting") shall be conducted in accordance with these Rules and Procedures.
2. The term "shareholders" as set forth herein denotes the shareholders themselves and the proxies authorized by shareholders.
3. Shareholders attending the Meeting shall submit the attendance card for the purpose of signing in.

The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders.

4. The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00am or later than 3:00pm.
5. The Chairman of the Board of Directors shall be the chairman presiding at the meeting in the case that the meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board of Directors cannot preside at the meeting, the Vice Chairman of the Board of Directors or an appointed Director shall preside at the Meeting. Where no such designee is designated, the chairman shall be elected out of the directors.

If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting. If there are more than two conveners, the chairman shall be elected from the conveners.

6. The company may appoint designated counsel, CPA, or other related persons to attend the meeting. Persons handling affairs of the Meeting shall wear identification cards or badges.
7. The process of the Meeting shall be tape-recorded or videotaped and these tapes or videos shall be preserved for at least one year.
8. The chairman shall call the meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Law of the Republic of China. The aforesaid tentative resolutions shall be executed in accordance with relevant provisions of the Company Law.

If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of China.

9. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provision set forth in the preceding paragraph shall apply to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting. Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

In the case that the chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned.

10. When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with a summary of the speech, the shareholder's number (or the number of Attendance Card), and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of the actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of other shareholders, otherwise the chairman shall stop such interruption.

Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting.

If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

After the speech of a shareholder, the chairman may respond himself / herself or appoint an appropriate person to respond.

11. The chairman may announce to end the discussion of any resolution and go into voting if the chairman deems it appropriate.

The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be (a) shareholder(s). The result of voting shall be announced at the Meeting and placed on record.

The chairman may announce a break as appropriate during the proceedings of a shareholders'

meeting.

Except otherwise specified in the Company Law of the Republic of China or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairman.

If there are amendments to or substitutes for a single discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

12. The chairman may instruct the disciplinary officers or security guards to assist in keeping order in the Meeting place. Such disciplinary officers or security guards, shall wear badges marked "Disciplinary Officers" for identification purposes.
13. Any matters insufficiently provided for herein shall be subject to the Company Law, Articles of Incorporation, and other laws and regulations concerned.
14. These Rules and Procedures shall be effective from the date they are approved by the Shareholders' Meeting. The same applies in case of revision.

Appendix 4

Shareholding of Directors

Book Closure Date: April 8th, 2024

Title	Name	Date Elected	Shareholding when Elected		Current Shareholding	
			Shares	%	Shares	%
Chairman	Leo Huang	2023.06.09	20,859,897	4.90%	20,859,897	4.90%
Director	Ishih Tseng	2023.06.09	240,548	0.06%	184,548	0.04%
Director	David Yang	2023.06.09	54,000	0.01%	52,000	0.01%
Director	David Huang	2023.06.09	3,376,432	0.79%	3,309,432	0.78%
Director	Shui-Yung Lin	2023.06.09	0	0	0	0
Independent Director	Tai-Jen George Chen	2023.06.09	0	0	0	0
Independent Director	Jia-Ruey Duann	2023.06.09	0	0	0	0
Independent Director	Steven Wu	2023.06.09	0	0	0	0
Independent Director	Janice Chang	2023.06.09	0	0	0	0

Note:

1. Total issued shares: 425,364,437 shares on April 8, 2024.
2. As required under the article 2 of Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the Company has elected more than 2 independent directors, the share ownership figures calculated at the rates are set forth in the preceding paragraph for all directors other than the independent directors and shall be decreased by 80 percent.
3. The minimum required combined shareholding of all directors by law: 16,000,000 shares. The minimum required combined shareholding of all supervisors by law: N/A (replaced by established Audit Committee).
4. The combined shareholding of all directors on the book closure date is 24,405,877 shares, which has met the minimum required combined shareholding.