

Stock Code : 4972

Tons:

TONS LIGHTOLOGY Inc.

Handbook for the 2024 Annual Meeting of Shareholders

MEETING TIME : May 29, 2024

PLACE : No. 88, Minguan Road., Banqiao Dist., New

Taipei City, Taiwan

(TAIPEI SINBAN Hilton 3F Meeting Room-4)

---Disclaimer---

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2024 ANNUAL GENERAL SHAREHOLDERS' MEETING ("THE AGENDA") OF TONS LIGHTOLOGY Inc. ("THE COMPANY"). THE TRANSLATION IS INTENDER FOR REFERENCE ONLY AND NO OTHER PURPOSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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Tons Lightology Inc.

Procedure for the 2024 Annual Meeting of Shareholders

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation

IV. Approval Items

V. Elections

VI. Motions

VII. Adjournment

Tons Lightology Inc.

Year 2024

Agenda of Annual Meeting of Shareholders

Method: Hybrid Shareholders' Meeting

Video conferencing: via TDCC's stockvote platform

(<https://www.stockvote.com.tw>)

Time: May 29, 2024 (Wednesday) at 9:00 am

Place: No. 88, Minquan Road., Banqiao Dist., New Taipei City, Taiwan

(TAIPEI SINBAN Hilton 3F Meeting Room-4)

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation

1. 2023 Business Report.
2. Audit Committee Examination Report on the 2023 Financial Statements.
3. The remuneration to employees and directors report.
4. Directors and managers' performance evaluation results and relevance and rationality report on their salary remuneration.
5. Report on remuneration of individual directors.
6. Report on 2023 cash dividend payout case.
7. Report on the results of the Company share swap with StrongLED Lighting Systems (Cayman)Co., Ltd..

IV. Approval Items

1. Adoption of the 2023 Business Report and Financial Statements.
2. Adoption of the Proposal for Distribution of 2023 Profits.

V. Election

1. The case to vote 1 member of the board.

VI. Motions

VII. Adjournment

Management Presentation

Report 1

2023 Business Report.

Explanation: Please refer to the Agenda Handbooks for the 2023 Business Report [Attachment 1].

Report 2

Audit Committee Examination Report on the 2023 Financial Statements.

Explanation: Please refer to the Agenda Handbooks for the 2023 Financial Statements Examined by the Audit Committee [Attachment 2].

Report 3

The distribution of remuneration to the employees and directors.

Explanation:

- I. The Article 23.1 of the Company's Articles of Incorporation "appropriating 5~15% of the annual earnings, if any, as remuneration to employees and appropriating less than 2.5% of the annual earnings as remuneration to directors".
- II. For the 2023 net income before tax and before deducting the remuneration to employees and directors, appropriate 9.0% of such amount (equivalent to NT\$7,255,000) as remuneration to employees and appropriate 1.5% of such amount (equivalent to NT\$1,208,000) as remuneration to directors paid in cash.
- III. The appropriated remuneration to employees and directors was the same amount of the expense recognized in 2023.

Report 4

Directors and managers' performance evaluation results and relevance and rationality report on their salary remuneration.

Explanation:

- I. The performance of directors was evaluated according to the Regulations Governing Performance Evaluation of the Board of Directors and included as a basis for the calculation of salary and compensation according to the Regulations Governing Salary and Remuneration of Directors.
- II. The performance of managers was evaluated according to the

Regulations Governing Performance Evaluation and included as a basis for the calculation of salary and compensation according to the performance evaluation of employees.

III. The Remuneration Committee and the Board of Directors resolved that the results of performance evaluation of directors and managers and correlated properly with the amounts of their salaries and remuneration.

Report 5

Report on remuneration of individual directors.

Explanation:

I. The directors' remuneration policy, standard, and structure are as follows:

(I) Directors: According to the Articles of Incorporation, up to 2.5% of the profit of the current year shall be distributed as directors' remuneration, which shall be submitted to the Board of Directors for resolution and reported in the shareholders' meeting. The calculation for separate remuneration paid to each director is stipulated in the "Regulations Governing the Remuneration and Rewards of Directors" based on the individual performance of directors appraised with the "Regulations Governing Performance of the Board of Directors" and each director's involvement in and contribution to business operations after the submission at the shareholders' meeting and submitted to the Remuneration Committee for review. After the resolution is passed by the Board of Directors, remuneration shall be paid to each director.

(II) Independent directors: Remuneration for independent directors shall be distributed in accordance with the "Regulations Governing the Remuneration and Rewards of Directors" approved by the Board of Directors and may be adjusted based on the industry standards and independent directors' involvement in and contributions to business operations. When independent directors and board committee members perform their duties, the Company shall pay remuneration regardless of its operating profit or loss.

(III) Directors attending meetings in person may be granted transportation allowances.

II. For the remuneration of individual directors 2023, please refer to [Attachment 3] of this Handbook.

Report 6

Report on 2023 Cash Dividend Payout case.

Explanation:

- I. This case is handled in accordance with Article 24 of the Articles of Incorporation.
- II. The Company plans to distribute cash dividends at the amount of NT\$40,247,610 for the year of 2023. After 500,000 shares repurchased by the Company is deducted from 57,996,587 outstanding shares as of today, a total of 57,496,587 shares are to be distributed with cash dividends at NT\$0.7 per share. Cash dividends are distributed according to the shares held in the shareholder registry on the record date. Cash dividends are rounded up to dollar. The Chairman is authorized to determine the disposal of less than NT\$1 at his discretion.
- III. The ex-dividend date is set on April 4, 2024, and the book closing period is set from March 31 to April 4, 2024.
- IV. Cash dividends are set to be issued on April 26, 2024.
- V. When there is any change in the Company's outstanding shares; the Chairman is authorized to adjust the dividend per share in accordance with the actual outstanding shares on the ex-dividend date.
- VI. The Chairman is authorized to handle other unspecified matters at his discretion.

Report 7

Report on the results of the Company share swap with StrongLED Lighting Systems (Cayman)Co., Ltd..

Explanation:

- I. The Company, considering the synergy formed from the interaction among technology, product, and customer, reducing operating costs with integrated resources, and improving customer service capabilities, has new shares issued for share conversion, which is to have 1 common share of the Company exchanged for 1.72 common shares of StrongLED Lighting Systems Co., Ltd.; also, the Company has obtained 100% equity of StrongLED Lighting Systems Co., Ltd.
- II. This proposal for share conversion was completed on October 31, 2023, and the change registration was completed with the approval of the Ministry of Economic Affairs on December 26, 2023.

Approval Items

Proposal 1

Proposed by the Board

Adoption of the 2023 Business Report and Financial Statements.

Explanation:

- I. The Company's 2023 business report and financial statements had been prepared accordingly, of which, the financial reports (including the consolidated financial statements) and the business report were examined by the Audit Committee with a written examination report issued.
- II. Please refer to [Attachment 1] of the Agenda Handbooks for 2023 business report and [Attachment 4] for the 2023 independent auditor's report and financial statements.
- III. Please adoption.

Resolution:

Proposal 2

Proposed by the Board

Adoption of the Proposal for Distribution of 2023 Profits.

Explanation:

- I. The 2023 Profit Distribution Table has been adopted in the 5th meeting of the 11th-term Board of Directors.
- II. Please refer to [Attachment 5] of the Agenda Handbooks for the 2023 Profit Distribution Table.
- III. Please adoption.

Resolution:

Elections

Election 1

Proposed by the Board

The case to vote 1 member of the board. Please proceed to the election.

Explanations :

- I. It is planned to elect an additional director in accordance with the provisions of the Company Act and the Company's articles of incorporation in response to the requirement of professional diversity of board directors after the Company's merging StrongLED Lighting Systems (Cayman) Co., Ltd.
- II. According to Article 14 of the Company's articles of incorporation, directors are nominated as candidates for the election of directors. For the candidate and his educational background, work experience, and the number of shares held, please refer to [Attachment 6] of this Handbook.
- III. The term of new director starts from May 29, 2024 and ends on May 24, 2026.
- IV. Please proceed to the election.

Resolution :

Motions

Adjournment

Tons Lightology Inc.

The 2022 Business Report

Global economic development and social stability of the year was affected negatively by the high interest rates, high inflation, less satisfactory economic performance of China in the post-pandemic period, added with global geopolitical confrontation, resulted in weak global demand for finished products and caused a sluggish economy in each country. Under the circumstance, the global economic performance had not been improved significantly in 2023. The economy is expected to grow steadily and slowly in 2024 along with the gradual ease of inflation recently and the US dollar interest rate soaring cycle coming to an end.

Facing the changing trends of global economy and coronavirus pandemic, the Company responded in a steady manner and continued the lean policy of the last few years, including substantially improving production efficiency internally, controlling costs, developing high value-added products, optimizing the quality of customers, and refining product portfolio. The Company for the sake of expanding operational efficiency had merged StrongLED Lighting Systems (Cayman) Co., Ltd. through a share conversion with new shares issued this year. The Company will be able to expand the application fields and market share for the products of the Group through the comprehensive integration of the resources of both parties. In terms of branding effort, the Company had won over many lighting engineering projects of Taiwan that had helped Tons Lightology Inc. secured a leading position in the lighting engineering of museum in Taiwan. The Company will continue this momentum to root in Taiwan's professional lighting market and to convey the experience to Chinese market in order to increase brand awareness. In addition, the Company will continue to enhance the working environment and employee benefits, and protect the stability of human resources so the Company can stay competitive while facing economic fluctuations and uncertainties externally.

Overall, the revenue of the company reduced in 2023 due to fierce market competition and changing environmental conditions such as inflation, and interest rate hikes. However, with the support of all shareholders and the efforts of all colleagues, the Company still maintains certain profit. We would like to show our appreciation for the support of the shareholders on behalf of the Board of Directors of the Company. The Company's 2023 business operation and 2024 operational plans are briefed as follows.

I. The 2023 business operation

(I) Operating plan results and operating income and expense

In 2023, the Company's individual and consolidated net operating revenue were NT\$599,465 thousand and NT\$811,933 thousand respectively, decrease of 23.96% and 11.15% respectively compared with NT\$788,393

thousand and NT\$913,801 thousand in 2022. The Company's individual and consolidated net income after tax were the same as NT\$49,068 thousand, a decrease of 6.35% (NT\$3,326 thousand) compared with NT\$52,394 thousand in 2022.

(II) Profitability analysis

The Company's operating revenue in 2023 was less than that in 2022. The operating gross profit margin remained at the same level as last year, and the operating expenses increased due to mergers and acquisitions related expenses incurred, resulting in an operating profit and loss rate of -0.25%. The increase in non-operating income due to mergers and acquisitions had resulted in the after-tax consolidated net profit margin of 6.04%, representing an increase from the 5.73% in 2022.

(III) Research and development status

In 2023, the Company developed products and took out patents as follows. In terms of patents, obtained utility model patents for the installation structure of lamps, modular lamps, easy-to-install lamps, angle adjustable lamps, easy-assembly modular lamps, etc., and obtained design patents for track lamps and other designs.

In prospect, the Company will continue to research and develop forward-looking technology and innovative applications, to substantiate product design, and commercialize research and systematic production management in order to continue to promote the brand and deepen the Company's core competence and secure the leading position.

II. The 2024 business plan outline

(I) The important marketing policy and business policy

1. Products

- A. Continuing to strengthen indoor lighting products: Continue to complete indoor lighting products and invest in the development of low-cost light fixtures for meeting customer's needs due to the emerging of LED mass market.
- B. Continuing to expand outdoor lighting products: Continue to complete the development of outdoor lighting series in order to create the Company's future growth momentum.

2. Marketing:

- A. Promote green lighting and continue to develop new products.
- B. Enhance product value and maintain price competitiveness.
- C. Secure the existing market and develop emerging market with potentials.
- D. Participate in international exhibitions and commit to promote the Company's brand.

3. Production:

- A. Simplify product lines, use common parts, and build safety stock for the frequently used parts in order to shorten delivery lead time.
- B. Strengthen automated production, improve manufacturing processes, increase efficiency, and reduce the impact of rising labor cost.

(II) The Company's future development strategy

Continue the business model of OEM and branding. In terms of OEM business, continue to attract more big customers in Europe for cooperation currently. In terms of branding business, Due to our significant achievement in the cross-strait markets, more investment would be conducted in the Greater China Area in order to create a stable revenue source.

(III) The impact on the external competitive environment, regulatory environment, and the overall business environment

The global economy is expected to rebound, but the environmental law in each country is increasingly stringent, and takes into serious consideration of sustainable development issues added with the continuing increase of production cost in China and fluctuations in raw material prices have us faced severe challenges. We have come up with the following responsive measures for the challenges faced by us:

1. Recruit professionals, enhance management, and improve the Company's business strength.
2. Introduce external technologies, enhance research and development capabilities, and improve product value.
3. Meet customer needs with innovative brand and professional services.
4. Pay attention to changes in domestic and foreign policies and laws with responsive measures proposed in due course.
5. In accordance with the materiality principle, conduct risk assessments pertaining to company operations and establish the relevant risk management policy.

Chairman : TANG, SHIH-CHUAN

CEO : HUNG, CHIA-CHENG

CFO : WANG, CHIH-YUAN

[Attachment 2]

Tons Lightology Inc.
Audit Committee's Report

The Board of Directors had prepared and presented the Company's 2023 business report, financial report, and statement of retained earnings, of which, the financial report was consigned by the Board of Directors to be audited by CPA HUNG, SHU-HUA and CPA WANG, YU-CHUAN of PWC Taiwan with an independent auditor's report issued.

We have reviewed the said business report, financial report, and statement of retained earnings without finding any nonconformity against the governing law and regulations. Also, we have issued this Audit Committee's report in conformity with Article 219 of the Company Law.

Sincerely yours,

To: The 2024 Annual Shareholders' Meeting of Tons Lightology Inc.

Tons Lightology Inc

Audit Committee Convener : LEE, SHYH-CHIN

February 27, 2024

[Attachment 3] Statements of Remuneration of Individual Directors

Title	Name	Remuneration								Ratio and Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio and Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or Parent Company
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)						
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	Cash	Stock	Cash	Stock	The company	Companies in the consolidated financial statements	
Director	TANG, SHIH-CHUAN	0	0	0	0	302	302	21	21	323/0.66	323/0.66	3,248	3,513	0	0	0	0	0	0	3,571/7.28	3,836/7.82	0
Director	HUNG, CHIA-CHENG	0	0	0	0	302	302	21	21	323/0.66	323/0.66	1,838	3,220	0	0	770	0	770	0	2,931/5.97	4,313/8.79	0
Director	CHEN, MING-HSIN	0	0	0	0	302	302	21	21	323/0.66	323/0.66	0	0	0	0	0	0	0	0	323/0.66	323/0.66	0
Director	HSIAO, CHEN-CHI	0	0	0	0	302	302	21	21	323/0.66	323/0.66	0	0	0	0	0	0	0	0	323/0.66	323/0.66	0
Independent Director	CHOU, LIANG-CHENG	690	690	0	0	0	0	24	24	714/1.45	714/1.45	0	0	0	0	0	0	0	0	714/1.45	714/1.45	0
Independent Director	LEE, SHYH-CHIN	690	690	0	0	0	0	24	24	714/1.45	714/1.45	0	0	0	0	0	0	0	0	714/1.45	714/1.45	0
Independent Director	CHOU, (NOTE) TSUNG-NAN	290	290	0	0	0	0	12	12	302/0.62	302/0.62	0	0	0	0	0	0	0	0	302/0.62	302/0.62	0
Independent Director	HSU, (NOTE) CHUNG-YUAN	403	403	0	0	0	0	15	15	418/0.85	418/0.85	0	0	0	0	0	0	0	0	418/0.85	418/0.85	0
Total		2,073	2,073	0	0	1,208	1,208	159	159	3,440/7.01	3,440/7.01	5,086	6,733	0	0	770	0	770	0	9,296/18.94	10,943/22.30	0

1. Remuneration policies, systems, standards, and structures for independent directors and linkage thereof to powers, risks, and time spent:
The remuneration for independent directors are paid in accordance with the "Directors' Remuneration Regulations" approved by the Board of Directors and may be adjusted based on the industry standards and independent directors' involvement in business operations and contributions; in addition, independent directors attending meetings in person may be granted transportation allowances.
2. Except for the above disclosure, the remuneration paid to the Company's directors for all services rendered last year is NT\$0 thousand.
3. Former Independent Director Hsu, Chung-Yuan left the office on May 25, 2023 ; Independent Director Chou, Tsung-Nan took office on May 25, 2023.

[Attachment 4]

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Tons Lightology Inc.

Opinion

We have audited the accompanying parent company only balance sheets of Tons Lightology Inc. (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of TONS LIGHTOLOGY INC. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

Timing of recognizing sales revenue

Description

Please refer to Note 4(26) for a description of accounting policy on sales revenue. Please refer to Note 6(15) for details of sales revenue.

The Company is primarily engaged in manufacturing and trading lighting equipment and lamps and the transaction mode is the Company receives orders and transfers the orders to the subsidiaries for manufacturing and delivery. Sales revenue includes different transaction terms and the timing of transfer

of the control of goods involves manual judgement, we thus identified the timing of sales revenue recognition as one of the key areas of focus for this year's audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Obtained an understanding and evaluated the operating procedures and internal controls over sales revenue, and assessed the effectiveness on how the management controls the timing of recognizing sales revenue.

B.Performed sales cut-off test for a certain period before and after balance sheet date to assess the accuracy of the timing of sales revenues.

Inventory valuation

Description

The Company is primarily engaged in manufacturing and trading lighting equipment and lamps. Considering that the inventory valuation policy of the Company, the target inventory that has exceeded a specific period of inventory age and individually identifies inventory that has lost value, is measured at the lower of cost and net realizable value, which involves subjective judgement resulting in a high degree of estimation uncertainty, As these matters also apply to Tons Lightology Inc. and its subsidiaries (presented as investments accounted for using the equity method), we thus identified inventory valuation of the subsidiary (presented as investments accounted for using the equity method) as one of the key areas of focus for this year's audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A.Obtained an understanding of the Company's inventory policy and assessed the reasonableness of the policy.
- B.Reviewed annual inventory counting plan and observed the annual inventory counting event in order to assess the classification of obsolete inventory and effectiveness of inventory internal control.
- C.Obtained the Company inventory aging report and verified dates of movements with supporting documents. Ensured the proper categorisation of inventory aging report in accordance with the Company's policy.
- D.Obtained the net realizable value statement of each inventory, assessed whether the estimation policy was consistently applied, tested the estimation basis of the net realizable value with relevant information, including verifying the sales and purchase prices with supporting evidence, and recalculated and evaluated the reasonableness of the inventory valuation.

Business Combination-Acquisition of StrongLED Lighting System (Cayman) Co., Ltd.

Description

In October 2023, the Company acquired 100% of equity of StrongLED Lighting System (Cayman) Co., Ltd. with a share swap. The share swap ratio was one share of the Company for 1.72 shares of StrongLED Lighting System (Cayman) Co., Ltd., and acquired a gain recognized in bargain purchase transaction of NT\$85,875 thousand due to M&A transaction during the year.

The Company used the acquisition method as accounting treatment for the business combination, refer to Note 4(28) for the details. The purchase price allocation report prepared by the external appraiser appointed by management was used to measure and allocate the purchase price to identifiable assets and assumed liabilities which arose from the combination (refer to Note 6(29) in the consolidated financial statements for details).

As the purchase price allocation involved management's estimation and the business combination was significant to the financial statements, we consider the business combination a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in relation to the above key audit matter:

- A. Inquired with management the details of the business combination, including acquisition motive, purchase price and valuation basis for fair values of assets acquired and liabilities assumed, accounting policies applied and the related internal control process, and reviewed the minutes of Board of Directors' meeting and related contracts.
- B. We assessed the competence and independence of the external appraiser engaged by the management, and reviewed the assessment on the reasonableness of share swap ratio provided by the independent expert and the agreements of share transfer, consideration to verify the purchase price.
- C. Obtained an understanding of the basis and procedure of purchase price allocation which was estimated by management. We reviewed the original data and the reasonableness of major assumptions and fair value as indicated in the purchase price allocation reports prepared by

the appraisers appointed by the Company.

D. Obtained accounting entries (shown as ‘Investments accounted for using equity method’) of the price allocation result based on the price allocation report and ensured accuracy of recorded amount.

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

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

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

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

Auditor’s’ responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TONS LIGHTOLOGY INC.'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 TONS LIGHTOLOGY INC.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within TONS LIGHTOLOGY INC. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the

planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Hung, Shu-Hua

Wang, Yu-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2024

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

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

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 99,259	5	\$ 232,849	16
1136	Current financial assets at amortised cost	6(3) and 8	316	-	316	-
1150	Notes receivable, net	6(4)	515	-	2,122	-
1170	Accounts receivable, net	6(4)	91,417	5	97,012	7
1180	Accounts receivable - related parties	6(4) and 7	-	-	396	-
1200	Other receivables		139	-	243	-
1220	Current tax assets		235	-	-	-
130X	Inventories	6(5)	8,041	1	11,717	1
1410	Prepayments		1,146	-	344	-
1470	Other current assets		142	-	110	-
11XX	Current Assets		<u>201,210</u>	<u>11</u>	<u>345,109</u>	<u>24</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(6)	4,835	-	34,600	2
1550	Investments accounted for using equity method	6(7)	1,627,168	87	1,076,363	74
1600	Property, plant and equipment	6(8)	1,724	-	731	-
1755	Right-of-use assets	6(9)	14,998	1	843	-
1780	Intangible assets		4,915	-	1,375	-
1840	Deferred income tax assets	6(23)	8,505	1	4,142	-
1990	Other non-current assets, others	8	2,304	-	2,500	-
15XX	Non-current assets		<u>1,664,449</u>	<u>89</u>	<u>1,120,554</u>	<u>76</u>
1XXX	Total assets		<u>\$ 1,865,659</u>	<u>100</u>	<u>\$ 1,465,663</u>	<u>100</u>

(Continued)

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2130	Current contract liabilities	6(16)	\$ 12,426	1	\$ 25,678	2
2150	Notes payable		101	-	31	-
2170	Accounts payable		832	-	2,936	-
2180	Accounts payable - related parties	7	158,287	9	252,188	17
2200	Other payables		26,223	1	20,768	2
2220	Other payables - related parties	7	2,403	-	1,356	-
2230	Current income tax liabilities	6(23)	-	-	12,638	1
2280	Current lease liabilities		7,235	-	851	-
2300	Other current liabilities		1,029	-	931	-
21XX	Current Liabilities		<u>208,536</u>	<u>11</u>	<u>317,377</u>	<u>22</u>
Non-current liabilities						
2550	Provisions for liabilities - non-current		374	-	202	-
2570	Deferred income tax liabilities	6(23)	29,224	2	3,830	-
2580	Non-current lease liabilities		7,876	-	-	-
2600	Other non-current liabilities	6(10)	9,806	1	10,017	1
25XX	Non-current liabilities		<u>47,280</u>	<u>3</u>	<u>14,049</u>	<u>1</u>
2XXX	Total Liabilities		<u>255,816</u>	<u>14</u>	<u>331,426</u>	<u>23</u>
Equity						
Share capital						
3110	Share capital - common stock	6(12)	579,966	31	394,223	27
Capital surplus						
3200	Capital surplus	6(13)	838,243	45	505,884	34
Retained earnings						
3310	Legal reserve	6(14)	122,428	7	118,301	8
3320	Special reserve		78,922	4	88,050	6
3350	Unappropriated retained earnings		95,585	5	121,073	8
Other equity interest						
3400	Other equity interest	6(15)	(90,929)	(5)	(78,922)	(5)
3500	Treasury shares	6(12)	(14,372)	(1)	(14,372)	(1)
3XXX	Total equity		<u>1,609,843</u>	<u>86</u>	<u>1,134,237</u>	<u>77</u>
3X2X	Total liabilities and equity		<u>\$ 1,865,659</u>	<u>100</u>	<u>\$ 1,465,663</u>	<u>100</u>

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

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(16) and 7	\$ 599,465	100	\$ 788,393	100
5000	Operating costs	6(5) and 7	(483,642)	(81)	(646,522)	(82)
5900	Net operating margin		<u>115,823</u>	<u>19</u>	<u>141,871</u>	<u>18</u>
	Operating expenses	6(21)(22)				
6100	Selling expenses		(37,266)	(6)	(28,792)	(4)
6200	General and administrative expenses		(53,768)	(9)	(40,889)	(5)
6300	Research and development expenses		(4,272)	(1)	(4,738)	-
6000	Total operating expenses		(95,306)	(16)	(74,419)	(9)
6900	Operating profit		<u>20,517</u>	<u>3</u>	<u>67,452</u>	<u>9</u>
	Non-operating income and expenses					
7100	Interest income	6(17)	3,696	1	3,080	-
7010	Other income	6(18)	86,408	14	352	-
7020	Other gains and losses	6(19)	1,229	-	(1,694)	-
7050	Finance costs	6(20)	(342)	-	(84)	-
7070	Share of loss of associates and joint ventures accounted for using equity method, net	6(7)	(39,363)	(6)	(5,804)	(1)
7000	Total non-operating income and expenses		<u>51,628</u>	<u>9</u>	<u>(4,150)</u>	<u>(1)</u>
7900	Profit before income tax		<u>72,145</u>	<u>12</u>	<u>63,302</u>	<u>8</u>
7950	Income tax expense	6(23)	(23,077)	(4)	(10,908)	(1)
8200	Profit for the year		<u>\$ 49,068</u>	<u>8</u>	<u>\$ 52,394</u>	<u>7</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive loss, before tax, actuarial losses on defined benefit plans	6(10)	\$ 300	-	(\$ 1,504)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	6(15)	(2,189)	-	(11,571)	(2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	<u>385</u>	<u>-</u>	<u>320</u>	<u>-</u>
8310	Components of other comprehensive loss that will not be reclassified to profit or loss		(1,504)	-	(12,755)	(2)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Other comprehensive income(loss), before tax, exchange differences on translation	6(15)	(26,887)	(5)	<u>20,680</u>	<u>3</u>
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		(26,887)	(5)	<u>20,680</u>	<u>3</u>
8300	Other comprehensive (loss) income for the year		<u>(\$ 28,391)</u>	<u>(5)</u>	<u>\$ 7,925</u>	<u>1</u>
8500	Total comprehensive income for the year		<u>\$ 20,677</u>	<u>3</u>	<u>\$ 60,319</u>	<u>8</u>
	Basic earnings per share	6(24)				
9750	Total basic earnings per share		<u>\$ 1.16</u>		<u>\$ 1.35</u>	
9850	Total diluted earnings per share		<u>\$ 1.15</u>		<u>\$ 1.33</u>	

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

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Capital		Capital Reserves			Retained Earnings			Other equity interest			Treasury shares	Total equity
	Notes	Share capital - common stock	Advance receipts for share capital	Total capital surplus, additional paid-in capital	Capital surplus, treasury share transactions	Employee stock warrants	Legal reserve	Special reserve	Total unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
Year 2022													
Balance at January 1, 2022		\$ 402,031	\$ 1,103	\$ 514,590	\$ 1,287	\$ 2,241	\$ 108,709	\$ 72,115	\$ 186,967	(\$ 81,805)	(\$ 6,245)	(\$ 48,364)	\$ 1,152,629
Profit for the year		-	-	-	-	-	-	-	52,394	-	-	-	52,394
Other comprehensive income (loss) for the year	6(15)	-	-	-	-	-	-	-	(1,203)	20,680	(11,552)	-	7,925
Total comprehensive income (loss)		-	-	-	-	-	-	-	51,191	20,680	(11,552)	-	60,319
Appropriations and distribution of 2021 retained earnings6(14)													
Legal reserve		-	-	-	-	-	9,592	-	(9,592)	-	-	-	-
Special reserve		-	-	-	-	-	-	15,935	(15,935)	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(81,631)	-	-	-	(81,631)
Share-based payment transactions-employee stock options6(11)		2,192	(1,103)	2,256	-	(425)	-	-	-	-	-	-	2,920
Treasury shares transferred to employees	6(12)	(10,000)	-	(12,778)	(1,287)	-	-	(9,927)	-	-	-	33,992	-
Balance at December 31, 2022		\$ 394,223	\$ -	\$ 504,068	\$ -	\$ 1,816	\$ 118,301	\$ 88,050	\$ 121,073	(\$ 61,125)	(\$ 17,797)	(\$ 14,372)	\$ 1,134,237
Year 2023													
Balance at January 1, 2023		\$ 394,223	\$ -	\$ 504,068	\$ -	\$ 1,816	\$ 118,301	\$ 88,050	\$ 121,073	(\$ 61,125)	(\$ 17,797)	(\$ 14,372)	\$ 1,134,237
Profit for the year		-	-	-	-	-	-	-	49,068	-	-	-	49,068
Other comprehensive income (loss) for the year	6(15)	-	-	-	-	-	-	-	240	(26,887)	(1,744)	-	(28,391)
Total comprehensive income		-	-	-	-	-	-	-	49,308	(26,887)	(1,744)	-	20,677
Appropriations and distribution of 2022 retained earnings6(14)													
Legal reserve		-	-	-	-	-	4,127	-	(4,127)	-	-	-	-
Special reserve		-	-	-	-	-	-	(9,128)	9,128	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(63,173)	-	-	-	(63,173)
Shares issued for pursuant to acquisitions	6(12)	183,895	-	329,173	-	-	-	-	-	-	-	-	513,068
Share-based payment transactions-employee stock options6(11)		1,848	-	3,731	-	(545)	-	-	-	-	-	-	5,034
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	-	-	-	(16,624)	-	16,624	-	-
Balance at December 31, 2023		\$ 579,966	\$ -	\$ 836,972	\$ -	\$ 1,271	\$ 122,428	\$ 78,922	\$ 95,585	(\$ 88,012)	(\$ 2,917)	(\$ 14,372)	\$ 1,609,843

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

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 72,145	\$ 63,302
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(21)	630	478
Depreciation-right of use asset	6(9)(21)	7,625	6,432
Amortisation	6(21)	2,246	2,470
Expected credit loss (gain)	12(2)	3,708	353
Net loss on financial assets or liabilities at fair value through profit or loss	6(19)	3,446	-
Interest expense-lease liability	6(20)	342	84
Interest income	6(17)	(3,696)	(3,080)
Wages and salaries- employee stock options	6(11)	1,085	424
Share of loss of subsidiary, associates and joint ventures	6(7)	39,363	5,804
Unrealised foreign exchange loss		(1,810)	1,044
Gain recognized in bargain purchase transaction	6(18)	(85,857)	-
Reversal of provision for warranty expense		172	(2)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		1,607	86
Account receivable, net		1,890	41,840
Account receivable due from related party		396	(284)
Other receivables		(43)	1
Inventories		3,680	(3,131)
Prepayments		(801)	56
Other current assets		(32)	17
Changes in operating liabilities			
Notes payable		71	3
Accounts payable		(2,104)	877
Accounts payable to related parties		(93,909)	20,280
Other payables		2,290	(9,600)
Other payables to related parties		1,046	(111)
Contract liabilities		(13,267)	2,314
Other current liabilities		97	(1,249)
Other non-current liabilities		90	(13)
Cash (outflow) inflow generated from operations		(59,590)	128,395
Interest received		3,843	2,926
Dividend received		17,624	34,466
Interest paid		(342)	(84)
Income tax paid		(14,534)	(22,212)
Net cash flows (used in) from operating activities		(52,999)	143,491

(Continued)

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial liabilities designated at fair value through profit or loss		(\$ 63,139)	\$ -
Acquisition of investments accounted for using the equity		(1,487)	-
Proceeds from disposal of investments accounted for using equity method		2,731	-
Proceeds from capital reduction of investments accounted for using equity method		50,000	-
Acquisition of property, plant and equipment	6(8)(25)	(1,531)	(202)
Acquisition of intangible deposits		(2,720)	(390)
(Increase) decrease in refundable deposits		199	(270)
Acquisition of use-of-right assets		(26)	-
Net cash flows used in investing activities		(15,973)	(862)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of principal portion of lease liability	6(9)(26)	(7,494)	(6,563)
Cash dividend paid	6(14)(26)	(63,173)	(81,631)
Exercise of employee stock options		3,949	2,497
Net cash flows used in financing activities		(66,718)	(85,697)
Effect of exchange rate changes on cash equivalents		2,100	(593)
Net (decrease) increase in cash and cash equivalents		(133,590)	56,339
Cash and cash equivalents at beginning of year		232,849	176,510
Cash and cash equivalents at end of year		\$ 99,259	\$ 232,849

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Tons Lightology Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Tons Lightology Inc. and its subsidiaries (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

Timing of recognising sales revenue

Description

Please refer to Note 4(30) for a description of accounting policy on sales revenue. Please refer to Note 6(20) for details of sales revenue.

The Group is primarily engaged in manufacturing and trading lighting equipment and lamps and the transaction mode is the parent company receives orders and transfers the orders to the subsidiaries for manufacturing and delivery. Sales revenue includes different transaction terms and the timing of transfer of the control of goods involves manual judgement, we thus identified the timing of sales revenue recognition as one of the key areas of focus for this year's audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding and evaluated the operating procedures and internal controls over sales revenue, and assessed the effectiveness on how the management controls the timing of recognising sales revenue.
- B. Performed sales cut-off test for a certain period before and after balance sheet date to assess the accuracy of the timing of sales revenues.

Inventory valuation

Description

Please refer to Note 4(13) for a description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(5) for a description of inventory. As of December 31, 2023, the Group's inventory amounted to NT\$186,052 thousand and inventory valuation losses amounted to NT\$44,644 thousand.

The Group is primarily engaged in manufacturing and trading lighting equipment and lamps. Under the Group's inventory policy, inventory valuation is measured at the lower of cost and net realisable value, which involves subjective judgement resulting in a high degree of estimation uncertainty. Thus, we identified inventory valuation as one of the key areas of focus for this year's audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding of the Group's inventory policy and assessed the reasonableness of the policy.
- B. Reviewed annual inventory counting plan and observed the annual inventory counting event in order to assess the classification of obsolete inventory and effectiveness of obsolete inventory internal control.
- C. Obtained the Group's inventory aging report and verified dates of movements with supporting documents. Ensured the proper categorisation of inventory aging report in accordance with the Group's policy.
- D. Obtained the net realisable value statement of each inventory, assessed whether the estimation policy was consistently applied, tested the estimation basis of the net realisable value with relevant information, including verifying the sales and purchase prices with supporting evidence, and recalculated and evaluated the reasonableness of the inventory valuation.

Business Combination-Acquisition of StrongLED Lighting System (Cayman) Co., Ltd.

Description

In October 2023, the Company acquired 100% of equity of StrongLED Lighting System (Cayman) Co., Ltd. with a share swap. The share swap ratio was one share of the Company for 1.72 shares of StrongLED Lighting System (Cayman) Co., Ltd., and acquired a gain recognized in bargain purchase transaction of NT\$85,875 thousand due to M&A transaction during the year.

The Company used the acquisition method as accounting treatment for the business combination, refer to Note 4(28) for the details. The purchase price allocation report prepared by the external appraiser appointed by management was used to measure and allocate the purchase price to identifiable assets and assumed liabilities which arose from the combination (refer to Note 6(29) in the consolidated financial statements for details).

As the purchase price allocation involved management's estimation and the business combination was significant to the financial statements, we consider the business combination a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in relation to the above key audit matter:

- A. Inquired with management the details of the business combination, including acquisition motive, purchase price and valuation basis for fair values of assets acquired and liabilities assumed, accounting policies applied and the related internal control process, and reviewed the minutes of Board of Directors' meeting and related contracts.
- B. We assessed the competence and independence of the external appraiser engaged by the management, and reviewed the assessment on the reasonableness of share swap ratio provided by the independent expert and the agreements of share transfer, consideration to verify the purchase price.

C.Obtained an understanding of the basis and procedure of purchase price allocation which was estimated by management. We reviewed the original data and the reasonableness of major assumptions and fair value as indicated in the purchase price allocation reports prepared by the appraisers appointed by the Company.

D.Obtained accounting entries (shown as 'Investments accounted for using equity method') of the price allocation result based on the price allocation report and ensured accuracy of recorded amount.

Other matter – Parent company only financial statements

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

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance, including 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 judgement and professional skepticism throughout the audit. We also:

- A. 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.
- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- D. 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.
- E. 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.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Hung, Shu-Hua

Wang, Yu-Chuan

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 27, 2024

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

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

TONS LIGHTOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 406,694	19	\$ 361,977	28
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	59,616	5
1136	Current financial assets at amortised cost	6(3) and 8	571,621	26	265,399	20
1150	Notes receivable, net	6(4)	69,594	3	2,122	-
1170	Accounts receivable, net	6(4)	199,829	9	105,080	8
1180	Accounts receivable - related parties	6(4) and 7(2)	-	-	321	-
1200	Other receivables		9,082	-	5,840	1
1220	Current tax assets		481	-	246	-
130X	Inventories	6(5)	141,408	7	174,616	13
1410	Prepayments		21,171	1	5,422	-
1470	Other current assets		4,552	-	1,968	-
11XX	Current Assets		<u>1,424,432</u>	<u>65</u>	<u>982,607</u>	<u>75</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(6)	4,835	-	34,600	3
1550	Investments accounted for using equity method	6(7)	-	-	32,230	2
1600	Property, plant and equipment	6(8)	447,437	21	225,984	17
1755	Right-of-use assets	6(9)	103,130	5	29,634	2
1760	Investment property, net	6(10)	115,956	5	-	-
1780	Intangible assets		29,796	1	1,375	-
1840	Deferred income tax assets	6(27)	52,803	2	4,142	-
1900	Other non-current assets	6(11) and 8	12,525	1	7,837	1
15XX	Non-current assets		<u>766,482</u>	<u>35</u>	<u>335,802</u>	<u>25</u>
1XXX	Total assets		<u>\$ 2,190,914</u>	<u>100</u>	<u>\$ 1,318,409</u>	<u>100</u>

(Continued)

TONS LIGHTOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12)	\$ 86,540	4	\$ -	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	507	-	1,687	-
2130	Current contract liabilities	6(20)	48,503	2	31,191	2
2150	Notes payable		72,567	3	31	-
2170	Accounts payable		116,586	5	45,769	4
2200	Other payables	6(13)	148,476	7	66,850	5
2230	Current income tax liabilities		82	-	19,596	2
2250	Provisions for liabilities - current		13,813	1	548	-
2280	Current lease liabilities		7,525	1	2,489	-
2300	Other current liabilities		1,337	-	1,318	-
21XX	Current Liabilities		<u>495,936</u>	<u>23</u>	<u>169,479</u>	<u>13</u>
	Non-current liabilities					
2550	Provisions for liabilities - non-current		10,999	1	551	-
2570	Deferred income tax liabilities	6(27)	54,433	2	3,830	-
2580	Non-current lease liabilities		7,876	-	295	-
2600	Other non-current liabilities	6(14)	11,827	1	10,017	1
25XX	Non-current liabilities		<u>85,135</u>	<u>4</u>	<u>14,693</u>	<u>1</u>
2XXX	Total Liabilities		<u>581,071</u>	<u>27</u>	<u>184,172</u>	<u>14</u>
	Equity attributable to owners of parent					
	Share capital	6(16)				
3110	Share capital - common stock		579,966	26	394,223	30
	Capital surplus	6(17)				
3200	Capital surplus		838,243	38	505,884	38
	Retained earnings	6(18)				
3310	Legal reserve		122,428	6	118,301	9
3320	Special reserve		78,922	4	88,050	7
3350	Unappropriated retained earnings		95,585	4	121,073	9
	Other equity interest	6(19)				
3400	Other equity interest		(90,929)	(4)	(78,922)	(6)
3500	Treasury shares	6(16)	(14,372)	(1)	(14,372)	(1)
31XX	Equity attributable to owners of the parent		<u>1,609,843</u>	<u>73</u>	<u>1,134,237</u>	<u>86</u>
3XXX	Total equity		<u>1,609,843</u>	<u>73</u>	<u>1,134,237</u>	<u>86</u>
3X2X	Total liabilities and equity		<u>\$ 2,190,914</u>	<u>100</u>	<u>\$ 1,318,409</u>	<u>100</u>

TONS LIGHTOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

				Year ended December 31			
Items		Notes	2023		2022		
			AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(20) and 7	\$ 811,933	100	\$ 913,801	100	
5000	Operating costs	6(5) and 7	(553,832)	(68)	(616,295)	(68)	
5900	Net operating margin		<u>258,101</u>	<u>32</u>	<u>297,506</u>	<u>32</u>	
	Operating expenses	6(25)(26)					
6100	Selling expenses		(101,811)	(12)	(85,368)	(9)	
6200	General and administrative expenses		(110,306)	(14)	(86,614)	(10)	
6300	Research and development expenses		(48,006)	(6)	(39,085)	(4)	
6000	Total operating expenses		<u>(260,123)</u>	<u>(32)</u>	<u>(211,067)</u>	<u>(23)</u>	
6900	Operating (loss) profit		<u>(2,022)</u>	<u>-</u>	<u>86,439</u>	<u>9</u>	
	Non-operating income and expenses						
7100	Interest income	6(21)	17,453	2	11,053	1	
7010	Other income	6(22)	94,194	12	2,381	1	
7020	Other gains and losses	6(23)	(5,878)	(1)	(16,334)	(2)	
7050	Finance costs	6(24)	(843)	-	(205)	-	
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	(30,986)	(4)	(9,886)	(1)	
7000	Total non-operating revenue and expenses		<u>73,940</u>	<u>9</u>	<u>(12,991)</u>	<u>(1)</u>	
7900	(Loss) profit before income tax		<u>71,918</u>	<u>9</u>	<u>73,448</u>	<u>8</u>	
7950	Income tax benefit (expense)	6(27)	(22,850)	(3)	(21,054)	(2)	
8200	Profit (loss) for the year		<u>\$ 49,068</u>	<u>6</u>	<u>\$ 52,394</u>	<u>6</u>	
	Other comprehensive income						
	Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Other comprehensive income, before tax, actuarial losses on defined benefit plans	6(14)	\$ 300	-	(\$ 1,504)	-	
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	6(19)	(2,189)	-	(11,571)	(1)	
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	<u>385</u>	<u>-</u>	<u>320</u>	<u>-</u>	
8310	Components of other comprehensive loss that will not be reclassified to profit or loss		<u>(1,504)</u>	<u>-</u>	<u>(12,755)</u>	<u>(1)</u>	
	Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	6(19)	(26,887)	(3)	20,680	2	
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		<u>(26,887)</u>	<u>(3)</u>	<u>20,680</u>	<u>2</u>	
8300	Total other comprehensive (loss) income for the year		<u>(\$ 28,391)</u>	<u>(3)</u>	<u>\$ 7,925</u>	<u>1</u>	
8500	Total comprehensive income for the year		<u>\$ 20,677</u>	<u>3</u>	<u>\$ 60,319</u>	<u>7</u>	
	Basic (loss) earnings per share	6(28)					
9750	Total basic (loss) earnings per share		<u>\$ 1.16</u>		<u>\$ 1.35</u>		
9850	Total diluted (loss) earnings per share		<u>\$ 1.15</u>		<u>\$ 1.33</u>		

TONS LIGHTOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Equity attributable to owners of the parent											Total equity	
	Capital		Capital Reserves			Retained Earnings			Other equity interest				
	Share capital - common stock	Advance receipts for share capital	Total capital surplus, additional paid-in capital	Capital surplus, treasury share transactions	Employee stock warrants	Legal reserve	Special reserve	Total unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares		
Notes													
Year 2022													
Balance at January 1, 2022		\$ 402,031	\$ 1,103	\$ 514,590	\$ 1,287	\$ 2,241	\$ 108,709	\$ 72,115	\$ 186,967	(\$ 81,805)	(\$ 6,245)	(\$ 48,364)	\$ 1,152,629
Profit for the year		-	-	-	-	-	-	52,394	-	-	-	52,394	
Other comprehensive income (loss) for the year	6(19)	-	-	-	-	-	-	(1,203)	20,680	(11,552)	-	7,925	
Total comprehensive income (loss)		-	-	-	-	-	-	51,191	20,680	(11,552)	-	60,319	
Appropriation and distribution of 2021 retained earnings ⁶⁽¹⁸⁾													
Legal reserve		-	-	-	-	9,592	-	(9,592)	-	-	-	-	
Special reserve		-	-	-	-	-	15,935	(15,935)	-	-	-	-	
Cash dividends		-	-	-	-	-	-	(81,631)	-	-	-	(81,631)	
Share-based payment transactions-employee stock options ⁶⁽¹⁵⁾		2,192	(1,103)	2,256	-	(425)	-	-	-	-	-	2,920	
Retirement of treasury share		(10,000)	-	(12,778)	(1,287)	-	-	(9,927)	-	-	33,992	-	
Balance at December 31, 2022		\$ 394,223	\$ -	\$ 504,068	\$ -	\$ 1,816	\$ 118,301	\$ 88,050	\$ 121,073	(\$ 61,125)	(\$ 17,797)	(\$ 14,372)	\$ 1,134,237
Year 2023													
Balance at January 1, 2023		\$ 394,223	\$ -	\$ 504,068	\$ -	\$ 1,816	\$ 118,301	\$ 88,050	\$ 121,073	(\$ 61,125)	(\$ 17,797)	(\$ 14,372)	\$ 1,134,237
Profit for the year		-	-	-	-	-	-	49,068	-	-	-	49,068	
Other comprehensive loss for the year	6(19)	-	-	-	-	-	-	240	(26,887)	(1,744)	-	(28,391)	
Total comprehensive loss		-	-	-	-	-	-	49,308	(26,887)	(1,744)	-	20,677	
Appropriation and distribution of 2022 retained earnings ⁶⁽¹⁸⁾													
Legal reserve		-	-	-	-	4,127	-	(4,127)	-	-	-	-	
Special reserve		-	-	-	-	-	(9,128)	9,128	-	-	-	-	
Cash dividends		-	-	-	-	-	-	(63,173)	-	-	-	(63,173)	
Shares issued for pursuant to acquisitions	6(16)	183,895	-	329,173	-	-	-	-	-	-	-	513,068	
Share-based payment transactions-employee stock options ⁶⁽¹⁵⁾		1,848	-	3,731	-	(545)	-	-	-	-	-	5,034	
Disposal of investments in equity instruments designated ⁶⁽¹⁹⁾ at fair value through other comprehensive income		-	-	-	-	-	-	(16,624)	-	16,624	-	-	
Balance at December 31, 2023		\$ 579,966	\$ -	\$ 836,972	\$ -	\$ 1,271	\$ 122,428	\$ 78,922	\$ 95,585	(\$ 88,012)	(\$ 2,917)	(\$ 14,372)	\$ 1,609,843

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

TONS LIGHTOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 71,918	\$ 73,448
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(25)	51,134	49,522
Depreciation -Investment property	6(10)(25)	1,169	-
Depreciation - right-of-use asset	6(9)(25)	10,393	9,263
Amortisation	6(25)	2,942	2,470
Provision for (gain on reversal of) expected credit loss	12(2)	(1,723)	(1,054)
Net loss on financial assets and liabilities at fair value through profit or loss	6(2)(23)	(1,001)	27,684
Interest expense - finance lease	6(24)	444	-
Interest expense - lease liability	6(24)	399	205
Interest income	6(21)	(17,453)	(11,053)
Share-based payments	6(15)	1,085	424
Share of loss of associates and joint ventures accounted for under equity method	6(7)	30,986	9,886
Loss (gain) on disposal of property, plant and equipment	6(23)	(747)	(198)
Gain recognized in bargain purchase transaction		(85,857)	-
Unrealized foreign exchange gain		9,237	2,662
(Reversal of) prorision for warranty expense		(17)	214
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		6,539	86
Accounts receivable, net		14,512	39,236
Accounts receivable due from related parties		315	(321)
Other receivables		6	5,446
Inventories		72,872	72,161
Prepayments		(2,915)	10,733
Other current assets		44	(152)
Changes in operating liabilities			
Notes payable		5,682	3
Accounts payable		(7,253)	(59,418)
Other payables		(8,972)	(21,922)
Contract liabilities		(13,541)	5,700
Other current liabilities		(2,295)	(1,089)
Other non-current liabilities		46	(13)
Non-current provisions		(2,679)	-
Cash inflow generated from operations		135,270	213,923
Interest received		15,230	9,649
Interest paid		(906)	(205)
Income tax paid		(17,204)	(32,879)
Net cash flows from operating activities		<u>132,390</u>	<u>190,488</u>

(Continued)

TONS LIGHTOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets measured at fair value through profit or loss		(\$ 243)	\$ -
(Increase) decrease in financial assets at amortised cost		(178,406)	(69,472)
Acquisition of investments accounted for using equity method		(1,487)	-
Proceeds from disposal of investments accounted for using equity method		2,731	-
Acquisition of property, plant and equipment	6(30)	(15,212)	(12,452)
Proceeds from disposal of property, plant and equipment		1,353	571
(Increase) decrease in refundable deposits		677	(1,918)
Acquisition of intangible deposits		(7,854)	(390)
Increase in other non-current assets		(3,356)	(5,633)
Increase in acquisition of subsidiaries		224,799	-
Net cash flows from (used in) investing activities		23,002	(89,294)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(31)	(26,221)	-
Repayment of principal portion of lease liabilities	6(31)	(9,059)	(8,554)
Cash dividends paid	6(18)(31)	(63,173)	(81,631)
Exercise of employee stock options		3,949	2,497
Net cash flows used in financing activities		(94,504)	(87,688)
Effect of exchange rate changes on cash equivalents		16,171	4,035
Net increase in cash and cash equivalents		44,717	17,541
Cash and cash equivalents at beginning of year		361,977	344,436
Cash and cash equivalents at end of year		\$ 406,694	\$ 361,977

[Attachment 5]

Tons Lightology Inc.
Profit Distribution Table
Year 2023

Unit: NT\$

Net income – 2023	\$49,067,831
Less: Retained earnings adjusted amount - 2023	(16,384,079)
Less: 10% legal reserve	(3,268,375)
Less: special reserve	(12,006,749)
Distributable amount - 2023	\$17,408,628
Add: Unappropriated earnings - beginning	62,901,443
Accumulated distributable amount - 2023	\$80,310,071
Distributions:	
Shareholder dividend - Cash	40,247,610
Unappropriated earnings - ending	\$40,062,461
Remark: Cash dividend: NT\$0.70 per share	

Note 1: The adjustment made to retained earnings for an amount of (NT\$16,384,079) in 2023 was due to the loss of (NT\$16,624,421) from the noncurrent financial assets measured at fair value through other comprehensive profit and loss and the remeasurement of defined benefit plans for an amount of NT\$240,342.

Note 2: The appropriation of special reserve for an amount of (NT\$12,006,749) for the current period was the amount appropriated additionally according to the difference between the appropriated amount of special reserve and the net amount debited to other equity

Note 3: On February 27, 2024, the Board of Directors resolved to distribute cash dividends at NT\$0.70 per share.

Note 4: The cash dividend per share was calculated in accordance with the outstanding 57,496,587 shares on February 27, 2024.

Chairman : TANG, SHIH-CHUAN

CEO : HUNG, CHIA-CHENG

CFO : WANG, CHIH-YUAN

[Attachment 6]

Tons Lightology Inc.
List of Candidate for the Board of Director

Name	Shareholding	Education	Experience	Other Position
Chang, Chia-Jui	0	ROC Army First Non-Commissioned Officers School (renamed "Army Academy ROC"). ROC Marine Corps School. The 14 th Industrial Manager Research Class of Tunghai University.	Founder of StrongLED Lighting Systems Co., Ltd. Executive Vice Chairman of China Shanghai Sign Association. Vice Chairman of the Building Electrical Committee of China Building Decoration Association. Member of the International Media Architecture Society (China). Chairman of Taiwan Compatriots Investment Enterprises Association, Wujiang District, Suzhou City, Jiangsu Province.	Consultant to StrongLED Lighting Systems (Cayman) Co., Ltd.

[Appendix 1]

Tons Lightology Inc.
Rules of Procedure for Shareholder Meetings
(Translation)

Article 1: The Rules of Procedure for Shareholder Meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

Article 2: Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.

Changes to the means of convening a shareholders' meeting shall be subject to a resolution of the Board of Directors, and shall be made no later than the delivery of the shareholders' meeting notice.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. However, if a company has paid-in capital of NT\$10 billion or more at the end of the most recent fiscal year or has 30% of its shares held by foreign and Mainland Chinese investors based on the shareholder register at the shareholders' meeting in the most recent fiscal year is more than 30%. it shall upload the electronic versions of such materials to the MOPS 30 days before the date of the regular shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated.

The Company shall make the shareholders' meeting agenda and supplemental meeting materials mentioned in the preceding paragraph available for review by shareholders on the day of the regular shareholders' meeting in the following ways:

1. When a shareholders' meeting is held on-site, distribute at the meeting.
2. When a video-assisted shareholders' meeting is held, distribute at the meeting and on the video-conferencing platform as electronic files.
3. When a shareholders' meeting is held via video conferencing, distribute on the video-conferencing platform as electronic files.

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

Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matters under Paragraph 1, Article 185 and Article 43-6 of the Company Act or under Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.

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

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders' meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder proposal for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the agenda by the Board of Directors. In addition, when the circumstances of any subparagraph of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the

Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in the discussion of the proposal.

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

Article 3: For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting via video conferencing, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 4: The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration

shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

When the Company convenes a shareholders' meeting via video conferencing, it is not subject to the restrictions on the venue for a shareholders' meeting mentioned in the preceding paragraph.

Article 5: The Company shall specify in its shareholders' meeting notices the time during which shareholder, solicitor, and proxy agent (shareholder) attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be marked and a sufficient number of suitable personnel assigned to handle the registrations. Where a shareholders' meeting is held via video conferencing, shareholders shall register on the video conferencing platform at least 30 minutes prior to the time the meeting commences. Shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

Where a shareholders' meeting is held via video conferencing, shareholders who intend to attend by video conference shall register with the Company two days prior to the shareholders' meeting.

Where a shareholders' meeting is held via video conferencing, the Company shall upload the meeting handbook, annual report, and other materials to the video conferencing platform at least 30 minutes before the start of the shareholders' meeting and maintain their availability until the end of the meeting.

Article 5-1: When the Company holds a shareholders' meeting via video conferencing, it shall specify the following matters in the shareholders' meeting notice:

1. Methods for shareholders to attend and exercise their rights in a shareholders' meeting via video conferencing.
2. Methods for handling obstacles to the video conferencing platform or attending a shareholders' meeting via video conferencing due to natural disasters, incidents, or other force majeure circumstances, including but not limited to:
 - (1) Where the aforesaid obstacles cannot be removed, the inaugural shareholders' meeting may be postponed or reconvened, with the date of postponement or reconvention set if appropriate.
 - (2) Shareholders who have not registered to attend the inaugural shareholders' meeting via video conferencing shall not attend the postponement or reconvention of the meeting.
 - (3) When the Company holds a video-assisted shareholders' meeting and fails to proceed with the video conference, the shareholders' meeting shall continue if the number of shares held by the attending shareholders, after deducting the number of shares held by the shareholders attending via video conferencing, reaches the statutory quota for the shareholders' meeting. The number of shares held by the shareholders attending via video conferencing shall be included in the total number of shares held by the attending shareholders and deemed abstentions in all resolutions of the shareholders' meeting.
 - (4) Methods for handling in the event that all the motions have been declared results and no extemporary motion has been made.
3. When convening a shareholders' meeting via video conferencing, the Company shall specify appropriate alternatives for shareholders who may have difficulty attending.

Article 6: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the Board. When the chairperson of the Board is on leave or for any reason unable to exercise the powers of the chairperson, the vice-chairperson shall act in place of the chairperson; if there is no vice-chairperson

or the vice-chairperson also is on leave or for any reason unable to exercise the powers of the vice-chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

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

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the chairperson of the Board in person and attended by a majority of the directors and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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

The Company may assign the commissioned attorney, CPA, or the responsible personnel to attend the shareholders' meeting.

Article 7: The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote-counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

When a shareholders' meeting is held via video conferencing, the Company shall record and retain the shareholders' registration, sign-in, attendance registration, questions, voting, and vote counting results and make an uninterrupted audio and video recording of the shareholders' meeting.

The materials and audio and video recordings mentioned in the preceding paragraph

shall be properly retained by the Company throughout the life of the Company, and the audio and video recordings shall be provided for institutions that are entrusted to handle video conferencing affairs for retention.

When a shareholders' meeting is held via video conferencing, the Company shall make the audio and video recording of the backend user interface of the video conferencing platform.

Article 8: Attendance at shareholders' meetings shall be calculated based on the numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in and the number of shares registered on the video conferencing platform plus the number of shares whose voting rights are exercised by correspondence or electronically.

The Chairman shall declare the meeting in session and the number of non-voting shares and the number of shares held by attending shareholders when it is meeting time. However, if the attending shareholders have less than majority shareholding, the Chairman may declare to have the meeting postponed, but it is limited to two postpones and for less than one hour together. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chairman shall declare the meeting adjourned. If a shareholders' meeting is held via video conferencing, the Company shall announce the adjournment of the shareholders' meeting on the video conferencing platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month; if a shareholders meeting is held via video conferencing, shareholders who intend to attend via video conferencing shall re-register with the Company in accordance with Article 6.

If the attending shareholders had a majority of the shareholding before the end of the shareholders' meeting, the Chairman may have the pseudo-resolution presented in the meeting for resolution again in accordance with Article 174 of the Company Law.

Article 9: If a shareholders' meeting is convened by the Board of Directors, the meeting agenda

shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

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

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

Article 10: Shareholders must first fill out the speech slip with the gist of the statement, shareholder account number (or attendance card number), and account name stated before speaking in the meeting; also, the Chairman is to prioritize the speakers.

Shareholders who had submitted the speech slip but did not speak in the meeting shall be deemed as choosing not to speak. If the spoken speech is different from the contents of the speech slip, the speech shall prevail.

Shareholder may not speak twice on the same proposal without the consent of the Chairman; also, each speaker may not speak for more than five minutes each time. The Chairman may have the speakers who have violated the provisions, or speaking beyond the scope of the proposal stopped.

Shareholders who are speaking shall not be interrupted by any other shareholders without the consent of the Chairman and the Chairman is obliged to have the interfering shareholders stopped.

If the institutional shareholder has appointed two or more natural persons to attend the meeting, only one of the natural persons can speak on the same proposal in the

meeting.

The Chairman may respond to or appoint the responsible personnel to respond to the speech given by the shareholders.

If a shareholders' meeting is held via video conferencing, shareholders attending via video conferencing may ask questions in text form on the video conferencing platform after the chairman declares the commencement of the meeting and before the chairman declares the adjournment of the meeting. The number of questions asked for each motion shall not exceed two, with each question limited to 200 words. The provisions of Paragraphs 1 to 5 shall not apply.

If the question mentioned in the preceding paragraph does not violate the regulations or does not exceed the scope of the motion, it is advisable to make the question public on the video conferencing platform.

Article 11: The voting held in the shareholders' meeting is based on the share count.

For the resolution reached in the shareholders' meeting, the number of shares of the shareholders without voting right will not be included in the total number of shares issued.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as a proxy for any other shareholder.

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

Except for the trust business or the stock affair agent authorized by securities competent authorities, when one person is commissioned by more than two shareholders, the voting rights by proxies may not exceed 3% voting rights of the total outstanding shares. When the voting rights by proxies exceed 3% voting rights of the total outstanding shares, the voting rights exceeding the threshold will not be included for calculation.

Article 12: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179, of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by

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

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

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or via video conferencing, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and the Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed,

the other proposals will then be deemed rejected, and no further voting shall be required.

The ballot scrutineers and tellers for the voting on the proposal are appointed by the Chairman; however, the ballot scrutineers must be the shareholders of the Company. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company convenes a shareholders' meeting via video conferencing, shareholders attending via video conferencing shall vote on the motions and the election on the video conferencing platform after the chairman announces the commencement of the meeting and before the chairman announces the close of voting. Failure to do so will be deemed abstention.

If a shareholders' meeting is held via video conferencing, the votes shall be counted at one time after the chairman announces the close of voting, and the voting and election results shall be announced thereafter.

When the Company holds a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting via video conferencing in accordance with Article 6 and intend to attend the shareholders' meeting in person shall cancel the registration in the same manner as the registration two days before the shareholders' meeting; those who fail to cancel the registration within the time limit may only attend the shareholders' meeting via video conferencing.

Those who exercise their voting rights in writing or electronically without revoking their intentions and attend the shareholders' meeting by video conferencing shall not exercise their voting rights on the original motion, propose amendments to the original motion, or exercise the voting rights for amendments to the original motion, except for extemporary motions.

Article 13: The election of the directors in the shareholders' meeting should be processed in accordance with the Company's "Procedures for Election of Directors" and with the election result declared in the meeting immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots of the electoral matters in the preceding paragraph shall be sealed and signed by the ballot scrutineers for safekeeping for at least one year; however, the

ballots may be reserved for a longer period of time until the end of the proceeding when a lawsuit is filed by shareholders in accordance with Article 189 of the Company Law.

Article 14: The minutes of meeting should be prepared for the proposals resolved in the shareholders' meeting; also, it should be signed or sealed by the Chairman and distributed to the shareholders within 20 days after the meeting date. The meeting minutes may be produced and distributed in electronic form.

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

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

If a shareholders' meeting is held via video conferencing, the minutes of the shareholders' meeting shall record the start and end time of the shareholders' meeting, the method of convening the meeting, and the name of the chairman and the minute taker, as well as the methods and results of handling in the event of obstacles to the video conferencing platform or attendance via video conferencing caused by natural disasters, incidents or other force majeure circumstances, in addition to matters that shall be recorded in the preceding paragraph.

When the Company convenes a shareholders' meeting via video conferencing, it shall specify in the minutes of the meeting the alternatives provided for shareholders who have difficulty attending the meeting via video conferencing while complying with the provisions of the preceding paragraph.

Article 15: On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and the number of shares held by the attending shareholders in writing or electronically, and shall make an express disclosure of the same at the place of the shareholders' meeting. If a shareholders' meeting is held via video conferencing, the Company shall upload the aforesaid material to the video conferencing platform at least 30 minutes before the start of the shareholders' meeting and maintain its availability until the end of the

meeting.

When the Company announces the commencement of a shareholders' meeting via video conferencing, it shall disclose the total number of shares held by attending shareholders on the video conferencing platform. The same shall apply if the total number of shares and voting rights of the shareholders attending the meeting is counted during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taipei Exchange regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 16: Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

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

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 17: The Chairman may announce at his/her discretion to take a break during the proceedings. The Chairman may decide to have the meeting suspended temporarily due to a force majeure and may have the meeting resumed thereafter depending on the actual practice.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 18: If a shareholders' meeting is held via video conferencing, the Company shall immediately disclose the voting results of the motions and the election results on the

video conferencing platform in accordance with the regulations and maintain their availability for at least 15 years after the chairman announces the adjournment of the meeting.

Article 19: When the Company holds a shareholders' meeting via video conferencing, the chairman and the minute taker shall be at the same place in Taiwan, and the chairman shall announce the address of the place at the time of the meeting.

Article 20: If a shareholders' meeting is held via video conferencing, the Company may provide a simple connection test for shareholders before the meeting and also render related services immediately before and during the meeting to help shareholders solve telecommunication problems.

If a shareholders' meeting is held via video conferencing, the chairman shall, when announcing the commencement of the meeting, separately announce that, due to an obstacle to the video conferencing platform or attendance via video conferencing caused by natural disasters, incidents, or other force majeure events, which lasts for more than 30 minutes, before the chairman announces the adjournment of the meeting, the shareholders' meeting shall be postponed or reconvened within five days, except for the circumstances where there is no need for postponement or reconvention of the shareholders' meeting as stipulated in Paragraph 24, Article 44-24 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Article 182 of the Company Act does not apply.

Where the inaugural shareholders' meeting is postponed or reconvened as mentioned in the preceding paragraph, shareholders who have not registered to attend the inaugural shareholders' meeting via video conferencing shall not attend the meeting that is postponed or reconvened.

When the shareholders' meeting shall be adjourned or reconvened in accordance with Paragraph 2, if shareholders who have registered to attend the inaugural shareholders' meeting via video conferencing and have completed the attendance registration fail to attend the meeting that is adjourned or reconvened, the number of shares held by them and their voting rights and election rights exercised at the inaugural shareholders' meeting shall be included in the total number of shares and voting rights and election rights of the shareholders attending the meeting that is adjourned or reconvened.

When a shareholders' meeting is postponed or reconvened in accordance with Paragraph 2, it is not necessary to once again discuss and resolve the motions whose voting and counting of votes have been completed, with the voting results or the list

of elected directors and supervisors announced.

When the Company holds a video-assisted shareholders' meeting and fails to proceed with the video conference as prescribed in Paragraph 2, the shareholders' meeting shall continue if the number of shares held by the attending shareholders, after deducting the number of shares held by the shareholders attending via video conferencing, reaches the statutory quota for the shareholders' meeting. There is no need to postpone or reconvene the shareholders' meeting in accordance with Paragraph 2.

If a shareholders' meeting shall continue in accordance with the preceding paragraph, the number of shares held by shareholders who attend the shareholders' meeting via video conferencing shall be included in the total number of shares held by attending shareholders; however, shareholders who attend the shareholders' meeting via video conferencing shall be deemed abstention in all resolutions of the shareholders' meeting.

When the Company postpones or reconvenes the shareholders' meeting in accordance with Paragraph 2, it shall make preparations based on the date of the inaugural shareholders' meeting and in accordance with Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

The Company shall base the period prescribed in the latter part of Article 12 and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies on the date of the shareholders' meeting postponed or reconvened in accordance with Paragraph 2.

Article 21: When the Company convenes a shareholders' meeting via video conferencing, it shall provide appropriate alternatives for shareholders who have difficulty in attending the shareholders' meeting by video conferencing.

Article 22: The "Rules of Procedure for Shareholders' Meeting" was enacted on June 27, 2008. The 1st amendment was made on June 26, 2009. The 2nd amendment was made on June 10, 2013. The 3rd amendment was made on May 28, 2015. The 4th amendment was made on May 30, 2018. The 5th amendment was made on August 19, 2021. The 6th amendment was made on May 26, 2022.

[Appendix 2]

Tons Lightology Inc.
Articles of Incorporation
(Translation)

Chapter 1 General Rules

Article 1 : The Company is incorporated in accordance with the Company Law and is named "Tons Lightology Inc."

Article 2 : The business operation of the Company is as follows:

- 1.CC01030 Electrical appliances and audio-visual electronic products manufacturing business
- 2.CC01040 Lighting equipment manufacturing business
- 3.CC01080 Electronic components manufacturing business
- 4.CH01010 Sporting goods manufacturing business
- 5.F106010 Hardware wholesale business
- 6.F106030 Mold wholesale business
- 7.F109070 Cultural, educational, musical instruments, and recreational supplies wholesale business
- 8.F113020 Electrical appliances wholesale business
- 9.F119010 Electronic materials wholesale business
- 10.F206010 Hardware retail business
- 11.F209060 Cultural, educational, musical instruments, and recreational supplies retail business
- 12.F213010 Electric appliances retail business
- 13.F219010 Electronic materials retail business
- 14.F401010 International trade business
- 15.E601010 Electric Appliance Construction
- 16.ZZ99999 In addition to the chartered business, the business not-prohibited or not-restricted by law is also permitted for operation

Article 3 : The headquarters of the Company is setup in New Taipei City, Taiwan; also, overseas branches can be setup for business operation with the resolution of the Board of Directors and the approval of the competent authorities.

Chapter 2 Shares

Article 4 : The capital stock of the Company is authorized for an amount of NT\$800,000,000 with 80,000,000 shares issued at NT\$10 par by installment in accordance with the resolutions of the Board.

An amount of NT\$80,000,000 is to be appropriated from the total capital stock stated in the preceding paragraph for issuing employee stock warrants with 8,000,000 shares issued by installment in accordance with the resolutions of the Board.

Article 5 : The Company's transfer investment is not subject to the investment limit of 40% of paid-in capital stated in Article 13 of the Company Law.

Article 5.1 : The Company may have endorsement and guarantee made externally in accordance with the Company's "Regulations Governing Making of Endorsements/Guarantees."

Article 6 : The Company's stock is registered and numbered and to be signed or sealed by directors; also, and shall be duly certified or authenticated by the bank competent to serve as attestors for the issuance of share certificates under the laws before issuance thereof.

The Company may have stock shares issued without any printout made; also, should contact Taiwan Depository & Clearing Corporation for registration. The Company has stock affairs handled in accordance with the relevant laws and regulations of the competent authorities.

Article 7 : The contents of the shareholder registry may not be modified within 60 days prior to the general shareholders' meeting, thirty days prior to the extraordinary shareholders' meeting, or five days prior to the base date for the distribution of dividend, bonus, or other interests announced by the Company.

Article 8 : Shareholders' meetings are classified as general shareholders' meeting and extraordinary shareholders' meeting. General shareholders' meeting is to be convened by the Board of Directors once a year within six months at the end of the fiscal year while extraordinary shareholders' meeting can be convened lawfully at anytime when it is necessary.

The Company may hold a shareholders' meeting using a visual communication network or other methods promulgated by the central competent authority.

Article 8.1 : The date of the meeting, place, and reasons for convening shareholders' meeting should be forwarded to each shareholder thirty days prior to the meeting date for general shareholders' meeting and fifteen days for extraordinary shareholders' meeting.

Chapter 3 Shareholders' Meeting

Article 9 : The Chairman is to preside the shareholders' meeting. If the Chairman is on leave or cannot perform duty for reasons, the Vice Chairman is to preside the meeting. If there is not a Vice Chairman appointed or the Vice Chairman

is also on leave or cannot perform duty for reasons, the Chairman is to appoint his/her representative to preside the meeting. If the Chairman failed to have his/her representative appointed, the representative is to be elected among the Board Directors.

Article 10 : Shareholders who cannot attend the shareholders' meeting for reasons may have had the representative attending the meeting instead by proxy in accordance with Article 177 of the Company Law.

Shareholder's attending the shareholders' meeting by proxy, unless otherwise provided in the Company Law, should be processed in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meeting of Public Companies" published by the competent authorities.

Article 11 : The resolutions reached in the shareholders' meeting, unless otherwise provided in the Company Law, must be with the attendance of the shareholders that have majority shareholding and with the approval of the attending shareholders with majority voting rights.

Article 12 : Each stock share held by the Company's shareholders is entitled to one voting right, except for in any of the circumstances stated in Article 175 Section 3 and Article 179 of the Company Law, and the related law and regulations.

Chapter 4 Directors and Managers

Article 13 : The Company's withdrawal of public offering should be handled in accordance with Article 156 Paragraph 3 of the Company Law.

Article 14 : The Company has 7~9 directors nominated for a term of three years and they can be re-elected for a second term. The tenure of the directors who are not replaced at the end of the term can be extended until the next newly elected directors take office.

Directors are nominated as candidates for the election of directors in accordance with Article 192.1 of the Company Law. Shareholders are to have directors elected from the candidate list.

The Company's Board of Directors may resolve to acquire liability insurance for the directors.

Article 15 : There must be at least three independent directors (not less than one fifth of the total number of directors) out of the number of directors referred to above. The professional qualifications of the independent directors, shareholdings, limitation of part-time job, the nomination and appointment

method, and other matters to be complied with must be processed according to the relevant provisions of the competent authorities.

The Company established the audit committee in accordance to Article 14.2 of the Securities Exchange Act. The audit committee is responsible to perform the duties stipulated in the Company Act, Securities and Exchange Act and other laws and regulations.

The audit committee is composed of all independent directors.

Article 16 : The Chairman is elected among the directors with the attendance of two thirds of the directors and the consent of the majority of the attending directors. The Vice Chairman can be elected among the directors the same way as Chairman when it is necessary. The Chairman represents the Company to the public.

Article 17 : The Board meeting should be convened with the cause of action detailed and the directors notified seven days in advance. A Board meeting can be convened for an emergency at any time. The Company's Board meeting can be convened with the directors notified in writing, by E-mail, or by fax.

The Board meeting is convened by the Chairman, unless otherwise provided in the Company Law. The resolutions reached by the Board of Directors, unless otherwise provided in the Company Law, must be with the attendance of the majority of the directors and the consent of the majority of the attending directors.

Article 18 : The Chairman is to preside the Board meeting. If the Chairman is on leave or cannot perform duty for reasons, the Vice Chairman is to preside the meeting. If there is not a Vice Chairman appointed or the Vice Chairman is also on leave or cannot perform duty for reasons, the Chairman is to appoint his/her representative to preside the meeting. If the Chairman failed to have his/her representative appointed, the representative is to be elected among the Board directors. Board director shall attend the Board meeting in person; however, the Board director who cannot attend the Board meeting in person for reasons may have had other director attending the meeting on his/her behalf by proxy with the scope of authorized detailed. The Board director's attending the Board meeting by proxy is limited to appointing one representative only.

If the Board meeting is convened by a video conference, the directors who have attended the Board meeting by a video conference shall be deemed as attending in person.

Article 19 : The Board of Directors is to determine the remuneration to the Company's directors depending on the extent of their involvement in the Company's business operations and their contributions; also, by referring to the domestic industry standards, regardless of the operating profit or loss.

Article 20 : The Company has the management appointed with the commission, discharge, and remuneration processed in accordance with the Company Law.

Chapter 5 Accountants

Article 21 : The Company's fiscal year is for a period from January 1 to December 31.

Article 22 : The Company should have the following reports prepared at the end of each fiscal year in accordance with Article 228 of the Company Law. The following reports should be presented in the general shareholders' meeting for acknowledgement:

1. Business Report
2. Financial Statements
3. Statement of Earnings Distribution or Loss Subsidy

Article 23 : Dividends and bonuses are distributed proportionally to the shareholding of the shareholders. The Company without any earnings may not have dividends and bonuses distributed.

Article 23.1 The Company's annual profits, if any, should be with 5~15% appropriated as remuneration to employees and with less than 2.5% appropriated as remuneration to directors. If the Company is with accumulated losses, an amount for making up the losses should be reserved in advance.

The remuneration to employees is paid with stock dividend or cash; also, it must be with the consent of the majority of the presenting directors in the Board meeting that is with two thirds of the directors attended; also, the resolution should be reported in the shareholders' meeting.

The remuneration to employees paid with stock or cash is also available to the qualified employees of the subsidiaries; also, the Board of Directors is authorized to regulate the related matters.

The annual profits stated in the preceding paragraph refers to the net income before tax and before deducting the remuneration to employees and directors and it is distributed in a lump sum.

Article 24 : The Company's annual earnings, if any, are to be distributed in an orderly manner as follows:

1. Making up losses of prior periods;
2. Appropriating 10% legal reserve and appropriating or reversing special reserve, is necessary;
3. The remaining balance plus the unappropriated earnings of prior periods are the distributable earnings. The Board of Directors is to propose the earnings distribution in the shareholders' meeting for a resolution.

The industry that the Company engaged in is growing. In consideration of the current and future development plans, investment environment, capital

needs, and domestic and international competition; also, taking into account the interests of shareholders, balanced dividends, and the Company's long-term financial planning, the earnings distribution is processed in conformity with the requirements stated in the preceding paragraph; also, the distribution of shareholder dividend shall not be less than 50% of the accumulated distributable earnings. Cash dividend shall not be less than 10% of the total shareholder dividend distributed. However, the Board of Directors may have the said distribution ratio adjusted according to the overall business operation with a resolution reached in the shareholders' meeting.

The Board of Directors of the Company may distribute all or partial of the distributable dividends or bonuses, additional paid-in capital or legal reserve in cash approach under resolution made by more than half of the attended Board members (under circumstances that more than two thirds of the total Board members attend), and such resolution shall be reported at the Annual Shareholders Meeting. The regulations of the preceding Paragraph shall not apply.

Article 25 : The shareholder dividend and bonus will be distributed to the shareholders who are included in the shareholders' registry five days prior to the base line date.

Chapter 6 Annex

Article 26 : The Company's charter and enforcement rules will be enacted separately.

Article 27 : The matters not addressed in the Articles of Association should be processed in accordance with the Company Law.

Article 28 : The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The 1st amendment made on June 26, 2010. The 2nd amendment made on November 20, 2010. The 3rd amendment made on March 8, 2002. The 4th amendment made on November 25, 2002. The 5th amendment made on February 10, 2002. The 6th amendment made on March 7, 2006. The 7th amendment made on August 10, 2006. The 8th amendment made on October 12, 2006. The 9th amendment made on April 29, 2007. The 10th amendment made on May 10, 2007. The 11th amendment made on July 29, 2007. The 12th amendment made on October 8, 2007. The 13th amendment made on December 31, 2007. The 14th amendment made on June 26, 2009. The 15th amendment made on May 23, 2011. The 16th amendment made on June 20, 2012. The 17th amendment made on June 10, 2013. The 18th amendment made on May 28, 2015. The 19th amendment made on May 31, 2016. The

20th amendment made on May 26, 2017. The 21st amendment made on May 30, 2018. The 22nd amendment will be made on May 29, 2019. The 23rd amendment will be made on May 26, 2022. The 24rd amendment will be made on May 25, 2023.

[Appendix 3]

Tons Lightology Inc.
Regulations Governing the Election of Director
(Translation)

Article 1 Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with these Regulations.

Article 2 The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each Board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The Board of Directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 3 According to Article 192-1 of the Company Act, directors of the Company shall be nominated and selected from the list of candidates.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of directors falls short by one third of the total number prescribed in the Articles of Incorporation, the Company shall call a special shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

The qualifications and election of independent directors of the Company shall be in accordance with the Regulations Authority Appointment of Independent Directors and Compliance Matters for Public Companies and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 4 The cumulative voting method shall be used for election of the directors at the Company. Each share has the number of exercisable votes same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate, or may be split for election of two or more candidates.

Article 5 The ballots shall be prepared by the board of directors and marked with the weights and distributed to shareholders present in order to hold the election in accordance with the quota of directors. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 6 Independent and non-independent directors of the Company shall be elected in accordance with the quota stipulated in Articles of Incorporation. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed an elected independent or non-independent director. If two or more persons obtain the same number of votes and the number of such persons exceeds the specified seats available, such persons obtaining the same votes shall draw lots to decide who should win the seats available, and the chairperson shall draw lots on behalf of the

candidate who is not present.

Article 7 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 8 A ballot shall be void upon any of the following conditions:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered on the ballot does not conform to the director candidate list.
5. There are other written characters or symbols in addition to the designated number of voting rights on the ballot.

Article 9 The ballot box shall be opened and the ballots shall be counted on spot immediately after the completion of voting, and the result of counting the ballots, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chairperson of the meeting.

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

Article 10 The Board of Directors of the Company shall issue notifications to the persons elected as directors.

Article 11 These Regulations were formulated on June 27, 2008. The first amendment was made on June 20, 2012. The second amendment was made on May 28, 2015. The third amendment was made on May 30, 2018. The 4th amendment was made on August 19, 2021.

[Appendix 4]

**Tons Lightology Inc.
Shareholding of Directors**

1. The Company's common stock shares issued : 57,996,587 shares

The minimum required combined shareholding of all directors by law : 4,639,726 shares

2. The number of shares held by all directors as of the stop-transfer date on March 31, 2024 is as follows;

Unit: Shares; %

Title	Name	Elected date	Elected shareholding		Current shareholding	
			Shares	Percentage of the outstanding shares (%)	Shares	Percentage of the outstanding shares (%)
Chairman	TANG, SHIH-CHUAN	05.25.2023	3,535,633	8.95	3,535,633	6.10
Director	HUNG, CHIA-CHENG	05.25.2023	1,107,881	2.81	1,125,381	1.94
Director	CHEN, MING-HSIN	05.25.2023	-	-	-	-
Director	HSIAO, CHEN-CHI	05.25.2023	25,250	0.06	25,250	0.04
Independent Director	CHOU, LIANG-CHENG	05.25.2023	-	-	-	-
Independent Director	LEE, SHYH-CHIN	05.25.2023	-	-	-	-
Independent Director	CHOU, TSUNG-NAN	05.25.2023	-	-	-	-
The number of shares and shareholding ratio held by all directors			4,668,764	11.82	4,686,264	8.08

[Appendix 5]

The proposals of the shareholders who have more than 1% shareholding of the Company's outstanding shares.

1. According to Article 172-1 of the Company Law, the Company is accepting the proposals of the shareholders for the general shareholders' meeting from March 22 to April 01, 2024.
2. There was not any proposal presented by the shareholders who had more than 1% shareholding of the Company's outstanding shares during the said period of time.