

Stock Code: 1595



川寶科技股份有限公司

CHIME BALL TECHNOLOGY CO., LTD.

Chime Ball Technology Co., Ltd 2024 Annual Meeting of Shareholders

Handbook

Time: June 18, 2024 Thursday 10:00 am

Place: No. 33, Ln. 277, Sec. 3, Changxing Rd., Luzhu Dist., Taoyuan City (Company
Office 1F Conference Room)

Meeting Format: Physical Meeting

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Chime Ball Technology Co., Ltd
Procedure for the 2024 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairman Remarks
3. Management Presentation
4. Proposals
5. Discussions
6. Election Matters
7. Other Matters
8. Questions and Motions
9. Adjournment

2024 Agenda of Annual Meeting of Shareholders

1. Time: June 18, 2024 Thursday 10:00 am
2. Place: No. 33, Ln. 277, Sec. 3, Changxing Rd., Luzhu Dist., Taoyuan City (Company Office 1F Conference Room)
3. Meeting Format: Physical meeting
4. Call the Meeting to Order
5. Chairman Remarks
6. Management Presentation
 - (1) 2023 Business Report
 - (2) Audit Committee's Review Report on the 2023 Financial Statements
 - (3) 2023 Distribution of Employee Compensation and Director Remuneration Report
 - (4) 2023 Distribution of Cash Dividends Report
7. Proposals
 - (1) Adoption of the 2023 Business Report and Financial Statements
 - (2) Adoption of the Proposal for Distribution of 2023 Profits
8. Discussions
 - (1) Amendment of the Company's "Procedures for Acquisition and Disposal of Assets"
 - (2) Amendment of the Company's "Rules of Procedure for Shareholders Meetings"
9. Election Matters
 - (1) Full Re-election of Directors
10. Other Matters
 - (1) Lifting Non-compete Clause for New Directors
11. Questions and Motions
12. Adjournment

Management Presentation

Report No 1.

2023 Business Report

Explanation: The 2023 Business Report is attached as pp. 7, Appendix 1.

Report No 2.

Audit Committee's Review Report on the 2023 Financial Statements

Explanation: Audit Committee's Review Report on the 2023 Financial Statements is attached as pp. 12, Appendix 2.

Report No 3.

2023 Distribution of Employee Compensation and Director Remuneration Report

Explanation:

1. In accordance with Article 24 of the company's Articles of Incorporation, the Company shall allocate 0.01% to 15% of the current year's profits for employee compensation and no more than 3% of the current year's profits for director remuneration. However, when the company has accumulated losses, these should be offset.
2. In 2023, the Company made a profit of NTD 51,544,385, of which NTD 2,319,477 and NTD 1,546,318 were provided as employee compensation and director remuneration, respectively; both were distributed in cash.
3. There is no difference between the amounts of employee compensation and director remuneration distributed as described above and the amounts estimated for the 2023 fiscal year.

Report No 4.

2023 Distribution of Cash Dividends Report

Explanation:

1. In accordance with Article 25 of the company's Articles of Incorporation, the board of directors is authorized to resolve to distribute all or part of the dividends and bonuses in cash, and to report to the shareholders' meeting.
2. Cash dividends totaling NTD 47,786,134 were distributed from the distributable earnings for 2023 pro rata to the shareholders listed in the shareholder register as of the record date. The cash dividend is NTD 1 per share, rounded down to the nearest whole dollar. For fractional shares to which the distributed amount is less than NTD 1 per share, the total amount is recognized as "other incomes" of the Company.
3. This proposal has been approved by the board of directors, which will set a record date for dividend distribution and handle other related matters. In the event that factors such as share buybacks, convertible bond conversions, cash capital increases, or other factors affect the total number of outstanding shares, resulting in changes to the shareholders' dividend ratio, the board of directors authorizes the chairman to adjust the shareholders' dividend ratio.

Proposals

Proposal No.1: Adoption of the 2023 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanation:

1. The Company's 2023 business report and financial statements (including the consolidated financial statements) were approved at the board of directors' meeting on March 15, 2024 and audited by independent auditors, Su-Li Fang and Chian-Ming Tseng of Deloitte & Touche. The financial statements (including the consolidated financial statements) audited by the accountant and the independent auditor's report have been submitted to the Audit Committee for review and a written report has been issued by the audit committee upon completion of the audit.
2. The business report, the independent auditor's report, and the financial statements (including consolidated financial statements) are attached in Meeting Agenda (pp. 7 appendices 1 and pp. 13 appendices 3)

Resolution:

Proposal No.2: Adoption of the Proposal for Distribution of 2023 Profits (Proposed by the Board of Directors)

Explanation:

1. In accordance with the company's Articles of Incorporation, a proposed profit distribution table for the 2023 fiscal year has been prepared and approved by the board of directors on March 15, 2024.
2. The Company's after-tax earnings for 2023 amounted to NTD 49,227,145. After adding such amount to the unappropriated retained earnings of NTD 1,171,843,237 at the beginning of the period and the re-measurement of the defined benefit plan of NTD 65,858, and accordingly providing NTD 4,929,300 for the legal reserve and making reversal of the special reserve of NTD 4,187,660 as per laws, the distributable earnings for this year amounted to NTD 1,220,394,600.
3. Please refer to appendices 4 pp. 33 of the meeting manual for the proposed 2023 fiscal year profit distribution table.

Resolution:

Discussion

Discussion No.1: Amendment of the Company's "Procedures for Acquisition and Disposal of Assets," Submitted for Resolution (Proposed by the Board of Directors)

Explanation:

1. Some articles under the Company's "Procedures for Acquisition and Disposal of Assets" have been amended to keep in line with relevant laws and regulations and the needs of the Company.
2. The comparison table of articles before and after the amendment of the "Procedures for Acquisition and Disposal of Assets" is attached. Please refer to Appendix 5 on pp. 33 of the Handbook.

Resolution:

Discussion No.2: Amendment of the Company's "Rules of Procedure for Shareholders Meetings," Submitted for Resolution (Proposed by the Board of Directors)

Explanation:

1. Some articles under the Company's "Rules of Procedure for Shareholders Meetings" have been amended to keep in line with relevant laws and regulations and the needs of the Company.
2. The comparison table of articles before and after the amendment of the "Rules of Procedure for Shareholders Meetings" is attached. Please refer to Appendix 6 on pp. 33 of the Handbook.

Resolution:

Election Matters

(Proposed by the Board of Directors)

Subject No. 1: Full Re-election of Directors, Proposed for Discussion

Explanation:

1. As the term of office of the Company's incumbent directors and independent directors is originally scheduled to expire on July 6, 2024, a full re-election of directors is to be held at this regular shareholders' meeting in accordance with the Company Act and the Company's Articles of Incorporation.
2. According to Article 16 of the Company's Articles of Incorporation, there shall be eleven directors (including four independent directors) elected. The candidate nomination system is adopted for the election of directors, i.e. the directors are elected at the shareholders' meeting from a list of candidates for directors. The directors may be re-elected for consecutive terms.
3. The term of office of the new directors elected is three years, from June 18, 2024, to June 17, 2027. The term of office of the existing directors will end upon the completion of this regular general meeting.
4. The list of director candidates was approved by the board of directors on March 15, 2024. Please refer to Appendix 7 on pp. X of the Handbook.
5. Directors are elected as per the "Procedures for Election of Directors." Please refer to Addendum 3 on pp. 59-60 of the Handbook.

Resolution:

Other Matters

Case 1: Lifting Non-compete Clause for New Directors, Submitted for Resolution:

1. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. Where the directors elected at this shareholders' meeting have any acts related to the director non-competing clause under Article 209 of the Company Act, a proposal for lifting the restriction of non-compete clause for new directors and their representatives from the date of their taking office is submitted to the shareholders' meeting for resolution, under the circumstances that the Company's interests are not harmed.
3. The Company's directors with other concurrent positions in the Company are shown in the table below:

Details of the lifting of the board of directors' non-compete clause

Title	Name	Companies with the lifted non-compete clause	Held position
Director	Hung-Ming Chang	Chime Kang Technology Co., Ltd.	Responsible person
		Chime Kang International Trading (Shanghai) Co., Ltd.	Responsible person
		Converge Co., LTD.	Chairman
Director	Li-Hong Lu	Converge Co., LTD.	Director
		EVATEC ASIA CO., LTD.	Director

4. Submitted for resolution.

Questions and Motions

Adjournment

Appendix 1

Business Report

Dear shareholders,

Following the lifting of pandemic lockdown in 2022, it was hoped that the hardship caused by global economic downturn and weak demand would gradually disappear in 2023. However, due to the impact of the US-China trade war and geopolitical issues on the global economy, the recovery of markets was slow. In particular, the PCB market in Mainland China where CBTech's most revenue was from suffered the most. This was mainly due to the remaining sluggishness in the consumer-oriented fields of consumer electronics, PC/NB and mobile phones, the weakening growth of BT substrates, and the increasing uncertainty of the ABF substrate market related to high performance computing, which caused the global PCB industry to fall into recession in 2023. With the limited capital expenditures of customers, our capital expenditures for equipment were impacted even more. Even though the overall market economy was not as good as expected, the crisis of supply shortage was eased in a gradual manner in 2023, and the auto market growth recovered steadily under the support of government incentive policy, especially the electric vehicle market with the most noticeable growing penetration rate. The demand for 5G, AIoT, and HPC stimulated the steady growth of the AI server field, and other emerging applications such as satellite communication became new momentum. Meanwhile, to get rid of the impact of price competition caused by Chinese equipment manufacturers and keep in line with the latest technologies around the world, CBTech proactively developed new products: FPC Solder Mask DI Exposure Machine, Mini LED DI Exposure Machine for White Oil, and FPC Collimated Light Exposure Machine, while paying close attention to the deployment in the substrate market with a high base period. In addition, in response to customers' requirement for risk dispersion and in consideration of new market expansion, we set up a branch in Thailand and made an application to the Thai government for a BOI A1 license. Hopefully, we will be able to bring the good news of factory building permission to investors by the end of 2024.

Despite the impact of inventory pressure and declining demand for consumer products, the sales of equipment of Bao Hong remained strong. With the lifting of the pandemic lockdown, however, the demand for consumer products constantly declined, and the warning signs of customer order cancellation came up one after another, which in turn affected the capacity utilization rate of wafer fabs. Notwithstanding this, in line with the existing customer equipment upgrade plans, Bao Hong is expected to have room for growth in terms of key parts/components/consumables, and is likely to achieve considerable improvement in the certification and sales revenue of optics and chemical-resistant surface treatment for special metal materials related to wafer transfer modules (VTM, EFEM) and key parts/components/consumables (silicon, SIC) of semiconductors in 2024.

In recent years, corporate social responsibility (ESG) has become an important indicator of corporate sustainable development. The Group has also actively invested in related fields such as special surface treatment of key parts and components, energy-saving equipment, and provision of solutions of electronic-grade chemical recycling systems. Our services of equipment regeneration and system upgrades not only prolongs the service life of equipment, but also enhances its performance and energy-saving efficiency. Meanwhile, we offer the solutions of electronic-grade chemical recycling systems to assist semiconductor customers in achieving their waste reduction goals, which helps reduce negative environmental impact, corresponds to corporate ESG commitments, and directs the industry to a more sustainable development path. CBTech would like to express the sincere gratitude to all the employees, customers, shareholders, and partners for the support and recognition during the past year. A crisis is a turning point. In spite of the recession, it is the best time for enterprises to transform. In the past year, CBTech made adjustments and deployment with regard to two aspects. For organizational operations, lots of adjustments were made, including recruiting a number of outstanding talents, changing the distribution of production lines and offices, building more sky bridges for factories, and handling

the preparatory work for the establishment of the factory in Thailand. As for product strategies, the Company invested in the research and development of related processes such as Cowos packaging of substrates. All the changes in the past year were based on the important strategies for our future development and deployment. When the economy recovers, these adjustments will become the contributors to our continued growth. During the adjustment to the common mission of and consensus among the Group's employees, CBTech Group has developed comprehensive division of labor in a stepwise manner, reflecting the Group's expectation of becoming the best solution provider in the IT industry.

1. 2023 Operating Results

(1) Results of the 2023 operating plan implementation:

Unit: NTD thousand; %

Item	2023	2022	Increase (decrease) amount	Increase (decrease) ratio
Net operating revenue	1,407,762	1,795,723	(387,961)	(21.60)
Operating gross profit	375,977	481,444	(105,467)	(21.91)
Operating expenses	346,009	348,551	(2,542)	(0.73)
Operating income	29,968	132,893	(102,925)	(77.45)
Non-operating income/expenses	61,562	185,313	(123,751)	(66.78)
Net profit after tax attributable to the Company's owners	49,227	227,586	(178,359)	(78.37)

In 2023, geopolitical conflicts continued and the destocking of consumer electronics was not as good as expected, affecting the capacity deployment of the global supply chain. Under the continuous impact of negative factors such as international conflicts, high inflation, and high inventory, the PCB industry's overall market growth slowed down. The Company's 2023 consolidated operating revenue was NTD 1.407 billion, showing a decline of 21.60% from the 2022 consolidated operating revenue of NTD 1.796 billion. However, thanks to the appreciation of the US dollar, the net profit after tax in 2023 was NTD 49 million, and the earnings per share amounted to NTD 1.04.

(2) Budget Execution:

According to current laws and regulations, the Company did not disclose financial forecasts for 2023. The overall operational status of the Company is roughly in line with the original operating plan, with no significant anomalies.

(3) Financial Revenue and Expenditure and Profitability Analysis:

Due to the decrease in net profit, the net cash outflow from operating activities in 2023 was NTD 454 million, a decrease of 207% compared to last year. The cash balance at the end of the period was NTD 988 million.

As of the end of 2023, the total assets were NTD 4.3 billion, with total liabilities of NTD 1.7 billion. The debt ratio was 39%, and the financial structure and debt repayment ability were normal.

Unit: NTD thousand; %

Item			2023	2022
Profitability	Return on total assets(%)		0.96	4.81
	Return on equity(%)		1.84	8.67
	Ratio of net profit to paid-in capital ratio (%)	Operating Income	6.27	28.19
		Pre-tax Net Profit	19.15	67.49
	Net profit margin(%)		3.46	12.51
	Earnings per share after tax(NTD)		1.04	4.85

(4) Research and Development Status

Applications such as low earth orbit satellite communications, AI servers, high-performance computing (HPC), and electric vehicles are constantly leading the overall market demands. Many equipment manufacturers are thus moving toward high-end equipment and semiconductors along with PCB manufacturers. In the future, IC substrates will be the main source of growth momentum of the PCB industry, followed by HDI, multi-layer boards and FPC products. The equipment development will be focused on the provision of solutions for satellite communications, electric vehicles, high performance computing (HPC), artificial intelligence (AI), servers, solar panels, and other PCB exposure processes. Meanwhile, the deployment and R&D of high-end exposure equipment for substrates and packaging will be adjusted in a proactive manner. Below are the R&D expenses invested in the last two years, and the R&D achievements thereof:

1. R&D expenses invested in the last two years

Unit: NTD thousand; %

Item	2023	2022
R&D expenses invested	99,119	85,526
Net operating revenue	1,407,762	1,795,723
R&D expenses to net revenue (%)	7.04	4.76

2. Research and development achievements in the last two years

Year	R&D achievements
2022	Gemini Ultra-high Power Solder Mask DI Automatic Exposure Machine Plasma-assisted Atomic Layer Deposition and Etching Dual-function Equipment Multi-carrier Wafer-level Transfer Equipment Front-end Module Front-end Semiconductor Single Board Computer Motherboard Plasma RF Bias Coupling Matching Controller
2023	Gemini 8600 SR_F FPC Solder Mask DI Exposure Machine TiTAN 8600W Mini LED DI Exposure Machine for White Oil DI Laser Light Source + UV LED Hybrid Light Source CBT-50RT30 FPC Collimated Light Exposure Machine

2. 2024 Operating Plan Summary:

(1) Operating Strategy

1. Continuously deploy PCB equipment and semiconductor cross-industry alliance opportunities, and cooperate with strategic partners to expand product applications, enhance adhesion with international manufacturers, and stay close to the market.
2. Actively explore the opportunities for upstream and downstream investment in PCB and semiconductor industries, stimulating the growth momentum of the Company's business.
3. Actively grasp market trends and international situations, and boost customer relations as well as building the brand image through market analysis and customer classification.
4. Proactively expand service locations and production bases in Southeast Asia in response to the relocation of PCB factories in order to enhance customer services, attract talent, and continuously strengthen our competitive advantages.
5. Continuously strengthen personnel recruitment and education and training programs, properly develop talents, and ensure sound and professional organization and management, effectively reducing talent turnover and thereby achieving the goal of sustainable operation.
6. Review internal resources, devise the integration plan, and establish the cross-department collaboration mechanism in response to the new business model.
7. Implement green manufacturing and fulfill corporate social responsibility.

(2) Expected Sales Quantity and Its Basis

The Company's expected sales quantity for 2024 remains conservative, as the increase in annual sales quantity depends on the global economic recovery status and changes in the industry operating environment, and factors such as the Company's recent operating conditions, new customer development progress, capacity expansion and technology improvement are also taken into account.

(3) Important Production and Marketing Policies

1. Production Policy:

- (1) Adopt a flexible manufacturing system to effectively adjust workforce allocation during peak and off-peak seasons.
- (2) Strengthen management, improve yield rate, and ensure that the working hours are reasonable to reduce production costs.
- (3) Find alternative suppliers, establish a safety stock strategy and shorten the delivery time to enhance the competitiveness for order receiving.
- (4) Form strategic alliances with upstream suppliers, deploy advanced materials, ensure procurement advantages of raw materials, establish green supply chains, and maintain close and long-term partnerships with suppliers.
- (5) Proactively build production bases in Southeast Asia in response to the relocation of the PCB industrial supply chain.

2. Marketing Policy:

- (1) Foster relationships with important domestic and foreign customers, establish long-term positive cooperation with customers, and actively develop new customers in order to expand the international market and increase global market share.
- (2) Establish a complete equipment turnkey business model.
- (3) Provide satisfactory after-sales service to enhance product added value.

3. Future Development Strategy

With the development vision of making the Group become the best manufacturing solution provider in the IT industry, and with the targets of being “in pursuit of excellence,” “customer-orientated,” “bold to dream” and “human-centered,” the following development strategies are formulated:

- (1) Grasp market demand, integrate group resources to create R&D momentum, and increase core technical capabilities.
- (2) Continue the R&D activities to obtain more international certifications and patents from various countries.
- (3) Pay attention to industry development trends and pulse, and make early arrangements for service locations and production bases in response to industry relocation.
- (4) Implement the three dimensions of “environmental sustainability,” “social responsibility,” and “corporate governance” in detail, and simultaneously incorporate ESG standards into work objectives.

4. Impacts from External Competitive Environment, Regulatory Environment, and Overall Operating Environment:

- (1) External competitive environment: With many competitors in the industry and the rise of the red supply chain, competition is becoming fierce. In the face of these challenges, the Company will continue to improve its core technical capabilities and actively invest in the R&D of high-end equipment.
- (2) Regulatory environment: To meet the regulatory requirements of increasingly stringent environmental regulations, climate change response laws, and tax system adjustments, the Company will actively implement ESG sustainable management concepts and make proper plans to comply with relevant tax regulations, so as to reduce the operational stress in the industry.
- (3) Overall operating environment: The uncertainties, rising inflation, challenges in the labor market, and supply chain constraints, together with the fading effects of fiscal and monetary stimulus programs from various countries, will pose significant risks to the overall economy. In response, the Company will prudently adapt to changes in global industry and market demand, continuously improve operational flexibility, and properly implement risk control measures with the aim of achieving sustainable growth and creating value for the company.

Chairman: Hung-Ming Chang

General Manager: Hung-Ming
Chang

Accounting Manager:
Wei-Chun Lin

Appendix 2

Chime Ball Technology Co., Ltd. Audit Committee's Review Report

The Board of Directors has submitted the financial statements, including the consolidated statements, for the year ended. The Audit Committee has reviewed the financial statements (including consolidated financial statements) for the fiscal year 2023 of Chime Ball Technology Co., Ltd, which have been audited by auditors Fang Su-Li and Tseng Chien-Ming of Deloitte & Touche, and an independent auditor's report has been issued. Along with the business report and the proposal for profit distribution, the Audit Committee has found no discrepancies and, in accordance with Article 219 of the Company Act, a report has been prepared for your reference.

To: Shareholders' Meeting of Chime Ball Technology Co., Ltd. for 2024

Audit Committee Convener: Yao-Hsun Chang

March 15, 2024

Appendix 3

CPAs' Audit Report

To Chime Ball Technology Co., Ltd.,

Audit Opinions

We have audited the parent company-only balance sheet of Chime Ball Technology Co., Ltd. as of December 31, 2023 and 2022, and the parent company-only statements of comprehensive income, changes in equity and cash flows for the period from January 1 to December 31, 2023 and 2022, and the notes to the parent company-only financial statements (including the summary of significant accounting policies).

In our opinion, the said parent company-only financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and thus presented fairly, in all material aspects, the financial position of Chime Ball Technology Co., Ltd. as of December 31, 2023 and 2022, and the Company's business performance and cash flows for the period from January 1 to December 31, 2023 and 2022.

Basis of Audit Opinions

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and relevant auditing standards. Our responsibilities under such standards are further described in the section of "CPAs' Responsibilities for the Audit of the Parent Company-only Financial Statements" in this report. We are independent of Chime Ball Technology Co., Ltd. in accordance with the Norms of Professional Ethics for Certified Public Accountants, and we have fulfilled all other responsibilities thereunder. We are convinced that we acquired sufficient and appropriate audit evidence to base our audit opinions.

Key Audit Matters

Key audit matters refer to, based on our professional judgment, the most important matters for auditing the 2023 parent company-only financial statements of Chime Ball Technology Co., Ltd. These matters were addressed in our audit of the parent company-only financial statements as a whole, and in forming our audit opinions. We do not provide separate opinions on these matters.

The key audit matters for Chime Ball Technology Co., Ltd.'s 2023 parent company-only financial statements are described as follows:

Recognition of Revenue

The amount of sales revenue of Chime Ball Technology Co., Ltd. was significant. The manufacturing and trading of exposure machines was the main source of Chime Ball Technology Co., Ltd.'s revenue, accounting for 84% of the total income. In addition, the customers of the sales revenue of exposure machines could change rather dramatically. Thus, the sales revenue from the new exposure machine customers in 2023 was recognized as one of the key audit matters.

Corresponding audit procedures:

1. Assessing and testing the financial statements, with the internal control procedures for sales transactions implemented based on the internal control system established by the Company.
2. Reviewing the information (e.g. industry background) of the new exposure machine customers in the current period among the customers of sales, in order to confirm the truthfulness of the customers' existence and the reasonableness of the transactions.
3. Obtaining the operating revenue and transaction details of the new exposure machine customers in the current period among the customers of sales, and conducting a spot check of the external customers' original orders and the documents signed by the external customers as a proof of receipt for verification, in order to confirm the reasonableness of the recognized amount of sales revenue. Also, verifying whether the amounts and counterparties on the receipt vouchers are consistent with the amounts and counterparties of the remittance slips and revenue recognition.

Responsibilities of the Management and Governing Bodies for the Parent Company-only Financial Statements

The responsibilities of the management were to prepare the parent company-only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and to maintain the necessary internal control associated with such preparation, in order to ensure that the parent company-only financial statements were free from material misstatements due to fraud or errors.

In preparing the parent company-only financial statements, the management was also responsible for assessing Chime Ball Technology Co., Ltd.'s ability of going concern, disclosure of relevant matters and application of the going concern basis of accounting, unless the management intended to make Chime Ball Technology Co., Ltd. enter into liquidation or terminate its operations, or there was no other actual and feasible solutions other than liquidation or termination of its operations.

The governing bodies of Chime Ball Technology Co., Ltd. (including the Audit Committee) were responsible for supervising the financial reporting process.

CPAs' Responsibilities for the Audit of the Parent Company-only Financial Statements

We audited the parent company-only financial statements for the purpose of obtaining reasonable assurance on whether the parent company-only financial statements as a whole were free from material misstatements due to fraud or errors and issuing an audit report. Reasonable assurance refers to a high level of assurance; however, we could not guarantee to detect all material misstatements in the parent company-only financial statements through the audit conducted based on the auditing standards. Misstatements might arise from fraud or errors. If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the parent company-only financial statements, the misstatements were deemed as material.

We used our professional judgment to be skeptical during the audit conducted based on the auditing standards. We also performed the following tasks:

1. We identified and assessed the risks of material misstatements arising from fraud or errors within the parent company-only financial statements, designed and executed appropriate countermeasures in response to the said risks, and obtained sufficient and appropriate audit evidence to base our audit opinions. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than that of not detecting a material misstatement resulting from errors.
2. We learned about the internal control related to the audit to an extent necessary to design audit procedures applicable to the current circumstances, but not for the purpose of

expressing an opinion on the effectiveness of Chime Ball Technology Co., Ltd.'s internal control.

3. We evaluated the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and relevant disclosures made by the management.
4. Based on the audit evidence obtained, we made conclusions on the appropriateness of the management's adoption of the going concern basis of accounting, and whether a material uncertainty exists related to events or conditions that may cast significant doubt on Chime Ball Technology Co., Ltd.'s ability to continue as a going concern. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in our audit report for the users of the parent company-only financial statements to pay attention to relevant disclosures therein, or amend our audit opinions when such disclosures were inappropriate. Our conclusions are based on the audit evidence obtained as of the date of this audit report. However, future events or conditions might result in a situation where Chime Ball Technology Co., Ltd. would no longer have the ability of going concern.
5. We evaluated the overall presentation, structure, and content of the parent company-only financial statements (including relevant notes), and whether the parent company-only financial statements fairly presented relevant transactions and events.
6. We acquired sufficient and appropriate audit evidence with respect to the financial information of the entities comprising Chime Ball Technology Co., Ltd. to provide opinions towards the parent company-only financial statements. We were responsible for guiding, supervising, and performing the audit and forming audit opinions on Chime Ball Technology Co., Ltd.

The matters communicated between us and the governing bodies included the planned scope and time of the audit and significant audit findings (including any significant defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norms of Professional Ethics for Certified Public Accountants regarding independence, and communicated with the governing bodies all relationships and other matters (including relevant protective measures) that might possibly be regarded as detrimental to our independence.

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of Chime Ball Technology Co., Ltd.'s 2023 parent company-only financial statements. We clearly indicated such matters in the audit report, unless legal regulations prohibit the public disclosure of specific matters or unless, in very exceptional circumstances, we determined not to cover such matters in the audit report, as we could reasonably expect that the negative impact of the coverage would be greater than the public interest brought thereby.

Deloitte Taiwan
CPA Su-Li Fang

CPA Chien-Ming Tseng

Financial Supervisory Commission
Approval No.
Jin-Guan-Zheng-Liu-Zi No. 0940161384

Financial Supervisory Commission Approval
No.
Jin-Guan-Zheng-Shen-Zi No. 1100356048

March 15, 2024

NOTE to READERS

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

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

Chime Ball Technology Co., Ltd.
Parent Company-only Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

Code	Assets	December 31, 2023		December 31, 2022		Code	Liabilities and equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current liabilities				
1100	Cash and cash equivalents (Notes 4, 6, and 29)	\$ 442,533	15	\$ 519,684	17	2100	Short-term loans (Notes 17 and 29)	\$ 200,000	7	\$ 300,000	10
1136	Financial assets measured at amortized cost - Current (Notes 4, 9, and 29)	89,400	3	-	-	2130	Contract liabilities - Current (Note 22)	14,002	-	5,226	-
1150	Notes receivable (Notes 4, 10, and 29)	27,060	1	42,004	1	2170	Accounts payable (Notes 18 and 29)	83,457	3	73,091	2
1170	Accounts receivable (Notes 4, 5, 10, 22, and 29)	211,957	7	300,800	10	2180	Accounts payable - Related parties (Notes 18, 29, and 30)	312	-	656	-
1180	Accounts receivable - Related parties (Notes 4, 10, 22, 29, and 30)	30,142	1	47,562	2	2206	Employee compensation and director remuneration payable (Note 23)	6,170	-	5,291	-
						2219	Other payables (Note 19)	24,132	1	18,671	1
1200	Other receivables (Notes 4 and 29)	3,415	-	1,471	-	2230	Current income tax liabilities (Notes 4 and 24)	4,216	-	-	-
1210	Other receivables - Related parties (Notes 4, 29, and 30)	38,140	1	70,691	2	2280	Lease liabilities - Current (Notes 4, 14, and 29)	1,971	-	1,537	-
						2320	Long-term loans due within 1 year (Notes 17 and 29)	1,458	-	-	-
1220	Current income tax assets (Notes 4 and 24)	10,413	-	10,388	-	2399	Other current liabilities (Notes 19 and 30)	879	-	814	-
130X	Inventories (Notes 4, 5, and 11)	332,018	11	345,377	11	21XX	Total current liabilities	336,597	11	405,286	13
1410	Prepayments (Notes 16 and 30)	27,401	1	14,224	1		Non-current liabilities				
1470	Other current assets (Note 16)	864	-	848	-	2540	Long-term loans (Notes 17 and 29)	33,542	1	-	-
11XX	Total current assets	1,213,343	40	1,353,049	44	2570	Deferred income tax liabilities (Notes 4 and 24)	21,156	1	2,822	-
	Non-current assets					2580	Lease liabilities - Non-current (Notes 4, 14 and 29)	898	-	1,145	-
1510	Financial assets measured at fair value through profit or loss - Non-current (Notes 4, 7 and 29)	2,090	-	-	-	2645	Deposits received (Note 30)	250	-	250	-
1517	Financial assets measured at fair value through other comprehensive income - Non-current (Notes 4, 8, and 29)	68,614	2	52,320	2	25XX	Total non-current liabilities	55,846	2	4,217	-
1535	Financial assets measured at amortized cost - Non-current (Notes 4, 9, and 29)	29,779	1	-	-	2XXX	Total liabilities	392,443	13	409,503	13
1550	Investments under the equity method (Notes 4 and 12)	1,202,850	40	1,232,966	40		Equity (Notes 4 and 21)				
1600	Property, plant and equipment (Notes 4 and 13)	411,854	14	386,444	12	3110	Ordinary share capital	477,861	16	471,471	16
1755	Right-of-use assets (Notes 4 and 14)	2,829	-	2,673	-	3200	Capital surplus	575,534	19	561,296	18
1780	Intangible assets (Notes 4 and 15)	15,828	-	26,616	1	3310	Retained earnings				
1840	Deferred income tax assets (Notes 4 and 24)	25,581	1	-	-	3310	Legal reserve	363,309	12	341,001	11
1975	Net defined benefit assets (Notes 4 and 20)	1,386	-	1,167	-	3320	Special reserve	4,188	-	3,323	-
1990	Other non-current assets (Notes 16, 29, and 31)	62,970	2	18,265	1	3350	Unappropriated retained earnings	1,221,136	40	1,291,094	42
15XX	Total non-current assets	1,823,781	60	1,720,451	56		Other equity				
						3410	Exchange differences from translation of foreign operations' financial statements	(7,959)	-	(7,070)	-
						3420	Unrealized gains/losses from financial assets measured at fair value through other comprehensive income	10,612	-	2,882	-
						3XXX	Total equity	2,644,681	87	2,663,997	87
1XXX	Total assets	\$ 3,037,124	100	\$ 3,073,500	100		Total liabilities and equity	\$ 3,037,124	100	\$ 3,073,500	100

The attached notes are an integral part of the parent company-only financial statements.

Chairman: Hung-Ming Chang

Manager: Hung-Ming Chang

Accounting Supervisor: Wei-Chun Lin

Chime Ball Technology Co., Ltd.
Parent Company-only Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousand;
EPS unit: NTD

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 22, and 30)	\$ 398,603	100	\$ 316,085	100
5000	Operating costs (Notes 11, 23, and 30)	298,017	75	236,275	75
5900	Operating gross profit	100,586	25	79,810	25
5910	(Un-)realized gains with subsidiaries	(578)	-	886	1
5950	Realized operating gross profit	100,008	25	80,696	26
	Operating expenses (Note 23)				
6100	Selling expenses	49,765	12	40,887	13
6200	Administrative expenses	42,909	11	39,691	13
6300	Research and development expenses (Note 30)	83,735	21	63,715	20
6450	Expected credit impairment gain (Note 10)	(2,658)	(1)	(2,915)	(1)
6000	Total operating expenses	173,751	43	141,378	45
6900	Net operating loss	(73,743)	(18)	(60,682)	(19)
	Non-operating income and expenses (Notes 4 and 23)				
7100	Interest income	15,787	4	4,718	2
7010	Other incomes (Notes 27 and 30)	26,425	6	3,643	1
7020	Other gains and losses	3,211	1	83,277	26
7050	Financial costs	(4,712)	(1)	(3,224)	(1)
7060	Share of profit/loss of subsidiaries and associates under the equity method	80,711	20	215,765	68
7000	Total non-operating income and expenses	121,422	30	304,179	96

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Code		2023		2022	
		Amount	%	Amount	%
7900	Net profit before tax	\$ 47,679	12	\$ 243,497	77
7950	Income tax gain (expense) (Notes 4 and 24)	<u>1,548</u>	<u>-</u>	<u>(15,911)</u>	<u>(5)</u>
8200	Net profit in the year	<u>49,227</u>	<u>12</u>	<u>227,586</u>	<u>72</u>
	Other comprehensive income (Note 4)				
8310	Items that will not be reclassified to profit or loss subsequently:				
8311	Re-measurement of defined benefit plan (Note 20)	66	-	1,188	-
8316	Unrealized valuation gains/losses from investments in equity instruments measured at fair value through other comprehensive income	8,953	2	(7,085)	(2)
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures under the equity method	(1,223)	-	(595)	-
8360	Items likely to be reclassified to profit or loss subsequently:				
8361	Exchange differences from translation of foreign operations' financial statements	(1,111)	-	8,519	3
8399	Income tax related to items likely to be reclassified to profit or loss (Note 24)	<u>222</u>	<u>-</u>	<u>(1,704)</u>	<u>(1)</u>
8300	Other comprehensive income (net amount after tax) in the year	6,907	2	323	-
8500	Total comprehensive income in the year	<u>\$ 56,134</u>	<u>14</u>	<u>\$ 227,909</u>	<u>72</u>
	Earnings per share (Note 25)				
9750	Basic	<u>\$ 1.04</u>		<u>\$ 4.85</u>	
9850	Diluted	<u>\$ 1.01</u>		<u>\$ 4.67</u>	

The attached notes are an integral part of the parent company-only financial statements.

Chairman: Hung-Ming Chang

Manager: Hung-Ming Chang

Accounting Supervisor: Wei-Chun Lin

Chime Ball Technology Co., Ltd.
Parent Company-only Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Code		Share capital		Retained earnings			Other equity items		Treasury shares	Total equity
		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences from translation of foreign operations' financial statements	Unrealized gains/losses from financial assets measured at fair value through other comprehensive income		
A1	Balance on January 1, 2022	\$ 471,481	\$ 553,718	\$ 322,529	\$ 10,700	\$ 1,172,957	(\$ 13,885)	\$ 10,562	(\$ 10,480)	\$ 2,517,582
	2021 earnings distribution									
B1	Legal reserve	-	-	18,472	-	(18,472)	-	-	-	-
B3	Special reserve	-	-	-	(7,377)	7,377	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	(93,852)	-	-	-	(93,852)
L3	Cancellation of treasury shares	(2,220)	(2,570)	-	-	(5,690)	-	-	10,480	-
M7	Changes in equity ownership in the subsidiaries	-	2,569	-	-	-	-	-	-	2,569
N1	Share-based payments	-	3,183	-	-	-	-	-	-	3,183
N1	Ordinary shares issued under employee share options	2,210	4,396	-	-	-	-	-	-	6,606
D1	Net profit in 2022	-	-	-	-	227,586	-	-	-	227,586
D3	Other comprehensive income after tax in 2022	-	-	-	-	1,188	6,815	(7,680)	-	323
D5	Total comprehensive income in 2022	-	-	-	-	228,774	6,815	(7,680)	-	227,909
Z1	Balance on December 31, 2022	471,471	561,296	341,001	3,323	1,291,094	(7,070)	2,882	-	2,663,997
	2022 earnings distribution									
B1	Legal reserve	-	-	22,308	-	(22,308)	-	-	-	-
B3	Special reserve	-	-	-	865	(865)	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	(96,078)	-	-	-	(96,078)
M7	Changes in equity ownership in the subsidiaries	-	783	-	-	-	-	-	-	783
N1	Share-based payments	-	1,287	-	-	-	-	-	-	1,287
N1	Ordinary shares issued under employee share options	6,390	12,168	-	-	-	-	-	-	18,558
D1	Net profit in 2023	-	-	-	-	49,227	-	-	-	49,227
D3	Other comprehensive income after tax in 2023	-	-	-	-	66	(889)	7,730	-	6,907
D5	Total comprehensive income in 2023	-	-	-	-	49,293	(889)	7,730	-	56,134
Z1	Balance on December 31, 2023	<u>\$ 477,861</u>	<u>\$ 575,534</u>	<u>\$ 363,309</u>	<u>\$ 4,188</u>	<u>\$ 1,221,136</u>	<u>(\$ 7,959)</u>	<u>\$ 10,612</u>	<u>\$ -</u>	<u>\$ 2,644,681</u>

The attached notes are an integral part of the parent company-only financial statements.

Chairman: Hung-Ming Chang

Manager: Hung-Ming Chang

Accounting Supervisor: Wei-Chun Lin

Chime Ball Technology Co., Ltd.
Parent Company-only Statement of Cash Flows
January 1 to December 31, 2023 and 2022

		Unit: NTD thousand	
Code		2023	2022
	Cash flows from operating activities		
A10000	Net profit before tax in the year	\$ 47,679	\$ 243,497
A20000	Income and expenses:		
A20100	Depreciation expenses	12,673	19,740
A20200	Amortization expenses	10,948	14,513
A20300	Expected credit impairment gain	(2,658)	(2,915)
A20900	Financial costs	4,712	3,224
A21200	Interest income	(15,787)	(4,718)
A21300	Dividend income	(3,677)	(984)
A21900	Compensation costs for share-based payments	1,287	3,183
A22300	Share of profit/loss of subsidiaries under the equity method	(80,711)	(215,765)
A22500	Gain from disposal of property, plant and equipment	(124)	-
A22800	Loss from disposal of intangible assets	-	16
A23800	Loss from inventory devaluation and obsolescence (gain from price recovery)	6,427	(995)
A23900	Unrealized (realized) gains with subsidiaries	578	(886)
A29900	Others	(230)	730
A24100	Net foreign currency exchange loss (gain)	2,493	(64,104)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	14,943	10,233
A31150	Accounts receivable (including related parties)	109,006	430,662
A31180	Other receivables	32,701	3,123
A31200	Inventories	3,405	(21,075)
A31230	Prepayments	(13,176)	3,141
A31240	Other current assets	(16)	(404)
A32125	Contract liabilities	8,776	(22,693)
A32130	Notes payable	-	(3,635)
A32150	Accounts payable (including related parties)	10,512	(217,008)
A32180	Other payables	5,442	(9,373)
A32190	Employee compensation and director remuneration payable	879	(10,201)
A32230	Other current liabilities	1,524	206
A32240	Net defined benefit assets/liabilities	(153)	(980)
A33000	Cash generated from operations	157,453	156,532
A33300	Interest paid	(4,649)	(3,179)
A33500	Income taxes paid	(1,284)	(41,305)
AAAA	Net cash inflow from operating activities	151,520	112,048

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Code		2023	2022
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(\$ 10,500)	(\$ 15,540)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	3,159	1,469
B00040	Acquisition of financial assets measured at amortized cost	(178,531)	-
B00050	Disposal of financial assets measured at amortized cost	14,500	89,202
B00100	Acquisition of financial assets measured at fair value through profit or loss	(2,090)	-
B01800	Acquisition of investments under the equity method	(46,807)	(6,000)
B02700	Acquisition of property, plant and equipment	(32,420)	(1,738)
B02800	Proceeds from disposal of property, plant and equipment	124	-
B03800	Decrease in refundable deposits	794	367
B04500	Acquisition of intangible assets	(160)	-
B07500	Interest received	14,326	4,671
B07600	Dividends received	<u>159,412</u>	<u>108,021</u>
BBBB	Net cash inflow (outflow) from investing activities	<u>(78,193)</u>	<u>180,452</u>
	Cash flows from financing activities		
C00100	Increase in short-term loans	-	100,000
C00200	Decrease in short-term loans	(100,000)	-
C01600	Borrowing of long-term loans	33,542	-
C01700	Repayment of long-term loans	-	(59,500)
C03000	Increase in deposits received	-	250
C04020	Repayment of lease principal	(2,149)	(1,334)
C04500	Distribution of cash dividends	(96,078)	(93,852)
C04800	Exercise of employee share options	<u>18,558</u>	<u>6,606</u>
CCCC	Net cash outflow from financing activities	<u>(146,127)</u>	<u>(47,830)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(4,351)</u>	<u>(799)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(77,151)	243,871
E00100	Balance of cash and cash equivalents at beginning of the year	<u>519,684</u>	<u>275,813</u>
E00200	Balance of cash and cash equivalents at end of the year	<u>\$ 442,533</u>	<u>\$ 519,684</u>

The attached notes are an integral part of the parent company-only financial statements.

Chairman: Hung-Ming Chang

Manager: Hung-Ming Chang

Accounting Supervisor: Wei-Chun Lin

CPAs' Audit Report

To Chime Ball Technology Co., Ltd.,

Audit Opinions

We have audited the consolidated balance sheet of Chime Ball Technology Co., Ltd. and its subsidiaries as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the period from January 1 to December 31, 2023 and 2022, and the notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, the said consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards, International Accounting Standards, interpretations and the statements of interpretation endorsed and issued into effect by the Financial Supervisory Commission, and thus presented fairly, in all material aspects, the consolidated financial position of Chime Ball Technology Co., Ltd. and its subsidiaries as of December 31, 2023 and 2022, and the their consolidated business performance and consolidated cash flows for the period from January 1 to December 31, 2023 and 2022.

Basis of Audit Opinions

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and relevant auditing standards. Our responsibilities under such standards are further described in the section of "CPAs' Responsibilities for the Audit of the Consolidated Financial Statements" in this report. We are independent of Chime Ball Technology Co., Ltd. and its subsidiaries in accordance with the Norms of Professional Ethics for Certified Public Accountants, and we have fulfilled all other responsibilities thereunder. We are convinced that we acquired sufficient and appropriate audit evidence to base our audit opinions.

Key Audit Matters

Key audit matters refer to, based on our professional judgment, the most important matters for auditing the 2023 consolidated financial statements of Chime Ball Technology Co., Ltd. and its subsidiaries. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our audit opinions. We do not provide separate opinions on these matters.

The key audit matters for Chime Ball Technology Co., Ltd. and its subsidiaries' 2023 consolidated financial statements are described as follows:

Recognition of Revenue

The amount of sales revenue of Chime Ball Technology Co., Ltd. and its subsidiaries was significant. The manufacturing and trading of exposure machines and the trading of semiconductor equipment were the main sources of Chime Ball Technology Co., Ltd. and its subsidiaries' revenue, collectively accounting for 94% of the consolidated total income. In addition, the customers of the sales revenue of exposure machines and semiconductor equipment could change rather dramatically. Thus, the sales revenue from the new exposure machine

customers and semiconductor equipment customers in 2023 was recognized as one of the key audit matters.

Corresponding audit procedures:

1. Assessing and testing the financial statements, with the internal control procedures for sales transactions implemented based on the internal control system established by the Company.
2. Reviewing the information (e.g. industry background) of the new exposure machine customers in the current period among the customers of sales, in order to confirm the truthfulness of the customers' existence and the reasonableness of the transactions.
3. Obtaining the operating revenue and transaction details of the new exposure machine customers in the current period among the customers of sales, and conducting a spot check of the external customers' original orders and the documents signed by the external customers as a proof of receipt for verification, in order to confirm the reasonableness of the recognized amount of sales revenue. Also, verifying whether the amounts and counterparties on the receipt vouchers are consistent with the amounts and counterparties of the remittance slips and revenue recognition.

Other Matters

Chime Ball Technology Co., Ltd. has prepared the parent company-only financial statements for 2023 and 2022, for which we have issued an audit report with unqualified opinions for reference.

Responsibilities of the Management and Governing Bodies for the Consolidated Financial Statements

The responsibilities of the management were to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the International Financial Reporting Standards, International Accounting Standards, interpretations and the statements of interpretation endorsed and issued into effect by the Financial Supervisory Commission, and to maintain the necessary internal control associated with such preparation, in order to ensure that the consolidated financial statements were free from material misstatements due to fraud or errors.

In preparing the consolidated financial statements, the management was also responsible for assessing Chime Ball Technology Co., Ltd. and its subsidiaries' ability of going concern, disclosure of relevant matters and application of the going concern basis of accounting, unless the management intended to make Chime Ball Technology Co., Ltd. and its subsidiaries enter into liquidation or terminate their operations, or there was no other actual and feasible solutions other than liquidation or termination of their operations.

The governing bodies of Chime Ball Technology Co., Ltd. and its subsidiaries (including the Audit Committee) were responsible for supervising the financial reporting process.

CPAs' Responsibilities for the Audit of the Consolidated Financial Statements

We audited the consolidated financial statements for the purpose of obtaining reasonable assurance on whether the consolidated financial statements as a whole were free from material misstatements due to fraud or errors and issuing an audit report. Reasonable assurance refers to a high level of assurance; however, we could not guarantee to detect all material misstatements in the consolidated financial statements through the audit conducted based on the auditing standards. Misstatements might arise from fraud or errors. If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the consolidated financial statements, the misstatements were deemed as material.

We used our professional judgment to be skeptical during the audit conducted based on the auditing standards. We also performed the following tasks:

1. We identified and assessed the risks of material misstatements arising from fraud or errors within the consolidated financial statements, designed and executed appropriate countermeasures in response to the said risks, and obtained sufficient and appropriate audit evidence to base our audit opinions. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than that of not detecting a material misstatement resulting from errors.
2. We learned about the internal control related to the audit to an extent necessary to design audit procedures applicable to the current circumstances, but not for the purpose of expressing an opinion on the effectiveness of Chime Ball Technology Co., Ltd. and its subsidiaries' internal control.
3. We evaluated the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and relevant disclosures made by the management.
4. Based on the audit evidence obtained, we made conclusions on the appropriateness of the management's adoption of the going concern basis of accounting, and whether a material uncertainty exists related to events or conditions that may cast significant doubt on Chime Ball Technology Co., Ltd. and its subsidiaries' ability to continue as a going concern. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in our audit report for the users of the consolidated financial statements to pay attention to relevant disclosures therein, or amend our audit opinions when such disclosures were inappropriate. Our conclusions are based on the audit evidence obtained as of the date of this audit report. However, future events or conditions might result in a situation where Chime Ball Technology Co., Ltd. and its subsidiaries would no longer have the ability of going concern.
5. We evaluated the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements fairly presented relevant transactions and events.
6. We acquired sufficient and appropriate audit evidence with respect to the financial information of the entities comprising Chime Ball Technology Co., Ltd. and its subsidiaries to provide opinions towards the consolidated financial statements. We were responsible for guiding, supervising, and performing the audit in relation to Chime Ball Technology Co., Ltd. and its subsidiaries, and forming audit opinions on Chime Ball Technology Co., Ltd. and its subsidiaries.

The matters communicated between us and the governing bodies included the planned scope and time of the audit and significant audit findings (including any significant defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norms of Professional Ethics for Certified Public Accountants regarding independence, and communicated with the governing bodies all relationships and other matters (including relevant protective measures) that might possibly be regarded as detrimental to our independence.

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of Chime Ball Technology Co., Ltd. and its subsidiaries' 2023 consolidated financial statements. We clearly indicated such matters in the audit report, unless legal regulations prohibit the public disclosure of specific matters or unless, in very exceptional circumstances, we determined not to cover such matters in the audit report, as we could reasonably expect that the negative impact of the coverage would be greater than the public interest brought thereby.

Deloitte Taiwan
CPA Su-Li Fang

CPA Chien-Ming Tseng

Financial Supervisory Commission
Approval No.
Jin-Guan-Zheng-Liu-Zi No. 0940161384

Financial Supervisory Commission Approval
No.
Jin-Guan-Zheng-Shen-Zi No. 1100356048

March 15, 2024

NOTE to READERS

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

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

Chime Ball Technology Co., Ltd. and Its Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

Code	Assets	December 31, 2023		December 31, 2022		Code	Liabilities and equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current liabilities				
1100	Cash and cash equivalents (Notes 4, 6, and 31)	\$ 988,138	22	\$ 1,442,401	28	2100	Short-term loans (Notes 18 and 31)	\$ 354,000	8	\$ 523,400	10
1136	Financial assets measured at amortized cost - Current (Notes 4, 9, and 31)	120,105	3	70,633	1	2130	Contract liabilities - Current (Note 24)	604,862	14	996,305	20
1150	Notes receivable (Notes 4, 10, and 31)	27,312	1	44,437	1	2170	Accounts payable (Notes 19 and 31)	137,280	3	376,045	8
1170	Accounts receivable (Notes 4, 5, 10, 24, and 31)	288,256	7	452,363	9	2206	Employee compensation and director remuneration payable (Note 25)	19,812	1	18,641	-
1180	Accounts receivable - Related parties (Notes 4, 5, 10, 24, 31, and 32)	127	-	375	-	2219	Other payables (Note 20)	80,183	2	75,322	2
1200	Other receivables (Notes 4 and 31)	3,870	-	1,859	-	2230	Current income tax liabilities (Notes 4 and 26)	8,396	-	65,124	1
1220	Current income tax assets (Notes 4 and 26)	10,415	-	10,388	-	2250	Provision for liabilities - Current (Notes 4 and 21)	130,718	3	105,207	2
130X	Inventories (Notes 4, 5, and 11)	1,474,410	34	1,723,990	34	2280	Lease liabilities - Current (Notes 4, 14 and 31)	6,610	-	5,347	-
1410	Prepayments (Note 17)	89,136	2	136,884	3	2320	Long-term loans due within 1 year (Notes 18 and 31)	28,046	1	3,511	-
1470	Other current assets (Note 17)	3,039	-	2,369	-	2399	Other current liabilities (Notes 20 and 32)	2,856	-	3,037	-
11XX	Total current assets	3,004,808	69	3,885,699	76	21XX	Total current liabilities	1,372,763	32	2,171,939	43
	Non-current assets						Non-current liabilities				
1510	Financial assets measured at fair value through profit or loss - Non-current (Notes 4, 7 and 31)	2,090	-	-	-	2540	Long-term loans (Notes 18 and 31)	328,257	7	251,870	5
1517	Financial assets measured at fair value through other comprehensive income - Non-current (Notes 4, 8, and 31)	76,796	2	61,725	1	2570	Deferred income tax liabilities (Notes 4 and 26)	21,862	1	3,528	-
1535	Financial assets measured at amortized cost - Non-current (Notes 4, 9, and 31)	29,779	1	-	-	2580	Lease liabilities - Non-current (Notes 4, 14 and 31)	10,873	-	10,076	-
1600	Property, plant and equipment (Notes 4, 13, and 33)	847,762	19	776,784	15	2645	Deposits received (Note 32)	250	-	250	-
1755	Right-of-use assets (Notes 4 and 14)	17,347	-	15,535	-	25XX	Total non-current liabilities	361,242	8	265,724	5
1805	Goodwill (Notes 4, 5 and 15)	213,440	5	213,440	4	2XXX	Total liabilities	1,734,005	40	2,437,663	48
1821	Intangible assets (Notes 4 and 16)	97,381	2	130,601	3		Equity attributable to the owners of the Company (Notes 4 and 23)				
1840	Deferred income tax assets (Notes 4 and 26)	25,581	1	-	-	3110	Ordinary share capital	477,861	11	471,471	9
1975	Net defined benefit assets (Notes 4 and 22)	1,386	-	1,167	-	3200	Capital surplus	575,534	13	561,296	11
1990	Other non-current assets (Notes 17, 31, 32, and 33)	65,721	1	20,602	1	3310	Retained earnings				
15XX	Total non-current assets	1,377,283	31	1,219,854	24		Legal reserve	363,309	8	341,001	7
						3320	Special reserve	4,188	-	3,323	-
						3350	Unappropriated retained earnings	1,221,136	28	1,291,094	25
						3410	Other equity				
							Exchange differences from translation of foreign operations' financial statements	(7,959)	-	(7,070)	-
						3420	Unrealized gains/losses from financial assets measured at fair value through other comprehensive income	10,612	-	2,882	-
						31XX	Total equity of the owners of the Company	2,644,681	60	2,663,997	52
						36XX	Non-controlling interests (Note 23)	3,405	-	3,893	-
						3XXX	Total equity	2,648,086	60	2,667,890	52
1XXX	Total assets	\$ 4,382,091	100	\$ 5,105,553	100		Total liabilities and equity	\$ 4,382,091	100	\$ 5,105,553	100

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

Chairman: Hung-Ming Chang

Manager: Hung-Ming Chang

Accounting Supervisor: Wei-Chun Lin

Chime Ball Technology Co., Ltd. and Its Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousand; EPS unit: NTD

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 24, and 32)	\$ 1,407,762	100	\$ 1,795,723	100
5000	Operating costs (Notes 11 and 25)	<u>1,031,785</u>	<u>73</u>	<u>1,314,279</u>	<u>73</u>
5900	Operating gross profit	<u>375,977</u>	<u>27</u>	<u>481,444</u>	<u>27</u>
	Operating expenses (Notes 25 and 32)				
6100	Selling expenses	151,333	11	157,490	9
6200	Administrative expenses	98,555	7	107,428	6
6300	Research and development expenses	99,119	7	85,526	4
6450	Expected credit impairment gain (Note 10)	(<u>2,998</u>)	<u>-</u>	(<u>1,893</u>)	<u>-</u>
6000	Total operating expenses	<u>346,009</u>	<u>25</u>	<u>348,551</u>	<u>19</u>
6900	Net operating profit	<u>29,968</u>	<u>2</u>	<u>132,893</u>	<u>8</u>
	Non-operating income and expenses (Notes 4 and 25)				
7100	Interest income	35,394	3	17,092	1
7010	Other incomes (Notes 29 and 32)	27,414	2	3,422	-
7020	Other gains and losses	7,136	-	173,153	10
7050	Financial costs	(<u>8,382</u>)	(<u>1</u>)	(<u>8,354</u>)	(<u>1</u>)
7000	Total non-operating income and expenses	<u>61,562</u>	<u>4</u>	<u>185,313</u>	<u>10</u>
7900	Net profit before tax	91,530	6	318,206	18
7950	Income tax expense (Notes 4 and 26)	<u>42,791</u>	<u>3</u>	<u>93,554</u>	<u>5</u>
8200	Net profit in the year	<u>48,739</u>	<u>3</u>	<u>224,652</u>	<u>13</u>

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Code		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income (Note 4)				
8310	Items that will not be reclassified to profit or loss subsequently:				
8311	Re-measurement of defined benefit plan (Note 22)	\$ 66	-	\$ 1,188	-
8316	Unrealized valuation gains/losses from investments in equity instruments measured at fair value through other comprehensive income	7,730	1	(7,680)	-
8360	Items likely to be reclassified to profit or loss subsequently:				
8361	Exchange differences from translation of foreign operations' financial statements	(1,111)	-	8,519	-
8399	Income tax related to items likely to be reclassified (Note 26)	<u>222</u>	<u>-</u>	(<u>1,704</u>)	<u>-</u>
8300	Other comprehensive income (net amount after tax) in the year	<u>6,907</u>	<u>1</u>	<u>323</u>	<u>-</u>
8500	Total comprehensive income in the year	<u>\$ 55,646</u>	<u>4</u>	<u>\$ 224,975</u>	<u>13</u>
	Net profit attributable to:				
8610	Owners of the Company	\$ 49,227	3	\$ 227,586	13
8620	Non-controlling interests	(<u>488</u>)	<u>-</u>	(<u>2,934</u>)	<u>-</u>
8600		<u>\$ 48,739</u>	<u>3</u>	<u>\$ 224,652</u>	<u>13</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 56,134	4	\$ 227,909	13
8720	Non-controlling interests	(<u>488</u>)	<u>-</u>	(<u>2,934</u>)	<u>-</u>
8700		<u>\$ 55,646</u>	<u>4</u>	<u>\$ 224,975</u>	<u>13</u>
	Earnings per share (Note 27)				
9750	Basic	<u>\$ 1.04</u>		<u>\$ 4.85</u>	
9850	Diluted	<u>\$ 1.01</u>		<u>\$ 4.67</u>	

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

Chairman: Hung-Ming Chang

Manager: Hung-Ming Chang

Accounting Supervisor: Wei-Chun Lin

Chime Ball Technology Co., Ltd. and Its Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Equity attributable to the owners of the Company												
Code		Share capital		Retained earnings			Other equity items		Treasury shares	Total	Non-controlling interests	Total equity
		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences from translation of foreign operations' financial statements	Unrealized gains/losses from financial assets measured at fair value through other comprehensive income				
A1	Balance on January 1, 2022	\$ 471,481	\$ 553,718	\$ 322,529	\$ 10,700	\$ 1,172,957	(\$ 13,885)	\$ 10,562	(\$ 10,480)	\$ 2,517,582	\$ 3,827	\$ 2,521,409
	2021 earnings distribution											
B1	Legal reserve	-	-	18,472	-	(18,472)	-	-	-	-	-	-
B3	Special reserve	-	-	-	(7,377)	7,377	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	(93,852)	-	-	-	(93,852)	-	(93,852)
L1	Cancellation of treasury shares	(2,220)	(2,570)	-	-	(5,690)	-	-	10,480	-	-	-
N1	Share-based payments	-	5,752	-	-	-	-	-	-	5,752	-	5,752
N1	Ordinary shares issued under employee share options	2,210	4,396	-	-	-	-	-	-	6,606	-	6,606
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	3,000	3,000
D1	Net profit in 2022	-	-	-	-	227,586	-	-	-	227,586	(2,934)	224,652
D3	Other comprehensive income after tax in 2022	-	-	-	-	1,188	6,815	(7,680)	-	323	-	323
D5	Total comprehensive income in 2022	-	-	-	-	228,774	6,815	(7,680)	-	227,909	(2,934)	224,975
Z1	Balance on December 31, 2022	471,471	561,296	341,001	3,323	1,291,094	(7,070)	2,882	-	2,663,997	3,893	2,667,890
	2022 earnings distribution											
B1	Legal reserve	-	-	22,308	-	(22,308)	-	-	-	-	-	-
B3	Special reserve	-	-	-	865	(865)	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	(96,078)	-	-	-	(96,078)	-	(96,078)
N1	Share-based payments	-	2,070	-	-	-	-	-	-	2,070	-	2,070
N1	Ordinary shares issued under employee share options	6,390	12,168	-	-	-	-	-	-	18,558	-	18,558
D1	Net profit in 2023	-	-	-	-	49,227	-	-	-	49,227	(488)	48,739
D3	Other comprehensive income after tax in 2023	-	-	-	-	66	(889)	7,730	-	6,907	-	6,907
D5	Total comprehensive income in 2023	-	-	-	-	49,293	(889)	7,730	-	56,134	(488)	55,646
Z1	Balance on December 31, 2023	<u>\$ 477,861</u>	<u>\$ 575,534</u>	<u>\$ 363,309</u>	<u>\$ 4,188</u>	<u>\$ 1,221,136</u>	<u>(\$ 7,959)</u>	<u>\$ 10,612</u>	<u>\$ -</u>	<u>\$ 2,644,681</u>	<u>\$ 3,405</u>	<u>\$ 2,648,086</u>

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

Chairman: Hung-Ming Chang

Manager: Hung-Ming Chang

Accounting Supervisor: Wei-Chun Lin

Chime Ball Technology Co., Ltd. and Its Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Code		2023	2022
	Cash flows from operating activities		
A10000	Net profit before tax in the year	\$ 91,530	\$ 318,206
A20000	Income and expenses:		
A20100	Depreciation expenses	20,890	27,972
A20200	Amortization expenses	34,240	37,373
A20300	Expected credit impairment gain	(2,998)	(1,893)
A20900	Financial costs	8,382	8,354
A21200	Interest income	(35,394)	(17,092)
A21300	Dividend income	(3,677)	(984)
A21900	Compensation cost of employee share options	2,070	5,752
A22500	Gain from disposal of property, plant and equipment	(116)	-
A22800	Loss from disposal of intangible assets	-	16
A23800	Loss from inventory devaluation and obsolescence	24,447	1,310
A24100	Net foreign currency exchange loss (gain)	5,322	(73,380)
A29900	Gain from lease modifications	(4)	-
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	17,125	12,472
A31150	Accounts receivable	168,507	509,987
A31180	Other receivables	(551)	13,202
A31200	Inventories	220,024	(621,231)
A31230	Prepayments	47,748	(40,730)
A31240	Other current assets	(670)	596
A32125	Contract liabilities	(391,443)	443,605
A32130	Notes payable	-	(3,634)
A32150	Accounts payable	(238,984)	(163,236)
A32180	Other payables	4,717	12,784
A32190	Employee compensation and director remuneration payable	1,171	(2,523)
A32200	Provision for liabilities	25,511	53,529
A32230	Other current liabilities	(181)	337
A32240	Net defined benefit assets	(153)	(980)
A33000	Cash generated from operations	(2,487)	519,812
A33300	Interest paid	(8,238)	(8,263)
A33500	Income taxes paid	(106,793)	(71,787)
AAAA	Net cash inflow (outflow) from operating activities	(117,518)	439,762

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Code		2023	2022
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(\$ 10,500)	(\$ 15,540)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	3,159	1,469
B00040	Acquisition of financial assets measured at amortized cost	(138,576)	-
B00050	Disposal of financial assets measured at amortized cost	14,500	127,544
B00100	Acquisition of financial assets measured at fair value through profit or loss	(2,090)	-
B02700	Purchase of property, plant and equipment	(79,019)	(138,697)
B02800	Proceeds from disposal of property, plant and equipment	123	-
B03800	Decrease in refundable deposits	381	334
B04500	Purchase of intangible assets	(1,020)	(1,570)
B07500	Interest received	33,908	17,045
B07600	Dividends received	<u>3,677</u>	<u>984</u>
BBBB	Net cash outflow from investing activities	(<u>175,457</u>)	(<u>8,431</u>)
	Cash flows from financing activities		
C00100	Increase in short-term loans	-	88,400
C00200	Decrease in short-term loans	(169,400)	-
C01600	Borrowing of long-term loans	105,822	192,181
C01700	Repayment of long-term loans	(4,900)	(190,500)
C04020	Repayment of principal for lease liabilities	(7,464)	(6,217)
C03000	Increase in deposits received	-	250
C04500	Distribution of cash dividends	(96,078)	(93,852)
C04800	Exercise of employee share options	18,558	6,606
C05800	Increase in non-controlling interests	<u>-</u>	<u>3,000</u>
CCCC	Net cash outflow from financing activities	(<u>153,462</u>)	(<u>132</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>7,826</u>)	(<u>8,630</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	(454,263)	422,569
E00100	Balance of cash and cash equivalents at beginning of the year	<u>1,442,401</u>	<u>1,019,832</u>
E00200	Balance of cash and cash equivalents at end of the year	<u>\$ 988,138</u>	<u>\$ 1,442,401</u>

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

Chairman: Hung-Ming Chang

Manager: Hung-Ming Chang

Accounting Supervisor: Wei-Chun Li

Appendix 4

Chime Ball Technology Co., Ltd 2023 Profit Distribution Table

Beginning Undistributed Retained Earnings	\$ 1,171,843,237
Add: 2023 net profit after tax	49,227,145
Add: Defined benefit plan remeasurement amount	65,858
Less: Legal reserve	(4,929,300)
Add: Reversal of special reserve	4,187,660
Distributable Net Profit	<u>1,220,394,600</u>
Distributable items:	
Dividend to shareholders (1.0 NTD / share)	<u>(47,786,134)</u>
Ending Unappropriated Retained Earnings	<u><u>\$ 1,172,608,466</u></u>

Chairman: Hung-Ming Chang Manager: Hung-Ming Chang Accounting Supervisor: Wei-Chun Lin

Appendix 5

Comparison Table of Articles Before and After Amendment of the Procedures for Acquisition and Disposal of Assets

Articles	Original Clause	Proposed Revised Clause	Amendment basis and reasons
Article 9	<p>Paragraphs 1 to 3 (omitted).</p> <p>(Para. 4) The Company shall not give up its capital increase for Chime Kang Technology Co., Ltd. (hereinafter referred to as “Chime Kang”) in each future year, and Chime Kang shall not give up its capital increase for Chime Kang International Trading (Shanghai) Co., Ltd. in each future year. Where the Company must give up the capital increase for the aforesaid companies or dispose of them due to any concerns in relation to strategic alliances or upon the consent of the Center, such matter shall be subject to the special resolution of the Company’s board of directors.</p>	Paragraphs 1 to 3 (omitted).	<p>The proportion of the revenue and profit of subsidiaries in the consolidated revenue and profit of the Company is no longer important. An application was filed with the TPEx for cancellation of the TPEx-related commitment on June 27, 2023 and the application was approved on July 3, 2023.</p>

Appendix 6

Comparison Table of Articles Before and After Amendment of the Rules of Procedure for Shareholders Meetings

Article	Original Clause	Proposed Revised Clause	Amendment basis and reasons
Article 3	<p>Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. Changes to how the Company convenes its shareholder's meeting shall be resolved by the board of directors, ... The Company shall prepare electronic versions of the shareholder's meeting agenda and supplemental meeting materials and upload them to the Market Observation Post System (MOPS) 21 days before the regular shareholders' meeting or 15 days before the special shareholders' meeting.</p> <p>If, however, the Company has a paid-in capital of NTD <u>10</u> billion or more as of the last day of the most current fiscal year, or the total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding fiscal year, transmission of these electronic files shall be made by 30 days before the regular shareholders' meeting. ... Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At</p>	<p>Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.</p> <p>Changes to how the Company convenes its shareholder's meeting shall be resolved by the board of directors, ... The Company shall prepare electronic versions of the shareholder's meeting agenda and supplemental meeting materials and upload them to the Market Obs0ervation Post System (MOPS) 21 days before the regular shareholders' meeting or 15 days before the special shareholders' meeting.</p> <p>If, however, the Company has the paid-in capital of NTD <u>2</u> billion or more as of the last day of the most current fiscal year, or the total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding fiscal year, transmission of these electronic files shall be made by 30 days before the regular shareholders' meeting. ... Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal</p>	Adjusted to keep in line with the amended laws and regulations.

	the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.	screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.	
Article 12	Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak ... No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply. <u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u>	Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak ... No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.	Adjusted according to the Company's practical operational needs.
Article 14	A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179 of the Company Act. ... At the time of a vote, <u>for each proposal</u> , 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	A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179 of the Company Act. ... At the time of a vote, 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	Adjusted according to the Company's practical operational needs.

	<p>conclusion of the meeting, on the same day it is held, the results for each proposal, based on the number of votes for and against and the number of abstentions, shall be entered into the MOPS.</p> <p><u>If a resolution is proposed by the chairman and there is no objection from all attending shareholders, it is deemed to be passed, and its effectiveness is the same as a resolution passed through voting.</u></p> <p><u>If there are objections, the voting method should be adopted in accordance with the previous provision. In addition to the proposals listed on the agenda, other proposals put forward by shareholders, amendments to the original proposals, or alternative proposals should be seconded by other shareholders.</u> ... When shareholders exercise voting rights by correspondence or electronic means, with the declaration of intent not withdrawn while attending the shareholders meeting online, except for extraordinary motions, they shall not exercise voting rights on the original proposals, or make any amendments to the original proposals, or exercise voting rights on amendments to the original proposals.</p>	<p>conclusion of the meeting, on the same day it is held, the results for each proposal, based on the number of votes for and against and the number of abstentions, shall be entered into the MOPS.</p> <p>... When shareholders exercise voting rights by correspondence or electronic means, with the declaration of intent not withdrawn while attending the shareholders meeting online, except for extraordinary motions, they shall not exercise voting rights on the original proposals, or make any amendments to the original proposals, or exercise voting rights on amendments to the original proposals.</p>	
Article 16	<p>Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting, and a copy will be distributed to each shareholder within 20 days after the conclusion of the meeting. The Company may distribute the meeting minutes of the preceding paragraph by means</p>	<p>Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting, and a copy will be distributed to each shareholder within 20 days after the conclusion of the meeting. The Company may distribute the meeting minutes of the preceding</p>	<p>Adjusted according to the Company's practical operational needs.</p>

	<p>of a public announcement made through the MOPS.</p> <p>... <u>The resolution method in the preceding paragraph is based on the chairman soliciting shareholders' opinions. If the shareholders have no objections to the proposal, it should be recorded as "passed unanimously by all attending shareholders without objection after the chairman's inquiry."</u> However, if shareholders have objections to the proposal, the voting method adopted and the ratio of voting rights and their numbers should be recorded. ...</p> <p>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</p>	<p>paragraph by means of a public announcement made through the MOPS.</p> <p>the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</p>	
Article 22:	<p><u>In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting and provide relevant real-time services before and during the meeting to help resolve technical communication issues.</u></p> <p>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare that unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public</p>	<p>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare that unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting</p>	<p>Adjusted according to the Company's practical operational needs.</p>

	<p>Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply. ... For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Companies shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</p>	<p>shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply. ... For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Companies shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</p>	
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Appendix 7

List of Candidates for Directors

Candidate	Gender	Major education and experience	Current and concurrent positions	Number of shares held ¹
Hung-Ming Chang	Male	EMBA, National Chiao Tung University Department of Mechanical Engineering, Sze Hai College of Technology Mechanical Design Manager of R&D Department, Tripod Technology Corporation	Chairman and General Manager, Chime Ball Technology Co., Ltd. Chairman, Honglei Investment Co., Ltd. Representative, Bao Hong Semi Technology Co., Ltd. Chairman, Converge Co., LTD. Responsible Person, Chime Kang Technology Co., Ltd. and Chime Kang International Trading (Shanghai) Co., Ltd.	2,404,496
Ching-Chuan Wei	Male	MBA, Anglia Ruskin University Vice President of Business, Chime Ball Technology Co., Ltd. Vice President of Business, Commend Machinery Co., Ltd.	Chairman and General Manager, KDH Technology Co., Ltd. Chairman, Chunfeng Investment Co., Ltd.	894,136
Chang-Yen Tseng	Male	Department of Mathematics, Soochow University Vice President of Factory Affairs, CHIN POON Industrial Co., Ltd.	Chairman, Maosen Investment Co., Ltd.	1,301,334
Dingmao Technology Co., Ltd.		Master of Operations Research and Information	Director, Jiang Sheng & Co., CPAs	230,851

Representative of a juristic person: Tai-Yu Lin		<p>Engineering, Cornell University (USA)</p> <p>Bachelor of Information Engineering, Cornell University (USA)</p> <p>Passed the national CPA exam in Taiwan</p> <p>Passed the CPA exam in the US</p> <p>Chartered financial analyst (CFA) in the US</p> <p>Certified securities investment analyst (CSIA) in Taiwan</p>	<p>Associate Professor-level</p> <p>Part-time Technical Expert,</p> <p>Department of Business of Chinese Culture University</p> <p>Independent Director, Juic International Co.</p> <p>Member of the 12th National Joint Tax System and Taxation Committee of CPA Associations R.O.C. (Taiwan)</p> <p>Member of the 21st Sustainable Development Committee of Taipei CPA Association</p> <p>Consultant at Deloitte Boston, USA</p>	
Shu-Fang Yang	Female	<p>Department of Accounting and Statistics, National Taipei University of Business</p> <p>Member of audit and accounting research and development, Jiang Sheng & Co., CPAs</p> <p>Consultant in financial/tax affairs</p>	<p>Senior Vice President of the Audit Department, Jiang Sheng & Co., CPAs</p>	0
Li-Hong Lu	Male	<p>EMBA, National Chiao Tung University</p> <p>General Manager, Bao Hong Semi Technology Co., Ltd.</p> <p>Manager, Applied Materials Taiwan</p>	<p>CEO, Chime Ball Technology Co., Ltd.</p> <p>General Manager, Bao Hong Semi Technology Co., Ltd.</p> <p>Director, Converge Co., LTD.</p>	163,000

			Chairman, Jiuye Investment Co., Ltd. Director, EVATEC ASIA CO., LTD.	
Long-Chuan Tsai	Male	EMBA, National Central University Vice General Manager and Director of Business, Bao Hong Semi Technology Co., Ltd. Manager, United Microelectronics Corporation	Vice General Manager and Director of Business, Bao Hong Semi Technology Co., Ltd.	168,308

Note 1: The number of shares held is as of April 20, 2024.

List of Candidates for Independent Directors

Candidate	Gender	Major education and experience	Current and concurrent positions	Number of shares held ¹
Chun-Chieh Huang	Male	Doctor of Law, National Taiwan University Professor of Department of Financial and Economic Law, National Chung Cheng University	Professor of Department of Financial and Economic Law, National Chung Cheng University	0
Kuan-Sheng Wang	Male	MBA, Massachusetts Institute of Technology (USA) Executive Director, Goldman Sachs Chairman, United Management Consulting Co., Ltd.	Chairman, United Management Consulting Co., Ltd. Independent Director, Quanta Storage Inc. Director, ECOVE Environment Corp. Director, Forcelead Technology Corp.	0
Chia-Ming Yang ²	Male	Master of Economics, University of Missouri (USA) Vice General Manager, Jin Zhong Yi Technology Co., Ltd. Special Assistant to the Chairman,	CEO, Yi Hang Investment Co., Ltd.	0

		<p>Chailease Group Vice General Manager, Chailease International Finance Corp. (Shanghai) Supervisor, Chailease Finance Co., Ltd. Vice President, UBS Taipei Branch CSO, MAXWELL CAPITAL GROUP CORP.</p>		
Hsueh-Po Lu ³	Male	<p>Corporate Manager Continuing Education Program - Term 134, National Chengchi University Continuing Education Program - Term 1, Tsinghua University (Beijing) EMBA, National Chiao Tung University Sales Representative, Section Chief, Assistant Manager and Division Chief (Successively), Aurora Group Chairman, Taiwan Parking Association Chairman of the North District and Founding Chairman of the 25th Term, Council for Industrial & Commercial Development Executive Director and Chairman of North District Model Association, National Innovation and Entrepreneurship Association, R.O.C. Executive Director, Council for Industrial & Commercial</p>	<p>Chairman and General Manager, Parkinsys Technology Corporation Independent Director, Jetbest Corporation Honorary Chairman, Taiwan Parking Association Honorary Chairman, Taipei Parking Commercial Association Honorary Chairman, ZI ZHU EXECUTIVE MASTER OF BUSINESS ADMINISTRATION ASSOCIATION of National Chiao Tung University EMBA Alumni Association Director, Taipei Chamber of Commerce Director, Chinese Arbitration Association, Taipei</p>	0

		Development Chairman, ZI ZHU EXECUTIVE MASTER OF BUSINESS ADMINISTRATION ASSOCIATION Chairman, Taipei Parking Commercial Association Chairman, Taipei Wende Association Chairman, Kai Yuan Association		
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Note 1: The number of shares held is as of April 20, 2024.

Notes 2 and 3: The independent directors, Chia-Ming Yang and Hsueh-Po Lu, have served as the Company's independent directors for three consecutive terms. However, since they can provide the Company with important suggestions based on their extensive experience in economics, finance, and risk management, the Company still needs them to perform the function of independent directors while utilizing their expertise, supervising the board of directors, and giving professional opinions. Therefore, we intend to nominate them as the candidates for another term of the Company's independent directors in this election.

Addendum 1

Chime Ball Technology Co., Ltd Articles of Incorporation

Charter 1 General Provisions

- Article 1 The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be Chime Ball Technology Co., Ltd.
- Article 2 The businesses engaged by our company are as follows:
1. F113010 Machinery wholesale industry
 2. F213080 Machinery and equipment retail industry
 3. E604010 Machinery and equipment installation industry
 4. CB01010 Machinery and equipment manufacturing industry
 5. F401010 International trade industry
 6. I301010 Information software services industry
 7. JE01010 Leasing industry
 8. CC01080 Electronic components manufacturing industry
 9. F119010 Electronic materials wholesale industry
 10. F219010 Electronic materials retail industry
 11. CD01060 Aircraft and parts manufacturing
 12. C805050 Industrial plastic products manufacturing industry
 13. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company shall have its head office in Taoyuan City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices, factories, sales offices, or contact offices within or outside the territory of the Republic of China when deemed necessary.
- Article 4 Public announcements of the Company shall be made according to Article 28 of the Company Act.
- Article 5 The Company's investment in other domestic and foreign businesses is not subject to the restrictions on the total amount of investment under the Company Law and may exceed 40% of the total paid-in capital.
- Article 6 The Company may provide external endorsements and guarantees for business needs, and the operations shall be carried out in accordance with the Company's endorsement and guarantee operation procedures.
- Article 7 After the Company's shares are publicly issued, if it intends to revoke the public issuance, a resolution should be submitted to the shareholders' meeting, and this article shall remain unchanged during the Emerging Stock Market period and the listed/OTC trading period.

Chapter 2 Capital Stock

Article 8 The total capital stock of the Company shall be in the amount of NTD 800,000,000, divided into 80 million shares, at NTD 10 each. The unissued shares are authorized to be issued in installments by the board of directors as needed.

In the first item, NTD 50,000,000 of the total capital is reserved, divided into 5 million shares, reserved for issuing employee stock options and may be issued in installments as resolved by the board of directors.

When the Company issues employee stock options at a subscription price lower than the market price, it shall be approved by a shareholders' meeting attended by shareholders representing more than half of the total issued shares, and with the consent of more than two-thirds of the voting rights of the attending shareholders before the issuance can proceed.

Article 8-1: If the Company plans to transfer shares to employees at a price lower than the average repurchase price, it shall be proposed at the most recent shareholders' meeting with more than half of the issued shares represented. The proposal shall be approved by more than two-thirds of the voting rights of the attending shareholders.

Article 9: The Company's shares shall be registered shares, signed or stamped by the director representing the Company, and issued after verification in accordance with the Company Act of the Republic of China and other relevant laws and regulations. The Company may issue shares without printing physical stock certificates but shall register with a central securities depository institution. The same applies to other securities.

Article 10: After the Company's public offering, the transfer of shares shall be suspended within 60 days before the annual shareholders' meeting, within 30 days before the extraordinary shareholders' meeting, or within 5 days before the record date for the distribution of dividends, bonuses, or other benefits.

Chapter 3 Shareholders' Meeting

Article 11 Shareholders meetings of the Company are of two kinds: (1) regular meeting and (2) special meeting. Regular meetings shall be convened at least once a year by the Board of Directors according to the law within six months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations. After the Company's public offering, shareholders with less than 1,000 shares may be notified by public announcement.

Article 11-1 The Company's shareholders' meetings may be held by video conference or other methods announced by the central competent authority. The conditions, operational procedures, and other matters to be observed for holding video shareholders' meetings

shall comply with relevant regulations. If there are additional regulations by the competent authority, those regulations shall be followed.

Article 12 If a shareholder is unable to attend a shareholders' meeting for any reason, they may issue a power of attorney in accordance with Article 177 of the Company Law and the "Regulations for the Use of Proxy Forms for Publicly Issued Companies Attending Shareholders' Meetings" promulgated by the competent authority, and appoint a proxy to attend on their behalf.

Article 13 Each shareholder of the Company, except for the situations where the shares have no voting rights as prescribed in Article 179 of the Company Law and other legal regulations, has one vote per share.

Article 14 Resolutions of shareholders' meetings shall be adopted by the attendance of shareholders representing more than half of the total issued shares, and by the consent of more than half of the voting rights of the attending shareholders, unless otherwise provided by the Company Law.

Article 15 When a shareholders' meeting is convened by the board of directors, the chairman of the board shall preside over the meeting. In case of the chairman's absence, the chairman shall designate a director to act on his behalf; if not designated, the directors shall elect one among themselves to act as the chairman. When the meeting is convened by a convener other than the board of directors, the convener shall serve as the chairman of the meeting. If there are two or more conveners, they shall elect one among themselves to serve as the chairman.

Chapter 4 Directors, Supervisors and Audit Committee

Article 16 The Company shall have nine to thirteen directors, with a term of three years, and they are eligible for re-election. Among the director positions, independent directors shall be appointed after the company goes public, with no fewer than two independent directors and no less than one-fifth of the total director seats. The election of directors shall follow the candidate nomination system, and the shareholders' meeting shall elect directors from the list of director candidates. The professional qualifications, shareholding, restrictions on concurrent positions, nomination and election methods, and other matters to be followed for independent directors shall be in accordance with the relevant regulations of the securities authority.

In addition to the provisions of Articles 192-1 of the Company Law, the election method of directors shall also be conducted in accordance with the company's "Director Election Method."

In accordance with Article 14-4 of the Securities Exchange Act, the company establishes an audit committee to replace the supervisors. The audit committee shall be composed of

all independent directors, with no fewer than three members. One of them shall serve as the convener. The exercise of authority and related matters shall be conducted in accordance with the relevant laws and regulations, and the audit committee's organizational rules shall be separately established and implemented after being approved by the board of directors.

Article 17 The board of directors shall be convened by the chairman in accordance with the law, unless otherwise provided by the Company Law. The board of directors may be held at any location in the country or via video conference. If held via video conference, it is considered as attending a physical meeting. The board of directors may be convened as needed, but at least once every quarter. However, it can be convened at any time in case of emergency.

The notice for convening the board of directors may be given by fax, email, or other means. The aforementioned notice of the meeting may be made electronically with the consent of the counterparty.

Article 18 In case the Chairman of the Board of Directors is on leave or absent or can not exercise his power and authority for any cause, a delegate shall be appointed in compliance with Article 208 of the Company Act.

Article 19 The remuneration of the chairman and directors shall be authorized by the board of directors, based on their level of participation in and contributions to the company's operations, and in line with the usual standards of their industry. The remuneration mentioned above shall be reviewed and approved by the Compensation Committee, submitted to the board of directors for deliberation, and presented to the shareholders' meeting for resolution.

Article 20 The Company may purchase liability insurance for its directors to cover their legal liability for compensation within the scope of their duties during their term of office.

Article 21 The Company's directors may receive allowances for transportation expenses. If a director also holds other positions within the company, they may also receive a salary in accordance with general standards.

Chapter 5 Managerial Officials

Article 22 The Company may have one or more managerial officers. Appointment, discharge and the remuneration of the managerial officers shall be in compliance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 23 The Company's fiscal year is from January 1st to December 31st each year. After the close of each fiscal year, an (1) business report, (2) financial statements and (3)

proposals concerning appropriation of net profits or making up losses shall be prepared by the Board of Directors, and shall be submitted to the regular meeting of shareholders for acceptance

Article 24 If there is profit at the end of each fiscal year, a ratio 0.01% to 15% of profit of the current year distributable as employees' compensation shall be appropriated, and the board of directors shall decide whether to distribute it in stocks or cash. The target of the Company's distribution of employee remuneration includes employees of controlling or subsidiary companies that meet certain conditions, and the conditions and purchase methods are authorized by the board of directors to decide.

The Company may allocate up to 3% of the profit as director compensation, as resolved by the board of directors. The distribution of employee and director compensation shall be reported to the shareholders' meeting. However, if the company still has accumulated losses, a reserve should be set aside for deficit compensation.

The Company's repurchased treasury shares, employee stock options, restricted employee rights new shares, and cash capital increase shares reserved for employee subscription may include employees of controlling or subsidiary companies who meet certain conditions, with the terms and method of purchase to be determined by the board of directors.

Article 25 If the Company has a surplus in its annual financial results, it shall pay taxes in accordance with the law, compensate for accumulated losses, and then allocate 10% as the legal surplus reserve. However, when the legal surplus reserve has reached the Company's paid-in capital, no further allocation is required. The remaining balance shall be allocated or reversed to the special surplus reserve in accordance with laws and regulations. If there is still a balance, along with the accumulated undistributed profits, the board of directors shall propose a profit distribution plan. When distributing the profits in the form of issuing new shares, the distribution shall be decided by the shareholders' meeting.

The Company's distribution of dividends, bonuses, legal surplus reserves, and all or part of the capital reserves, if carried out in the form of cash distribution, shall be authorized by the board of directors with the attendance of more than two-thirds of the directors and the consent of a majority of the attending directors. This shall be reported to the shareholders' meeting.

Article 26 Dividend Policy: The Company's dividend distribution shall take into consideration the business environment and growth stage, future capital requirements, and financial planning. Under the principle of balanced dividends, the board of directors shall propose a distribution plan, which shall be executed after being approved by the shareholders'

meeting. The cash dividend ratio in the total distribution of profits for each time shall be no less than 20% in principle. However, the actual amount, type, and ratio of profit distribution may be adjusted according to the actual profits and capital conditions, as determined by the shareholders' meeting.

Chapter 7 Supplementary Provisions

Article 27 The Company's organization rules and procedures shall be separately prescribed.

Article 28 These Articles of Incorporation were established on February 8th, 1999.

The 1st amendment was on June 8th, 2002.

The 2nd amendment was on March 26th, 2003.

The 3rd amendment was on August 12th, 2003.

The 4th amendment was on December 12th, 2003.

The 5th amendment was on June 21st, 2004.

The 6th amendment was on June 29th, 2005.

The 7th amendment was on June 23rd, 2006.

The 8th amendment was on June 3rd, 2007.

The 9th amendment was on August 24th, 2007.

The 10th amendment was on October 30th, 2009.

The 11th amendment was on June 15th, 2010.

The 12th amendment was on August 23rd, 2010.

The 13th amendment was on January 6th, 2011.

The 14th amendment was on June 12th, 2012.

The 15th amendment was on June 13th, 2013.

The 16th amendment was on June 28th, 2016.

The 17th amendment was on June 5th, 2018.

The 18th amendment was on June 14th, 2019.

The 19th amendment was on June 10th, 2020.

The 20th amendment was on July 7th, 2021.

The 21st amendment was on June 16th, 2022.

The 22nd amendment was on June 15th, 2023.

Chime Ball Technology Co., Ltd

Chairman: Hung-Ming Chang

Addendum 2

Rules of Procedure for Shareholders Meetings

- Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3 Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.
- The convening of the regular shareholders' meeting shall be notified to all shareholders 30 days in advance. For shareholders holding less than 1,000 shares of registered stock, it can be announced by entering the public information observation station 30 days in advance.
- The convening of a special shareholders' meeting shall be notified to all shareholders 15 days in advance. For shareholders holding less than 1,000 shares of registered stock, it can be announced by entering the public information observation station 15 days in advance.
- The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the Market Observation Post System (MOPS) 21 days before the regular shareholders' meeting or 15 days before the special shareholders' meeting, the shareholder meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before 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 thereby.
- This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:
1. For physical shareholders meetings, to be distributed on-site at the meeting.
 2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
 3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.
- The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.
- Where re-election of all directors and supervisors 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 proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce 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 discussion of the proposal.

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

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

A shareholder 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 before 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 before 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.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, 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 5 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6 The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") 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 clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend 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 or supervisors, pre-printed ballots shall also be furnished.

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

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.

2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

(1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which

the meeting will resume.

(2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.

(3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

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

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

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

Article 8 The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting.

Article 9 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.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recordings mentioned above shall be properly kept by the Company during its existence, and the video recordings shall be provided to the party responsible for handling the video conference affairs for safekeeping.

Article 10 Attendance at shareholders meetings shall be calculated based on 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 shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

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

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

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

Article 11 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 12 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

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

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

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

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

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 13 Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

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

Article 14 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. The method of exercising and expressing its intentions shall be in accordance with Articles 177-1 and 177-2 of the Company Law for

voting on resolutions. Unless otherwise provided by the Company Law and the company's articles of association, it shall be passed with the consent of more than half of the voting rights of the attending shareholders. 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 before 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 online, 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 in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. 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.

If a resolution is proposed by the chairman and there is no objection from all attending shareholders, it is deemed to be passed, and its effectiveness is the same as a resolution passed through voting. If there are objections, the voting method should be adopted in accordance with the previous provision. In addition to the proposals listed on the agenda, other proposals put forward by shareholders, amendments to the original proposals, or alternative proposals should be seconded by other shareholders.

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. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 15 The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

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 16 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The 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 or supervisors. The minutes shall be retained for the duration of the existence of the Company.

The resolution method in the preceding paragraph is based on the chairman soliciting shareholders' opinions. If the shareholders have no objections to the proposal, it should be recorded as "passed unanimously by all attending shareholders without objection after the chairman's inquiry." However, if shareholders have objections to the proposal, the voting method adopted and the ratio of voting rights and their numbers should be recorded.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes. When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 17 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, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

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

Article 18 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel 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 19 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

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

Article 20 In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations.

Article 21 When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location within the country, and the chair shall declare the address of their location when the meeting is called to order.

Article 22 In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Companies shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 23 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Addendum 3

Procedures for Election of Directors

Article 1: To elect the directors fairly, impartially, and openly, the Procedures are established pursuant to Articles 21 and 41 of the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.”

Article 2: Except as otherwise provided by laws and regulations or the Articles of Incorporation, the election of the Company’s directors shall be handled in accordance with these Procedures.

Article 3: The overall composition of the board of directors shall be considered in the election of the Company’s directors. Diversity shall be considered for the formation of the board of directors. An appropriate policy of diversification shall also be devised based on the board’s operations, type of business and development needs. This should include but not be limited to the standards in the two following general aspects:

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

The members of the board of directors shall generally possess the knowledge, skills and competence necessary to perform their duties. The abilities that shall be possessed by the board of directors as a whole are as follows:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct business management.
4. Ability to handle crises.
5. Knowledge of the industry.
6. Understanding of international markets.
7. Ability to lead.
8. Ability to make decisions.

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 the performance evaluation.

The qualifications for the Company’s independent directors shall be in line with Articles 2, 3, and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”

The election of the Company’s independent directors shall be in line with Articles 5, 6, 7, 8, and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” and shall be conducted in accordance with Article 24 of the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.”

Article 4: The cumulative voting method shall be adopted for the election of the Company’s directors. Each share will have voting rights in number equal to the directors to be elected; the votes may be cast for a single candidate or split among multiple candidates.

Article 5: The election of the Company's directors shall be conducted based on the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

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. However, when the number of directors falls short by one-third of the total number prescribed by the Articles of Incorporation, the Company shall convene a special shareholders' meeting within 60 days from the date of occurrence of the fact to hold a director by-election.

Where the number of independent directors falls below the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting. 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.

Where the number of independent directors falls below the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting. 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.

Article 6: The Company calculates the voting rights for the election of independent and non-independent directors separately pursuant to the number of seats specified in the Articles of Incorporation, and the candidates who receive the higher number of votes representing the voting rights are elected. When two or more persons receive the same number of votes, thus exceeding the specified number of seats, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 7: The board of directors shall prepare separate ballots for directors in number corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of monitoring and counting personnel and counting votes. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9: Voters shall indicate the candidate's name or account name in the "Candidate" column on the ballot. However, when the candidate is a governmental or a corporate shareholder, the name of the government or the corporation shall be indicated in the column for the candidate's account name on the ballot, or both the name of the government/corporation and the name of its representative shall be indicated. When there are several representatives, the names of each representative should be indicated respectively.

Article 10: A ballot is invalid under any of the following circumstances:

1. The ballot is not prepared by a person with the right to convene the meeting.
2. A blank ballot is cast into the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate indicated does not conform to the list of director candidates.

5. In addition to the name or account name of the candidate indicated, other words are included.
6. Two or more candidates are indicated on the same ballot.

Article 11: The voting rights shall be calculated on-site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the number of votes with which they were elected, shall be announced by the chair on the site. The aforementioned ballots for an election shall be sealed and signed by the vote monitoring personnel and kept in proper custody for at least one year. Where any shareholder has filed a lawsuit pursuant to Article 189 of the Company Act, such recordings shall be retained until conclusion of the lawsuit.

Article 12: The board of directors of the Company shall issue a notice to the elected directors.

Article 13: The Procedures and the amendments thereto shall come into enforcement after being approved at the shareholders' meeting.

Addendum 4

Shareholding of Directors

Unit: share/%

Position	Name	Registered Shares	Shareholding Ratio%
Chairman	Hung-Ming Chang	2,404,496	5.02
Director	Shi-Hang Tang	2,312,477	4.83
Director	Sheng-Ping Lin	63,318	0.13
Director	Jing-Chuan Wei	894,136	1.87
Director	Chang-Yan Tseng	1,301,334	2.72
Director	Li-Hong Lu	163,000	0.34
Director	Long-Chuan Tsai	168,308	0.35
Independent director	Jia-Ming Yang	0	0
Independent director	Hsueh-Bo Lu	0	0
Independent director	Yao-Hsun Chang	0	0
Total Shareholding		7,307,069	15.26

Note: 1. The combined shareholding of all directors on the book closure date (April 20, 2024): 47,875,384 shares

2. The minimum required combined shareholding of all directors by law: $47,875,384 \times 10\% \times 80\% \rightarrow 3,830,031$ shares.

3. In accordance with Article 2 of the "Rules for the Proportion and Verification of Shares Held by Directors and Supervisors of Publicly Issued Companies," the minimum number of shares to be held is calculated at 80% of the provisions of Article 2, Paragraph 1. The shares held by all directors of the company meet the legal proportion requirements.