

Tons:

TONS LIGHTOLOGY Inc.

Handbook for the 2025 Annual Meeting of Shareholders

MEETING TIME : May 23, 2025

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

(TAIPEI SINBAN Hilton 3F Meeting Room-4)

----Disclaimer---

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2025 ANNUAL GENERAL SHAREHOLDERS' MEETING ("THE AGENDA") OF TONS LIGHTOLOGY Inc. ("THE COMPANY"). THE TRANSLATION IS INTENDER FOR REFERENCE ONLY AND NO OTHER PURPOSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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Tons Lightology Inc.

Procedure for the 2025 Annual Meeting of Shareholders

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation

IV. Approval Items

V. Discussion

VI. Motions

VII. Adjournment

Tons Lightology Inc.

Year 2025

Agenda of Annual Meeting of Shareholders

Method: Hybrid Shareholders' Meeting

Video conferencing: via TDCC's stockvote platform

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

Time: May 23, 2025 (Friday) at 9:00 am

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

(TAIPEI SINBAN Hilton 3F Meeting Room-4)

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation

1. 2024 Business Report.
2. Audit Committee Examination Report on the 2024 Financial Statements.
3. The remuneration to employees and directors report.
4. Directors and managers' performance evaluation results and relevance and rationality report on their salary remuneration.
5. Report on remuneration of individual directors.
6. Report on 2024 cash dividend payout case.
7. Report of the fourth stock repurchase, and the implementation.

IV. Approval Items

1. Adoption of the 2024 Business Report and Financial Statements.
2. Adoption of the Proposal for Distribution of 2024 Profits.

V. Discussion

1. Amendments to the Company's Articles of Incorporation.
2. Amendments to the Company's Rules of Procedure for Shareholder Meetings.

VI. Motions

VII. Adjournment

Management Presentation

Report 1

2024 Business Report.

Explanation: Please refer to the Agenda Handbooks for the 2024 Business Report [Attachment 1].

Report 2

Audit Committee Examination Report on the 2024 Financial Statements.

Explanation: Please refer to the Agenda Handbooks for the 2024 Financial Statements Examined by the Audit Committee [Attachment 2].

Report 3

The distribution of remuneration to the employees and directors.

Explanation:

- I. The Article 23.1 of the Company's Articles of Incorporation "appropriating 5~15% of the annual earnings, if any, as remuneration to employees and appropriating less than 2.5% of the annual earnings as remuneration to directors".
- II. For the 2024 net income before tax and before deducting the remuneration to employees and directors, appropriate 9.0% of such amount (equivalent to NT\$407,000) as remuneration to employees and appropriate 1.5% of such amount (equivalent to NT\$65,000) as remuneration to directors paid in cash.
- III. The appropriated remuneration to employees and directors was the same amount of the expense recognized in 2024.

Report 4

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

Explanation:

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

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

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

Report 5

Report on remuneration of individual directors.

Explanation:

- I. The directors' remuneration policy, standard, and structure are as follows:
- (I) Directors: According to the Articles of Incorporation, up to 2.5% of the profit of the current year shall be distributed as directors' remuneration, which shall be submitted to the Board of Directors for resolution and reported in the shareholders' meeting. The calculation for separate remuneration paid to each director is stipulated in the "Regulations Governing the Remuneration and Rewards of Directors" based on the individual performance of directors appraised with the "Regulations Governing Performance of the Board of Directors" and each director's involvement in and contribution to business operations after the submission at the shareholders' meeting and submitted to the Remuneration Committee for review. After the resolution is passed by the Board of Directors, remuneration shall be paid to each director.
 - (II) Independent directors: Remuneration for independent directors shall be distributed in accordance with the "Regulations Governing the Remuneration and Rewards of Directors" approved by the Board of Directors and may be adjusted based on the industry standards and independent directors' involvement in and contributions to business operations. When independent directors and board committee members perform their duties, the Company shall pay remuneration regardless of its operating profit or loss.
 - (III) Directors attending meetings in person may be granted transportation allowances.
- II. For the remuneration of individual directors 2024, please refer to [Attachment 3] of this Handbook.

Report 6

Report on 2024 Cash Dividend Payout case.

Explanation:

- I. This case is handled in accordance with Article 24 of the Articles of Incorporation.
- II. The Company plans to distribute cash dividends at the amount of NT\$45,510,870 for the year of 2024. After 1,108,000 shares repurchased by the Company is deducted from 57,996,587 outstanding shares as of today, a total of 56,888,587 shares are to be distributed with cash dividends at NT\$0.8 per share. Cash dividends are distributed according to the shares held in the shareholder registry on the record date. Cash dividends are rounded up to dollar. The Chairman is authorized to determine the disposal of less than NT\$1 at his discretion.
- III. The ex-dividend date is set on March 29, 2025, and the book closing period is set from March 25 to March 29, 2025.
- IV. Cash dividends are set to be issued on April 25, 2025.
- V. When there is any change in the Company's outstanding shares; the Chairman is authorized to adjust the dividend per share in accordance with the actual outstanding shares on the ex-dividend date.
- VI. The Chairman is authorized to handle other unspecified matters at his discretion.

Report 7

Please refer to the following for the report of the Fourth Stock Repurchase, and the Implementation.

Explanation:

I. The Board of Directors' Resolution for the Fourth Stock Repurchase, and the Implementation

Time of Repurchase	Fourth Time
Approval Date	January 17, 2025
Period of Repurchase	January 20, 2025 to March 19, 2025
Purpose of Repurchase	Transfer to employees
Repurchased Stock Types and Quantity	1,000,000 shares of common stocks
Estimated Price Range for Repurchase	Between NT\$ 18 to 28. The Company will continue repurchasing stock if the stock price of the Company is lower than the bottom of the stipulated repurchase price range.
Percentage of Estimated Repurchased Stock to the Total Quantity of Issued Stock	1.72%
Actual Period of Repurchase	January 20, 2025 to March 19, 2025
Actual Repurchased Stock Types and Quantity	608,000 shares of common stocks
Amount of Actual Repurchased Stock	15,321,256 NTD
Average Repurchase Price for each Share	25.20 NTD
Implementation Efficiency of Actual Repurchased Stock	60.80%
Percentage of Actual Repurchased Stock to the Total Quantity of Issued Stock	1.05%
Amount of Stock Transferred and Cancelled	0 share

II. The “Regulations Governing the Fourth Stock Repurchase and Transfer to Employees” of the Company is attached as [Attachment 4] in the Handbook.

Approval Items

Proposal 1

Proposed by the Board

Adoption of the 2024 Business Report and Financial Statements.

Explanation:

- I. The Company's 2024 business report and financial statements had been prepared accordingly, of which, the financial reports (including the consolidated financial statements) and the business report were examined by the Audit Committee with a written examination report issued.
- II. Please refer to [Attachment 1] of the Agenda Handbooks for 2024 business report and [Attachment 5] for the 2024 independent auditor's report and financial statements.
- III. Please adoption.

Resolution:

Proposal 2

Proposed by the Board

Adoption of the Proposal for Distribution of 2024 Profits.

Explanation:

- I. The 2024 Profit Distribution Table has been adopted in the 12th meeting of the 11th-term Board of Directors.
- II. Please refer to [Attachment 6] of the Agenda Handbooks for the 2024 Profit Distribution Table.
- III. Please adoption.

Resolution:

Discussion

Proposal 1

Proposed by the Board

Amendments to the Company's Articles of Incorporation. Please proceed to discuss.

Explanations :

- I. The additional provision on entry-level employee remuneration appropriation is amended to Article 23-1 of the Company's Articles of Incorporation, pursuant to provisions prescribed in Subparagraph 6, Article 14 of the Securities and Exchange Act.
- II. For the amendments before and after, please refer to [Attachment 7] of this Handbook.

Resolution :

Proposal 2

Proposed by the Board

Amendments to the Company's Procedures for the Acquisition and Disposal of Assets. Please proceed to discuss.

Explanations:

- I. Hierarchical authorities for amount of investment is amended to enhance the operational flexibility in long-term investment in securities.
- II. For the amendments before and after, please refer to [Attachment 8] of this Handbook.

Resolution:

Motions

Adjournment

Tons Lightology Inc.

The 2024 Business Report

Under the continuous impact of high interest rates and the underperformance of China's economy, plus constant geopolitical conflicts, the global economic and political uncertainties and instability have aggravated, leading to a global economic slowdown. As a result, the global economic performance for 2024 did not show significant improvement. Nonetheless, the recent disinflation and the interest rate easing cycles worldwide are likely to stimulate consumption and investment. It is expected that the 2025 economy will gradually grow prudently.

Facing the changing trends of global economy and coronavirus pandemic, the Company copes with the situation slowly but surely, and introduces the information system to accelerate the execution of lean policy, including substantially improving production efficiency internally, controlling costs, developing high value-added products, optimizing the quality of customers, and refining product portfolio. In terms of branding effort, the Company had won over many lighting engineering projects of Taiwan that had helped Tons Lightology Inc. secured a leading position in the lighting engineering of museum in Taiwan. The Company will continue this momentum to root in Taiwan's professional lighting market and to convey the experience to Chinese market in order to increase brand awareness. In addition, the Company will continue to enhance the working environment and employee benefits, and protect the stability of human resources so the Company can stay competitive while facing economic fluctuations and uncertainties externally.

Overall, our Company's 2024 revenue increased due to the merger of StrongLED Lighting Systems (Cayman) Co., Ltd., despite the intensely competitive market, inflation and the varying environment. Under full support of shareholders and the efforts exerted by all employees, we are motivated to move forward. We would like to show our appreciation for the support of the shareholders on behalf of the Board of Directors of the Company. The Company's 2024 business operation and 2025 operational plans are briefed as follows.

I. The 2024 business operation

(I) Operating plan results and operating income and expense

In 2024, the Company's individual and consolidated net operating revenue were NT\$619,473 thousand and NT\$1,216,401 thousand respectively, increase of 3.34% and 49.81% respectively compared with NT\$599,465 thousand and NT\$811,933 thousand in 2023. The Company's individual and consolidated net income after tax were the same as NT\$224 thousand, a decrease of NT\$48,844 thousand compared with NT\$49,068 thousand in 2023.

(II) Profitability analysis

The Company's operating revenue in 2024 was more than that in 2023. The gross profit margin of 28.61% was down 3.17%, compared with that of last year, mainly because of the decline in capacity utilization and rising production cost of the products, client portfolio and the merger of former Strong LED Lighting Systems (Cayman) Co., Ltd., due to the underperformance of China economy. The operating expenses could not be covered from the inadequate contribution of gross profit due to the increase in expenses for StrongLED Lighting Systems, resulting in an operating income of -4.93%. The non-operating income to operating revenue this year was 5.92%, resulting in a net income after tax of 0.02%, down 6.04% compared with the net income after tax of 2023.

(III) Research and development status

In 2024, the Company developed products and took out patents as follows. In terms of patents, multiple invention patents in lamps and lighting fixture with adjustable lighting angle, and power switch; multiple utility model patents in rotary lighting fixture and assembly lampshade structure, lighting fixture and lighting control system, floor lamp, in-grounds lights; and multiple design patents in lighting fixture rack and assembly, floor lamp combo, and om-ground lights, were acquired.

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

II. The 2025 business plan outline

(I) The important marketing policy and business policy

1.Products

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

2.Marketing:

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

3.Production:

- A. Simplify product lines, use common parts, and build safety stock for the frequently used parts in order to shorten delivery lead time.

B. Strengthen automated production, improve manufacturing processes, increase efficiency, and reduce the impact of rising labor cost.

(II) Expected sales volume and basis

As major regions worldwide remain cautiously optimistic about the economic forecast, our Company's product application and economic undulation show a positive correlation and hence, we remain robustly optimistic about the expected sales volume.

(III) The Company's future development strategy

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

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

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

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

Chairman : TANG, SHIH-CHUAN

CEO : HUNG, CHIA-CHENG

CFO : WANG, CHIH-YUAN

[Attachment 2]

Tons Lightology Inc.
Audit Committee's Report

The Board of Directors had prepared and presented the Company's 2024 business report, financial report, and statement of retained earnings, of which, the financial report was consigned by the Board of Directors to be audited by CPA WANG, YU-CHUAN and CPA HUNG, SHU-HUA of PWC Taiwan with an independent auditor's report issued.

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

Sincerely yours,

To: The 2025 Annual Shareholders' Meeting of Tons Lightology Inc.

Tons Lightology Inc.

Audit Committee Convener : LEE, SHYH-CHIN

February 27, 2025

[Attachment 3] Statements of Remuneration of Individual Directors

Title	Name	Remuneration								Ratio and Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio and Total Compensation (A+B+C+D+E+ F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or from Parent Company
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)						
		The company	All companies in the consolidate d financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidate d financial statements	The company	Companies in the consolidate d financial statements	The company	Companies in the consolidate d financial statements	The company	Companies in the consolidate d financial statements	The company		Companies in the consolidated financial statements		The company	Compani es in the consolid ated financial statemen ts	
																Cash	Stock	Cash	Stock			
Director	TANG, SHIH-CHUAN	0	0	0	0	14	14	21	21	35/ 15.63	35/ 15.63	3,247	4,895	0	0	0	0	0	0	3,282/ 1,465.18	4,930/ 2,200.89	0
Director	HUNG, CHIA-CHENG	0	0	0	0	14	14	18	18	32/ 14.28	32/ 14.28	1,730	3,131	0	0	39	0	39	0	1,801 804.02	3,202 1,429.46	0
Director	CHEN, MING-HSIN	0	0	0	0	14	14	21	21	35/ 15.63	35/ 15.63	0	0	0	0	0	0	0	0	35/ 15.63	35/ 15.63	0
Director	HSIAO, CHEN-CHI	0	0	0	0	14	14	21	21	35/ 15.63	35/ 15.63	0	0	0	0	0	0	0	0	35/ 15.63	35/ 15.63	0
Director	CHANG, CHIA-JUI	690	690	0	0	0	0	9	9	18/ 8.04	18/ 8.04	0	0	0	0	0	0	0	0	18/ 8.04	18/ 8.04	0
Independent Director	CHOU, LIANG-CHENG	690	690	0	0	0	0	24	24	744/ 332.14	744/ 332.14	0	0	0	0	0	0	0	0	744/ 332.14	744/ 332.14	0
Independent Director	LEE, SHYH-CHIN	690	690	0	0	0	0	24	24	744/ 332.14	744/ 332.14	0	0	0	0	0	0	0	0	744/ 332.14	744/ 332.14	0
Independent Director	CHOU, TSUNG-NAN	290	290	0	0	0	0	18	18	738/ 329.462	738/ 329.46	0	0	0	0	0	0	0	0	738/ 329.46	738/ 329.46	0
Total		2,160	2,160	0	0	65	65	156	156	3,440/ 1,062.95	3,440/ 1,062.95	4,977	8,026	0	0	39	0	39	0	7,397/ 3,302.234	10,446 4,663.39	0
1.Remuneration policies, systems, standards, and structures for independent directors and linkage thereof to powers, risks, and time spent: The remuneration for independent directors are paid in accordance with the “Directors' Remuneration Regulations” approved by the Board of Directors and may be adjusted based on the industry standards and independent directors’ involvement in business operations and contributions; in addition, independent directors attending meetings in person may be granted transportation allowances. 2.Except for the above disclosure, the remuneration paid to the Company’s directors for all services rendered last year is NT\$255 thousand.																						

[Attachment 4]

Tons Lightology Inc.
Regulations Governing the Fourth Stock Repurchase and Transfer to Employees

Article 1 The Regulations Governing the First Stock Repurchase and Transfer to Employees are issued by the Company based on “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” issued by Financial Supervisory Commission and Subparagraph 1 of Paragraph 1 of Article 28-2 of “Securities and Exchange Act” to motivate employees and teamwork for achieving the goals set for the Company’s business operation. All procedures repurchased stock transferred to employees shall comply with the Regulations unless any legal regulations prevail.

Article 2 The transferred stock to the employees shall be the type of common stock, unless there is any other regulations which shall be complied with, the content of rights and obligations incurred shall be consistent with those common stock not repurchased.

Article 3 All the repurchased stock shall be transferred to employees in one or multiple times within five years after completing the repurchasing. The stocks not transferred within the said time limit shall be deemed as unissued shares by the Company and shall be canceled and changed for registration according to the law.

Article 4 Qualification for Subscription of Transferees:

The transferees of the regulations refer to the formal full-time employees who have been on board our Company or the subsidiary company before the subscription date (the so-called “subsidiary company” is regulated by Letter No. Jing-Guang-Zheng-Fa-Zi No. 1070121068 dated December 27, 2018, issued by Financial Supervisory Commission, Executive Yuan, Republic of China).

Article 5 Number of Employee Share Subscription:

The number of employee share subscription is based on the factors such as employee ranking, service seniority, performance appraisal, and the special contribution and other standards to the Company, as well as the total share buy-back held by the Company at the time of share subscription, and the limit for one single employee to subscribe shares. Such factors are included in the calculation standards to determine the number of shares to be subscribed by employee transferees, which shall be resolved by the Board of Directors. Nonetheless, the object of transfer who has the position as a manager, shall require the consent from Salary and Remuneration Committee first and submission to the Board of Directors for resolution. The object of transfer other than the manager, shall require consent from the Audit Committee first and submission to the Board of Directors for resolution.

Article 6 The procedures for transferring repurchased stock to employees are as follow:

1. Announce, report and repurchase stock within the period specified by the resolution of the Board of Directors.
2. The Board of Directors formulate and announce the employee subscription date, standard of shares for subscription, and the period for subscription payment, rights content, and restriction criteria pursuant to the Regulations.
3. Employees who fails to make complete payment for stock subscription after the payment period shall be deemed as waiving his/her subscription right.
4. Calculate the quantity of actually subscribed stock and conduct further registration for stock transferring.

Article 7 The transfer price of the repurchased stock shall be the average price of the actually repurchased stock. Nonetheless, in case the Company increases or reduces issued

common shares before the transfer, the transfer price shall be adjusted within the scope of issued shares ratio by the increase or decrease of shares issued (round up the amount not less than NT\$ 0.1).

Calculation formula for transfer price adjustment:

The adjusted transfer price = the actually repurchased stock average price of the actually repurchased stock x (total quantity of common stock of the Company after completion of repurchase ÷ total quantity of common stock of the Company before transferring the repurchased stock to employees)

Article 8 Unless there is any other regulations which shall be complied with, after the repurchased stock is transfer and registered to employees, the content of rights and obligations incurred shall be consistent with those common stock not repurchased.

Article 9 Payment of taxation or mandatory fees incurred to the stock transferred based on the Regulations shall be based on the legal regulations or relevant procedures of the Company at the moment of their transfer.

Article 10 The Regulations shall enter into effect after the resolution of the Board of Directors. Necessary amendment to the Regulations due to amendment of legal regulations, changes of approval by the Competent Authority or changes of objective environments shall enter into effect after the resolution of the Board of Directors.

Article 11 The Regulations, as well as the amended version, shall be submitted to the Meeting of Shareholders for reporting.

[Attachment 5]

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying parent company only balance sheets of Tons Lightology Inc. (the "Company") as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Company's 2024 parent company only financial statements of the current period are stated as follows:

Timing of recognising sales revenue

Description

Please refer to Note 4(27) for a description of accounting policy on sales revenue. Please refer to Note 6(16) for details of sales revenue.

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

How our audit addressed the matter

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

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

Inventory valuation

Description

The Company is primarily engaged in manufacturing and trading lighting equipment and lamps.

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

How our audit addressed the matter

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

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

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

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

In preparing the parent company only financial statements, management is responsible for

assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TONS LIGHTOLOGY INC.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of

accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on TONS LIGHTOLOGY INC.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within TONS LIGHTOLOGY INC. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Wang, Yu-Chuan

Hung, Shu-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2025

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

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

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

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

Assets		December 31, 2024		December 31, 2023	
		AMOUNT	%	AMOUNT	%
Current assets					
1100	Cash and cash equivalents	\$ 189,203	10	\$ 99,259	5
1136	Current financial assets at amortised cost	-	-	316	-
1150	Notes receivable, net	320	-	515	-
1170	Accounts receivable, net	85,162	5	91,417	5
1200	Other receivables	388	-	139	-
1220	Current tax assets	235	-	235	-
130X	Inventories	7,368	1	8,041	1
1410	Prepayments	2,119	-	1,146	-
1470	Other current assets	150	-	142	-
11XX	Current Assets	<u>284,945</u>	<u>16</u>	<u>201,210</u>	<u>11</u>
Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	2,666	-	4,835	-
1535	Non-current financial assets at amortised cost	17,091	1	-	-
1550	Investments accounted for using equity method	1,499,622	82	1,627,168	87
1600	Property, plant and equipment	1,278	-	1,724	-
1755	Right-of-use assets	7,741	-	14,998	1
1780	Intangible assets	4,035	-	4,915	-
1840	Deferred income tax assets	15,666	1	8,505	1
1990	Other non-current assets, others	1,888	-	2,304	-
15XX	Non-current assets	<u>1,549,987</u>	<u>84</u>	<u>1,664,449</u>	<u>89</u>
1XXX	Total assets	<u>\$ 1,834,932</u>	<u>100</u>	<u>\$ 1,865,659</u>	<u>100</u>

(Continued)

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity		December 31, 2024		December 31, 2023	
		AMOUNT	%	AMOUNT	%
Current liabilities					
2130	Current contract liabilities	\$ 14,879	1	\$ 12,426	1
2150	Notes payable	-	-	101	-
2170	Accounts payable	3,159	-	832	-
2180	Accounts payable - related parties	124,478	7	158,287	9
2200	Other payables	19,130	1	26,223	1
2220	Other payables - related parties	1,733	-	2,403	-
2230	Current income tax liabilities	18,841	1	-	-
2280	Current lease liabilities	7,385	1	7,235	-
2300	Other current liabilities	1,150	-	1,029	-
21XX	Current Liabilities	190,755	11	208,536	11
Non-current liabilities					
2550	Provisions for liabilities - non-current	725	-	374	-
2570	Deferred income tax liabilities	13,851	1	29,224	2
2580	Non-current lease liabilities	491	-	7,876	-
2600	Other non-current liabilities	8,980	-	9,806	1
25XX	Non-current liabilities	24,047	1	47,280	3
2XXX	Total Liabilities	214,802	12	255,816	14
Equity					
Share capital					
3110	Share capital - common stock	579,966	31	579,966	31
Capital surplus					
3200	Capital surplus	839,221	46	838,243	45
Retained earnings					
3310	Legal reserve	125,696	7	122,428	7
3320	Special reserve	90,929	5	78,922	4
3350	Unappropriated retained earnings	41,015	2	95,585	5
Other equity interest					
3400	Other equity interest	(42,325)	(2)	(90,929)	(5)
3500	Treasury shares	(14,372)	(1)	(14,372)	(1)
3XXX	Total equity	1,620,130	88	1,609,843	86
3X2X	Total liabilities and equity	\$ 1,834,932	100	\$ 1,865,659	100

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

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items		Year ended December 31			
		2024		2023	
		AMOUNT	%	AMOUNT	%
4000	Sales revenue	\$ 619,473	100	\$ 599,465	100
5000	Operating costs	(502,869)	(81)	(483,642)	(81)
5900	Net operating margin	116,604	19	115,823	19
	Operating expenses				
6100	Selling expenses	(26,770)	(4)	(33,558)	(5)
6200	General and administrative expenses	(41,527)	(7)	(53,768)	(9)
6300	Research and development expenses	(4,632)	(1)	(4,272)	(1)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(878)	-	(3,708)	(1)
6000	Total operating expenses	(73,807)	(12)	(95,306)	(16)
6900	Operating profit	42,797	7	20,517	3
	Non-operating income and expenses				
7100	Interest income	2,963	-	3,696	1
7010	Other income	476	-	86,408	14
7020	Other gains and losses	3,020	1	1,229	-
7050	Finance costs	(231)	-	(342)	-
7070	Share of loss of associates and joint ventures accounted for using equity method, net	(44,971)	(7)	(39,363)	(6)
7000	Total non-operating income and expenses	(38,743)	(6)	51,628	9
7900	Profit before income tax	4,054	1	72,145	12
7950	Income tax expense	(3,830)	(1)	(23,077)	(4)
8200	Profit for the year	\$ 224	-	\$ 49,068	8
	Other comprehensive income				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Other comprehensive income, before tax, actuarial losses on defined benefit plans	\$ 911	-	\$ 300	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(2,169)	-	(2,189)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	252	-	385	-
8310	Components of other comprehensive loss that will not be reclassified to profit or loss	(1,006)	-	(1,504)	-
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Other comprehensive income(loss), before tax, exchange differences on translation	50,339	8	(26,887)	(5)
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss	50,339	8	(26,887)	(5)
8300	Other comprehensive (loss) income for the year	\$ 49,333	8	(\$ 28,391)	(5)
8500	Total comprehensive income for the year	\$ 49,557	8	\$ 20,677	3
	Basic earnings per share				
9750	Total basic earnings per share	\$ -	-	\$ 1.16	1.16
9850	Total diluted earnings per share	\$ -	-	\$ 1.15	1.15

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

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Capital surplus			Retained earnings			Other equity interest			
	Common stock	Additional paid-in capital	Employee stock warrants	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
<u>Year 2023</u>										
Balance at January 1, 2023	\$ 394,223	\$ 504,068	\$ 1,816	\$ 118,301	\$ 88,050	\$ 121,073	(\$ 61,125)	(\$ 17,797)	(\$ 14,372)	\$1,134,237
Profit for the year	-	-	-	-	-	49,068	-	-	-	49,068
Other comprehensive income (loss) for the year	-	-	-	-	-	240	(26,887)	(1,744)	-	(28,391)
Total comprehensive income (loss)	-	-	-	-	-	49,308	(26,887)	(1,744)	-	20,677
Appropriation and distribution of 2022 retained earnings										
Legal reserve	-	-	-	4,127	-	(4,127)	-	-	-	-
Special reserve	-	-	-	-	(9,128)	9,128	-	-	-	-
Cash dividends	-	-	-	-	-	(63,173)	-	-	-	(63,173)
Shares issued pursuant to acquisitions	183,895	329,173	-	-	-	-	-	-	-	513,068
Share-based payment transactions-employee stock options	1,848	3,731	(545)	-	-	-	-	-	-	5,034
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	(16,624)	-	16,624	-	-
Balance at December 31, 2023	<u>\$ 579,966</u>	<u>\$ 836,972</u>	<u>\$ 1,271</u>	<u>\$ 122,428</u>	<u>\$ 78,922</u>	<u>\$ 95,585</u>	<u>(\$ 88,012)</u>	<u>(\$ 2,917)</u>	<u>(\$ 14,372)</u>	<u>\$1,609,843</u>
<u>Year 2024</u>										
Balance at January 1, 2024	\$ 579,966	\$ 836,972	\$ 1,271	\$ 122,428	\$ 78,922	\$ 95,585	(\$ 88,012)	(\$ 2,917)	(\$ 14,372)	\$1,609,843
Profit for the year	-	-	-	-	-	224	-	-	-	224
Other comprehensive income (loss) for the year	-	-	-	-	-	729	50,339	(1,735)	-	49,333
Total comprehensive income (loss)	-	-	-	-	-	953	50,339	(1,735)	-	49,557
Appropriation and distribution of 2023 retained earnings										
Legal reserve	-	-	-	3,268	-	(3,268)	-	-	-	-
Special reserve	-	-	-	-	12,007	(12,007)	-	-	-	-
Cash dividends	-	-	-	-	-	(40,248)	-	-	-	(40,248)
Share-based payment transactions-employee stock options	-	-	978	-	-	-	-	-	-	978
Balance at December 31, 2024	<u>\$ 579,966</u>	<u>\$ 836,972</u>	<u>\$ 2,249</u>	<u>\$ 125,696</u>	<u>\$ 90,929</u>	<u>\$ 41,015</u>	<u>(\$ 37,673)</u>	<u>(\$ 4,652)</u>	<u>(\$ 14,372)</u>	<u>\$1,620,130</u>

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

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Year ended December 31		
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 4,054	\$ 72,145
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation		724	630
Depreciation-right of use asset		7,257	7,625
Amortisation		2,447	2,246
Expected credit loss (gain)		878	3,708
Net loss on financial assets or liabilities at fair value through profit or loss		-	3,446
Interest expense-lease liability		231	342
Interest income	(	2,963)	(3,696)
Wages and salaries- employee stock options		978	1,085
Share of loss of subsidiary, associates and joint ventures		44,971	39,363
Unrealised foreign exchange loss	(	10,780)	(1,810)
Gain recognized in bargain purchase transaction		-	(85,857)
Reversal of provision for warranty expense		350	172
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		195	1,607
Account receivable, net		5,390	1,890
Account receivable due from related party		-	396
Other receivables		39	(43)
Inventories		673	3,680
Prepayments	(	973)	(801)
Other current assets	(	9)	(32)
Changes in operating liabilities			
Notes payable	(	105)	71
Accounts payable		2,327	(2,104)
Accounts payable to related parties	(	33,809)	(93,909)
Other payables	(	5,477)	2,290
Other payables to related parties	(	669)	1,046
Contract liabilities		2,453	(13,267)
Other current liabilities		122	97
Other non-current liabilities		86	90
Cash inflow (outflow) generated from operations		18,390	(59,590)
Interest received		2,707	3,843
Dividend received		73,843	17,624
Interest paid	(	231)	(342)
Income tax paid	(	7,272)	(14,534)
Net cash flows from (used in) operating activities		87,437	(52,999)

(Continued)

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Year ended December 31	
Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of financial liabilities designated at fair value through profit or loss	\$ -	(\$ 63,139)
Decrease in financial assets at amortised cost	(16,806)	-
Acquisition of investments accounted for using the equity method	-	(1,487)
Proceeds from disposal of investments accounted for using equity method	-	2,731
Proceeds from capital reduction of investments accounted for using equity method	59,000	50,000
Acquisition of property, plant and equipment	(370)	(1,531)
Acquisition of intangible deposits	(3,100)	(2,720)
(Increase) decrease in refundable deposits	416	199
Acquisition of use-of-right assets	<u>-</u>	(<u>26</u>)
Net cash flows from (used in) investing activities	<u>39,140</u>	(<u>15,973</u>)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Repayment of principal portion of lease liability	(7,235)	(7,494)
Cash dividend paid	(40,248)	(63,173)
Exercise of employee stock options	<u>-</u>	<u>3,949</u>
Net cash flows used in financing activities	(<u>47,483</u>)	(<u>66,718</u>)
Effect of exchange rate changes on cash equivalents	<u>10,850</u>	<u>2,100</u>
Net increase (decrease) in cash and cash equivalents	89,944	(133,590)
Cash and cash equivalents at beginning of year	<u>99,259</u>	<u>232,849</u>
Cash and cash equivalents at end of year	\$ 189,203	\$ 99,259

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of Tons Lightology Inc. and its subsidiaries (the “Group”) as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Timing of recognising sales revenue

Description

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

The Group is primarily engaged in manufacturing and trading lighting equipment and lamps. Sales revenue is mainly recognised based on the transaction terms, and the control over the goods is transferred when the goods are delivered to the designated forwarders or customers. As certain sales revenue includes different transaction terms and the timing of transfer of the control of goods involves manual judgement, we identified the timing of sales revenue recognition as one of the key areas of focus for this year's audit.

How our audit addressed the matter

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

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

Inventory valuation

Description

Please refer to Note 4(13) for a description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(5) for a description of inventory. As of December 31, 2024, the Group's inventory amounted to NT\$193,775 thousand and inventory valuation losses amounted to NT\$30,613 thousand.

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

How our audit addressed the matter

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

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

Other matter – Parent company only financial statements

We have audited and expressed an unmodified opinion on the parent company only financial statements of Tons Lightology Inc. as at and for the years ended December 31, 2024 and 2023.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Wang, Yu-Chuan

Hung, Shu-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2025

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

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

TONS LIGHTOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

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

Assets		December 31, 2024		December 31, 2023	
		AMOUNT	%	AMOUNT	%
Current assets					
1100	Cash and cash equivalents	\$ 465,153	21	\$ 406,694	19
1136	Current financial assets at amortised cost	432,499	20	573,700	26
1150	Notes receivable, net	108,433	5	69,594	3
1170	Accounts receivable, net	217,612	10	199,829	9
1200	Other receivables	15,565	1	9,082	-
1220	Current tax assets	235	-	481	-
130X	Inventories	163,142	7	141,408	7
1410	Prepayments	19,752	1	21,171	1
1470	Other current assets	3,264	-	2,473	-
11XX	Current Assets	<u>1,425,655</u>	<u>65</u>	<u>1,424,432</u>	<u>65</u>
Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	2,666	-	4,835	-
1535	Non-current financial assets at amortised cost	17,091	1	-	-
1600	Property, plant and equipment	384,701	18	447,437	21
1755	Right-of-use assets	94,657	4	103,130	5
1760	Investment property, net	161,802	8	115,956	5
1780	Intangible assets	24,558	1	29,796	1
1840	Deferred income tax assets	51,596	2	52,803	2
1900	Other non-current assets	15,285	1	12,525	1
15XX	Non-current assets	<u>752,356</u>	<u>35</u>	<u>766,482</u>	<u>35</u>
1XXX	Total assets	<u>\$ 2,178,011</u>	<u>100</u>	<u>\$ 2,190,914</u>	<u>100</u>

(Continued)

TONS LIGHTOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

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

Liabilities and Equity		December 31, 2024		December 31, 2023	
		AMOUNT	%	AMOUNT	%
Current liabilities					
2100	Short-term borrowings	\$ 79,845	4	\$ 86,540	4
2120	Financial liabilities at fair value through profit or loss - current	1,849	-	507	-
2130	Current contract liabilities	41,157	2	48,503	2
2150	Notes payable	64,043	3	72,567	3
2170	Accounts payable	128,017	6	116,586	5
2200	Other payables	136,159	6	148,476	7
2230	Current income tax liabilities	18,973	1	82	-
2250	Provisions for liabilities - current	9,013	1	682	-
2280	Current lease liabilities	8,520	-	7,525	1
2300	Other current liabilities	1,905	-	1,337	-
21XX	Current Liabilities	<u>489,481</u>	<u>23</u>	<u>482,805</u>	<u>22</u>
Non-current liabilities					
2550	Provisions for liabilities - non-current	17,043	1	24,130	1
2570	Deferred income tax liabilities	38,119	2	54,433	3
2580	Non-current lease liabilities	1,964	-	7,876	-
2600	Other non-current liabilities	11,274	-	11,827	1
25XX	Non-current liabilities	<u>68,400</u>	<u>3</u>	<u>98,266</u>	<u>5</u>
2XXX	Total Liabilities	<u>557,881</u>	<u>26</u>	<u>581,071</u>	<u>27</u>
Equity attributable to owners of parent					
Share capital					
3110	Share capital - common stock	579,966	27	579,966	26
Capital surplus					
3200	Capital surplus	839,221	38	838,243	38
Retained earnings					
3310	Legal reserve	125,696	6	122,428	6
3320	Special reserve	90,929	4	78,922	4
3350	Unappropriated retained earnings	41,015	2	95,585	4
Other equity interest					
3400	Other equity interest	(42,325)	(2)	(90,929)	(4)
3500	Treasury shares	(14,372)	(1)	(14,372)	(1)
31XX	Equity attributable to owners of the parent	<u>1,620,130</u>	<u>74</u>	<u>1,609,843</u>	<u>73</u>
3XXX	Total equity	<u>1,620,130</u>	<u>74</u>	<u>1,609,843</u>	<u>73</u>
Significant contingent liabilities and unrecognised contract commitments					
3X2X	Total liabilities and equity	<u>\$ 2,178,011</u>	<u>100</u>	<u>\$ 2,190,914</u>	<u>100</u>

TONS LIGHTOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Year ended December 31			
		2024		2023	
Items		AMOUNT	%	AMOUNT	%
4000	Sales revenue	\$ 1,216,401	100	\$ 811,933	100
5000	Operating costs	(868,349)	(71)	(553,832)	(68)
5900	Net operating margin	348,052	29	258,101	32
	Operating expenses				
6100	Selling expenses	(167,507)	(14)	(103,534)	(13)
6200	General and administrative expenses	(158,356)	(13)	(110,306)	(13)
6300	Research and development expenses	(89,127)	(7)	(48,006)	(6)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	6,971	-	1,723	-
6000	Total operating expenses	(408,019)	(34)	(260,123)	(32)
6900	Operating loss	(59,967)	(5)	(2,022)	-
	Non-operating income and expenses				
7100	Interest income	25,794	2	17,453	2
7010	Other income	41,214	3	94,194	12
7020	Other gains and losses	7,357	1	5,878	(1)
7050	Finance costs	(2,286)	-	(843)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	-	-	(30,986)	(4)
7000	Total non-operating income and expenses	72,079	6	73,940	9
7900	Loss before income tax	12,112	1	71,918	9
7950	Income tax expense	(11,888)	(1)	(22,850)	(3)
8200	Profit for the year	\$ 224	-	\$ 49,068	6
	Other comprehensive income				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Other comprehensive income, before tax, actuarial losses on defined benefit plans	\$ 911	-	\$ 300	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(2,169)	-	(2,189)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	252	-	385	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss	(1,006)	-	(1,504)	-
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Financial statements translation differences of foreign operations	50,339	4	(26,887)	(3)
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss	50,339	4	(26,887)	(3)
8300	Total other comprehensive income (loss) for the year	\$ 49,333	4	(\$ 28,391)	(3)
8500	Total comprehensive income for the year	\$ 49,557	4	\$ 20,677	3
	Basic earnings per share				
9750	Total basic earnings per share	\$ -	-	\$ 1.16	
9850	Total diluted earnings per share	\$ -	-	\$ 1.15	

TONS LIGHTOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Equity attributable to owners of the parent									
Capital surplus			Retained earnings			Other equity interest			
Share capital - common stock	Additional paid-in capital	Employee stock warrants	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
\$ 394,223	\$ 504,068	\$ 1,816	\$ 118,301	\$ 88,050	\$ 121,073	(\$ 61,125)	(\$ 17,797)	(\$ 14,372)	\$1,134,237
-	-	-	-	-	49,068	-	-	-	49,068
-	-	-	-	-	240	(26,887)	(1,744)	-	(28,391)
-	-	-	-	-	49,308	(26,887)	(1,744)	-	20,677
-	-	-	4,127	-	(4,127)	-	-	-	-
-	-	-	-	(9,128)	9,128	-	-	-	-
-	-	-	-	-	(63,173)	-	-	-	(63,173)
183,895	329,173	-	-	-	-	-	-	-	513,068
1,848	3,731	(545)	-	-	-	-	-	-	5,034
-	-	-	-	-	(16,624)	-	16,624	-	-
\$ 579,966	\$ 836,972	\$ 1,271	\$ 122,428	\$ 78,922	\$ 95,585	(\$ 88,012)	(\$ 2,917)	(\$ 14,372)	\$1,609,843
\$ 579,966	\$ 836,972	\$ 1,271	\$ 122,428	\$ 78,922	\$ 95,585	(\$ 88,012)	(\$ 2,917)	(\$ 14,372)	\$1,609,843
-	-	-	-	-	224	-	-	-	224
-	-	-	-	-	729	50,339	(1,735)	-	49,333
-	-	-	-	-	953	50,339	(1,735)	-	49,557
-	-	-	3,268	-	(3,268)	-	-	-	-
-	-	-	-	12,007	(12,007)	-	-	-	-
-	-	-	-	-	(40,248)	-	-	-	(40,248)
-	-	978	-	-	-	-	-	-	978
\$ 579,966	\$ 836,972	\$ 2,249	\$ 125,696	\$ 90,929	\$ 41,015	(\$ 37,673)	(\$ 4,652)	(\$ 14,372)	\$1,620,130

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

TONS LIGHTOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	Year ended December 31	
	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 12,112	\$ 71,918
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	69,516	51,134
Depreciation - right-of-use assets	13,641	10,393
Depreciation - Investment properties	9,329	1,169
Amortisation	11,088	2,942
Provision for (gain on reversal of) expected credit loss	(6,971)	(1,723)
Net loss on financial assets and liabilities at fair value through profit or loss	1,318	(1,001)
Interest expense - finance lease	1,997	444
Interest expense - lease liability	289	399
Interest income	(25,794)	(17,453)
Share-based payments	978	1,085
Share of loss of associates and joint ventures accounted for under equity method	-	30,986
Loss (gain) on disposal of property, plant and equipment	584	(747)
Gain recognized in bargain purchase transaction	-	(85,857)
Unrealized foreign exchange gain	(11,692)	9,237
(Reversal of) provision for warranty expense	(7,873)	(17)
Short-term provisions for litigation liabilities	8,398	-
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable, net	(36,234)	6,539
Accounts receivable, net	(6,910)	14,512
Accounts receivable due from related parties	-	315
Other receivables	(2,974)	6
Inventories	(16,955)	72,872
Prepayments	2,088	(2,915)
Other current assets	(706)	2,123
Changes in operating liabilities		
Notes payable	(10,999)	5,682
Accounts payable	7,365	(7,253)
Other payables	(16,377)	(8,972)
Contract liabilities	(8,547)	(13,541)
Other current liabilities	466	(2,295)
Other non-current liabilities	86	46
NewItem	-	(2,679)
Cash (outflow) inflow generated from operations	(12,777)	137,349
Interest received	22,650	15,230
Interest paid	(2,355)	(906)
Income tax paid	(7,242)	(17,204)
Net cash flows from operating activities	276	134,469

(Continued)

TONS LIGHTOLOGY INC. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of financial assets measured at fair value through profit or loss	\$ -	(\$ 243)
(Increase) decrease in financial assets at amortised cost	138,617	(180,485)
Acquisition of investments accounted for using equity method	-	(1,487)
Proceeds from disposal of investments accounted for	-	2,731
Acquisition of property, plant and equipment	(32,829)	(15,212)
Proceeds from disposal of property, plant and equipment	1,902	1,353
Increase in refundable deposits	(493)	677
Acquisition of intangible deposits	(6,756)	(7,854)
Increase in other non-current assets	(9,294)	(3,356)
Acquisition of subsidiaries	-	224,799
Net cash flows from investing activities	<u>91,147</u>	<u>20,923</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	79,423	-
Decrease in short-term borrowings	(89,086)	(26,221)
Increase in guarantee deposits received	200	-
Repayment of principal portion of lease liabilities	(8,375)	(9,059)
Cash dividends paid	(40,248)	(63,173)
Exercise of employee stock options	-	3,949
Net cash flows used in financing activities	<u>(58,086)</u>	<u>(94,504)</u>
Effect of exchange rate changes on cash equivalents	<u>25,122</u>	<u>(16,171)</u>
Net increase in cash and cash equivalents	58,459	44,717
Cash and cash equivalents at beginning of year	<u>406,694</u>	<u>361,977</u>
Cash and cash equivalents at end of year	<u>\$ 465,153</u>	<u>\$ 406,694</u>

[Attachment 6]

Tons Lightology Inc.
Profit Distribution Table
Year 2024

Unit: NT\$	
Net income – 2024	\$223,714
Add: Retained earnings adjusted amount - 2024	729,000
Less: 10% legal reserve	(95,271)
Add: special reserve	48,603,884
Distributable amount - 2024	\$49,461,327
Add: Unappropriated earnings - beginning	40,062,461
Accumulated distributable amount - 2024	\$89,523,788
Distributions:	
Shareholder dividend - Cash	45,510,870
Unappropriated earnings - ending	\$44,012,918
Remark: Cash dividend: NT\$0.80 per share	

Note 1: The adjustment made to retained earnings for an amount of NT\$729,000 in 2024 was due to the remeasurement of defined benefit plans.

Note 2: The reversal of a special reserve for this period was NT\$48,603,884, which was the difference between the number of special reserves already appropriated and the net deductions of other rights.

Note 3: On February 27, 2025, the Board of Directors resolved to distribute cash dividends at NT\$0.80 per share.

Note 4: The cash dividend per share was calculated in accordance with the outstanding 56,888,587 shares on February 27, 2025.

Chairman : TANG, SHIH-CHUAN

CEO : HUNG, CHIA-CHENG

CFO : WANG, CHIH-YUAN

**湯石照明科技股份有限公司
公司章程修訂條文對照表**

Tons Lightology Inc.

Articles of Incorporation Amendment before and after

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>第廿三條之一</p> <p>公司當年度如有獲利，應提撥百分之五至百分之十五為員工酬勞，<u>其中包含應提撥不低於員工酬勞百分之四十為基層員工酬勞，另</u>提撥百分之二・五以下為董事酬勞。但公司尚有累積虧損時，應預先保留彌補數額。</p> <p>The Company's annual profits, if any, should be with 5~15% appropriated as remuneration to employees <u>which includes the appropriation of no less than 40% of employee remuneration to entry-level employee remuneration, additionally</u> with less than 2.5% appropriated as remuneration to directors. If the Company is with accumulated losses, an amount for making up the losses should be reserved in advance.</p> <p>員工酬勞以股票或現金為之，應由董事會以董事三分之二以上之出席及出席董事過半數同意之決議行之，並報告股東會。</p> <p>The remuneration to employees is paid with stock dividend or cash; also, it must be with the consent of the majority of the presenting directors in the Board meeting that is with two thirds of the directors attended; also, the resolution should be reported in the shareholders' meeting.</p> <p>員工酬勞以股票或現金為之，分派之對象得包括符合一定條件之從屬公司之員工，相關辦法授權董事會制定。</p> <p>The remuneration to employees paid with stock or cash is also available to the qualified employees of the subsidiaries; also, the Board of Directors is authorized to regulate the related matters.</p>	<p>第廿三條之一</p> <p>公司當年度如有獲利，應提撥百分之五至百分之十五為員工酬勞<u>及</u>提撥百分之二・五以下為董事酬勞。但公司尚有累積虧損時，應預先保留彌補數額。</p> <p>The Company's annual profits, if any, should be with 5~15% appropriated as remuneration to employees and with less than 2.5% appropriated as remuneration to directors. If the Company is with accumulated losses, an amount for making up the losses should be reserved in advance.</p> <p>員工酬勞以股票或現金為之，應由董事會以董事三分之二以上之出席及出席董事過半數同意之決議行之，並報告股東會。</p> <p>The remuneration to employees is paid with stock dividend or cash; also, it must be with the consent of the majority of the presenting directors in the Board meeting that is with two thirds of the directors attended; also, the resolution should be reported in the shareholders' meeting.</p> <p>員工酬勞以股票或現金為之，分派之對象得包括符合一定條件之從屬公司之員工，相關辦法授權董事會制定。</p> <p>The remuneration to employees paid with stock or cash is also available to the qualified employees of the subsidiaries; also, the Board of Directors is authorized to regulate the related matters.</p>	<p>配合證交法修訂增列基層員工酬勞分派比例</p> <p>Amend and increase the ratio of entry-level employee remuneration appropriation in cooperation with Securities and Exchange Act</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>上述獲利狀況係指稅前利益扣除分派員工酬勞前及董事酬勞前之利益，是以一次分派方式為之。</p> <p>The annual profits stated in the preceding paragraph refers to the net income before tax and before deducting the remuneration to employees and directors and it is distributed in a lump sum.</p>	<p>上述獲利狀況係指稅前利益扣除分派員工酬勞前及董事酬勞前之利益，是以一次分派方式為之。</p> <p>The annual profits stated in the preceding paragraph refers to the net income before tax and before deducting the remuneration to employees and directors and it is distributed in a lump sum.</p>	
<p>第廿八條</p> <p>本章程由發起人會議經全體發人同意於中華民國八十一年八月十四日。第一次修訂於民國八十九年六月二十六日，第二次修訂於民國八十九年十一月二十日，第三次修訂於民國九十一年三月八日，第四次修訂於民國九十一年十一月二十五日，第五次修訂於民國九十二年二月十日，第六次修訂於民國九十五年三月七日，第七次修訂於民國九十五年八月十日，第八次修訂於民國九十五年十月十二日，第九次修訂於民國九十六年四月二十九日，第十次修訂於民國九十六年五月十日，第十一次修訂於民國九十六年七月二十九日，第十二次修訂於民國九十六年十月八日，第十三次修訂於民國九十六年十二月三十一日，第十四次修訂於民國九十八年六月二十六日，第十五次修訂於民國一〇〇年五月二十三日，第十六次修訂於民國一〇一年六月二十日，第十七次修訂於民國一〇二年六月十日，第十八次修訂於民國一〇四年五月二十八日，第十九次修訂於民國一〇五年五月三十一日，第二十次修訂於民國一〇六年五月二十六日，第二十一次修訂於民國一〇七年五月三十日，第二十二次修訂於民國一〇八年五月二十九日，第二十三次修訂於民國一一一年五月二十六日，第二十四次修訂於民國一一二年五月二十五日，<u>第二十五次修訂於民國一一四年五月二十三日</u>。</p> <p>The Article of Association was enacted</p>	<p>第廿八條</p> <p>本章程由發起人會議經全體發人同意於中華民國八十一年八月十四日。第一次修訂於民國八十九年六月二十六日，第二次修訂於民國八十九年十一月二十日，第三次修訂於民國九十一年三月八日，第四次修訂於民國九十一年十一月二十五日，第五次修訂於民國九十二年二月十日，第六次修訂於民國九十五年三月七日，第七次修訂於民國九十五年八月十日，第八次修訂於民國九十五年十月十二日，第九次修訂於民國九十六年四月二十九日，第十次修訂於民國九十六年五月十日，第十一次修訂於民國九十六年七月二十九日，第十二次修訂於民國九十六年十月八日，第十三次修訂於民國九十六年十二月三十一日，第十四次修訂於民國九十八年六月二十六日，第十五次修訂於民國一〇〇年五月二十三日，第十六次修訂於民國一〇一年六月二十日，第十七次修訂於民國一〇二年六月十日，第十八次修訂於民國一〇四年五月二十八日，第十九次修訂於民國一〇五年五月三十一日，第二十次修訂於民國一〇六年五月二十六日，第二十一次修訂於民國一〇七年五月三十日，第二十二次修訂於民國一〇八年五月二十九日，第二十三次修訂於民國一一一年五月二十六日，第二十四次修訂於民國一一二年五月二十五日。</p> <p>The Article of Association was enacted</p>	<p>增列修訂日期 Add the date of amendment</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>with the consent of the Founder's meeting conveners on August 14, 1992. The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The 1st amendment made on June 26, 2010. The 2nd amendment made on November 20, 2010. The 3rd amendment made on March 8, 2002. The 4th amendment made on November 25, 2002. The 5th amendment made on February 10, 2002. The 6th amendment made on March 7, 2006. The 7th amendment made on August 10, 2006. The 8th amendment made on October 12, 2006. The 9th amendment made on April 29, 2007. The 10th amendment made on May 10, 2007. The 11th amendment made on July 29, 2007. The 12th amendment made on October 8, 2007. The 13th amendment made on December 31, 2007. The 14th amendment made on June 26, 2009. The 15th amendment made on May 23, 2011. The 16th amendment made on June 20, 2012. The 17th amendment made on June 10, 2013. The 18th amendment made on May 28, 2015. The 19th amendment made on May 31, 2016. The 20th amendment made on May 26, 2017. The 21st amendment made on May 30, 2018. The 22nd amendment will be made on May 29, 2019. The 23rd amendment will be made on May 26, 2022. The 24th amendment will be made on May 25, 2023. <u>The 25th amendment will be made on May 23, 2025.</u></p>	<p>with the consent of the Founder's meeting conveners on August 14, 1992. The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The 1st amendment made on June 26, 2010. The 2nd amendment made on November 20, 2010. The 3rd amendment made on March 8, 2002. The 4th amendment made on November 25, 2002. The 5th amendment made on February 10, 2002. The 6th amendment made on March 7, 2006. The 7th amendment made on August 10, 2006. The 8th amendment made on October 12, 2006. The 9th amendment made on April 29, 2007. The 10th amendment made on May 10, 2007. The 11th amendment made on July 29, 2007. The 12th amendment made on October 8, 2007. The 13th amendment made on December 31, 2007. The 14th amendment made on June 26, 2009. The 15th amendment made on May 23, 2011. The 16th amendment made on June 20, 2012. The 17th amendment made on June 10, 2013. The 18th amendment made on May 28, 2015. The 19th amendment made on May 31, 2016. The 20th amendment made on May 26, 2017. The 21st amendment made on May 30, 2018. The 22nd amendment will be made on May 29, 2019. The 23rd amendment will be made on May 26, 2022. The 24th amendment will be made on May 25, 2023.</p>	

湯石照明科技股份有限公司
取得或處分資產處理程序修訂條文對照表

Tons Lightology Inc.

**Procedures for the Acquisition and Disposal of Assets Amendment
before and after**

修正條文 Amended clause		現行條文 Clause before amendment			修正理由 Reason for amendment
第五條 授權額度與層級式 本公司資產之取得或處分之授權額度與層級，依交易資產呈請權責單位核決。衍生性商品之授權額度與層級依本處理程序第二十條相關規定辦理。 The degree of authority and level where authority is delegated in respect of the acquisition or disposal of assets shall be submitted to the unit in charge for approval. The degree of authority and level where authority is delegated in respect of the acquisition or disposal of derivatives shall be governed by the provision of Article 20 of these Procedures.		第五條 授權額度與層級式 本公司資產之取得或處分之授權額度與層級，依交易資產呈請權責單位核決。衍生性商品之授權額度與層級依本處理程序第二十條相關規定辦理。 The degree of authority and level where authority is delegated in respect of the acquisition or disposal of assets shall be submitted to the unit in charge for approval. The degree of authority and level where authority is delegated in respect of the acquisition or disposal of derivatives shall be governed by the provision of Article 20 of these Procedures.			配合取處準則修正 Amend based on “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”
修正條文 Amended clause					修訂長期有價證券投資權限 Amendment to authority in long-term investment in securities.
項目 Item	金額 Amount	權責單位 Unit in Charge			
		總經理 President	董事長 Chairman	董事會 Board of Directors	
長期股權投資 Long-term investment in equity	不限金額 Unlimited amount	審 Review	審 Review	決 Approve	
<u>長期有價證券投資</u> <u>Long-term investment in securities</u>	<u>3,000 萬(含)以下</u> <u>Less than NT\$30 million (inclusive)</u>	<u>審</u> <u>Review</u>	<u>決</u> <u>Approve</u>		
	<u>3,000 萬(不含)以上</u> <u>More than NT\$30 million (inclusive)</u>	<u>審</u> <u>Review</u>	<u>審</u> <u>Review</u>	<u>決</u> <u>Approve</u>	
短期有價證券投資 Short-term investment in securities	3,000 萬(含)以下 Less than NT\$30 million (inclusive)	決 Approve			
	3,000 萬~6,000 萬(不含) NT\$30~60 million (exclusive)	審 Review	決 Approve		
	6,000 萬(含)以上 More than NT\$60 million (inclusive)	審 Review	審 Review	決 Approve	

修正條文 Amended clause		現行條文 Clause before amendment			修正理由 Reason for amendment
以下略(The following is omitted)					
現行條文 Clause before amendment					
項目 Item	金額 Amount	權責單位 Unit in Charge			
		總經理 President	董事長 Chairman	董事會 Board of Directors	
長期股權投資 Long-term investment in equity	不限金額 Unlimited amount	審 Review	審 Review	決 Approve	
<u>長期有價證券投資</u> <u>Long-term investment in securities</u>	<u>不限金額</u> <u>Unlimited amount</u>	<u>審</u> <u>Review</u>	<u>審</u> <u>Review</u>	<u>決</u> <u>Approve</u>	
短期有價證券投資 Short-term investment in securities	3,000 萬(含)以下 Less than NT\$30 million (inclusive)	決 Approve			
	3,000 萬~6,000 萬(不含) NT\$30~60 million (exclusive)	審 Review	決 Approve		
	6,000 萬(含)以上 More than NT\$60 million (inclusive)	審 Review	審 Review	決 Approve	
以下略(The following is omitted)					
第三十八條 本程序制訂於中華民國九十六年十二月三十一日，第一次修訂於中華民國九十八年六月二十六日，第二次修訂於中華民國九十九年六月二十五日，第三次修訂於中華民國一〇一年六月二十日，第四次修訂於中華民國一〇二年六月十日，第五次修訂於中華民國一〇三年六月十六日，第六次修訂於中華民國一〇六年五月二十六日，第七次修訂於中華民國一〇七年五月三十日，第八次修訂於中華民國一〇八年五月二十九日，第九次修訂於中華民國一一一年五月二十六日， <u>第十次修訂於中華民國一一四年五月二十三日</u> 。		第三十八條 本程序制訂於中華民國九十六年十二月三十一日，第一次修訂於中華民國九十八年六月二十六日，第二次修訂於中華民國九十九年六月二十五日，第三次修訂於中華民國一〇一年六月二十日，第四次修訂於中華民國一〇二年六月十日，第五次修訂於中華民國一〇三年六月十六日，第六次修訂於中華民國一〇六年五月二十六日，第七次修訂於中華民國一〇七年五月三十日，第八次修訂於中華民國一〇八年五月二十九日，第九次修訂於中華民國一一一年五月二十六日。 These Procedures were formulated on December 31, 2007. The first amendment was made on June 26, 2009. The second amendment was made on June 25, 2010. The third amendment was made on June 20, 2012. The fourth amendment was made on June 10, 2013. The fifth			修正施行日期 Add the date of amendment
These Procedures were formulated on December 31, 2007. The first amendment was made on June 26, 2009. The second amendment was made on June 25, 2010. The third amendment was made on June 20,					

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>2012. The fourth amendment was made on June 10, 2013. The fifth amendment was made on June 16, 2014. The sixth amendment was made on May 26, 2017. The seventh amendment was made on May 30, 2018. The eighth amendment will be made on May 29, 2019. The ninth amendment will be made on May 26, 2022. <u>The tenth amendment will be made on May 23, 2025.</u></p>	<p>amendment was made on June 16, 2014. The sixth amendment was made on May 26, 2017. The seventh amendment was made on May 30, 2018. The eighth amendment will be made on May 29, 2019. The ninth amendment will be made on May 26, 2022.</p>	

[Appendix 1]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 5: The Company shall specify in its shareholders' meeting notices the time during which shareholder, solicitor, and proxy agent (shareholder) attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be marked and a sufficient number of suitable personnel assigned to handle the registrations. Where a shareholders' meeting is held via video conferencing, shareholders shall register on the video conferencing platform at least 30 minutes prior to the time the meeting commences. Shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person. Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting. Where a shareholders' meeting is held via video conferencing, shareholders who intend to attend by video conference shall register with the Company two days prior to the shareholders' meeting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

meeting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

meeting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

of elected directors and supervisors announced.

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

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

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

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

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

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

[Appendix 2]

Tons Lightology Inc.
Articles of Incorporation(before Amendments)
(Translation)

Chapter 1 General Rules

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

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

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

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

Chapter 2 Shares

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

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

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

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

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

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

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

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

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

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

Chapter 3 Shareholders' Meeting

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

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

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

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

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

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

Chapter 4 Directors and Managers

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

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

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

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

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

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

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

The audit committee is composed of all independent directors.

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

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

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

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

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

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

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

Chapter 5 Accountants

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Chapter 6 Annex

- Article 26 : The Company's charter and enforcement rules will be enacted separately.
- Article 27 : The matters not addressed in the Articles of Association should be processed in accordance with the Company Law.
- Article 28 : The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The 1st amendment made on June 26, 2010. The 2nd amendment made on November 20, 2010. The 3rd amendment made on March 8, 2002. The 4th amendment made on November 25, 2002. The 5th amendment made on February 10, 2002. The 6th amendment made on March 7, 2006. The 7th amendment made on August 10, 2006. The 8th amendment made on October 12, 2006. The 9th amendment made on April 29, 2007. The 10th amendment made on May 10, 2007. The 11th amendment made on July 29, 2007. The 12th amendment made on October 8, 2007. The 13th amendment made on December 31, 2007. The 14th amendment made on June 26, 2009. The 15th amendment made on May 23, 2011. The 16th amendment made on June 20, 2012. The 17th amendment made on June 10, 2013. The 18th amendment made on May 28, 2015. The 19th amendment made on May 31, 2016. The

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

[Appendix 3]

Tons Lightology Inc.
Procedures for the Acquisition and Disposal of Assets (before Amendments)
(Translation)

Article 1 Basis

These Procedures are established in accordance with the Regulations governing the Acquisition and Disposal of Assets by Public Companies (hereinafter referred to as the Regulations) under Article 36-1 of the Securities and Exchange Act and related laws and regulations.

The Company shall handle the acquisition or disposal of assets in compliance with these Procedures; matters not specified in these Procedures shall be governed by related laws and regulations.

Article 2 Scope

The acquisition or disposal of assets of the Company and its subsidiaries shall be handled in compliance with these Procedures.

Article 3 Scope of Assets

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities (hereinafter referred to as the Securities).
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law (hereinafter referred to as the Assets from Mergers and Transfer).
9. Other major assets.

Article 4 Appraisal Procedures and Means of Price Determination

1. Investment in Securities

Except for securities that meet any of the following requirements, the Company acquiring or disposing of securities shall, prior to the date of occurrence of the

event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price.

- (1) Securities acquired through cash contribution in an incorporation by promotion or by public offering in accordance with Company Act, and the ratio of equity represented by the acquired securities is equivalent with the contribution ration.
- (2) Securities issued at face value by an issuing company carrying out a cash capital increase in accordance with relevant laws and regulations, with this Corporation as a sponsor of the issue.
- (3) Securities issued by an investee company wholly invested by this Corporation that is carrying out a cash capital increase, with this Corporation as a sponsor of the issue.
- (4) Securities listed and traded on the Taiwan Stock Exchange (TWSE) or on the GreTai Securities Market (GTSM) and emerging stocks.
- (5) Government bonds or bonds in repurchase or reverse purchase agreements.
- (6) Domestic or overseas public offering of funds.
- (7) TWSE or GTSM listed securities acquired or disposed of in accordance with the TWSE or GTSM rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities.
- (8) Company bonds (including bank debentures) acquired or domestically-subscribed through this Corporation's sponsorship of a cash capital increase by a public company, when the securities acquired are not privately placed.
- (9) Subscription to fund shares before the establishment of a fund in accordance with Paragraph 1 of Article 11 of the Securities Investment Trust and Consulting Act and the Financial Supervisory Commission's September 3, 2010 Order No. Financial-Supervisory-Securities-0990042831. Subscription or redemption of domestic private placement funds, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining portion is the same as that of a publicly offered fund.

2. Real Property, Equipment or right-of-use assets

In acquiring or disposing of real property, equipment or right-of-use assets where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
- (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (3) The following items shall be specified in the appraisal report:
 1. Items specified in the Regulations on Real Estate Appraisal.
 2. Items related to professional appraisers and their officers.
 - (1) Name of professional appraisers, capital, the organizational structure and the composition of the staff.
 - (2) Name, age, and educational background (with proof attached) of officers, years and period of service, and the number of cases.
 - (3) Relationship between professional appraisers, their officers, and clients.
 - (4) Statement about the absence of hypocrisy or concealment of items specified in the appraisal report.
 - (5) Date of issuance of the appraisal report.
 3. The basic information on the subject of the appraisal shall contain at least the name, nature, location, and area of the subject.
 4. An example of a real estate transaction for comparison in the area of the subject.
 5. Limited or specific conditions for the type of the appraisal with a limited price or a specific price or whether the type of the appraisal complies with such conditions, the reason for or the reasonableness of the difference with a normal price, and whether the limited price or the specific price is sufficient to be the reference to the trading price.
 6. The reasonable distribution ratio for both parties, in case of a joint

development contract.

7. Estimation of land value increment tax.

8. Whether the appraised value of a real estate at the same appraisal date among appraisers with the difference in value exceeding 20% is handled in accordance with Article 41 of the Real Estate Appraiser Act.

9. Attachments shall contain the detail of the appraisal, ownership registration, cadastral transcript, urban plan, subject location map, proof of use of partitioned land, and the latest picture of the subject.

(4) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

(5) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

3. Memberships, Intangible Assets or right-of-use assets

Where the Company acquires or disposes of memberships, it shall collect the information on prices in advance and determine the trading price by either comparison or negotiation; where the Company acquires or disposes of intangible assets, it shall determine the trading price based on the information on prices of assets collected in advance and the prudent evaluation of related laws and contracts.

Where the Company acquires or disposes of memberships, intangible assets or right-of-use assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

4. Other Important Assets

Where the Company acquires or disposes of claims of financial institutions, derivatives, assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law, or other important assets, it shall determine the trading price based on the information on prices of assets collected in advance and the prudent evaluation of related laws and contracts.

5. The Company shall acquire or dispose of derivatives in accordance with the provisions of Article 19 to Article 24 of these Procedures.
6. The Company shall acquire or dispose of assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law in accordance with the provisions of Article 25 to Article 33 of these Procedures.

Professional appraiser shall refer to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall satisfy the following requirements:

- (1) Those who have never violated any regulations of the Procedures, Company Act, The Banking Act of The Republic of China, Insurance Act, Financial Holding Company Act, or Business Entity Accounting Act, or never been sentenced to imprisonment for not less than one year due to being convicted of fraud, breach of trust, criminal conversion, forgery or any offenses during performance of business. However, those who have completed the serve time, been informed of sentence suspension or been amnestied for more than three years shall be excluded.
- (2) Those who are not the related or substantially related party to the transaction.
- (3) The different professional appraisers or staff providing more than two copies of appraisal reports to the Company shall be mutually unrelated or substantially unrelated.

The personnel specified in the preceding Paragraph shall produce the appraisal reports or comments by the self-regulation of the trade associations to which they belong and considering the following:

- (1) Their own professional capacity, experiences and independence before accepting the appraisal contract.
- (2) Adequate planning and operation procedures shall be implemented during the execution of the appraisal contract to produce evidence-based appraisal results and reports, and attach all the implemented procedures, collected data and results as the working paper without reserving any content.

(3)The appropriateness and rationality of data source, parameters and information shall be prudently evaluated one by one to serve as solid base for the production of appraisal results and reports.

(4)The content of the disclaimer shall include those claiming the professionalism and independence of relevant personnel, the rationality and appropriateness of information used and the applied legal regulations.

Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

However, an opinion rendered by an expert on the reasonableness of a merger with subsidiaries whose 100% of shares issued or total capital are directly or indirectly held by the Company or a merger between subsidiaries whose 100% of shares issued or total capital are directly or indirectly held by the Company may be exempted.

Article 5 Degree of Authority and Level where Authority is Delegated

The degree of authority and level where authority is delegated in respect of the acquisition or disposal of assets shall be submitted to the unit in charge for approval. The degree of authority and level where authority is delegated in respect of the acquisition or disposal of derivatives shall be governed by the provision of Article 20 of these Procedures.

A Item	Amount	Unit in Charge		
		President	Chairman	Board of Directors
Long-term investment in equity	Unlimited amount	Review	Review	Approve
Long-term investment in securities	Unlimited amount	Review	Review	Approve
Short-term investment in securities	Less than NT\$30 million (inclusive)	Approve		
	NT\$30~60 million (exclusive)	Review	Approve	
	More than NT\$60 million (inclusive)	Review	Review	Approve
Real property; right-of-use assets	Less than NT\$60 million (inclusive)	Review	Approve	
	More than NT\$60 million (inclusive)	Review	Review	Approve
Equipment; right-of-use assets	Less than NT\$5 million (inclusive)	Approve		
	NT\$5 million (exclusive)~30 million (inclusive)	Review	Approve	
	More than NT\$30 million (exclusive)	Review	Review	Approve
Memberships	Less than NT\$2 million (inclusive)	Review	Approve	
	More than NT\$2 million (exclusive)	Review	Review	Approve
Intangible Assets	Less than NT\$5 million (inclusive)	Approve		
	NT\$5 million (exclusive)~30 million (inclusive)	Review	Approve	
	More than NT\$30 million (exclusive)	Review	Review	Approve
Claims of financial institutions	Less than NT\$10 million (inclusive)	Approve		
	NT\$10 million (exclusive)~50 million (inclusive)	Review	Approve	
	More than NT\$50 million (exclusive)	Review	Review	Approve
Assets in connection with mergers, demergers, acquisitions, or transfer of shares	Amount not subject to the resolution of the board of directors according to law	Review	Review	Approve
	Amount subject to the resolution of the shareholders' meeting according to law	Review	Review	Review
Other important assets	Less than NT\$5 million (inclusive)	Review	Approve	
	More than NT\$5 million (exclusive)	Review	Review	Approve

After these Procedures for the acquisition or disposal of assets or other laws and regulations have been approved by the board of directors, if any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee.

When the provisions as stated in Paragraphs 1 to 6 of Article 4 or other laws and regulations have been approved by the board of directors, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Major transactions of assets or derivatives shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution.

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit

committee shall be recorded in the minutes of the board of directors meeting.

The terms “all audit committee members” in these Procedures and “all directors” in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 6 Units Responsible for Implementation

1. Acquisition or disposal of long-term investment in securities: The chairman shall designate the financial unit or establish the investment task force to evaluate and implement the acquisition or disposal of long-term investment in securities.
2. Acquisition or disposal of short-term investment in securities: The financial unit is responsible to evaluate and implement the acquisition or disposal of short-term investment in securities.
3. Acquisition or disposal of real property , equipment and right-of-use assets: The management department is responsible to evaluate and implement the acquisition or disposal of real property and equipment.
4. Acquisition or disposal of memberships and intangible assets: The chairman shall designate the financial unit or establish the investment task force to evaluate and implement the acquisition or disposal of memberships and intangible assets.
5. Acquisition or disposal of derivatives: The financial unit is responsible to evaluate and implement the acquisition or disposal of derivatives.
6. Acquisition or disposal of assets in connection with mergers, demergers, acquisitions, or transfer of shares and other important assets: The chairman shall designate the financial unit or establish the investment task force to evaluate and implement the acquisition or disposal of assets in connection with mergers, demergers, acquisitions, or transfer of shares and other important assets.

Article 7 Transaction Process

1. The transaction process of securities shall be handled in accordance with the operating procedures for investment circulation in the Company’s internal control system.
2. The transaction processes of real property, equipment, memberships, intangible assets and right-of-use assets shall be handled in accordance with the operating procedures for fixed asset circulation in the Company’s internal control system.
3. The transaction process of other important assets shall be handled in accordance with the related operating procedures for circulation in the Company’s internal control system.

Article 8 Retention of Information

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.

Article 9 Public Announcement and Regulatory Filing Procedures

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the Financial Supervisory Commission (hereinafter referred to as FSC)'s designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.
2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
4. Where acquired or disposed equipment or right-of-use assets for business use, the trading counterparty is not a related party, and the transaction amount meets one of the following requirements:
 - (1) The paid-in capital is less than NT\$10 billion and the transaction amount is more than NT\$500 million.
 - (2) The paid-in capital is more than NT\$10 billion and the transaction amount is more than NT\$1 billion.
5. Where the type of asset acquired or disposed of in the construction business is real property or right-of-use assets for construction use, the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million. The amount of paid-in capital is NT\$10 billion or more and the asset disposed of in the construction is real estate, the trading counterparty is not a related party and the transaction amount is more than NT\$1 billion.
6. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership

percentages, or joint construction and separate sale and the transaction counter parties are not related to the Company, and the amount the Company expects to invest in the transaction is less than NT\$500 million.

7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:

- (1) Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the country's sovereign credit rating.
- (2) Securities trading by investment professionals on securities exchanges or over-the-counter markets, or subscription foreign government bonds or of corporate bonds and general financial bonds not involving no equity in the primary market (excluding subordinated debt), or purchase or repurchase of securities investment trust funds or futures trust funds, or subscription or redemption of exchange-traded notes or securities by a securities firm due to business needs or a securities firm recommended for listed companies at the emerging stock market in accordance with the regulations of Taipei Exchange.
- (3) Trading of bonds under repurchase/resale agreements, or repurchase of domestic money market funds issued by securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
3. The cumulative transaction amount of real property or right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

“Mainland China area investment” as stated in the preceding paragraph shall refer to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

“Date of occurrence” as stated in Paragraph 1 shall refer to the date of contract

signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

“Within the preceding year” as used in Paragraph 2 shall refer to the year preceding the date of occurrence of the current transaction. Items duly announced need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

Article 10 Publicly Announced and Reported Information

According to the preceding article, the Company shall publicly announce and report the information prescribed in the related regulations of FSC.

Article 11 Correction of Publicly Announced and Reported Information

When the Company at the time of public announcement makes an error or omission in an item required by the provision of Article 9 to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days commencing immediately from the date of knowing of the error or omission.

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with Article 9, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Article 12 Total Amount of Assets and Limit

Total amounts of real property, right-of-use assets and securities acquired by the Company and each subsidiary for business use, and limits on individual securities are as follows:

1. Where the type of asset acquired by the Company and its subsidiaries is land, plant, right-of-use assets, and equipment for business use, the transaction amount is unlimited.
2. Where the type of asset acquired by the Company is real property and right-of-use assets for non-business use, the total transaction amount is limited to 20% of the Company's shareholders' equity; where the type of asset acquired by the Company's subsidiaries is real property for non-business use, the total transaction amount is limited to 20% of the parent company's shareholders' equity.
3. Where the Company engages in the short-term capital movement, the total accumulated amount of investment in short-term securities shall be limited to 50% of the Company's shareholders' equity and the net value of securities acquired from the same company shall be limited to 20% of the Company's shareholders' equity; where the Company's subsidiaries engage in the short-term capital movement, the total accumulated amount of investment in short-term securities shall be limited to 20% of the parent company's shareholders' equity and the net value of securities acquired from the same company shall be limited to 10% of the parent company's shareholders' equity.
4. Where the Company acquires the long-term investment in securities, the total accumulated amount of investment in long-term securities shall be limited to 60% of the Company's shareholders' equity and the amount of securities acquired from the same company shall be limited to 30% of the Company's shareholders' equity; where the Company's subsidiaries acquire the long-term investment in securities, the total accumulated amount of investment in long-term securities shall be limited to 40% of the parent company's shareholders' equity and the amount of securities acquired from the same company shall be limited to 30% of the parent company's shareholders' equity, except for subsidiaries that are investment holding companies.

“Subsidiary” as used in the preceding paragraph shall be defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 13 Control Procedures for the Acquisition and Disposal of Assets by Subsidiaries

The Company's subsidiaries shall establish the procedures for the acquisition or disposal of assets in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. The procedures shall be approved by their boards of directors; the same applies when the procedures are amended.

Assets shall be acquired or disposed of by the Company's subsidiaries in accordance with the procedures for the acquisition or disposal of assets

established by the Company's subsidiaries.

When Company's subsidiaries, which are not domestic public companies, acquire or dispose of assets, the Company shall announce and report the information specified in Article 9.

Subsidiaries mentioned in the preceding paragraph apply to the standards for the announcement and report on the transaction amount reaching ~~paid-in~~ paid-in capital or total assets, as specified in Article 9.

Article 14 Scope of Related Party Transactions

When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of these Procedures.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 9 herein and "within the preceding year" as used herein shall refer to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

"Related party" as used in the preceding paragraph shall be defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 15 Resolution Procedures

When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and the board of directors:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of

assets.

2. The reason for choosing the related party as a trading counterparty.
3. With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.
4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Restrictive covenants and other important stipulations associated with the transaction.

With respect to the acquisition or disposal of business-use equipment or transaction of the right-to-use assets and right-to-use assets of real estates for business operation between the Company and its subsidiaries or between subsidiaries holding 100% of the issued stock or capital amount, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is less than 25% of paid-in capital and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

When a matter is submitted for discussion by the board of directors according to related regulations, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

The matters requiring recognition by the Audit Committee according to related regulations shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Paragraphs 5 and 6, Article 5 herein.

When the Company or any subsidiary that is not a domestic public company engages in the transaction mentioned in Paragraph 1 and the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall neither enter the transaction contract nor pay until the materials mentioned in Paragraph 1 have been adopted in the shareholders' meeting. However, transactions between the Company and its subsidiaries or between its subsidiaries are exempt from the resolution of the shareholders' meeting.

The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be made in accordance with Paragraph 2, Article 9 herein, and “within the preceding year” as used herein shall refer to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and the board of directors, and the shareholders meeting need not be counted toward the transaction amount.

Article 16 Appraisal Procedures

The Company that acquires real property or right-of-use assets from a related party shall evaluate the reasonableness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. “Necessary interest on funding” is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

The Company that acquires real estate or right-of-use assets from related parties and appraises the cost of the real estate or right-of-use rights in accordance with the preceding two Paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.

Where the Company acquires real property or the right-of-use assets from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with preceding Article and the preceding three Paragraphs do not apply:

1. The related party acquired the real property or right-of-use assets through inheritance or as a gift.

2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
4. The right-to-use assets for business operation acquired by the Company or subsidiaries, or between subsidiaries in which the Company holds, directly or indirectly, 100% of the issued stock or capital.

Article 17 When the results of the Company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 18. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (2) Transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property or leased market practices.
2. Where the Company acquiring real property or acquiring right-of-use assets by leasing real estates from a related party provides evidence that the terms of the transaction are similar to the terms of transactions for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or right-of-use assets.

Article 18 Where the Company acquires real property or right-of-use assets from a related party and the results of appraisals conducted in accordance with the preceding two Articles are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property or right-of-use assets transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
2. Independent directors of the Audit Committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company obtains real property or right-of-use assets from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

Article 19 Principles and Strategies for Engaging in Derivatives Trading

1. Types of derivatives that may be traded:

- (1) Derivatives as used in these Procedures shall refer to Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.
 - (2) The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.
 - (3) Transactions in regard to bond deposits shall be handled in accordance with the regulations of these Procedures.
2. Operating or hedging strategies:
- The Company shall engage in derivatives transactions for the purpose of avoiding risks. Trading goods that can avoid risks arising from the Company's business operations shall be prioritized. In addition, financial institutions that usually have business dealings with the Company shall be selected as many as possible to avoid credit risks.
3. Segregation of duties:
- Risk management: Foreign exchange traders in the finance department are responsible for the statistics of positions for foreign currency assets and liabilities and collecting related market information, which may serve as the basis of trend judgment and risk assessment. In addition, foreign exchange traders shall fully understand features and functions of various financial products and carry out necessary risk aversion in accordance with the Company's policies and strategic operations.
- Account management: Accountants in the finance department shall keep accounts in accordance with the current International Accounting Standards and related regulations promulgated by competent authorities.
- Cash flows: Capital movement personnel in the finance department shall prepare the positions for cash collection and payment due, perform settlement, and confirm the completion of transactions based on the requirements of related trading contracts.
- Internal audit: The Company's internal auditors shall carry out the regular audit regarding related transactions based on the internal control system and internal audit system to confirm whether the amount, authorization, reasonableness and effectiveness of the transactions comply with the Company's policies or laws and regulations.

4. Essentials of performance evaluation:

The Company shall record the detail of derivatives operations in the transaction list on a daily basis to control the profit and loss; in addition, the Company shall settle the exchange gains and losses on a monthly, quarterly, semi-yearly, and yearly basis.

5. Trading quota:

In principle, the transaction amount of derivatives shall be limited to the net position for foreign exchange arising from the Company's operation.

6. Maximum loss limit:

The maximum loss limit on total trading is US\$100,000 and the maximum loss limit for individual contracts is US\$10,000.

Article 20 Operating Procedures

1. Degree of authority delegated

The Company shall perform derivatives transactions based on the following authorized amount:

- (1) For non-trading purpose: Based on the position for monthly capital needs in each currency and the policy decision, 1/3 of the amount of the transaction shall be used for hedging. The authorized amount of a single trading contract is as follows: (A) The amount less than US\$100,000 (inclusive) shall be approved by the supervisor in charge in the finance department; (B) the amount more than US\$100,000 (inclusive) shall be approved by the president; and (C) the amount more than US\$300,000 shall be approved by the chairman.
- (2) For trading purpose: Each transaction, regardless of the amount, shall be approved by the supervisor in the finance department and the chairman. In principle, the risk of each transaction shall be limited to the profit and loss assessment of US\$100,000 at any time and such amount shall be the stop-loss limit.

2. Units responsible for implementation, and transaction process

- (1) Implementation: Traders in the finance unit shall implement a transaction with a financial institution within the authorized amount. If the value of a transaction exceeds the authorized amount, traders shall obtain the prior written approval in accordance with the foregoing provisions. After a transaction is completed, traders shall fill in the transaction form based on the deal closed with the financial institution and submit it to the supervisor in charge for approval; then, traders shall count the positions and submit the copy of the transaction form to the accounting department.

- (2) Confirmation: The accounting department in charge of settlement and registration shall confirm the transaction based on the copy of the transaction form made by the trading unit; then, the accounting department shall settle the confirmed figures and register the detail of the transaction. The finance department shall make a report on a monthly basis and submit it to the accounting department as the basis of accounting evaluation.

Article 21 Risk Management Measures

1. Risk management:

- (1) Credit risk: Trading partners shall be limited to well-known financial institutions at home and abroad that can provide professional information.
- (2) Market risk: Markets shall be limited to over-the-counter markets that can avoid risks or meet the Company's requirements for investment.
- (3) Liquidity risk: Products with high liquidity (that can square the position in the market at any time) shall be selected to ensure the trading liquidity. Trading banks must have the sufficient information network, equipment and professionalism to trade in any market.
- (4) Operational risk: Operational risks refer to the compliance with authorized management, operating procedures, handling of receipts and preparation of subsequent statements or reports.
- (5) Legal risk: Main and subsidiary contracts and transaction confirmation documents shall be studied carefully; the support of legal officers shall be sought to reduce the risk of legal traps.
- (6) Product risk: Managerial personnel in charge of internal transactions shall have full and correct knowledge of trading products and ask banks to fully disclose the risks to avoid the loss arising from the wrong estimation of risks and misuse of products.
- (7) Cash settlement risk: The authorized personnel shall complete the cash flow estimates in advance based on the regulations of authorization and frequently evaluate the operation of banks of trading partners in order to settle the cash collection and payment due.

2. Principle of internal control:

- (1) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
- (2) Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no

responsibility for trading or position decision-making.

- (3) When a transaction is completed, traders shall fill in the related transaction form and submit it to the reviewer for registration.
- (4) After receiving the transaction confirmation from the bank, the reviewer shall check the transaction with the original receipts and the compliance with authorization and submit the transaction form to the supervisor that is authorized to sign.
- (5) The reviewer shall check whether the total amount of the transaction exceeds the foreign currency asset or liability or the committed position for reasonable hedging or net investment at any time.
- (6) The reviewer shall make a detailed transaction list for each bank to check the account with or send an external confirmation to the bank on a regular basis.
- (7) The finance department shall evaluate the contingent profit and loss and the market value of a transaction on a regular basis and submit the evaluation to management for review on a monthly basis. The evaluation shall indicate the strategies for future operation, which serve as the basis of management and decision making for senior management.

3. Regular evaluation methods:

Finance Department shall evaluate the investment trading positions based on the market price once per week. Hedge trades shall be evaluated once every two weeks with positions, the term of contract, the evaluation of contingent profit or loss and future management focuses specified. The board of directors shall designate senior management personnel to review the evaluation reports and periodically evaluate whether the trading performance is consistent with established operational strategies and whether the risk undertaken is within the Company's permitted scope of tolerance. When irregular circumstances are found in the course of reviewing the evaluation report mentioned above, a report shall be immediately made to the board of directors and appropriate measures shall be adopted; where the Company has independent directors, an independent director shall be present at the board meeting and express an opinion.

Article 22 Internal Audit System

The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report, which shall be submitted, along with the implementation of the annual internal audit plan, to FSC for review in the prescribed format and via the Internet-based information system by

February of the following year. The improvement in irregular circumstances shall be submitted to FSC for review via the Internet-based information system by May of the following year. If any material violation is discovered, the Audit Committee shall be notified in writing.

Article 23 Public Disclosure of Information

1. For losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company, the Company shall publicly announce and report the relevant information on the FSC's designated website within 2 days commencing immediately from the date of occurrence of the event
2. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

Article 24 The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated shall be recorded in detail in the log book.

Article 25 “Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law” as used in these Procedures shall refer to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156.3 of the Company Act.

Article 26 The Company conducting a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Audit Committee and the board of directors for deliberation and passage.

Article 27 The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content

and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in the preceding article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the Company and other companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company and other companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 28 The Company and other companies participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The Company and other companies participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in Subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company whereby the latter is required to abide by the provisions of Paragraphs 3 and 4.

Article 29 The Company and every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 30 The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, which affects the company's financial operations.
3. An event, such as a major disaster or major change in technology, which affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 31 The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 32 After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article 33 Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 28, Article 29, and Article 32.

Article 34 Penal Regulations

When the Company's directors and managers violate these Procedures or the Regulations Governing the Acquisition and Disposal of Assets by Public Companies issued by FSC, which causes damage to the Company, they shall be

dismissed. When the related executive staff violate these Procedures or the Regulations, they shall be handled in accordance with the Company's regulations governing rewards and punishments.

Article 35 After the Procedures have been approved by the Audit Committee, they shall be submitted to the board of directors for resolution, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee.

When the Procedures are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

When the procedures for the acquisition and disposal of assets are adopted or amended, they shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution..

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" in Paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 36 The provisions regarding supervisors set out in Paragraph 3, Articles 14-4 of the Securities and Exchange Act shall apply mutatis mutandis to the audit committee.

Article 37 The Company shall not waive the capital increase in World Extend Holding Inc. (hereinafter referred to as World Extend) in future years; World Extend shall not waive the capital increase in Greatsuper Technology Limited (hereinafter referred to as GS) in future years; GS shall not waive the capital increase in Zhongshan Tons Lighting Co., Ltd. and Titan Lighting Co., Ltd. in future years. If the Company has to waive the capital increase in or the disposal of the above companies due to strategic alliances or other reasons with the consent of Taipei Exchange, such waiver shall be approved by the special resolution of the board of directors. Any subsequent amendments shall be disclosed in "Announcements" in Market Observation Post System and reported to Taipei Exchange for review.

Article 38 These Procedures were formulated on December 31, 2007. The first amendment was made on June 26, 2009. The second amendment was made on June 25, 2010. The third amendment was made on June 20, 2012. The fourth amendment was made on June 10, 2013. The fifth amendment was made on June 16, 2014. The sixth amendment was made on May 26, 2017. The seventh amendment was made on May 30, 2018. The eighth amendment will be made on May 29, 2019. The ninth amendment will be made on May 26, 2022.

[Appendix 4]

Tons Lightology Inc.
Shareholding of Directors

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

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

2. The number of shares held by all directors as of the stop-transfer date on March 25, 2025 is as follows;

Unit: Shares; %

Title	Name	Elected date	Elected shareholding		Current shareholding	
			Shares	Percentage of the outstanding shares (%)	Shares	Percentage of the outstanding shares (%)
Chairman	TANG, SHIH-CHUAN	05.25.2023	3,535,633	8.95	3,535,633	6.10
Director	HUNG, CHIA-CHENG	05.25.2023	1,107,881	2.81	1,125,381	1.94
Director	CHEN, MING-HSIN	05.25.2023	-	-	-	-
Director	HSIAO, CHEN-CHI	05.25.2023	25,250	0.06	25,250	0.04
Director	CHANG, CHIA-JUI	05.29.2024	-	-	2,906,976	5.01
Independent Director	CHOU, LIANG-CHENG	05.25.2023	-	-	-	-
Independent Director	LEE, SHYH-CHIN	05.25.2023	-	-	-	-
Independent Director	CHOU, TSUNG-NAN	05.25.2023	-	-	-	-
The number of shares and shareholding ratio held by all directors			4,668,764	11.82	7,593,240	13.09

[Appendix 5]

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

1. According to Article 172-1 of the Company Law, the Company is accepting the proposals of the shareholders for the general shareholders' meeting from March 14 to March 25, 2025.
2. There was not any proposal presented by the shareholders who had more than 1% shareholding of the Company's outstanding shares during the said period of time.