

VIZIONFOCUS INC.

2024 Annual General Shareholders' Meeting

Meeting Handbook

Date: May 29, 2024

Location: No. 66, Youyi Rd., Zhunan Township, Miaoli County (1F Meeting Room of Hsin Hong Building)

Meeting Type: Physical Shareholders' Meeting

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VIZIONFOCUS INC.

2024 Annual General Shareholders' Meeting Procedure

- I. Call the Meeting to Order**
- II. Chair's Address**
- III. Reports**
- IV. Ratifications**
- V. Discussions**
- VI. Elections**
- VII. Other Proposals**
- VIII. Extempore Motions**
- IX. Adjournment**

VIZIONFOCUS INC.

2024 General Shareholders' Meeting Agenda

Date and Time: May 29, 2024 (Wednesday) 10:00 a.m.

Location: No. 66, Youyi Rd., Gongyi Vil., Zhunan Township, Miaoli County (1F Meeting Room of Hsin Hong Building)

I. Call the Meeting to Order [Announce the number of shares represented by attending shareholders]

II. Chair's Address

III. Meeting Type: Physical Shareholders' Meeting

IV. Reports:

- (I) The Company's 2023 Business Overview Report.
- (II) Audit Committee's Review Report for the 2023 Financial Statements.
- (III) Report on the Company's Distribution of Remuneration to Employees and Directors in 2023.
- (IV) Report on the Company's External Endorsements and Guarantees in 2023.
- (V) Report on the Company's Investment in Mainland China in 2023.

V. Ratifications:

- (I) Ratification of the Company's 2023 Business Report and Financial Statements.
- (II) Ratification of the Company's 2023 Earnings Distribution.

VI. Discussions:

- (I) Amendment to Certain Provisions of the Company's "Articles of Incorporation."

VII. Elections

- (I) Election of Seven Directors (Including Four Independent Directors) for the 5th Term.

VIII. Other Proposals

- (I) Lifting of Non-compete Restrictions on Company's Directors (Including Juristic Persons and Their Representatives).

IX. Extempore Motions

X. Adjournment

I. Reports:

Proposal 1 (Proposed by the Board of Directors)

Subject: The Company's 2023 Business Overview Report, submitted for review.

Explanation: Please refer to [Attachment 1] (page 7-10) of this Handbook.

Proposal 2 (Proposed by the Board of Directors)

Subject: Audit Committee's Review Report for the 2023 Financial Statements, submitted for review.

Explanation: Please refer to [Attachment 3] (page 32) of this Handbook.

Proposal 3 (Proposed by the Board of Directors)

Subject: Report on the Company's Distribution of Remuneration to Employees and Directors in 2023, submitted for review.

Explanation:

- I. Article 20 of the Company's Articles of Incorporation stipulates that: "If the Company makes a profit in the year, 1-12% of the profit shall be set aside as employee remuneration, and the employee remuneration may be paid in shares or in cash. The Company may, subject to a resolution of the Board of Directors, set aside no more than 1.5% of the profit as director remuneration. However, if the Company still has accumulated losses, a certain portion of the profit shall be retained to make up for the losses before setting aside the profit based on the aforementioned percentages as employee and director remuneration."
- II. It is proposed that directors' remuneration for 2023 amount to NTD 8,547,000 and be paid in cash.
- III. It is proposed that employees' remuneration for 2023 amount to NTD 77,704,000 and be paid in cash.

Proposal 4 (Proposed by the Board of Directors)

Subject: Report on the Company's External Endorsements and Guarantees in 2023, submitted for review.

Explanation: Please refer to [Attachment 4] (page 33) of this Handbook.

Proposal 5 (Proposed by the Board of Directors)

Subject: Report on the Company's Investment in Mainland China in 2023, submitted for review.

Explanation: Please refer to [Attachment 5] (page 34) of this Handbook.

II. Ratifications:

Proposal 1 (Proposed by the Board of Directors)

Subject: Ratification of the Company's 2023 Business Report and Financial Statements.

Explanation:

- I. The Company's financial statements for 2023 (including individual and consolidated financial statements) were approved by the Board of Directors on March 13, 2024, and have been audited by CPA Yu-Hsiang Liu and CPA Chao-Chun Wang of Deloitte Taiwan, with an audit report with unqualified opinion issued. The Audit Committee has issued an Audit Committee's Review Report for reference.
- II. The financial statements ([Attachment 2] (page 11-31) of this handbook) and the business report ([Attachment 1] (page 7-10) of this handbook) are submitted for ratification.

Proposal 2 (Proposed by the Board of Directors)

Subject: Ratification of the Company's 2023 Earnings Distribution.

Explanation:

- I. It is proposed to prepare an earnings distribution table for 2023 in accordance with the Company Act and the Company's Articles of Incorporation. Please refer to [Attachment 6] (page 35) of this Handbook.
- II. It is proposed that the 2024 Annual General Shareholders' Meeting resolve to authorize the Chairman to make decisions about the ex-dividend record date, payment date, and related matters for the cash dividend; that the cash dividend be distributed to shareholders based on their shareholding recorded in the shareholder register on the ex-dividend record date, and that the amount of the cash dividend be truncated to the nearest NT dollar and any fractional part be transferred to other revenues. If the dividend payout ratio must be adjusted as a result of any subsequent change in the share capital that will affect the number of outstanding shares, it is proposed that the shareholders' meeting authorize the Chairman with full powers to make such adjustment.

III. Discussions:

Proposal 1 (Proposed by the Board of Directors)

Subject: Amendment to Certain Provisions of the Company's "Articles of Incorporation," submitted for discussion.

Explanation:

- I. It is proposed to amend certain provisions of the Company's "Articles of Incorporation" to meet the Company's actual operational needs. For the comparison table of amendments, please refer to [Attachment 7] (page 36-38) of this Handbook.
- II. Please make a resolution.

IV. Elections

Proposal 1 (Proposed by the Board of Directors)

Subject: Election of Seven Directors (Including Four Independent Directors) for the 5th Term.

Explanation:

- I. The term of office of the Company's directors for the 4th term will expire on April 27, 2024. In accordance with the Company Act, a re-election of all directors shall be held in the 2024 Annual General Shareholders' Meeting (scheduled on May 29, 2024). To coincide with the date of the 2024 Annual General Shareholders' Meeting, the term of office of the directors for the 4th term is extended until the newly-elected directors take office under Article 195 of the Company Act.
- II. In accordance with the Company's Articles of Incorporation, seven directors (including four independent directors) shall be elected from the list of director candidates under the candidate nomination system. Please refer to [Attachment 8] (page 39-40) of this Handbook for the list of director candidates for the 5th term.
- III. The newly-elected directors shall assume office from the date of re-election for a term of three years from May 29, 2024 to May 28, 2027. The term of office of the original directors (for the 4th term) will end until the conclusion of the 2024 Annual General Shareholders' Meeting.
- IV. Please vote.

V. Other Proposals

Proposal 1 (Proposed by the Board of Directors)

Subject: Lifting of Non-compete Restrictions on Company's Directors (Including Juristic Persons and Their Representatives).

Explanation:

- I. Pursuant to Article 209, Paragraph 12 of the Company Act, a director who engages in any activity for himself or another person that is within the scope of the company's business, shall explain to the shareholders' meeting the important contents of such an act and obtain the approval of the shareholders' meeting.
- II. It is proposed that if the candidates elected as directors of the Company have engaged in any activities that are the same or similar to the business activities of the Company for concurrently serving in other companies, the shareholders' meeting approves to lift the non-compete restrictions on the directors (including juristic persons and their representatives).
- III. Please refer to [Attachment 9] (page 41) of this Handbook for the "Positions Concurrently Held by Director Candidates for the 5th Term."
- IV. Please make a resolution.

VI. Extempore Motions

VII. Adjournment

Attachments

VIZIONFOCUS INC.

Business Report

After nearly 12 years of development in the industry, VIZIONFOCUS was approved for listing on the Taiwan Stock Exchange in December 2023 and listed on March 18, 2024. VIZIONFOCUS has always been committed to the research and development, manufacturing and sale of soft disposable contact lenses, and has successfully expanded to Japan, China, the United States, Taiwan, and other regions. We have even taken the lead in the Chinese market to establish production, sales and service bases to cater to the contact lens market with the greatest potential in Asia. In addition, we are deeply rooted in the Japanese market. Through an active market strategy and high-quality products, we have achieved good market share.

On the other hand, the Company continues to launch new products to stimulate market demand, and at the same time uses its bases in China to supply and serve customers nearby. These actions have enabled the Company to achieve economies of scale. In addition, VIZIONFOCUS provides (1) excellent product quality, (2) stable production capacity, (3) fast supply, (4) competitive prices, and (5) professional services to customers, which together contributed to the Company's record-high revenue and profit in 2023. The Company's 2023 consolidated operating revenue was NTD 2.57 billion, showing a YoY growth of 40%; the consolidated operating profit was NTD 832 million, with a YoY growth of 127%; the consolidated net profit after tax was NTD 656 million, growing by 107% YoY. The Company's business performance in 2023 and the business plan for 2024 are reported as follows:

I. Consolidated Business Results in 2023:

(I) Business plan implementation outcomes:

(Consolidated)

Unit: NTD thousand; %

Item	2023		2022		Difference	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Operating revenue	2,572,202	100%	1,834,321	100%	737,881	40%
Gross operating profit	1,025,339	40%	697,428	38%	327,911	47%
Gross operating margin	40%	-	38%	-	2%	-
Operating profit	832,016	32%	366,086	20%	465,930	127%
Net income before tax	834,502	32%	381,571	21%	452,931	119%
Net profit after tax	655,730	25%	316,650	17%	339,080	107%

The Company's consolidated revenue reached a record high in 2023, mainly due to the growth of the ODM business in China and Japan. The improvement of capacity utilization rate and

production efficiency was also reflected in the gross profit margin and current net profit.

(II) Budget implementation: The Company did not publish a financial forecast in 2023.

(III) Analysis of financial structure, solvency and profitability:

(Consolidated)

Item	2023	2022	Difference
Financial structure			
Debt to asset ratio	53%	37%	16%
Long-term fund to property, plant and equipment ratio	150%	205%	(55%)
Net worth per share	34.07	31.50	2.57
Solvency			
Current ratio	184%	287%	(103%)
Quick ratio	150%	244%	(94%)
Profitability			
Return on assets	17%	11%	6%
Return on equity	32%	17%	15%
Net profit margin	25%	17%	8%
Earnings per share	10.77	6.02	4.75

(IV) Research and development status:

VIZIONFOCUS has been deeply involved in the field of soft contact lenses for many years, and our core technologies lie in optical design, materials, processes, and technological development for equipment automation and intelligentization. We continue to develop differentiated, functional products by making preemptive efforts to obtain product certificates in various countries. We expect to introduce new products to differentiate ourselves from competitors in price competition. In 2024, VIZIONFOCUS expects to launch cosmetic lenses suitable for astigmatism in the Japanese market, release hydrogel lenses containing B12, menthol, and other moisturizing materials in the Chinese market, and introduce the second generation of our blue light blocking lenses in the Taiwanese market. These new products are expected to drive up our revenue in 2024. In 2025, the Company will launch silicone hydrogel lenses in China, Japan, and the United States successively to maintain and grow the Company's operational momentum.

The Company has continued to invest R&D resources in new product development and technology improvement. Our development of toric lenses, multifocal lenses, and myopia control lenses has reached a maturity stage where the products have a cost advantage. These products will become new drivers for future operational growth.

II. Overview of the 2023 Business Plan:

(I) Business policy:

Since our establishment, we have adhered to the vision of becoming an international contact lens company and providing customers with complete contact lens solutions.

1. Vision: To become an international contact lens company.
2. Business philosophy: Excellent management, professional design, and advanced manufacturing to provide services for international customers.
3. Quality policy: Compliance with laws and regulations, systematic management, and full participation.

(II) Important production and sales policies:

1. Production: The Company manufactures various types of soft disposable contact lenses as an ODM, and continues to improve automated intelligent production processes and automated testing technology. We gradually reduce the degree of contact between operators and lenses during production in order to improve production efficiency and product quality.
2. Sales: By providing high-quality ODM products, jointly developing new products with brand customers, collaboratively designing lens patterns, and creating topical packaging concepts, we can deepen the added value of the Company to customers and seek a win-win situation with them.

III. Future Outlook:

Looking forward to 2024, the growth momentum of the contact lens market differs by regions. In mature markets such as Japan and the United States, the Company will promote growth through the introduction of new functional products. In contrast, the tightening of China's economic conditions has made consumers more concerned about the cost performance ratio of products, and accelerated the rise of China's local brands to replace imported brands. The Company gives full play to the advantage of near supply and actively collaborates with local Chinese brands to launch products that are more in line with local needs, achieving a win-win situation and enabling the Company to occupy a favorable position in this wave of local brand development.

The Company is mainly engaged in ODM activities, and both our products and quality management system comply with the requirements of domestic and international regulations. The Company has also successively obtained or assisted customers in obtaining the certifications required for the local sale of products. Despite intensified external competition, the Company continues to expand market share with new product development capabilities and the provision of high-quality products and services. In addition, to seize market opportunities, we set up a subsidiary in Danyang, China, to provide local brand customers with high-quality local ODM services. This can not only meet the needs of customers and end consumers, but also save customers in Mainland China cross-strait logistics costs and shorten pick-up time, attracting customers to place orders. The diversified products

and ODM capabilities provided by the Company and subsidiaries can meet the needs of customers in terms of brand differentiation and marketing planning, facilitating growth with customers.

With the advantages of real-time localized supply with factories on both sides of the strait and the unremitting efforts of employees, VIZIONFOCUS's revenue and profit in 2023 were a record high. We expect that the Company's revenue and profit will continue to grow in 2024. After listing, we must still bear in mind that starting a business is difficult, and maintaining a business is not easy. We will manage our business with the utmost diligence and a cautious attitude. Once again, we would like to thank our shareholders for their long-term support and trust in the Company; all employees of the Company will continue to work hard to create reasonable returns for them.

VIZIONFOCUS INC.



Chairman Hsiu-Chuan Huang



President An Shih



Head of Accounting Hsing-Chuan Li



Independent Auditor's Report

VIZIONFOCUS INC. For general public information:

Audit Opinions

VIZIONFOCUS INC. individual balance sheets as of December 31, 2023 and 2022, along with individual comprehensive income statements, changes in equity statements, cash flow statements, and notes to the financial statements (including a summary of significant accounting policies) for 2023 and 2022 from January 1 to December 31, have been audited and completed by this accountant.

In the opinion of this accountant, the aforementioned individual financial statements have been prepared in all material respects in accordance with the financial reporting standards for securities issuers, and they fairly present the financial position of VIZIONFOCUS INC. as of December 31, 2023 and 2022, as well as the financial performance and cash flows from January 1 to December 31 of 2023 and 2022.

Basis for the audit opinion

We conducted the audit in accordance with the Regulations Governing the Audit of Financial Statements by CPAs and the Standards on Auditing. Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the parent company only Financial Statements" section. We are independent of VIZIONFOCUS INC. in accordance with the Norm of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the regulations. We believe that sufficient and appropriate audit evidence has been obtained in order to be served as a basis for presenting our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023. These matters are addressed in our audit of the parent company only financial statements and in the formation of our opinion. The CPA does not express an independent opinion on these matters.

Key audit matters of VIZIONFOCUS INC.'s parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Existence of sales revenue to specific customers

The management is under pressure to achieve the expected targets and market expectations, and may achieve its goals through revenue. Among them, the sales revenue of some specific customers has increased more significantly than the overall sales revenue growth, and the transaction value is not a factor to the overall operating revenue. In addition, some overseas consignment warehouse transactions for specific customers were added this year. Since sales revenue is recognized when customers actually pick up the goods, we classified the existence of the aforementioned two types of sales revenue as key audit matters.

For the accounting policy disclosure information related to sales revenue, please refer to Note 4 to the parent company only financial statements. Our audit procedures for the key audit matters referred to above are as follows:

- I. Understand and test the effectiveness of the design and implementation of the internal control over the sales cycle.
- II. The Company selects appropriate samples of the aforementioned specific customers from the sales statement, and checks customer orders, shipping documents and payment receipts, and confirms that the payment recipient is consistent with the transaction counterparty.
- III. From the consignment warehouse sales revenue detail, sample checks are conducted on customer's bills of lading and shipping documents to verify the authenticity of the sales transactions.
- IV. Inventory audits are conducted at the consignment warehouse to sample check and ensure that the inventory quantities recorded in the warehouse match those recorded in the accounts.
- V. Obtain the details of sales returns and allowances for the year and subsequent period, and audit for significant anomalies in returns and allowances to verify the existence of sales transactions recognized prior to the balance sheet date.

Responsibilities of Management and Those charged with Governance for the Parent Company Only Financial Statements

The 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 maintaining the necessary internal control related to the preparation of the parent company only financial statements to ensure that there are no material misstatements due to fraud or error.

In preparing the parent company only financial statements, the management's responsibilities

also include assessing the ability of VIZIONFOCUS INC. to continue to operate, disclosure of relevant matters, and adoption of the going concern basis of accounting, or that the Company has no other viable alternative but to cease operations.

The governance unit of VIZIONFOCUS INC. (including the Audit Committee) is responsible for supervising the financial reporting process.

The responsibility of an accountant in auditing individual financial statements

The purpose of this accountant's audit of individual financial statements is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance; however, an audit conducted in accordance with auditing standards cannot guarantee the detection of all material misstatements in the financial statements. Misstatements can arise from fraud or error. If the amount or aggregate of the misstatement could reasonably be expected to influence the economic decisions of users of the financial statements, it is considered material.

We exercise professional judgment and professional skepticism during an audit in accordance with the Standard on Auditing. We also perform the following tasks:

- I. Identifying and assessing the risks of material misstatement in the individual financial statements due to fraud or error; designing and implementing appropriate responses to the assessed risks; and obtaining sufficient and appropriate audit evidence as the basis for the audit opinion. Due to the possibility of fraud involving collusion, forgery, intentional omission, false statements, or bypassing internal controls, the risk of material misstatement due to fraud is considered higher than the risk due to error.
- II. Obtaining a necessary understanding of the internal controls relevant to the audit, in order to design audit procedures that are appropriate in the circumstances; the purpose is not to express an opinion on the effectiveness of the company's internal controls.
- III. Evaluate the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and related disclosures made by the management.
- IV. Based on the audit evidence obtained, make a conclusion on the appropriateness of the management level's adoption of the accounting basis for continuing operations, and whether there are significant uncertainties in events or conditions that may cause significant doubts about the ability of VIZIONFOCUS INC. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such

disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause VIZIONFOCUS INC. to cease to continue as a going concern.

- V. Evaluate the overall presentation, structure, and content of the parent company only financial statements (including related notes), and whether the parent company only financial statements adequately present related transactions and events.
- VI. Obtain sufficient and appropriate audit evidence regarding the financial information of individual entities of VIZIONFOCUS INC. in order to express an opinion on the parent company only financial statements. The accountant is responsible for the guidance, supervision and implementation of the audit case, and is responsible for forming the audit opinions of VIZIONFOCUS INC.

The matters communicated by our auditor to the governance unit include the planned scope and timing of the audit and significant audit findings (including significant deficiencies in internal control identified during the audit process).

Our auditor also provided the governance unit with a declaration from personnel at the auditor's firm who are subject to independence requirements, stating compliance with the ethical requirements regarding independence in the Code of Ethics for Professional Accountants. Furthermore, the auditor communicated with the governance unit about all relationships and other matters (including related safeguards) that could be perceived to affect the auditor's independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Company's standalone financial statements for the year ended December 31, 2023 and are therefore the key audit matters. Our auditor states such matters in the audit report, unless the law prohibits the public disclosure of specific information, or in extremely rare circumstances, the auditor decides not to communicate specific matters in the audit report because it is reasonably foreseeable that the adverse consequences of such communication would outweigh the public interest served.

Deloitte Taiwan

CPA Yu-Hsiang Liu

CPA Chao-Chun Wang

Approval document number from the
Financial Supervisory Commission

FSC Securities Approval No. 1050024633

Approval document number from the
Financial Supervisory Commission

FSC Securities Approval No. 1090347472

March 13, 2024

VIZIONFOCUS INC.
Parent company only balance sheet
December 31, 2023 and 2022

Unit: NTD thousand

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 642,685	16	\$ 687,483	26
1170	Accounts receivable (Notes 4, 5, 7, and 27)	305,760	8	228,608	9
1200	Other receivables (Note 27)	7,677	-	3,717	-
130X	Inventories (Notes 4, 5, and 8)	206,840	5	177,773	7
1410	Prepayments	35,426	1	17,470	1
1479	Other current assets	68	-	276	-
11XX	Total current assets	<u>1,198,456</u>	<u>30</u>	<u>1,115,327</u>	<u>43</u>
Non-current assets					
1550	Investments accounted for using equity method (Notes 4 and 9)	993,971	25	573,211	22
1600	Property, plant and equipment (Notes 4, 10, 27, and 28)	1,502,445	38	653,328	25
1755	Right-of-use assets (Notes 4 and 11)	179,379	4	206,450	8
1780	Intangible assets (Notes 4 and 12)	44,194	1	26,286	1
1840	Deferred income tax assets (Note 4 and 20)	20,233	1	27,246	1
1915	Prepayment for equipment	49,923	1	2,882	-
1920	Refundable deposits	4,842	-	4,842	-
1990	Other non-current assets	319	-	574	-
15XX	Total non-current assets	<u>2,795,306</u>	<u>70</u>	<u>1,494,819</u>	<u>57</u>
1XXX	Total assets	<u>\$ 3,993,762</u>	<u>100</u>	<u>\$ 2,610,146</u>	<u>100</u>
Liabilities and equity					
Current liabilities					
2100	Short-term borrowings (Note 13)	\$ 150,000	4	\$ -	-
2130	Contract liabilities - Current (Notes 4 and 18)	4,082	-	7,788	-
2170	Accounts payable (Note 14)	131,759	4	88,691	4
2200	Other payables (Notes 15 and 27)	240,393	7	141,776	6
2230	Current income tax liabilities (Note 4 and 20)	53,568	1	-	-
2280	Lease liabilities - current (Notes 4 and 11)	26,960	1	26,362	1
2313	Deferred revenue (Notes 13 and 23)	6,391	-	4,734	-
2322	Long-term borrowings due within one year (Notes 13, 27, and 28)	173,169	4	97,345	4
2399	Other current liabilities	4,788	-	471	-
21XX	Total of current liabilities	<u>791,110</u>	<u>21</u>	<u>367,167</u>	<u>15</u>
Non-current liabilities					
2540	Long-term borrowings (Notes 13, 27, and 28)	1,198,760	30	406,674	16
2570	Deferred income tax liabilities (Notes 4 and 20)	45,197	1	4,191	-
2580	Lease liabilities - non-current (Notes 4 and 11)	160,779	4	187,739	7
2630	Long-term deferred income (Notes 13 and 23)	9,993	-	6,033	-
2640	Net defined benefit liability (Notes 4 and 16)	735	-	-	-
25XX	Total non-current liabilities	<u>1,415,464</u>	<u>35</u>	<u>604,637</u>	<u>23</u>
2XXX	Total liabilities	<u>2,206,574</u>	<u>56</u>	<u>971,804</u>	<u>38</u>
Equity (Note 17)					
3110	Common stock capital	524,547	13	520,077	20
3200	Capital reserve	653,674	16	638,030	24
Retained earnings					
3310	Statutory Reserve	55,501	1	26,856	1
3320	Special reserves	-	-	473	-
3350	Undistributed earnings	562,965	14	449,671	17
3300	Total retained earnings	<u>618,466</u>	<u>15</u>	<u>477,000</u>	<u>18</u>
3400	Other equity				
3410	Foreign Currency Translation Adjustment	(9,499)	-	3,235	-
3XXX	Total equity	<u>1,787,188</u>	<u>44</u>	<u>1,638,342</u>	<u>62</u>
3X2X	Total liabilities and equity	<u>\$ 3,993,762</u>	<u>100</u>	<u>\$ 2,610,146</u>	<u>100</u>

The notes are an integral part of these individual financial statements.

Chairman: Hsiu-Chuan Huang

President: An Shih

Head of Accounting: Hsing-Chuan Li

VIZIONFOCUS INC.

Parent company only statement of comprehensive income

For the years ended December 31, 2023 and 2022

Unit: NTD Thousand; EPS in NTD

Code		2023		2022	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 4, 18, and 27)	\$ 1,700,818	100	\$ 1,313,349	100
5000	Operating costs (Notes 8, 10, 19, and 27)	<u>1,061,601</u>	<u>62</u>	<u>849,791</u>	<u>65</u>
5900	Gross operating profit	<u>639,217</u>	<u>38</u>	<u>463,558</u>	<u>35</u>
	Operating expenses (Notes 7 and 19)				
6100	Sales promotion expenses	36,188	2	25,568	2
6200	Administrative expenses	74,274	5	51,348	4
6300	R&D expenses	65,609	4	48,791	3
6450	Expected Credit Loss (Gain)	<u>(778)</u>	<u>-</u>	<u>1,069</u>	<u>-</u>
6000	Total operating expenses	<u>175,293</u>	<u>11</u>	<u>126,776</u>	<u>9</u>
6900	Net operating profit	<u>463,924</u>	<u>27</u>	<u>336,782</u>	<u>26</u>
	Non-operating income and expenses (Notes 9, 19 and 27)				
7100	Interest revenue	6,517	-	2,200	-
7010	Other income	26,525	2	16,369	1
7020	Other gains and losses	(1,761)	-	23,408	2
7050	Finance Costs	(18,820)	(1)	(10,428)	(1)
7070	Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	<u>214,384</u>	<u>13</u>	<u>10,879</u>	<u>1</u>
7000	Total non-operating income and expenses	<u>226,845</u>	<u>14</u>	<u>42,428</u>	<u>3</u>
7900	Net income before tax	690,769	41	379,210	29
7950	Income tax expense (Notes 4 and 20)	<u>128,487</u>	<u>8</u>	<u>66,219</u>	<u>5</u>

(To be Continued)

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Code		2023		2022	
		Amount	%	Amount	%
8200	Net income for the year	<u>\$ 562,282</u>	<u>33</u>	<u>\$ 312,991</u>	<u>24</u>
8300	Other comprehensive income (Notes 16, 17, and 20)				
8310	Items not reclassified into profit or loss				
8311	Remeasurement of defined benefit plan	(600)	-	-	-
8349	Income tax related to items not subject to reclassification	120	-	-	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Foreign Currency Translation Adjustment	(16,034)	(1)	4,635	-
8399	Income tax related to items that may be reclassified	<u>3,300</u>	<u>-</u>	<u>(927)</u>	<u>-</u>
8300	Other comprehensive income (net amount after tax) for the year	<u>(13,214)</u>	<u>(1)</u>	<u>3,708</u>	<u>-</u>
8500	Total comprehensive income for the year	<u>\$ 549,068</u>	<u>32</u>	<u>\$ 316,699</u>	<u>24</u>
	Earnings per share (Note 21)				
9710	Basic	<u>\$ 10.77</u>		<u>\$ 6.02</u>	
9810	Diluted	<u>\$ 10.49</u>		<u>\$ 5.85</u>	

The notes are an integral part of these individual financial statements.

Chairman: Hsiu-Chuan Huang President: An Shih

Head of Accounting: Hsing-Chuan Li

VIZIONFOCUS INC.
Parent company only statement of changes in equity
For the years ended December 31, 2023 and 2022

Unit: NTD thousand

Code		Common stock capital	Capital reserve	Retained earnings			Other equity Foreign Currency Translation Adjustment	Total equity	
				Statutory Reserve	Special reserves	Undistributed earnings			Total
A1	Balance on January 1, 2022	\$ 520,077	\$ 635,990	\$ 3,443	\$ -	\$ 265,118	\$ 268,561	\$ (473)	\$ 1,424,155
	Appropriation and distribution of 2021 earnings (Note 17)								
B1	Statutory Reserve	-	-	23,413	-	(23,413)	-	-	-
B3	Special reserves	-	-	-	473	(473)	-	-	-
B5	Cash dividends	-	-	-	-	(78,012)	(78,012)	-	(78,012)
		-	-	23,413	473	(101,898)	(78,012)	-	(78,012)
D1	2022 net income	-	-	-	-	312,991	312,991	-	312,991
D3	Other comprehensive income after tax in 2022	-	-	-	-	-	-	3,708	3,708
D5	Total comprehensive income in 2022	-	-	-	-	312,991	312,991	3,708	316,699
M5	Difference Between the Fair Value and Carrying Amount of the Consideration Paid or Received for the Acquisition or Disposal of Subsidiaries	-	(2,774)	-	-	(26,540)	(26,540)	-	(29,314)
N1	Share-based payment transactions (Note 22)	-	4,814	-	-	-	-	-	4,814
Z1	Balance as of December 31, 2022	520,077	638,030	26,856	473	449,671	477,000	3,235	1,638,342
	Appropriation and distribution of 2022 earnings (Note 17)								
B1	Statutory Reserve	-	-	28,645	-	(28,645)	-	-	-
B17	Reversal of special reserves	-	-	-	(473)	473	-	-	-
B5	Cash dividends	-	-	-	-	(130,019)	(130,019)	-	(130,019)
		-	-	28,645	(473)	(158,191)	(130,019)	-	(130,019)
D1	2023 net income	-	-	-	-	562,282	562,282	-	562,282
D3	Other comprehensive income after tax in 2023	-	-	-	-	(480)	(480)	(12,734)	(13,214)
D5	Total comprehensive income in 2023	-	-	-	-	561,802	561,802	(12,734)	549,068
M5	Difference Between the Fair Value and Carrying Amount of the Consideration Paid or Received for the Acquisition or Disposal of Subsidiaries	-	-	-	-	(290,317)	(290,317)	-	(290,317)
N1	Share-based payment transactions (Notes 17 and 22)	4,470	15,644	-	-	-	-	-	20,114
Z1	Balance as of December 31, 2023	\$ 524,547	\$ 653,674	\$ 55,501	\$ -	\$ 562,965	\$ 618,466	\$ (9,499)	\$ 1,787,188

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

Chairman: Hsiu-Chuan Huang

President: An Shih

Head of Accounting: Hsing-Chuan Li

VIZIONFOCUS INC.

Parent company only statement of cash flows

For the years ended December 31, 2023 and 2022

Unit: NTD thousand

Code		2023	2022
	Cash flow from operating activities		
A10000	Net income before tax for the current year	\$ 690,769	\$ 379,210
A20010	Income and expenses		
A20100	Depreciation expense	187,330	166,049
A20200	Amortization expense	8,315	6,341
A20300	Expected Credit Loss (Gain)	(778)	1,069
A20900	Finance Costs	18,820	10,428
A21200	Interest revenue	(6,517)	(2,200)
A21900	Share-based payment for remuneration	6,704	4,814
A22400	Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	(214,384)	(10,879)
A22500	Gains from the disposal of property, plant and equipment	(8)	(210)
A23700	Impairment loss of non-financial assets	22,180	8,766
A29900	Inventory Write-off Loss	170	662
A29900	Amortization of deferred income	(6,098)	(4,258)
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	(76,374)	51,890
A31180	Other receivables	(4,168)	181
A31200	Inventory	(50,308)	(19,310)
A31230	Prepayments	(17,956)	6,027
A31240	Other current assets	208	(264)
A31990	Other non-current assets	255	255
A32125	Contract liabilities	(3,706)	6,263
A32150	Accounts payable	43,068	25,440
A32180	Other payables	78,001	29,126
A32230	Other current liabilities	4,317	(1,301)
A32240	Net defined benefit liability	135	-
A33000	Cash inflow from operations	679,975	658,099
A33100	Interest received	6,725	2,033
A33300	Interest paid	(12,053)	(6,112)
A33500	Income tax paid	(23,480)	(43,468)
AAAA	Net cash inflow from operating activities	651,167	610,552

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Code		2023	2022
	Cash flow from investing activities		
B02700	Purchase of property, plant and equipment	\$(1,037,579)	\$(139,668)
B02800	Proceeds from the disposal of property, plant and equipment	8	210
B03800	Decrease in refundable deposits	-	3,571
B04500	Acquisition of intangible assets	<u>(26,223)</u>	<u>(9,650)</u>
BBBB	Net cash outflow from investing activities	<u>(1,063,794)</u>	<u>(145,537)</u>
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	246,000	119,718
C00200	Decrease in short-term borrowings	(96,000)	(168,450)
C01600	Borrowing of long-term loans	1,629,850	190,703
C01700	Repayment of long-term borrowings	(756,323)	(128,058)
C04020	Lease principal repayment	(26,362)	(25,458)
C04500	Distribution of cash dividends	(130,019)	(78,012)
C04800	Exercise of employee stock options	13,410	-
C05400	Acquisition of shares of subsidiaries	<u>(512,727)</u>	<u>(173,412)</u>
CCCC	Net cash inflow (outflow) from financing activities	<u>367,829</u>	<u>(262,969)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(44,798)	202,046
E00100	Opening balance of cash and cash equivalents	<u>687,483</u>	<u>485,437</u>
E00200	Closing balance of cash and cash equivalents	<u>\$ 642,685</u>	<u>\$ 687,483</u>

The notes are an integral part of these individual financial statements.

Chairman: Hsiu-Chuan Huang President: An Shih Head of Accounting: Hsing-Chuan Li

Independent Auditor's Report

VIZIONFOCUS INC. For general public information:

Audit Opinions

The consolidated balance sheets of VIZIONFOCUS INC. and its subsidiaries as of December 31 for the years 2023 and 2022, as well as the consolidated comprehensive income statements, consolidated statements of changes in equity, consolidated cash flow statements, and notes to the consolidated financial statements (including a summary of significant accounting policies) for the period from January 1 to December 31 for the years 2023 and 2022, have been audited by our accountants.

According to the opinion of our accountants, these consolidated financial statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretative Announcements approved and issued by the Financial Supervisory Commission. They fairly present the consolidated financial position of VIZIONFOCUS INC. and its subsidiaries as of December 31 for the years 2023 and 2022, and the consolidated financial performance and cash flows from January 1 to December 31 for the years 2023 and 2022.

Basis for the audit opinion

We conducted the audit in accordance with the Regulations Governing the Audit of Financial Statements by CPAs and the Standards on Auditing. Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section. We are independent of VIZIONFOCUS INC. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the regulations. We believe that sufficient and appropriate audit evidence has been obtained in order to be served as a basis for presenting our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most

significance in the audit of the consolidated financial statement of VIZIONFOCUS INC. and its subsidiaries for the year ended December 31, 2023. These matters are addressed in our audit of the consolidated financial statement and in the formation of our opinion. The CPA does not express an independent opinion on these matters.

Key audit matters of VIZIONFOCUS INC. and its subsidiaries consolidated financial statement for the year ended December 31, 2023 are stated as follows:

Existence of sales revenue to specific customers

The management is under pressure to achieve the expected targets and market expectations, and may achieve its goals through revenue. Among them, the sales revenue of some specific customers has increased more significantly than the overall sales revenue growth, and the transaction value is not a factor to the overall operating revenue. In addition, some overseas consignment warehouse transactions for specific customers were added this year. Since sales revenue is recognized when customers actually pick up the goods, we classified the existence of the aforementioned two types of sales revenue as key audit matters.

For the accounting policy disclosure information related to sales revenue, please refer to Note 4 of the consolidated financial statement. Our audit procedures for the key audit matters referred to above are as follows:

- I. Understand and test the effectiveness of the design and implementation of the internal control over the sales cycle.
- II. The Company selects appropriate samples of the aforementioned specific customers from the sales statement, and checks customer orders, shipping documents and payment receipts, and confirms that the payment recipient is consistent with the transaction counterparty.
- III. From the consignment warehouse sales revenue detail, sample checks are conducted on customer's bills of lading and shipping documents to verify the authenticity of the sales transactions.
- IV. Inventory audits are conducted at the consignment warehouse to sample check and ensure that the inventory quantities recorded in the warehouse match those recorded in the accounts.
- V. Obtain the details of sales returns and allowances for the year and subsequent period, and audit for significant anomalies in returns and allowances to verify the existence of sales transactions recognized prior to the balance sheet date.

Other matters

We have prepared the parent company only financial statements for 2023 and 2022, for which

we have issued an unqualified opinion for reference.

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

The responsibility of management is to prepare the consolidated financial statements in accordance with the Financial Reporting Standards for Securities Issuers, endorsed and issued by the Financial Supervisory Commission, along with the applicable International Financial Reporting Standards, International Accounting Standards, and interpretations. Management must also maintain the necessary internal controls related to the preparation of the consolidated financial statements to ensure that they are free from material misstatements, whether due to fraud or error.

In the preparation of the consolidated financial statements, the responsibility of management also includes assessing the ability of VIZIONFOCUS INC. and its subsidiaries to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting, unless management intends to liquidate VIZIONFOCUS INC. and its subsidiaries or to cease operations, or there is no viable alternative but to do so.

The governance unit of VIZIONFOCUS INC. and its subsidiaries (including the Audit Committee) are responsible for supervising the financial reporting process.

The responsibility of an accountant in auditing consolidated financial statements

The purpose of our auditor's audit of the consolidated financial statements is 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 audit report. Reasonable assurance is a high level of assurance, but is not a guarantee that the audit work carried out in accordance with the Standards on Auditing will always detect material misstatements in the consolidated financial statements. Misstatements can arise from fraud or error. If the amount of misstatement, either individually or in the aggregate, can reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, the misstatement is considered material.

We exercise professional judgment and professional skepticism during an audit in accordance with the Standard on Auditing. We also perform the following tasks:

- I. Identify and assess the risks of material misstatement of the consolidated financial statements due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence to serve as the basis for the audit opinion. Due to the possibility of fraud involving collusion, forgery, intentional omission, false statements, or bypassing internal controls, the risk of material misstatement due to fraud is considered higher than the risk due to error.

- II. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances; the purpose is not to express an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
- III. Evaluate the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and related disclosures made by the management.
- IV. Based on the audit evidence obtained, make a conclusion on the appropriateness of the management's adoption of the accounting basis for continuing operations, and whether there is significant uncertainty in the events or conditions that may cause significant doubts about the ability of VIZIONFOCUS INC. and its subsidiaries to continue to operate. If our auditor considers that there is a significant uncertainty associated with events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, they must draw attention in the audit report to the related disclosures in the consolidated financial statements, or modify the audit opinion in case the disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- V. 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.
- VI. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. The accountant is responsible for the guidance, supervision and implementation of the audit case, and is responsible for forming the audit opinions of VIZIONFOCUS INC. and its subsidiaries.

The matters communicated by our auditor to the governance unit include the planned scope and timing of the audit and significant audit findings (including significant deficiencies in internal control identified during the audit process).

Our auditor also provided the governance unit with a declaration from personnel at the auditor's firm who are subject to independence requirements, stating compliance with the ethical requirements regarding independence in the Code of Ethics for Professional Accountants. Furthermore, the auditor communicated with the governance unit about all relationships and other matters (including related safeguards) that could be perceived to affect the auditor's independence.

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 Falcon Company and its subsidiaries for the year ended December 31, 2023 and which are therefore the key audit matters. Our auditor states such matters in the audit report, unless the law prohibits the public disclosure of specific information, or in extremely rare circumstances, the auditor decides not to communicate specific matters in the audit report because it is reasonably foreseeable that the adverse consequences of such communication would outweigh the public interest served.

Deloitte Taiwan

CPA Yu-Hsiang Liu

CPA Chao-Chun Wang

Approval document number from the
Financial Supervisory Commission
FSC Securities Approval No. 1050024633

Approval document number from the
Financial Supervisory Commission
FSC Securities Approval No. 1090347472

March 13, 2024

VIZIONFOCUS INC. and subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 800,156	18	\$ 918,501	29
1150	Notes receivable (Notes 4 and 7)	8,265	-	4,455	-
1170	Accounts receivable (Notes 4, 5 and 7)	612,906	14	411,960	13
1200	Other receivables	4,213	-	664	-
1220	Current income tax assets (Note 4 and 20)	9,629	-	-	-
130X	Inventories (Notes 4, 5, and 8)	257,015	6	218,551	7
1410	Prepayments (Note 28)	64,377	1	19,962	1
1479	Other current assets	68	-	276	-
11XX	Total current assets	<u>1,756,629</u>	<u>39</u>	<u>1,574,369</u>	<u>50</u>
	Non-current assets				
1600	Property, plant and equipment (Notes 4, 10, 28, and 29)	2,334,146	53	1,295,784	40
1755	Right-of-use assets (Notes 4 and 11)	198,463	4	229,132	7
1780	Intangible assets (Notes 4 and 12)	80,703	2	55,206	2
1840	Deferred income tax assets (Note 4 and 20)	23,070	1	45,781	1
1915	Prepayment for equipment	63,189	1	2,882	-
1920	Refundable deposits (Note 28)	6,079	-	6,081	-
1990	Other non-current assets	319	-	574	-
15XX	Total non-current assets	<u>2,705,969</u>	<u>61</u>	<u>1,635,440</u>	<u>50</u>
1XXX	Total assets	<u>\$ 4,462,598</u>	<u>100</u>	<u>\$ 3,209,809</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Note 13)	\$ 150,000	3	\$ -	-
2130	Contract liabilities - Current (Notes 4 and 18)	6,279	-	17,191	1
2170	Accounts payable (Note 14)	182,227	4	103,591	3
2200	Other payables (Notes 15 and 28)	347,099	7	269,793	8
2230	Current income tax liabilities (Note 4 and 20)	53,568	1	3,768	-
2280	Lease liabilities - current (Notes 4, 11, and 28)	30,040	1	29,355	1
2313	Deferred revenue (Notes 13 and 23)	6,391	-	4,734	-
2322	Long-term borrowings due within one year (Notes 13, 28, and 29)	173,169	4	119,591	4
2399	Other current liabilities	5,014	-	473	-
21XX	Total of current liabilities	<u>953,787</u>	<u>20</u>	<u>548,496</u>	<u>17</u>
	Non-current liabilities				
2540	Long-term borrowings (Notes 13, 28, and 29)	1,198,760	26	406,674	13
2570	Deferred income tax liabilities (Notes 4 and 20)	85,849	2	15,881	-
2580	Lease liabilities - non-current (Notes 4, 11 and 28)	177,570	5	207,982	7
2630	Long-term deferred income (Notes 13 and 23)	9,993	-	6,033	-
2640	Net defined benefit liability (Notes 4 and 16)	735	-	-	-
2670	Other non-current liabilities	229	-	2,568	-
25XX	Total non-current liabilities	<u>1,473,136</u>	<u>33</u>	<u>639,138</u>	<u>20</u>
2XXX	Total liabilities	<u>2,426,923</u>	<u>53</u>	<u>1,187,634</u>	<u>37</u>
	Equity attributable to owners of the Company (Note 17)				
3110	Common stock capital	524,547	12	520,077	16
3200	Capital reserve	653,674	15	638,030	20
	Retained earnings				
3310	Statutory Reserve	55,501	1	26,856	1
3320	Special reserves	-	-	473	-
3350	Undistributed earnings	562,965	13	449,671	14
3300	Total retained earnings	<u>618,466</u>	<u>14</u>	<u>477,000</u>	<u>15</u>
3400	Other equity				
3410	Foreign Currency Translation Adjustment	(9,499)	-	3,235	-
31XX	Total owners' equity of the Company	<u>1,787,188</u>	<u>41</u>	<u>1,638,342</u>	<u>51</u>
36XX	Non-controlling interests (Notes 9 and 17)	248,487	6	383,833	12
3XXX	Total equity	<u>2,035,675</u>	<u>47</u>	<u>2,022,175</u>	<u>63</u>
3X2X	Total liabilities and equity	<u>\$ 4,462,598</u>	<u>100</u>	<u>\$ 3,209,809</u>	<u>100</u>

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

Chairman: Hsiu-Chuan Huang

President: An Shih

Head of Accounting: Hsing-Chuan Li

VIZIONFOCUS INC. and subsidiaries
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2023 and 2022

Unit: NTD Thousand; EPS in NTD

Code		2023		2022	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 4 and 18)	\$2,572,202	100	\$1,834,321	100
5000	Operating costs (Notes 8, 10, 19, and 28)	<u>1,546,863</u>	<u>60</u>	<u>1,136,893</u>	<u>62</u>
5900	Gross operating profit	<u>1,025,339</u>	<u>40</u>	<u>697,428</u>	<u>38</u>
	Operating expenses (Notes 7 and 19)				
6100	Sales promotion expenses	49,600	2	31,017	2
6200	Administrative expenses	115,872	5	80,449	4
6300	R&D expenses	127,225	5	99,467	5
6450	Expected Credit Loss (Gain)	<u>(99,374)</u>	<u>(4)</u>	<u>120,409</u>	<u>7</u>
6000	Total operating expenses	<u>193,323</u>	<u>8</u>	<u>331,342</u>	<u>18</u>
6900	Net operating profit	<u>832,016</u>	<u>32</u>	<u>366,086</u>	<u>20</u>
	Non-operating income and expenses (Notes 19 and 28)				
7100	Interest revenue	10,140	-	3,434	-
7010	Other income	14,697	1	6,439	-
7020	Other gains and losses	(2,382)	-	18,280	2
7050	Finance Costs	<u>(19,969)</u>	<u>(1)</u>	<u>(12,668)</u>	<u>(1)</u>
7000	Total non-operating income and expenses	<u>2,486</u>	<u>-</u>	<u>15,485</u>	<u>1</u>
7900	Net income before tax	834,502	32	381,571	21
7950	Income tax expense (Notes 4 and 20)	<u>178,772</u>	<u>7</u>	<u>64,921</u>	<u>4</u>
8200	Net income for the year	655,730	25	316,650	17

(To be Continued)

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Code		2023		2022	
		Amount	%	Amount	%
8300	Other comprehensive income (Notes 16, 17, and 20)				
8310	Items not reclassified into profit or loss				
8311	Remeasurement of defined benefit plan	\$ (600)	-	\$ -	-
8349	Income tax related to items not subject to reclassification	120	-	-	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Foreign Currency Translation Adjustment	(22,418)	(1)	8,476	-
8399	Income tax related to items that may be reclassified	<u>3,300</u>	<u>-</u>	<u>(927)</u>	<u>-</u>
8300	Other comprehensive income (net amount after tax) for the year	<u>(19,598)</u>	<u>(1)</u>	<u>7,549</u>	<u>-</u>
8500	Total comprehensive income for the year	<u>\$ 636,132</u>	<u>24</u>	<u>\$ 324,199</u>	<u>17</u>
	Net profit attributable to				
8610	Owners of the Company	\$ 562,282	22	\$ 312,991	17
8620	Non-controlling interests	<u>93,448</u>	<u>3</u>	<u>3,659</u>	<u>-</u>
8600		<u>\$ 655,730</u>	<u>25</u>	<u>\$ 316,650</u>	<u>17</u>
	Total comprehensive income attributable to				
8710	Owners of the Company	\$ 549,068	21	\$ 316,699	17
8720	Non-controlling interests	<u>87,064</u>	<u>3</u>	<u>7,500</u>	<u>-</u>
8700		<u>\$ 636,132</u>	<u>24</u>	<u>\$ 324,199</u>	<u>17</u>
	Earnings per share (Note 21)				
9710	Basic	<u>\$ 10.77</u>		<u>\$ 6.02</u>	
9810	Diluted	<u>\$ 10.49</u>		<u>\$ 5.85</u>	

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

Chairman: Hsiu-Chuan Huang President: An Shih Head of Accounting: Hsing-Chuan Li

VIZIONFOCUS INC. and subsidiaries
Consolidated Statement of Changes in Equity
For the years ended December 31, 2023 and 2022

Unit: NTD thousand

		Equity attributable to owners of the Company					Other equity				
Code		Common stock capital	Capital reserve	Retained earnings			Foreign Currency Translation Adjustment	Total	Non-controlling interests	Total equity	
				Statutory Reserve	Special reserves	Undistributed earnings					Total
A1	Balance on January 1, 2022	\$ 520,077	\$ 635,990	\$ 3,443	\$ -	\$ 265,118	\$ 268,561	\$ (473)	\$ 1,424,155	\$ 384,711	\$ 1,808,866
	Appropriation and distribution of 2021 earnings (Note 17)										
B1	Statutory Reserve	-	-	23,413	-	(23,413)	-	-	-	-	-
B3	Special reserves	-	-	-	473	(473)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(78,012)	(78,012)	-	(78,012)	-	(78,012)
		-	-	23,413	473	(101,898)	(78,012)	-	(78,012)	-	(78,012)
D1	2022 net income	-	-	-	-	312,991	312,991	-	312,991	3,659	316,650
D3	Other comprehensive income after tax in 2022	-	-	-	-	-	-	3,708	3,708	3,841	7,549
D5	Total comprehensive income in 2022	-	-	-	-	312,991	312,991	3,708	316,699	7,500	324,199
M5	Difference Between the Fair Value and Carrying Amount of the Consideration Paid or Received for the Acquisition or Disposal of Subsidiaries (Note 24)	-	(2,774)	-	-	(26,540)	(26,540)	-	(29,314)	(63,061)	(92,375)
N1	Share-based payment transactions (Note 22)	-	4,814	-	-	-	-	-	4,814	-	4,814
O1	Increase of non-controlling interests (Note 17)	-	-	-	-	-	-	-	-	54,683	54,683
Z1	Balance as of December 31, 2022	520,077	638,030	26,856	473	449,671	477,000	3,235	1,638,342	383,833	2,022,175
	Appropriation of 2022 earnings (Note 17)										
B1	Statutory Reserve	-	-	28,645	-	(28,645)	-	-	-	-	-
B17	Reversal of special reserves	-	-	-	(473)	473	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(130,019)	(130,019)	-	(130,019)	-	(130,019)
		-	-	28,645	(473)	(158,191)	(130,019)	-	(130,019)	-	(130,019)
D1	2023 net income	-	-	-	-	562,282	562,282	-	562,282	93,448	655,730
D3	Other comprehensive income after tax in 2023	-	-	-	-	(480)	(480)	(12,734)	(13,214)	(6,384)	(19,598)
D5	Total comprehensive income in 2023	-	-	-	-	561,802	561,802	(12,734)	549,068	87,064	636,132
M5	Difference Between the Fair Value and Carrying Amount of the Consideration Paid or Received for the Acquisition or Disposal of Subsidiaries (Note 24)	-	-	-	-	(290,317)	(290,317)	-	(290,317)	(222,410)	(512,727)
N1	Share-based payment transactions (Notes 17 and 22)	4,470	15,644	-	-	-	-	-	20,114	-	20,114
Z1	Balance as of December 31, 2023	\$ 524,547	\$ 653,674	\$ 55,501	\$ -	\$ 562,965	\$ 618,466	\$ (9,499)	\$ 1,787,188	\$ 248,487	\$ 2,035,675

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

Chairman: Hsiu-Chuan Huang

President: An Shih

Head of Accounting: Hsing-Chuan Li

VIZIONFOCUS INC. and subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022

Unit: NTD thousand

Code		2023	2022
	Cash flow from operating activities		
A10000	Net income before tax for the current year	\$ 834,502	\$ 381,571
A20010	Income and expenses		
A20100	Depreciation expense	265,870	223,650
A20200	Amortization expense	12,958	10,608
A20300	Expected Credit Loss (Gain)	(99,374)	120,409
A20900	Finance Costs	19,969	12,668
A21200	Interest revenue	(10,140)	(3,434)
A21900	Share-based payment for remuneration	6,704	4,814
A22500	Disposal of property, plant and equipment losses (gains)	202	(214)
A23700	Impairment loss of non-financial assets	29,525	10,567
A29900	Inventory Write-off Loss	4,099	662
A29900	Amortization of deferred income	(6,098)	(4,258)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(3,810)	(4,455)
A31150	Accounts receivable	(101,072)	(8,540)
A31180	Other receivables	(1,605)	817
A31200	Inventory	(70,849)	(24,507)
A31230	Prepayments	(44,415)	5,502
A31240	Other current assets	208	(264)
A31990	Other non-current assets	255	255
A32125	Contract liabilities	(10,912)	15,666
A32150	Accounts payable	78,636	20,358
A32180	Other payables	98,974	44,913
A32230	Other current liabilities	4,541	(1,300)
A32240	Net defined benefit liability	135	-
A32990	Other non-current liabilities	(2,339)	2,546
A33000	Cash inflow from operations	1,005,964	808,034
A33100	Interest received	8,196	2,861
A33300	Interest paid	(13,590)	(9,647)
A33500	Income tax paid	(41,917)	(43,487)
AAAA	Net cash inflow from operating activities	<u>958,653</u>	<u>757,761</u>

(To be Continued)

(Continued from previous page)

Code		2023	2022
	Cash flow from investing activities		
B02700	Purchase of property, plant and equipment	\$(1,355,191)	\$(277,247)
B02800	Proceeds from the disposal of property, plant and equipment	96	219
B03800	Decrease in refundable deposits	2	3,641
B04500	Acquisition of intangible assets	<u>(38,663)</u>	<u>(14,819)</u>
BBBB	Net cash outflow from investing activities	<u>(1,393,756)</u>	<u>(288,206)</u>
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	265,782	119,719
C00200	Decrease in short-term borrowings	(115,782)	(205,054)
C01600	Borrowing of long-term loans	1,629,850	211,486
C01700	Repayment of long-term borrowings	(778,508)	(133,637)
C04020	Lease principal repayment	(29,346)	(28,326)
C04500	Distribution of cash dividends	(130,019)	(78,012)
C04800	Exercise of employee stock options	13,410	-
C05400	Acquisition of shares of subsidiaries	(530,139)	(74,841)
C05800	Changes in non-controlling interests	<u>-</u>	<u>54,683</u>
CCCC	Net cash inflow (outflow) from financing activities	<u>325,248</u>	<u>(133,982)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(8,490)</u>	<u>2,052</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(118,345)	337,625
E00100	Opening balance of cash and cash equivalents	<u>918,501</u>	<u>580,876</u>
E00200	Closing balance of cash and cash equivalents	<u>\$ 800,156</u>	<u>\$ 918,501</u>

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

Chairman: Hsiu-Chuan Huang President: An Shih Head of Accounting: Hsing-Chuan Li

VIZIONFOCUS INC.

Audit Committee's Review Report

The Board of Directors prepared the Company's business report, financial statements (including individual and consolidated financial statements), and earnings distribution proposal for 2023. The financial statements (including individual and consolidated financial statements) have been audited by CPA Yu-Hsiang Liu and CPA Chao-Chun Wang of Deloitte Taiwan, with an audit report with unqualified opinion issued. The Audit Committee has reviewed the above-mentioned business report, financial statements (including individual and consolidated financial statements), and earnings distribution proposal and found no discrepancy. This report is hereby presented in accordance with Article 14-4 and Article 14-5 of the Securities and Exchange Act. Please review.

To 2024 Annual General Shareholders' Meeting, VIZIONFOCUS INC.

VIZIONFOCUS INC. Audit Committee

Audit Committee Convener: Cheng-Hung Chen

March 13, 2024

VIZIONFOCUS INC. and subsidiaries
 Endorsements/guarantees for others
 January 1 to December 31, 2023

Unit: NTD thousand
 (unless otherwise stated)

Serial number	Endorsing/guaranteeing company name	Counterparty of endorsements/guarantees		Endorsement and guarantee limit for a single enterprise	The maximum balance of endorsements/guarantees in the current year	Balance of endorsements/guarantees at the end of the year	The actual amount drawn down	Endorsement/guarantee amount secured by property	Ratio of accumulated endorsement/guarantee amount to net worth as stated in the latest financial statement (%)	Maximum endorsements/guarantees	Endorsements/guarantees made by the parent company to subsidiaries	Endorsement/guarantee provided by the subsidiary to the parent company	Endorsements and guarantees in Mainland China	Notes
		Company Name	Relationship											
0	VIZIONFOCUS INC.	Jiangsu Vizionfocus Inc.	Subsidiary	\$357,438	\$195,443	\$187,867	\$ -	\$ -	10.51	\$893,594	Y	N	Y	

According to the Company's "Endorsement and Guarantee Management Regulations", the endorsement and guarantee limit of the Company is as follows:

- I. The total amount of endorsements/guarantees made by the Company shall not exceed 50% of the net value in the Company's most recent financial statements audited and certified or reviewed by a CPA.
- II. The Company's endorsement and guarantee limit for a single enterprise is as follows:
 - (I) The amount of endorsements/guarantees made for a single enterprise shall not exceed 20% of the Company's net worth as stated in its latest financial statement that has been audited and certified or reviewed by a CPA.
 - (II) The total amount of endorsements/guarantees for companies with business transactions shall not exceed the amount of business transactions between the parties in the most recent year or 10% of the Company's net worth.

VIZIONFOCUS INC. and subsidiaries
Mainland China Investment Information
January 1 to December 31, 2023

Unit: NTD thousand
(unless otherwise stated)

Name of investee company in Mainland China	Main business items	Paid-up capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the year	Investment amount remitted or recovered in the current year		Accumulated investment amount remitted from Taiwan at the end of the year	Net income of investees for the year	The Company's shareholding ratio in direct or indirect investments (%)	Investment gains recognized in the current year	Book value of investments at the end of the year	Repatriated investment income by the end of the current year	Notes
					Exported	Withdrawal							
Jiangsu Vizionfocus Inc.	The main business includes R&D, design and production of contact lenses, wholesale and import and export of similar products of the above products.	\$ 693,185	(2)	\$ 584,880	\$ 512,727	\$ -	\$ 1,097,607	\$ 307,828	80	\$ 214,380	\$ 993,946	\$ -	Notes 2 and 3

Name of Investment Company	Accumulated amount of outward remittances from Taiwan	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	The Company's operations in Mainland China Investment limit (Note 4)
Jiangsu Vizionfocus Inc.	\$ 1,097,607	\$ 1,184,248	\$ -

Note 1: Investment methods are divided into the following three types. It is sufficient to indicate the type of investment:

- (1) Direct investment in Mainland China.
- (2) Reinvest in Mainland China through a company in a third region.
- (3) By any other means.

Note 2: All have been eliminated when preparing the consolidated financial statements.

Note 3: The recognition and disclosure are based on the financial statements audited by the Company's CPAs.

Note 4: This is in accordance with the "Principles for Reviewing Investments or Technical Cooperation in Mainland China," revised and issued by the Ministry of Economic Affairs on August 29, 2008, under Order No. 09704604680. Our company has obtained a certificate from the Industrial Development Bureau of the Ministry of Economic Affairs, confirming compliance with the operational scope required for headquarters, thereby exempting it from any upper limits on investments in Mainland China.

Attachment 6. Earnings Distribution Table

VIZIONFOCUS INC.

2023 Earnings Distribution Table

Unit: NTD

Undistributed earnings at the beginning of the period		\$ 291,479,297
Plus: Net profit after tax in 2023	\$ 562,281,590	
Less: Remeasurement of defined benefit plan recognized in retained earnings	(480,084)	
Less: Retained earnings adjusted with respect to investment under the equity method	(290,316,448)	
Items other than the current net profit after tax plus the net profit after tax are included in the amount of undistributed earnings of the year		271,485,058
Less: Legal reserve (10%) appropriated		(27,148,506)
Less: Special reserve appropriated (Note 1)		(9,498,318)
Current distributable earnings		526,317,531
Distribution items:		
Shareholder bonus - cash dividend of NTD 3.57 per share		(187,263,279)
Undistributed earnings at the end of the period		\$ 339,054,252

- Note 1. The special reserve was appropriated according to Order Jin-Guan-Zheng-Fa-Zi No. 1090150022 for the existing special reserve insufficient to cover the net deduction from other equity in 2023.
- Note 2. The earnings in 2023 are prioritized for distribution.
- Note 3. If the dividend payout ratio set for the earnings distribution must be adjusted as a result of any subsequent change in the share capital that will affect the number of outstanding shares, it is proposed that the shareholders' meeting authorize the Chairman with full powers to make such adjustment.
- Note 4. The cash dividend is distributed to shareholders based on their shareholding recorded in the shareholder register on the ex-dividend record date, and the amount of the cash dividend is truncated to the nearest NT dollar; any fractional part is transferred to other revenues.

Chairman: Hsiu-Chuan Huang



President: An Shih



Head of Accounting: Hsing-Chuan Li



Attachment 7. Comparison Table of Amendments to the “Articles of Incorporation”

VIZIONFOCUS INC.

Comparison Table of Amendments to the Articles of Incorporation

Amended provisions		Current provisions		Explanation
Article No.	Content	Article No.	Content	
Article 2	<p>The Company’s business scope is as follows:</p> <p>(1) CB01010 Mechanical Equipment Manufacturing</p> <p>(2) CB01990 Other Machinery Manufacturing</p> <p>(3) CE01030 Optical Instruments Manufacturing</p> <p>(4) CE01990 Other Optics and Precision Instrument Manufacturing</p> <p>(5) CF01011 Medical Devices Manufacturing</p> <p>(6) <u>CQ01010 Mold and Die Manufacturing</u></p> <p>(7) <u>F106030 Wholesale of Molds</u></p> <p>(8) <u>F107020 Wholesale of Dyes and Pigments</u></p> <p>(9) <u>F107200 Wholesale of Chemical Feedstock</u></p> <p>(10) F108031 Wholesale of Medical Devices</p> <p>(11) <u>F110020 Wholesale of Glasses</u></p> <p>(12) F208031 Retail Sale of Medical Apparatus</p> <p>(13) F401010 International Trade</p> <p>(14) I199990 Other Consulting Services</p> <p>(15) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	Article 2	<p>The Company’s business scope is as follows:</p> <p>(1) CF01011 Medical Devices Manufacturing</p> <p>(2) F108031 Wholesale of Medical Devices</p> <p>(3) F208031 Retail Sale of Medical Apparatus</p> <p>(4) CB01010 Mechanical Equipment Manufacturing</p> <p>(5) CB01990 Other Machinery Manufacturing</p> <p>(6) CE01030 Optical Instruments Manufacturing</p> <p>(7) CE01990 Other Optics and Precision Instrument Manufacturing</p> <p>(8) I199990 Other Consulting Services</p> <p>(9) F401010 International Trade</p> <p>(10) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	Addition of business items
Article 3-2	<p><u>Decrease in the ratio of the Company’s shareholding in the following direct or indirect investees: Green Wealth Investments Limited, Clear Precise Investments Limited, and Jiangsu Vizionfocus Inc. is</u></p>		Addition	Commitment letter of Taiwan Stock Exchange

Amended provisions		Current provisions		Explanation
Article No.	Content	Article No.	Content	
	<u>subject to a resolution of the Company's Board of Directors and the approval of the shareholdings' meeting.</u>			
Article 12	<p>The Company shall have five to nine directors, who shall be elected by the shareholders' meeting from among those who are capable, and they shall hold office for a term of three years. They may be re-elected. If their term of office expires before a re-election, their term of office may be extended until the newly-elected directors take office. <u>The number of independent directors shall not be less than three and shall not be less than one-fifth of the total number of directors.</u></p> <p>The election of directors shall be conducted in accordance with the candidate nomination system as stated in Article 192-1 of the Company Act. Matters with regard to its implementation shall be governed by the Company Act, Securities and Exchange Act, and other related laws and regulations.</p> <p>The Company may establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Committee shall consist of all independent directors. The number of its members shall not be fewer than three, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise. The duties, organizational charter, exercise of powers, and other matters to be complied with by the Audit Committee shall be specified in the Audit Committee Charter in accordance with the</p>	Article 12	<p>The Company shall have five to nine directors, who shall be elected by the shareholders' meeting from among those who are capable, and they shall hold office for a term of three years. They may be re-elected. If their term of office expires before a re-election, their term of office may be extended until the newly-elected directors take office. <u>Pursuant to Article 14-2 of the Securities and Exchange Act, the number of independent directors shall not be less than two, and shall not be less than one-fifth of the total number of directors.</u></p> <p>The election of directors shall be conducted in accordance with the candidate nomination system as stated in Article 192-1 of the Company Act. Matters with regard to its implementation shall be governed by the Company Act, Securities and Exchange Act, and other related laws and regulations.</p> <p>The Company may establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Committee shall consist of all independent directors. The number of its members shall not be fewer than three, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise. The duties, organizational charter, exercise of powers, and other</p>	Slight amendment

Amended provisions		Current provisions		Explanation
Article No.	Content	Article No.	Content	
	Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.		matters to be complied with by the Audit Committee shall be specified in the Audit Committee Charter in accordance with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.	
Article 23	The Articles of Incorporation were established on May 9, 2012. The 1st amendment was made on June 21, 2012. The 2nd amendment was made on August 15, 2012. The 3rd amendment was made on December 10, 2012. The 4th amendment was made on June 28, 2013. The 5th amendment was made on June 23, 2014. The 6th amendment was made on June 27, 2016. The 7th amendment was made on March 20, 2017. The 8th amendment was made on April 12, 2018. The 9th amendment was made on June 17, 2020. The 10th amendment was made on September 23, 2020. The 11th amendment was made on April 28, 2021. The 12th amendment was made on September 15, 2021. The 13th amendment was made on June 16, 2022. The 14th amendment was made on June 14, 2023. <u>The 15th amendment was made on May 29, 2024.</u>	Article 23	The Articles of Incorporation were established on May 9, 2012. The 1st amendment was made on June 21, 2012. The 2nd amendment was made on August 15, 2012. The 3rd amendment was made on December 10, 2012. The 4th amendment was made on June 28, 2013. The 5th amendment was made on June 23, 2014. The 6th amendment was made on June 27, 2016. The 7th amendment was made on March 20, 2017. The 8th amendment was made on April 12, 2018. The 9th amendment was made on June 17, 2020. The 10th amendment was made on September 23, 2020. The 11th amendment was made on April 28, 2021. The 12th amendment was made on September 15, 2021. The 13th amendment was made on June 16, 2022. The 14th amendment was made on June 14, 2023.	Addition of an amendment date

Attachment 8. List of Director Candidates for the 5th Term

Name of director	Hsiu-Chuan Huang	Chang Wah Electromaterials Inc.	An Shih	Cheng-Hung Chen	Chien-Yu Chen	Ya-Wen Chiu	Chin-Chang Cheng
Academic background	Bachelor of Electrical Engineering, Tatung Institute of Technology	Not applicable	PhD of Electrical Engineering, National Taiwan University	EMBA, College of Management, National Sun Yat-sen University	PhD of Computer Science & Information Engineering, National Taiwan University	Master of Business Administration, National Taipei University	PhD of Cognitive and Computer Science, Department of Educational Psychology, University of Illinois, USA
Experience	<ul style="list-style-type: none"> ➤ Vice Chairman, Innolux Corporation ➤ Vice President, Hon Hai Precision Industry Co., Ltd. ➤ Vice President, Non-Computer Business Group, Hewlett Packard Enterprise 	<ul style="list-style-type: none"> ➤ Not applicable 	<ul style="list-style-type: none"> ➤ Director of R&D Division, Innolux Corporation ➤ Assistant Manager, Product Development Department, Tong Bao Technology Co., Ltd. 	<ul style="list-style-type: none"> ➤ Southern Region Lead CPA, Deloitte Taiwan ➤ Independent Director, Sino Horizon Holdings Limited ➤ Director, Chang Wah Technology Co., Ltd. 	<ul style="list-style-type: none"> ➤ Assistant Professor, Graduate School of Biotechnology and Bioinformatics, Yuan Ze University ➤ Associate Professor, Department of Biomechanics Engineering, National Taiwan University 	<ul style="list-style-type: none"> ➤ Attorney-at-law, Meridian Attorneys-at-Law ➤ Attorney-at-law, Chong Guang Attorneys-at-Law ➤ Attorney-at-law, Taiwan Attorneys-at-Law ➤ Director, Arlitech Electronic Corp. 	<ul style="list-style-type: none"> ➤ Professor, Graduate Institute of Human Resource Management, National Central University ➤ Special Assistant to the Chairman and Chief System R&D Advisor, Universal Pioneer Infotec Co., Ltd. ➤ Associate Professor, Graduate Institute of Educational Technology, Tamkang University ➤ Research Analyst, Data and Simulation System Division, Southwest Research Institute

Name of director	Hsiu-Chuan Huang	Chang Wah Electromaterials Inc.	An Shih	Cheng-Hung Chen	Chien-Yu Chen	Ya-Wen Chiu	Chin-Chang Cheng
Current position	<ul style="list-style-type: none"> ➤ Chairman, VIZIONFOCUS INC. ➤ Juristic Person Director Representative, Chang Wah Electromaterials Inc. 	<ul style="list-style-type: none"> ➤ Juristic Person Director, VIZIONFOCUS INC. ➤ Juristic Person Director, Chang Wah Energy Technology Co., Ltd. ➤ Juristic Person Director, Chang Wah Technology Co., Ltd. ➤ Juristic Person Director, JMC Electronics Co., Ltd. ➤ Juristic Person Director, Wellstech Optical Co., Ltd. ➤ Juristic Person Director, Advanced Echem Materials Company Limited ➤ Juristic Person Director, Silver Connection Co., Ltd. 	<ul style="list-style-type: none"> ➤ Director and President, VIZIONFOCUS INC. ➤ Chairman, Jiangsu Shizhun Medical Equipment Co., Ltd. ➤ Juristic Person Director Representative, Chang Wah Technology Co., Ltd. ➤ Chairman, Green Wealth Investments Limited ➤ Chairman, Clear Precise Investments Limited 	<ul style="list-style-type: none"> ➤ Director, VIZIONFOCUS INC. ➤ Supervisor, China Steel Management Consulting Corporation ➤ Supervisor, China Prosperity Development Corporation 	<ul style="list-style-type: none"> ➤ Director, VIZIONFOCUS INC. ➤ Professor, Department of Biomechatronics Engineering, National Taiwan University 	<ul style="list-style-type: none"> ➤ Attorney-at-Law, Handsome Attorneys-at-Law 	<ul style="list-style-type: none"> ➤ Technology Strategy Advisor, BenQ Guru Corporation, Qisda Group
Number of shares held	2,940,643	8,205,970	1,240,026	0	0	0	0

Attachment 9. Positions Concurrently Held by Director Candidates for the 5th Term

Director	Other companies where the director serves (full name)	Position held
Hsiu-Chuan Huang	Chang Wah Electromaterials Inc.	Juristic Person Director Representative
Chang Wah Electromaterials Inc.	Chang Wah Energy Technology Co., Ltd.	Juristic Person Director
	Chang Wah Technology Co., Ltd.	Juristic Person Director
	JMC Electronics Co., Ltd.	Juristic Person Director
	Wellstech Optical Co., Ltd.	Juristic Person Director
	Advanced Echem Materials Company Limited	Juristic Person Director
	Silver Connection Co., Ltd.	Juristic Person Director
Representative of Chang Wah Electromaterials Inc.: Sheng-Tao Wu	Taipei Branch, Chang Wah Electromaterials Inc.	President
	Chang Wah Energy Technology Co., Ltd.	Director
An Shih	Jiangsu Vizionfocus Inc.	Chairman
	Chang Wah Technology Co., Ltd.	Juristic Person Director Representative
	Green Wealth Investments Limited	Chairman
	Clear Precise Investments Limited	Chairman
Ya-Wen Chiu	Handsome Attorneys-at-Law	Attorney-at-Law
Cheng-Hung Chen	China Prosperity Development Corporation	Supervisor
	China Steel Management Consulting Corporation	Supervisor
Chien-Yu Chen	Department of Biomechatronics Engineering, National Taiwan University	Professor
Chin-Chang Cheng	BenQ Guru Corporation, Qisda Group	Strategy Advisor

Appendix

Appendix 1. “Articles of Incorporation” (Before Amendment)

Chapter 1 General Provisions

- Article 1: The Company was duly incorporated in accordance with the Company Act and named 望隼科技股份有限公司.
 The English name of the Company is VIZIONFOCUS INC.
- Article 2: The Company’s business scope is as follows:
 (1) CF01011 Medical Devices Manufacturing
 (2) F108031 Wholesale of Medical Devices
 (3) F208031 Retail Sale of Medical Apparatus
 (4) CB01010 Mechanical Equipment Manufacturing
 (5) CB01990 Other Machinery Manufacturing
 (6) CE01030 Optical Instruments Manufacturing
 (7) CE01990 Other Optics and Precision Instrument Manufacturing
 (8) I199990 Other Consulting Services
 (9) F401010 International Trade
 (10) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
- Article 2-1: The Company may provide external endorsements and guarantees in accordance with laws and regulations for business or investment needs.
- Article 2-2: The amount of the Company’s total investments is not subject to the limit of 40% of the paid-in capital as stipulated in Article 13 of the Company Act.
- Article 3: The Company is headquartered in Miaoli County, and may establish branches at home and abroad with the resolution of the Board of Directors when necessary.
- Article 3-1: The Company shall make public announcements in accordance with Article 28 of the Company Act.

Chapter 2 Shares

- Article 4: The total capital of the Company shall be NTD 800,000,000, divided into 80,000,000 shares at NTD 10 per share. The Board of Directors is authorized to issue unissued shares in installments. NTD 50,000,000, divided into 5,000,000 shares, of the aforementioned total capital shall be reserved for the Company to issue employee stock options that can be exercised by employees to subscribe for shares, and the Board of Directors is authorized to issue the shares in installments.
- Article 5: The share certificates of the Company are registered, and shall be signed or sealed by the director representing the Company, and may be issued after being certified by banks competent to certify shares under the laws. The shares issued by the Company may be exempted from printing share certificates and shall be registered with a centralized securities depository enterprise.
 Except as otherwise provided for by laws and securities regulations, the Company shall handle shareholders services in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent authority.

Chapter 3 Shareholders’ Meeting

- Article 6: The Company's shareholders' meetings are divided into the following two categories:
- I. The annual general shareholders' meeting shall be convened within six months after the end of each fiscal year in accordance with the law.
 - II. An extraordinary shareholders' meeting may be convened in accordance with the law when necessary.
- Shareholders' meetings shall be convened by the Board of Directors, unless otherwise provided by laws and regulations. The notice of convening a shareholders' meeting may be given by electronic means with the consent of shareholders.
- Article 6-1: The Company may hold shareholders' meetings by videoconferencing or in other manners as announced by the Ministry of Economic Affairs.
- Article 7: If a shareholder is unable to attend a shareholders' meeting in person, he/she may appoint a proxy to attend the meeting by issuing a proxy form stating the scope of authorization. For shareholders' attendance by proxy, in addition to Article 177 of the Company Act, the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority shall apply.
- In accordance with Article 177-1 of the Company Act, the Company shall adopt electronic transmission as one of the means for shareholders to exercise voting rights.
- Article 8: The Company's shareholders shall have one voting right for each share held, except for the shares that have no voting rights or are restricted under Article 179 of the Company Act.
- Article 9: Unless otherwise provided by the Company Act, resolutions at a shareholders' meeting shall be made by a majority vote of the shareholders present, who represent more than half of the total number of the Company's issued shares.
- Article 10: Shareholders' meetings shall be convened by the Board of Directors and chaired by the Chairman. In the absence of the Chairman, the Chairman shall designate a person to act on his/her behalf. If the Chairman does not make such a designation, the directors shall select one from among themselves to serve as deputy. If a shareholders' meeting is convened by a person who has the right to convene such meeting, the meeting shall be chaired by the person. If there are two or more persons having such right, they shall select a chair from among themselves.
- Article 11: If the Company applies for a public offering of shares or intends to stop a public offering after its commencement, the relevant provisions of Article 156-2 of the Company Act shall apply.

Chapter 4 Directors and Audit Committee

- Article 12: The Company shall have five to nine directors, who shall be elected by the shareholders' meeting from among those who are capable, and they shall hold office for a term of three years. They may be re-elected. If their term of office expires before a re-election, their term of office may be extended until the newly-elected directors take office. Pursuant to Article 14-2 of the Securities and Exchange Act, the number of independent directors shall not be less than two, and shall not be less

than one-fifth of the total number of directors.

The election of directors shall be conducted in accordance with the candidate nomination system as stated in Article 192-1 of the Company Act. Matters with regard to its implementation shall be governed by the Company Act, Securities and Exchange Act, and other related laws and regulations.

The Company may establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Committee shall consist of all independent directors. The number of its members shall not be fewer than three, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise. The duties, organizational charter, exercise of powers, and other matters to be complied with by the Audit Committee shall be specified in the Audit Committee Charter in accordance with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Article 13: The Board of Directors shall consist of directors, and a Chairman shall be elected from among the directors with the attendance of more than two-thirds of all directors and the consent of a majority of the directors present. The Chairman of the Board externally represents the Company.

Article 14: Board meetings shall be convened by the Chairman, unless otherwise provided by the Company Act. The Company shall notify directors in writing or via e-mail or fax seven days prior to the convening of a board meeting. The Company may convene a board meeting at any time in case of emergency, and may give notice in writing or via e-mail or fax.

Unless otherwise provided by the Company Act, a resolution of the Board of Directors shall be made with the attendance of a majority of all directors and the consent of a majority of the directors present.

If a director is unable to attend a board meeting in person, he/she may appoint another director as a proxy in writing to attend the board meeting on his/her behalf in accordance with the law and shall specify the scope of authorization for the reasons for convening the meeting. However, a proxy may only represent one director.

Article 15: If a director participates in a board meeting via videoconferencing, such director shall be deemed to have attended the meeting in person. When the Chairman is on leave or for any reason unable to exercise the powers thereof, his/her deputy shall be governed by Article 208 of the Company Act and related regulations.

Article 16: For the remuneration of all directors, the Board of Directors is authorized to establish relevant policies based on the extent of their participation in the Company's operations and the value of their contributions, and with reference to the standards of the industry.

The Company may purchase liability insurance for directors during their term of office to protect them against the liabilities that they assume within the scope of their duties under the law.

Chapter 5 Managers

Article 17: The Company may have one President and several Vice Presidents, whose appointment, discharge, and remuneration shall be governed by Article 29 of the

Company Act and related regulations.

Chapter 6 Accounting

- Article 18: The Company's fiscal year begins on January 1 and ends on December 31 of each year. At the end of each fiscal year, the Board of Directors of the Company shall prepare (1) a business report, (2) financial statements, and (3) a proposal for earnings distribution or loss appropriation, and submit the same to the Audit Committee for auditing by itself or by CPAs 30 days before the annual general shareholders' meeting. In the latter case, a report shall be issued and submitted to the annual general shareholders' meeting for ratification.
- Article 19: If the Company has earnings in the annual final accounts, the earnings shall be used to pay taxes and make up for past losses, and then 10% of the earnings shall be set aside as legal reserve, unless the accumulated legal reserve has amounted to the total paid-in capital of the Company. After appropriating or reversing special reserve in accordance with the regulations of the competent authority, the remainder is added to the undistributed earnings from prior years as distributable earnings. The distributable earnings may be used to distribute shareholders' dividends after the Board of Directors prepares an earnings distribution proposal and submits it to the shareholders' meeting for resolution.
- The Company pursues sustainable operations and stable management and development in line with the overall environment, industry growth characteristics, and the Company's long-term financial planning. The Company adopts a residual dividend policy where the annual fund needs are measured based on the Company's future capital budget planning. After the funds required for financing are reserved, the remaining earnings may be distributed in the form of cash dividends and stock dividends. The distribution steps are as follows:
- I. Determine the optimal capital budget.
 - II. Determine the funds required for financing for the aforesaid capital budget.
 - III. Determine how much of the funds for financing are covered by retained earnings.
 - IV. After an appropriate portion of the remaining earnings is retained depending on the operational needs, the remainder may be distributed to shareholders in the form of dividends. The amount to be distributed shall not be less than 10% of the Company's distributable earnings for the year, provided that the cash dividend shall not be less than 10% of the total dividends to be distributed.
- Article 20: If the Company makes a profit in the year, 1-12% of the profit shall be set aside as employee remuneration, and the employee remuneration may be paid in shares or in cash. The Company may, subject to a resolution of the Board of Directors, set aside no more than 1.5% of the profit as director remuneration.
- However, if the Company still has accumulated losses, a certain portion of the profit shall be retained to make up for the losses before setting aside the profit based on the aforementioned percentages as employee and director remuneration.
- The income in the year referred to in Paragraph 1 refers to the net income before tax for the year before deduction of the remuneration distributed to employees and directors.

The distribution of employees' and directors' remuneration is subject to a board meeting resolution adopted by a majority of the directors present, which represent two-thirds or more of total directors, and shall be reported to the shareholders' meeting.

The employees of the Company's controlling company or subsidiaries that meet the requirements specified by the Board of Directors may also receive the employee remuneration distributed by the Company, restricted stock awards issued by the Company, and employee stock options granted by the Company, subscribe for newly issued shares under Article 267 of the Company Act, and receive transferred shares.

Chapter 7 Supplementary Provisions

- Article 21: The Company's rules, regulations, and implementation rules shall be established separately.
- Article 22: Any matters not covered by the Articles of Incorporation shall be governed by the Company Act and other related laws and regulations.
- Article 23: The Articles of Incorporation were established on May 9, 2012. The 1st amendment was made on June 21, 2012. The 2nd amendment was made on August 15, 2012. The 3rd amendment was made on December 10, 2012. The 4th amendment was made on June 28, 2013. The 5th amendment was made on June 23, 2014. The 6th amendment was made on June 27, 2016. The 7th amendment was made on March 20, 2017. The 8th amendment was made on April 12, 2018. The 9th amendment was made on June 17, 2020. The 10th amendment was made on September 23, 2020. The 11th amendment was made on April 28, 2021. The 12th amendment was made on September 15, 2021. The 13th amendment was made on June 16, 2022. The 14th amendment was made on June 14, 2023.

VIZIONFOCUS INC.



Chairman: Hsiu-Chuan Huang



Appendix 2. “Procedures for Election of Directors”

- Article 1: Purpose
 To ensure a fair, just and open election of directors, the Procedures have been established in accordance with Articles 21 and 41 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”
- Article 2: Except as otherwise provided by laws and regulations or the Company’s Articles of Incorporation, the election of directors (including independent directors) of the Company shall be governed by the Procedures.
- Article 3: The overall composition of the Board of Directors shall be considered in the election of directors. The composition of the Board of Directors shall take diversity into account, and appropriate diversity policies shall be adopted in terms of its own operations, operational mode, and development needs. It is advisable that the policies include but not be limited to the following two major standards:
- I. Basic conditions and values: Gender, age, nationality and culture, etc.
 - II. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.
- The Board of Directors’ members shall generally possess the necessary knowledge, skills, and competences to perform their duties, and shall have the following abilities as a whole:
- I. Operational judgment ability.
 - II. Accounting and financial analysis ability.
 - III. Business management ability.
 - IV. Crisis management ability.
 - V. Industry knowledge.
 - VI. International market views.
 - VII. Leadership and decision-making ability.
- A majority of directors shall not be the spouse or a relative within the second degree of kinship of one another.
- The Board of Directors of the Company shall consider adjusting the composition of the board members based on the results of performance evaluations.
- Article 4: Deleted
- Article 5: The Company’s criteria for electing independent directors shall comply with Articles 2, 3 and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”
 The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8 and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and be governed by Article 24 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”

- Article 6: The Company’s directors shall be elected in accordance with the procedures in the candidate nomination system specified in Article 192-1 of the Company Act. Except for the qualifications and educational and work experience of director candidates and whether there are any circumstances listed in Article 30 of the Company Act, no criteria shall be arbitrarily added for review. The review results shall be made available to shareholders for their reference, so that suitable directors can be elected.
- If the number of directors is less than five after a director resigns from office for whatever reason, the Company shall hold a by-election at the next soonest shareholders’ meeting. However, if the vacancy in the Board of Directors reaches one-third of the required number specified in the Articles of Incorporation, the Company shall convene an extraordinary shareholders’ meeting for a by-election within 60 days from the date of occurrence.
- If the number of independent directors is less than that specified in the proviso to Article 14-2, Paragraph 1 of the Securities and Exchange Act, the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, Subparagraph 8 of the “Standards for Determining Unsuitability for TPEX Listing under Article 10, Paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX,” or the Articles of Incorporation, a by-election shall be held at the next soonest shareholders’ meeting; when the independent directors are all dismissed, an extraordinary shareholders’ meeting shall be convened for a by-election within 60 days from the date of occurrence.
- Article 7: The Company shall adopt a cumulative voting system for the election of directors. Each share shall have the same number of votes as the number of directors to be elected. Votes may be cast for a single candidate or split among multiple candidates.
- Article 8: The number of voting rights of independent directors and non-independent directors shall be calculated separately based on the number of directors of the Company specified in the Articles of Incorporation. Candidates are elected in sequence according to the number of voting rights represented by the votes they have obtained. If there are two candidates receiving the same number of voting rights and the specified number of directors to be elected will be exceeded, the candidates or the chair (if the candidate are absent) shall draw lots to determine the winner.
- Article 9: The Board of Directors shall prepare the same number of ballots as the number of directors to be elected, specify the number of voting rights on the ballots, and distribute them to the shareholders attending the shareholders’ meeting. Attendance card numbers printed on the ballots may be used in lieu of the names of voting shareholders.
- Article 10: Before an election begins, the chair shall appoint an appropriate number of monitoring personnel and counting personnel who are shareholders to perform the respective duties. The ballot box shall be prepared by the Board of Directors and publicly checked by the monitoring personnel before voting commences.
- Article 11: If the candidate is a shareholder, the voters shall indicate the candidate’s account name

and shareholder account number in the candidate column of the ballot; if the candidate is not a shareholder, the candidate's name and identification number shall be indicated. However, when the candidate is a government or juristic person shareholder, the name of the government agency or juristic person shall be indicated in the column for the account name of the candidate on the ballot, or the name of both the government or juristic person shareholder and its representative may be indicated. If there are several representatives, the names of the representatives shall be indicated separately.

- Article 12: A ballot is invalid if any of the following occurs:
- I. The ballot was not prepared by a person with the convening right.
 - II. A blank ballot is put into the ballot box.
 - III. The writing is unclear and illegible or has been altered.
 - IV. The account name and shareholder account number of the shareholder candidate on the ballot do not conform to the shareholder register; the name and identification number of the non-shareholder candidate on the ballot do not match.
 - V. Words other than the account name (name) or shareholder account number (identification number) and the number of voting rights allotted are written on the ballot.
 - VI. The name of the candidate on the ballot is the same as that of another shareholder and no shareholder account number or identification number is provided for identification.
 - VII. The number of candidates entered on each ballot exceeds the specified number.
- Article 13: All votes shall be counted on-site immediately after voting, and the result, including the list of directors elected and the number of voting rights with which they have been elected, shall be announced by the chair on-site.
 The ballots for the election referred to in the preceding paragraph shall be sealed with the signature of the monitoring personnel and kept in proper custody for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, the ballots shall be retained until the conclusion of the lawsuit.
- Article 14: The Board of Directors of the Company shall issue a notice of election to the elected directors.
- Article 15: The Procedures shall be implemented after the approval of the shareholders' meeting, and the same shall apply to any amendment thereto.
- Article 16: The Procedures were established on June 17, 2020. The 1st amendment was made on September 15, 2021. The 2nd amendment was made on June 16, 2022.

Appendix 3. Rules of Procedure for Shareholders' Meetings

Article 1: Purpose

In order to establish a good governance system, improve supervisory capabilities, and strengthen the management function for the Company's shareholders' meetings, the Rules have been established in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. Unless otherwise provided by laws or the Articles of Incorporation, the Rules shall be complied with.

Article 2: The rules of procedure for the Company's shareholders' meetings, except as otherwise provided by laws or the Articles of Incorporation, shall be governed by the Rules.

Article 3: Shareholders' Meeting Convening and Meeting Notice

Shareholders' meetings of the Company shall be convened by the Board of Directors, unless otherwise provided by laws and regulations.

The Company shall, 30 days before the date of an annual general shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting, upload an electronic file including notice of the shareholders' meeting, the proxy form, and the subject and explanation of proposals for ratification, discussion, and the election or dismissal of directors (including independent directors) to the Market Observation Post System (MOPS). The Company shall prepare electronic files of the shareholders' meeting handbook and supplementary meeting materials and upload them to the MOPS 21 days before the date of an annual general shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The shareholders' meeting handbook and supplementary meeting materials shall be prepared and made available to shareholders for review 15 days before a shareholders' meeting. They shall be displayed at the Company and the professional shareholder services agent appointed thereby and distributed at the venue of the shareholders' meeting.

The reasons for convening the meeting shall be specified in the notice and announcement; the notice may be given by electronic means with the consent of the addressee.

The election or dismissal of directors (including independent directors), changes to the Articles of Incorporation, capital reduction, application for cessation of public offering, lifting of non-compete restrictions on director, capitalization of earnings, capitalization of reserves, company dissolution, mergers, spinoffs, or matters set forth in Article 185, Paragraph 1 of the Company shall be listed in the reasons for convening the meeting and shall not be proposed as extempore motions; the main content of which may be placed on the website designated by the competent securities authority or the Company, and the URL of the website shall be specified in the notice.

A re-election of all directors and the date of assumption of office have been indicated as the reason for convening the shareholders' meeting. After the completion of the re-election, the date assumption of office shall be not be changed by an extempore motion or in other ways in the same meeting.

Shareholders holding 1% or more of the total number of issued shares may submit written proposals to the Company for the annual shareholders' meeting. Each shareholder may

only submit one proposal, and all other proposals will not be included in the agenda. However, the Board of Directors may still include shareholders' proposals that aim to urge the Company to promote public interest or to fulfill its social responsibilities. The Board of Directors may decide not to include a shareholder's proposal under Article 172-1, Paragraph 4 of the Company Act.

Prior to the book closure date before an annual general 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 the submission of shareholder proposals shall not be less than 10 days.

Each proposal submitted by shareholders is limited to 300 words. A proposal exceeding 300 words will not be included in the agenda. Shareholders submitting proposals should attend the annual general shareholders' meeting in person or by proxy and participate in the discussion of the proposal.

Prior to the date of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this Article. For shareholders' proposals that are not included in the agenda, the Board of Directors shall explain the reasons for not including such proposals at the shareholders' meeting.

Article 4: The Company's shareholders may appoint a proxy to attend each shareholders' meeting by issuing a proxy form from the Company and stating the scope of authorization. A shareholder may issue one proxy form and appoint one proxy only, and shall serve the proxy form to the Company 5 days before the date of the shareholders' meeting. In case of duplicate proxy forms, the one served first shall prevail. However, the same shall not apply if a declaration is made to revoke the appointment.

If a shareholder intends to attend the meeting in person or to exercise voting rights in writing or electronically after a proxy form has been served to the Company, a written notice of revocation of appointment shall be submitted to the Company 2 days prior to the scheduled date of the meeting; otherwise, the voting rights exercised by the proxy shall prevail.

Article 5: The calculation of attendance and voting at a shareholders' meeting shall be based on shares. The number of shares represented by shareholders attending the meeting shall be calculated based on the sign-in book or sign-in cards handed in plus the number of shares for which voting rights are exercised in writing or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, if the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined period of no more than one hour, may be made. If the meeting is still not attended by shareholders representing one third or more of the total number of issued shares, the chair shall declare the meeting adjourned.

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 of Article 175 of the Company Act, and all shareholders shall be notified of the tentative resolution

and another shareholders' meeting shall be convened within one month.

If, before the end of the meeting, the number of shares represented by the shareholders present reaches a majority of the total number of issued shares, the chair may re-submit the tentative resolution adopted for a vote at the shareholders' meeting in accordance with Article 174 of the Company Act.

Article 6: 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. or later than 3 p.m. After the appointment of independent directors, the Company shall fully consider the opinions of the independent directors on the venue and time of the meeting.

Article 7: The Company shall specify in the meeting notice the time and place for shareholder attendance registrations, and other matters to be noted.

The time for shareholder attendance registrations referred to in the preceding paragraph shall be at least 30 minutes before the start of the meeting. The place for registration shall be clearly marked, and sufficient qualified personnel shall be assigned for the registration process.

Shareholders or their proxies (hereinafter referred to as "shareholders") shall attend a shareholders' meeting with attendance cards, sign-in cards or other attendance documents. The Company shall not arbitrarily ask the shareholders to provide other supporting documents for their attendance. Solicitors soliciting proxy forms shall also bring their identity documents for verification.

The Company shall prepare a sign-in book for the attending shareholders to sign in, or the attending shareholders shall hand in a sign-in card in lieu of signing in. The Company shall provide the attending shareholders with the meeting handbook, annual report, attendance card, speaker slip, voting ballot, and other meeting materials; if there is an election of directors, an election ballot shall also be attached.

If a shareholder is a government agency or juristic person, it may have more than one representative attend the shareholders' meeting. When a juristic person is appointed to attend a shareholders' meeting as proxy, it may designate only one representative to attend the meeting.

Article 8: When a shareholders meeting is convened by the Board of Directors, the Chairman shall preside over the meeting. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Chairman shall designate a director to act on his/her behalf. When no such appointment is made, the directors shall select from among themselves one person to act on behalf of the chair.

To act on behalf of the chair in the preceding paragraph, the director shall be the one who has held office for six months or more and who understands the financial and business conditions of the Company. If the representative of a juristic person director serves as the chair, the same shall apply.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the chairman in person and attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee

on behalf of the committee. The attendance shall be recorded in the shareholders' meeting minutes.

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

The Company may appoint its lawyers, certified public accountants or related personnel to attend a shareholders' meeting in a non-voting capacity.

Article 9: The Company, beginning from the time it accepts shareholder attendance registrations, shall make uninterrupted audio and video recordings of the shareholder attendance registration process, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The aforementioned audio and video recordings shall be retained for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, the ballots shall be retained until the conclusion of the lawsuit.

Article 10: If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extempore motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which shall not be changed without a resolution of the shareholders' meeting.

If a shareholders' meeting is convened by a party with the power to convene other than the Board of Directors, the provisions of the preceding paragraph apply *mutatis mutandis*.

The chair shall not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore 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 the attending shareholders representing a majority of the voting rights, to continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by shareholders. When the chair is of the opinion that a proposal has been discussed sufficiently to be put to a vote, the chair may announce the end of the discussion, call for a vote, and arrange sufficient time for voting.

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

An attending shareholder who has submitted a speaker slip but does not speak shall be deemed to have not spoken. If the content of the speech does not conform to the speaker slip, the content of the speech shall prevail.

Except with the consent of the chair, a shareholder shall not speak more than twice on the same proposal. A single speech shall not exceed 3 minutes, and may be extended for

2 minutes with the chair's permission, and only one extension may be granted. If a shareholder's speech violates the rules or exceeds the scope of the agenda, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders shall not speak or interrupt unless they have sought and obtained the consent of the chair and the speaking shareholder, and the chair shall stop any violation.

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

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

Article 12: Voting at a shareholders' meeting shall be calculated based on shares.
 For a resolution of a shareholders' meeting, the number of shares held by shareholders without voting rights shall not be counted towards the total number of issued shares. Shareholders shall not participate in voting on matters that involve their own interests and may be detrimental to the interests of the Company, nor shall they exercise voting rights on behalf of other shareholders.
 The number of shares for which voting rights shall not be exercised shall not be counted towards the number of shares represented by the attending shareholders.
 Except for a trust enterprise or a shareholder services agent approved by the competent securities authority, when a person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by the proxy shall not exceed 3% of the voting rights represented by the total issued shares; otherwise, the excessive voting rights shall not be counted.

Article 13: Shareholders are entitled to one vote for each share held, except when the shares are restricted or deemed non-voting as stated in Article 179, Paragraph 2 of the Company Act.
 Shareholders may exercise their voting rights in writing or electronically at the Company's shareholders' meeting. The method of exercising voting rights shall be specified in the shareholders' meeting notice. Shareholders exercising their voting rights in writing or electronically shall be deemed to have attended the shareholders' meeting in person. However, the shareholders shall be deemed to have waived their voting rights in respect of any extempore motion and any amendment to the original proposal in the agenda at the shareholders' meeting. Therefore, it is advisable that the Company not propose any extempore motion or any amendment to the original proposal in the agenda. Shareholders exercising their voting rights in writing or electronically as referred to in the preceding paragraph shall express their intention to do so to the Company 2 days before the scheduled date of the meeting. However, the same shall not apply if a declaration is made to revoke the intention.
 If a shareholder intends to attend a shareholders' meeting in person after he/she/it has exercised his/her/its voting rights in writing or electronically, the shareholder shall express his/her/its intention to revoke the aforementioned exercise of the voting rights in the same manner as the exercise of the voting rights 2 days before the meeting date; otherwise, the voting rights exercised in writing or electronically shall prevail. If a shareholder exercises his/her/its voting rights in writing or electronically and appoints a

proxy to attend a shareholders' meeting, the voting rights exercised by the proxy shall prevail.

Unless otherwise provided by the Company Act and the Company's Articles of Incorporation, a proposal shall be passed by the consent of the attending shareholders representing a majority of the voting rights. If the Company adopts electronic voting after listing on the TWSE/TPEx, the chair or the person designated thereby shall announce the total number of voting rights represented by the attending shareholders for the shareholders to vote on each proposal. The number of votes in favor, against, and abstentions shall be uploaded to the MOPS.

If no objections are raised by all shareholders present for a proposal after inquiry by the chair, the proposal shall be deemed passed, and the effect shall be the same as that of voting. If there are any objections, they still need to be submitted for discussion and voting. However, if no objections are raised after inquiry by the chair and the approval has been announced, no further objections may be raised.

When there is an amendment or alternative to the same proposal, the chair shall determine the order of voting together with the original proposal. If any one of the proposals has been passed, the other proposals shall be deemed rejected, and no further voting is required.

Article 14: Monitoring and counting personnel for proposal voting shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

The votes for voting or elections at a shareholders' meeting shall be counted in public at the venue of the meeting, and voting results, including the number of voting rights, shall be announced on-site immediately after the completion of the counting and recorded.

Article 15: Director elections at shareholders' meetings shall be held in accordance with the relevant election and appointment regulations established by the Company, and the election results, including the list of elected directors and the number of voting rights with which they have been elected, and the list of non-elected directors and the number of voting rights they have obtained, shall be announced on the spot.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signature of the monitoring personnel and kept in proper custody for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, the ballots shall be retained until the conclusion of the lawsuit.

Article 16: The resolutions of a shareholders' meeting shall be recorded in the minutes of meeting. The minutes shall be signed or sealed by the chair and distributed to all shareholders within 20 days after the meeting. The preparation and distribution of the minutes of meeting may be conducted electronically.

The minutes of meeting referred to in the preceding paragraph may be distributed by uploading to the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's name, the methods by which resolutions were adopted, and a summary of the deliberations, and voting results (including the number of voting rights). If there was a director election, the voting rights obtained by each candidate shall be

disclosed. The meeting minutes shall be kept permanently during the existence of the Company.

If a proposal was adopted through the chair's inquiry of shareholders' opinions and the shareholders had no objection to the proposal, "Passed unanimously by all attending shareholders after inquiry by the chair" shall be indicated. If shareholders had objection to a proposal, the voting method and the number and proportion of voting rights with which the proposal was passed shall be specified.

Article 17: The number of shares solicited by solicitors and the number of shares represented by proxies shall be clearly disclosed at the venue of a shareholders' meeting in a statistical statement prepared in the prescribed format on the day of the meeting.

If a resolution of a shareholders' meeting constitutes material information under related laws or regulations or as defined by Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall transmit the content of the resolution to the MOPS within the specified time.

Article 18: The service personnel for shareholders' meetings shall wear identification badges or armbands.

The chair may direct the proctors or security personnel to help maintain order in the meeting venue. When the proctors or security personnel help maintain order in the meeting venue, they shall wear armbands bearing the word "Proctor."

If the meeting venue is equipped with microphones, the chair may stop a shareholder from speaking if he/she/it uses anything other than the equipment provided by the Company.

If a shareholder violates the rules of procedure and defies the chair's correction, obstructing the progress, and then refuses to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting venue.

Article 19: When a meeting is in progress, the chair may announce a break based on time considerations. In the event of a force majeure event, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for further use before the completion of deliberation on the meeting agenda (including extraordinary motions), the shareholders' meeting may resolve to continue the meeting at another venue.

The shareholders' meeting may resolve to postpone or continue the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 20: The Rules shall be implemented after the approval of the Board of Directors and shareholders' meeting.

Article 21: The Rules were established on June 17, 2020. The 1st amendment was made on September 15, 2021.

Appendix 4: Shareholdings of Directors

VIZIONFOCUS INC.

Shareholding of Directors and Supervisors

- I. The Company's paid-in capital is NTD 575,117,000, and the number of issued shares is 57,511,700 shares.
- II. According to the Rules and Review Procedures for Director Share Ownership Ratios at Public Companies, the minimum number of shares to be held by all directors shall be 4,600,936 shares.
- III. The actual number of shares held by the directors is 12,191,639 shares, accounting for 21.20% of the total issued shares.

Book closure date: March 31, 2024

Title	Name	Date elected	Shares held on the book closure date		Notes
			Number of shares	Shareholding ratio	
Chairman	Hsiu-Chuan Huang	2021.04.28	2,840,643	4.94%	—
Director	Chang Wah Electromaterials Inc. Juristic Person Representative: Sheng-Tao Wu	2021.04.28	8,105,970	14.10%	—
Director	An Shih	2021.04.28	1,245,026	2.16%	—
Director	Li-Ching Kuo	2022.06.16	—	—	—
Independent Director	Cheng-Hung Chen	2021.09.15	—	—	—
Independent Director	Yuan-Ching Wen	2021.09.15	—	—	—
Independent Director	Chien-Yu Chen	2021.09.15	—	—	—
Total shares held by directors			12,191,639	21.20%	—

Supplementary Information

Explanation of shareholders' proposals at the annual general shareholders' meeting:

Explanation:

1. Pursuant to Article 172-1 of the Company Act, a shareholder holding 1% or more of the total number of issued shares may submit a written proposal to the Company, and the number of such proposals is limited to one, with the number of words limited to 300.
2. The Company's 2024 Annual General Shareholders' Meeting accepted shareholders' proposal applications from February 23, 2024 to March 4, 2024, which was already announced on the MOPS as required by law.
3. The Company did not receive any shareholder proposals.