

VIZIONFOCUS INC.

VIZIONFOCUS INC.

2025 Annual General Meeting

Meeting Handbook

Date: May 23, 2025

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.
2025 Annual General Meeting Procedure

- I. Call the Meeting to Order**
- II. Chair’s Speech**
- III. Reports**
- IV. Ratifications**
- V. Discussions**
- VI. Extempore Motions**
- VII. Adjournment**

VIZIONFOCUS INC.

2025 Annual General Meeting Agenda

Date and Time: May 23, 2025 (Friday) 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 Speech

III. Meeting Type: Physical Shareholders' Meeting

IV. Reports:

- (I) The Company's 2024 Business Overview Report.
- (II) Audit Committee's Review Report for the 2024 Financial Statements.
- (III) Report on the Company's Distribution of Remuneration to Employees and Directors in 2024
- (IV) Report on the Company's External Endorsements and Guarantees in 2024
- (V) Report on the Company's Investment in Mainland China in 2024

V. Ratifications:

- (I) Ratification of the Company's 2024 Business Report and Financial Statements
- (II) Recognition of the Company's 2024 earnings appropriation

VI. Discussions:

- (I) Amendment to Certain Provisions of the Company's "Articles of Incorporation"
- (II) Amendment to Certain Provisions of the Company's "Procedure for the Acquisition or Disposal of Assets"
- (III) Lifting of Non-Competition Restrictions on the Company's Directors.

VII. Extempore Motions

VIII. Adjournment

I. Reports:

Proposal 1 (Proposed by the Board of Directors)

Subject: The Company's 2024 Business Overview Report is submitted for review.

Description: Please refer to [Attachment 1] (page 6-8) of this Handbook.

Proposal 2 (Proposed by the Board of Directors)

Subject: Audit Committee's Review Report for the 2024 Financial Statements is submitted for review.

Explanation: Please refer to [Attachment 3] (page 30) 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 2024 is 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 2024 amount to NT\$5,633,207 and shall be paid in cash.
- III. It is proposed that employees' remuneration for 2024 amount to NT\$54,688,076 and shall be paid in cash.

Proposal 4 (Proposed by the Board of Directors)

Subject: Report on the Company's External Endorsements and Guarantees in 2024 is submitted for review.

Explanation: Please refer to [Attachment 4] (page 31) of this Handbook.

Proposal 5 (Proposed by the Board of Directors)

Subject: Report on the Company's Investment in Mainland China in 2024 is submitted for review.

Explanation: Please refer to [Attachment 5] (page 32) of this Handbook.

II. Ratifications:

Proposal 1 (Proposed by the Board of Directors)

Subject: Ratification of the Company's 2024 Business Report and Financial Statements.

Description:

- I. The Company's financial statements for 2024 (including individual and consolidated financial statements) were approved by the Board of Directors on March 10, 2025, and have been audited by CPA Hsiu-Wen Chen and CPA Yao-Ling Huang of Deloitte Taiwan, with an unqualified audit report issued. The Audit Committee has issued its Review Report for reference.
- II. The financial statements ([Attachment 2] (pages 9–29) of this handbook) and the business report ([Attachment 1] (pages 6–8) of this handbook) are submitted for ratification.

Proposal 2 (Proposed by the Board of Directors)

Subject: Ratification of the Company's 2024 Earnings Distribution.

Explanation:

- I. It is proposed to prepare an earnings distribution table for 2024 in accordance with the Company Act and the Company's Articles of Incorporation. Please refer to [Attachment 6] (page 33) of this Handbook.
- II. It is proposed that the 2025 Annual General Meeting resolve to authorize the Chairman to make decisions regarding 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, with any fractional part being 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” is 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 34-35) of this Handbook.
- II. Please make a resolution.

Proposal 2 (Proposed by the Board of Directors)

Subject: Amendment to Certain Provisions of the Company’s “Procedure for the Acquisition or Disposal of Assets” is submitted for discussion.

Explanation:

- I. It is proposed to amend certain provisions of the Company’s “Procedure for the Acquisition or Disposal of Assets” to meet the Company’s actual operational needs. For the comparison table of amendments, please refer to [Attachment 8] (pages 36) of this Handbook.
- II. Please make a resolution.

Proposal 3 (Proposed by the Board of Directors)

Subject: Lifting of Non-Competition Restrictions on the Company’s Directors.

Explanation:

- I. Pursuant to Article 209, Paragraph 1 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 37) of this Handbook for the “Summarization of Positions Concurrently Held by the Company’s Directors.”
- IV. Please make a resolution.

IV. Extempore Motions

V. Adjournment

Attachments

Attachment 1: Business Report

VIZIONFOCUS INC.

Business Report

Looking back to 2024, the world was facing the challenges from the slowdown of the Chinese economy and the unclear relationship between the USA and China. Said factors have posed a deep impact on the global market environment. Under such unfavorable environment, VIZIONFOCUS continues to optimize the internal organization, improve efficiency through automation and AI, and strengthen cooperation with customers and strategic partners, in order to achieve good market share. 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 USA, Taiwan, Southeast Asia, and other regions in the world step by step to move toward internationalization.

VIZIONFOCUS has continued to launch new products to stimulate market demand in recent years. The silicone gel hidden glasses came to Taiwan in 2022 and then successfully entered the Chinese market in 2024. Meanwhile, the glasses were officially shipped to the U.S. market in February this year. Meanwhile, VIZIONFOCUS launched its second generation blue light filtering products and functional glasses last year, which were well received by the market. Therefore, VIZIONFOCUS achieved good results in terms of annual operating revenue and profit in 2024. The Company's 2024 consolidated operating revenue was NT\$3 billion, showing a YoY growth of 17%; the consolidated operating profit was NT\$888 million, with a YoY growth of 7%; and the consolidated net profit after tax was NT\$729 million, with a YoY growth of 11%. The Company's business performance in 2024 and the business plan for 2025 are reported as follows:

I. Consolidated Business Results in 2024:

(I) Business plan implementation outcomes:

(Consolidated)

Unit: NTD thousand; %

Item	2024		2023		Difference	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Operating revenue	3,002,007	100%	2,572,202	100%	429,805	16.71%
Gross operating profit	1,178,919	39%	1,025,339	40%	153,580	14.98%
Gross operating margin	39%	-	40%	-	-1%	-
Operating profit	887,876	30%	832,016	32%	55,860	6.71%
Net income before tax	920,310	31%	834,502	32%	85,808	10.28%
Net profit after tax	728,973	24%	655,730	25%	73,243	11.17%

The Company's consolidated revenue reached a record high in 2024, 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 2024.

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

(Consolidated)

Item	2024	2023	Difference
Financial structure			
Debt to asset ratio	35%	53%	(18%)
Long-term fund to property, plant and equipment ratio	171%	150%	21%
Net worth per share	60.99	34.07	26.92
Solvency			
Current ratio	300%	184%	116%
Quick ratio	257%	150%	107%
Profitability			
Return on assets	14%	17%	(3%)
Return on equity	25%	32%	(7%)
Net profit margin	24%	25%	(1%)
Earnings per share	11.81	10.77	1.04

(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 licenses in various countries. We expect to introduce new products to differentiate ourselves from competitors in price competition. In 2025, the Company expects to launch the second generation blue light filtering products and toric products in the Japanese market, silicone hydrogel products and semi-annual disposable lenses in the Chinese market, and silicone hydrogel products in the U.S. market. These new products are expected to drive up the Company's operating revenue in 2025.

The Company has continued to invest R&D resources in new product development and technology improvement. Our development of astigmatism lenses, progressive multifocal (presbyopia) lenses, and myopia prevention and 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 2025 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 ahead to 2025, we will proactively make arrangements in response to a more complex and changing market situation, anticipating that each market may have different growth momentum. The Chinese market is undergoing an industrial transformation, and the proportion of new brands is increasing rapidly. VIZIONFOCUS hopes to launch products that better meet local needs by collaborating with local brands that have an advantage in close supply. As the Japanese market is mature, we will still launch new products this year, such as the second generation blue light filtering and toric products, to stimulate consumer purchase desire. The silicone hydrogel products launched in the US market this year, where we are establishing a long-term strategy, are of competitive quality and price to win the favor of end consumers. In the emerging Southeast Asian market, VIZIONFOCUS has successively obtained the local certifications required for its products. Therefore, we will further ship goods to the Southeast Asian market in response to the customers' planning.

Meanwhile, VIZIONFOCUS will continue to improve its processes, promote R&D and innovation, and respond to the pressure of price competition with automated and AI driven processes. It will further improve its production efficiency, reduce costs, and continue to launch new products, allowing it to stand out in a highly competitive market with product differentiation advantages and increase its market share.

Relying on the advantages of real-time localized supply with factories on both sides of the strait and the strong R&D strength, VIZIONFOCUS's revenue and profit in 2024 reached a record high. The Company's revenue and profit are expected to continue growing in 2025. In 2025, we will proactively develop the market and enhance our competitiveness. We will work together to face the future challenges and achieve steady profitability growth. Thank you for your support. We will continue to work hard to create more value.

VIZIONFOCUS INC.



Chairman: Hsiu-Chuan Huang



President: An Shih



Head of Accounting: Hsing-Chuan Li



Attachment 2. Earnings Distribution Table

Independent Auditor's Report

To VIZIONFOCUS INC.:

Audit Opinions

The consolidated balance sheets of Vizionfocus Inc. (the "Company") and its subsidiaries as of December 31, 2024 and December 31, 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements (including a summary of significant accounting policies) for the years ended December 31, 2024 and 2023, have been audited by our firm.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of Vizionfocus Inc. and its subsidiaries as of December 31, 2024 and 2023, and their consolidated financial performance and consolidated cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations, and interpretative bulletins endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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, 2024. 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, 2024 are stated as follows:

Revenue Recognition for Specific Customers

The management may face pressure to meet expected targets and market expectations, potentially using sales revenue to achieve these objectives. Transactions with specific customers involve overseas consignment warehouse arrangements, whereby sales revenue is recognized when customers actually withdraw goods from these warehouses. Therefore, we have identified the authenticity of sales revenue from customers with the aforementioned transaction types as a key audit matter.

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. We selected appropriate samples of specific customers from the sales details and examined customer orders, customer bills of lading, shipping documentation, and proof of payment collection. We also verified whether the payment recipients matched the transaction counterparties.
- III. 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.
- IV. We obtained details of annual sales returns and allowances, including those occurring after the reporting period, and examined whether there were any significant abnormal returns or allowances to confirm the authenticity of sales transactions recognized before the balance sheet date.

Other matters

We have prepared the parent company only financial statements for 2024 and 2023, for which we have issued an unqualified opinion for reference.

Responsibilities of management and those charged with governance of 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, 2024 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 Hsiu-Wen Chen

CPA Yao-Lin Huang

Financial Supervisory Commission's
approval number

Jin-Guan-Zheng-Shen-Zi No.
1120349008

Financial Supervisory Commission's approval
number

Jin-Guan-Zheng-Shen-Zi No. 1060004806

March 10, 2025

VIZIONFOCUS INC. and subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NTD Thousand

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 1,180,126	20	\$ 800,156	18
1150	Notes receivable (Notes 4 and 7)	8,514	-	8,265	-
1170	Accounts receivable (Notes 4 and 7)	632,907	11	612,906	14
1200	Other receivables	1,700	-	4,213	-
1220	Current income tax assets (Note 4 and 20)	6,172	-	9,629	-
130X	Inventories (Notes 4, 5, and 8)	288,598	5	257,015	6
1410	Prepayments (Note 28)	59,448	1	64,377	1
1476	Other financial assets – current (Note 6)	253,800	4	-	-
1479	Other current assets	215	-	68	-
11XX	Total current assets	<u>2,431,480</u>	<u>41</u>	<u>1,756,629</u>	<u>39</u>
	Non-current assets				
1600	Property, plant and equipment (Notes 4, 10, 28, and 29)	2,995,474	51	2,334,146	53
1755	Right-of-use assets (Note 4, 11 and 28)	353,720	6	198,463	4
1780	Intangible assets (Notes 4 and 12)	112,676	2	80,703	2
1840	Deferred income tax assets (Note 4 and 20)	9,407	-	23,070	1
1915	Prepayment for equipment (Note 28)	24,466	-	63,189	1
1920	Refundable deposits (Note 28)	12,424	-	6,079	-
1990	Other non-current assets	64	-	319	-
15XX	Total non-current assets	<u>3,508,231</u>	<u>59</u>	<u>2,705,969</u>	<u>61</u>
1XXX	Total assets	<u>\$ 5,939,711</u>	<u>100</u>	<u>\$ 4,462,598</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)	4,384	-	6,279	-
2170	Accounts payable (Note 14)	194,453	3	182,227	4
2200	Other payables (Notes 15 and 28)	336,152	6	347,099	7
2230	Current income tax liabilities (Note 4 and 20)	66,412	1	53,568	1
2280	Lease liabilities - current (Notes 4, 11, and 28)	48,588	1	30,040	1
2313	Deferred revenue (Notes 13 and 23)	4,107	-	6,391	-
2322	Long-term borrowings due within one year (Notes 13, 28, and 29)	156,078	3	173,169	4
2399	Other current liabilities	434	-	5,014	-
21XX	Total of current liabilities	<u>810,608</u>	<u>14</u>	<u>953,787</u>	<u>20</u>
	Non-current liabilities				
2540	Long-term borrowings (Notes 13, 28, and 29)	819,457	14	1,198,760	26
2570	Deferred income tax liabilities (Notes 4 and 20)	138,820	2	85,849	2
2580	Lease liabilities - non-current (Notes 4, 11 and 28)	311,051	5	177,570	5
2630	Long-term deferred income (Notes 13 and 23)	8,463	-	9,993	-
2640	Net defined benefit liability (Notes 4 and 16)	1,478	-	735	-
2670	Other non-current liabilities	237	-	229	-
25XX	Total non-current liabilities	<u>1,279,506</u>	<u>21</u>	<u>1,473,136</u>	<u>33</u>
2XXX	Total liabilities	<u>2,090,114</u>	<u>35</u>	<u>2,426,923</u>	<u>53</u>
	Equity attributable to owners of the Company (Note 17)				
	Capital stock				
3110	Common stock capital	579,247	10	524,547	12
3140	Advance Receipts for Share Capital	5,498	-	-	-
3100	Total Share Capital	<u>584,745</u>	<u>10</u>	<u>524,547</u>	<u>12</u>
3200	Capital reserve	<u>1,828,095</u>	<u>31</u>	<u>653,674</u>	<u>15</u>
	Retained earnings				
3310	Statutory Reserve	82,650	1	55,501	1
3320	Special reserves	9,499	-	-	-
3350	Undistributed earnings	1,008,471	18	562,965	13
3300	Total retained earnings	<u>1,100,620</u>	<u>19</u>	<u>618,466</u>	<u>14</u>
3400	Other equity				
3410	Foreign Currency Translation Adjustment	19,275	-	(9,499)	-
31XX	Total owners' equity of the Company	<u>3,532,735</u>	<u>60</u>	<u>1,787,188</u>	<u>41</u>
36XX	Non-controlling interests (Notes 9 and 17)	<u>316,862</u>	<u>5</u>	<u>248,487</u>	<u>6</u>
3XXX	Total equity	<u>3,849,597</u>	<u>65</u>	<u>2,035,675</u>	<u>47</u>
3X2X	Total liabilities and equity	<u>\$ 5,939,711</u>	<u>100</u>	<u>\$ 4,462,598</u>	<u>100</u>

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

(Please refer to Deloitte Taiwan's audit report dated March 10, 2025)

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, 2024 and 2023

Unit: NTD thousand
except earnings per share expressed in NTD

Code		2024		2023	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 4 and 18)	\$3,002,007	100	\$2,572,202	100
5000	Operating costs (Notes 8, 19, and 28)	<u>1,823,088</u>	<u>61</u>	<u>1,546,863</u>	<u>60</u>
5900	Gross operating profit	<u>1,178,919</u>	<u>39</u>	<u>1,025,339</u>	<u>40</u>
	Operating expenses (Notes 7 and 19)				
6100	Sales promotion expenses	52,177	1	49,600	2
6200	Administrative expenses	109,408	4	115,872	5
6300	R&D expenses	145,179	5	127,225	5
6450	Expected credit reversal gain	<u>(15,721)</u>	<u>(1)</u>	<u>(99,374)</u>	<u>(4)</u>
6000	Total operating expenses	<u>291,043</u>	<u>9</u>	<u>193,323</u>	<u>8</u>
6900	Net operating profit	<u>887,876</u>	<u>30</u>	<u>832,016</u>	<u>32</u>
	Non-operating income and expenses (Notes 19 and 28)				
7100	Interest revenue	18,473	1	10,140	-
7010	Other income	13,628	-	14,697	1
7020	Other gains and losses	29,169	1	(2,382)	-
7050	Finance Costs	<u>(28,836)</u>	<u>(1)</u>	<u>(19,969)</u>	<u>(1)</u>
7000	Total non-operating income and expenses	<u>32,434</u>	<u>1</u>	<u>2,486</u>	<u>-</u>
7900	Net income before tax	920,310	31	834,502	32
7950	Income tax expense (Notes 4 and 20)	<u>191,337</u>	<u>7</u>	<u>178,772</u>	<u>7</u>
8200	Net income for the year	728,973	24	655,730	25

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Code		2024		2023	
		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	\$ (215)	-	\$ (600)	-
8349	Income tax related to items not subject to reclassification	43	-	120	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Foreign Currency Translation Adjustment	44,958	1	(22,418)	(1)
8399	Income tax related to items that may be reclassified	<u>(7,193)</u>	<u>-</u>	<u>3,300</u>	<u>-</u>
8300	Other comprehensive income (net amount after tax) for the year	<u>37,593</u>	<u>1</u>	<u>(19,598)</u>	<u>(1)</u>
8500	Total comprehensive income for the year	<u>\$ 766,566</u>	<u>25</u>	<u>\$ 636,132</u>	<u>24</u>
	Net profit attributable to				
8610	Owners of the Company	\$ 669,589	22	\$ 562,282	22
8620	Non-controlling interests	<u>59,384</u>	<u>2</u>	<u>93,448</u>	<u>3</u>
8600		<u>\$ 728,973</u>	<u>24</u>	<u>\$ 655,730</u>	<u>25</u>
	Total comprehensive income attributable to				
8710	Owners of the Company	\$ 698,191	23	\$ 549,068	21
8720	Non-controlling interests	<u>68,375</u>	<u>2</u>	<u>87,064</u>	<u>3</u>
8700		<u>\$ 766,566</u>	<u>25</u>	<u>\$ 636,132</u>	<u>24</u>
	Earnings per share (Note 21)				
9710	Basic	<u>\$ 11.81</u>		<u>\$ 10.77</u>	
9810	Diluted	<u>\$ 11.61</u>		<u>\$ 10.49</u>	

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

(Please refer to Deloitte Taiwan's audit report dated March 10, 2025)

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, 2024 and 2023

Unit: NTD Thousand

Code		Equity attributable to owners of the Company							Other equity		Non-controlling interests	Total equity	
		Capital stock			Capital reserve	Retained earnings			Foreign Currency Translation Adjustment	Total			
		Common stock capital	Advance Receipts for Share Capital	Total		Statutory Reserve	Special reserves	Undistributed earnings					Total
A1	Balance on January 1, 2023	\$ 520,077	\$ -	\$ 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)	-	-	-	-	28,645	-	(28,645)	-	-	-	-	-
B1	Statutory Reserve	-	-	-	-	-	-	-	-	-	-	-	-
B17	Reversal of special reserves	-	-	-	-	-	(473)	473	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(130,019)	(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	-	4,470	15,644	-	-	-	-	-	20,114	-	20,114
Z1	Balance as of December 31, 2023	524,547	-	524,547	653,674	55,501	-	562,965	618,466	(9,499)	1,787,188	248,487	2,035,675
	Appropriation of 2023 earnings (Note 17)	-	-	-	-	-	-	-	-	-	-	-	-
B1	Statutory Reserve	-	-	-	-	27,149	-	(27,149)	-	-	-	-	-
B3	Provision of special reserve	-	-	-	-	-	9,499	(9,499)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(187,263)	(187,263)	-	(187,263)	-	(187,263)
D1	2024 net income	-	-	-	-	-	-	669,589	669,589	-	669,589	59,384	728,973
D3	Other comprehensive income after tax in 2024	-	-	-	-	-	-	(172)	(172)	28,774	28,602	8,991	37,593
D5	Total comprehensive income in 2024	-	-	-	-	-	-	669,417	669,417	28,774	698,191	68,375	766,566
E1	Capital increase in cash (Note 17)	50,570	-	50,570	1,144,693	-	-	-	-	-	1,195,263	-	1,195,263
N1	Share-based payment transactions (Notes 17 and 22)	4,130	5,498	9,628	32,728	-	-	-	-	-	42,356	-	42,356
T1	Cost of share issuance (Note 17)	-	-	-	(3,000)	-	-	-	-	-	(3,000)	-	(3,000)
Z1	Balance on December 31, 2024	\$ 579,247	\$ 5,498	\$ 584,745	\$ 1,828,095	\$ 82,650	\$ 9,499	\$ 1,008,471	\$ 1,100,620	\$ 19,275	\$ 3,532,735	\$ 316,862	\$ 3,849,597

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

(Please refer to Deloitte Taiwan's audit report dated March 10, 2025)

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, 2024 and 2023

Unit: NTD Thousand

Code		2024	2023
	Cash flow from operating activities		
A10000	Net income before tax for the current year	\$ 920,310	\$ 834,502
A20010	Income and expenses		
A20100	Depreciation expense	340,697	265,870
A20200	Amortization expense	14,656	12,958
A20300	Expected credit reversal gain	(15,721)	(99,374)
A20900	Finance Costs	28,836	19,969
A21200	Interest revenue	(18,473)	(10,140)
A21900	Share-based payment for remuneration	24,897	6,704
A22500	Disposal of property, plant and equipment losses (gains)	(21)	202
A23700	Impairment loss of non-financial assets	7,527	29,525
A29900	Inventory Write-off Loss	2,960	4,099
A29900	Amortization of deferred income	(6,855)	(6,098)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(249)	(3,810)
A31150	Accounts receivable	(4,614)	(101,072)
A31180	Other receivables	1,405	(1,605)
A31200	Inventory	(42,307)	(70,849)
A31230	Prepayments	4,929	(44,415)
A31240	Other current assets	(147)	208
A31990	Other non-current assets	255	255
A32125	Contract liabilities	(1,895)	(10,912)
A32150	Accounts payable	12,226	78,636
A32180	Other payables	(1,203)	98,974
A32230	Other current liabilities	(4,580)	4,541
A32240	Net defined benefit liability	528	135
A32990	Other non-current liabilities	8	(2,339)
A33000	Cash inflow from operations	1,263,169	1,005,964
A33100	Interest received	19,581	8,196
A33300	Interest paid	(22,065)	(13,590)
A33500	Income tax paid	(116,870)	(41,917)
AAAA	Net cash inflow from operating activities	1,143,815	958,653

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Code		2024	2023
	Cash flow from investing activities		
B02700	Purchase of property, plant and equipment	\$ (900,225)	\$(1,355,191)
B02800	Proceeds from the disposal of property, plant and equipment	21	96
B03700	Decrease (increase) in refundable deposits	(6,345)	2
B04500	Acquisition of intangible assets	(46,183)	(38,663)
B06500	Increase of other financial assets	<u>(253,800)</u>	<u>-</u>
BBBB	Net cash outflow from investing activities	<u>(1,206,532)</u>	<u>(1,393,756)</u>
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	40,100	265,782
C00200	Decrease in short-term borrowings	(190,100)	(115,782)
C01600	Borrowing of long-term loans	319,977	1,629,850
C01700	Repayment of long-term borrowings	(720,185)	(778,508)
C04020	Lease principal repayment	(46,068)	(29,346)
C04500	Distribution of cash dividends	(187,259)	(130,019)
C04600	Capital increase in cash	1,195,263	-
C04800	Exercise of employee stock options	17,459	13,410
C05400	Acquisition of shares of subsidiaries	-	(530,139)
C09900	Share issuance cost	<u>(3,000)</u>	<u>-</u>
CCCC	Net cash inflow from financing activities	<u>426,187</u>	<u>325,248</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>16,500</u>	<u>(8,490)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	379,970	(118,345)
E00100	Opening balance of cash and cash equivalents	<u>800,156</u>	<u>918,501</u>
E00200	Closing balance of cash and cash equivalents	<u>\$1,180,126</u>	<u>\$ 800,156</u>

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

(Please refer to Deloitte Taiwan's audit report dated March 10, 2025)

Chairman: Hsiu-Chuan
Huang



President: An Shih



Head of Accounting:
Hsing-Chuan Li



Independent Auditor's Report

To VIZIONFOCUS INC.:

Audit Opinions

The parent company balance sheets of Vizionfocus Inc. (the "Company") as of December 31, 2024 and December 31, 2023, and the parent company statements of comprehensive income, parent company statements of changes in equity, parent company statements of cash flows, and notes to the parent company financial statements (including a summary of significant accounting policies) for the years ended December 31, 2024 and 2023, have been audited by our firm.

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

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, 2024. 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, 2024 are stated as follows:

Revenue Recognition for Specific Customers

The management may face pressure to meet expected targets and market expectations, potentially using sales revenue to achieve these objectives. Transactions with specific customers involve overseas consignment warehouse arrangements, whereby sales revenue is recognized when customers actually withdraw goods from these warehouses. Therefore, we have identified the authenticity of sales revenue from customers with the aforementioned transaction types as a key audit matter.

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. We selected appropriate samples of specific customers from the sales details and examined customer orders, customer bills of lading, shipping documentation, and proof of payment collection. We also verified whether the payment recipients matched the transaction counterparties.
- III. 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.
- IV. We obtained details of annual sales returns and allowances, including those occurring after the reporting period, and examined whether there were any significant abnormal returns or allowances to confirm the authenticity of sales transactions recognized before 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 parent company only financial statements

The purpose of this accountant's audit of parent company only 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 parent company only 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, 2024 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 Hsiu-Wen Chen

CPA Yao-Lin Huang

Financial Supervisory Commission’s
 approval number

Jin-Guan-Zheng-Shen-Zi No.
 1120349008

Financial Supervisory Commission’s approval
 number

Jin-Guan-Zheng-Shen-Zi No. 1060004806

March 10, 2025

VIZIONFOCUS INC.
Parent company only balance sheet
December 31, 2024 and 2023

Unit: NTD Thousand

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 1,114,941	21	\$ 642,685	16
1170	Accounts receivable (Notes 4, 7, and 27)	289,106	6	305,760	8
1200	Other receivables (Note 27)	6,297	-	7,677	-
130X	Inventories (Notes 4, 5, and 8)	206,624	4	206,840	5
1410	Prepayments	57,174	1	35,426	1
1476	Other financial assets – current (Note 6)	29,900	1	-	-
1479	Other current assets	215	-	68	-
11XX	Total current assets	<u>1,704,257</u>	<u>33</u>	<u>1,198,456</u>	<u>30</u>
	Non-current assets				
1550	Investment under the equity method (Notes 4 and 9)	1,267,525	24	993,971	25
1600	Property, plant and equipment (Notes 4, 10 and 28)	1,969,271	39	1,502,445	38
1755	Right-of-use assets (Notes 4 and 11)	160,285	3	179,379	4
1780	Intangible assets (Notes 4 and 12)	71,354	1	44,194	1
1840	Deferred income tax assets (Note 4 and 20)	8,794	-	20,233	1
1915	Prepayment for equipment	3,467	-	49,923	1
1920	Refundable deposits	5,269	-	4,842	-
1990	Other non-current assets	64	-	319	-
15XX	Total non-current assets	<u>3,486,029</u>	<u>67</u>	<u>2,795,306</u>	<u>70</u>
1XXX	Total assets	<u>\$ 5,190,286</u>	<u>100</u>	<u>\$ 3,993,762</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)	3	-	4,082	-
2170	Accounts payable (Note 14)	128,500	2	131,759	4
2200	Other payables (Notes 15 and 27)	211,382	4	240,393	7
2230	Current income tax liabilities (Note 4 and 20)	59,747	1	53,568	1
2280	Lease liabilities - current (Notes 4 and 11)	30,354	1	26,960	1
2313	Deferred revenue (Notes 13 and 23)	4,107	-	6,391	-
2322	Long-term borrowings due within one year (Notes 13, 27, and 28)	156,078	3	173,169	4
2399	Other current liabilities	226	-	4,788	-
21XX	Total of current liabilities	<u>590,397</u>	<u>11</u>	<u>791,110</u>	<u>21</u>
	Non-current liabilities				
2540	Long-term borrowings (Notes 13, 27, and 28)	819,457	16	1,198,760	30
2570	Deferred income tax liabilities (Notes 4 and 20)	99,360	2	45,197	1
2580	Lease liabilities - non-current (Notes 4 and 11)	138,396	3	160,779	4
2630	Long-term deferred income (Notes 13 and 23)	8,463	-	9,993	-
2640	Net defined benefit liability (Notes 4 and 16)	1,478	-	735	-
25XX	Total non-current liabilities	<u>1,067,154</u>	<u>21</u>	<u>1,415,464</u>	<u>35</u>
2XXX	Total liabilities	<u>1,657,551</u>	<u>32</u>	<u>2,206,574</u>	<u>56</u>
	Equity (Note 17)				
	Capital stock				
3110	Common stock capital	579,247	11	524,547	13
3140	Advance Receipts for Share Capital	5,498	-	-	-
3100	Total Share Capital	<u>584,745</u>	<u>11</u>	<u>524,547</u>	<u>13</u>
3200	Capital reserve	<u>1,828,095</u>	<u>35</u>	<u>653,674</u>	<u>16</u>
	Retained earnings				
3310	Statutory Reserve	82,650	2	55,501	1
3320	Special reserves	9,499	-	-	-
3350	Undistributed earnings	1,008,471	20	562,965	14
3300	Total retained earnings	<u>1,100,620</u>	<u>22</u>	<u>618,466</u>	<u>15</u>
3400	Other equity				
3410	Foreign Currency Translation Adjustment	19,275	-	(9,499)	-
3XXX	Total equity	<u>3,532,735</u>	<u>68</u>	<u>1,787,188</u>	<u>44</u>
3X2X	Total liabilities and equity	<u>\$ 5,190,286</u>	<u>100</u>	<u>\$ 3,993,762</u>	<u>100</u>

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

(Please refer to Deloitte Taiwan's audit report dated March 10, 2025)

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, 2024 and 2023

Unit: NTD thousand

except earnings per share expressed in NTD

Code		2024		2023	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 4, 18, and 27)	\$ 1,894,453	100	\$ 1,700,818	100
5000	Operating costs (Notes 8, 19, and 27)	<u>1,189,147</u>	<u>63</u>	<u>1,061,601</u>	<u>62</u>
5900	Gross operating profit	<u>705,306</u>	<u>37</u>	<u>639,217</u>	<u>38</u>
	Operating expenses (Notes 7 and 19)				
6100	Sales promotion expenses	38,646	2	36,188	2
6200	Administrative expenses	66,169	3	74,274	5
6300	R&D expenses	72,980	4	65,609	4
6450	Expected credit reversal gain	<u>(5,770)</u>	<u>-</u>	<u>(778)</u>	<u>-</u>
6000	Total operating expenses	<u>172,025</u>	<u>9</u>	<u>175,293</u>	<u>11</u>
6900	Net operating profit	<u>533,281</u>	<u>28</u>	<u>463,924</u>	<u>27</u>
	Non-operating income and expenses (Notes 9, 19 and 27)				
7100	Interest revenue	12,578	-	6,517	-
7010	Other income	31,065	2	26,525	2
7020	Other gains and losses	26,902	1	(1,761)	-
7050	Finance Costs	(23,773)	(1)	(18,820)	(1)
7070	Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	<u>237,487</u>	<u>13</u>	<u>214,384</u>	<u>13</u>
7000	Total non-operating income and expenses	<u>284,259</u>	<u>15</u>	<u>226,845</u>	<u>14</u>
7900	Net income before tax	817,540	43	690,769	41
7950	Income tax expense (Notes 4 and 20)	<u>147,951</u>	<u>8</u>	<u>128,487</u>	<u>8</u>
8200	Net income for the year	<u>669,589</u>	<u>35</u>	<u>562,282</u>	<u>33</u>

(To be Continued)

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Code		2024		2023	
		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	\$ (215)	-	\$ (600)	-
8349	Income tax related to items not subject to reclassification	43	-	120	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Foreign Currency Translation Adjustment	35,967	2	(16,034)	(1)
8399	Income tax related to items that may be reclassified	(7,193)	-	3,300	-
8300	Other comprehensive income (net amount after tax) for the year	<u>28,602</u>	<u>2</u>	<u>(13,214)</u>	<u>(1)</u>
8500	Total comprehensive income for the year	<u>\$ 698,191</u>	<u>37</u>	<u>\$ 549,068</u>	<u>32</u>
	Earnings per share (Note 21)				
9710	Basic	<u>\$ 11.81</u>		<u>\$ 10.77</u>	
9810	Diluted	<u>\$ 11.61</u>		<u>\$ 10.49</u>	

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

(Please refer to Deloitte Taiwan's audit report dated March 10, 2025)

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, 2024 and 2023

Unit: NTD Thousand

Code		Capital stock			Capital reserve	Retained earnings				Other equity	Total equity
		Common stock capital	Advance Receipts for Share Capital	Total		Statutory Reserve	Special reserves	Undistributed earnings	Total	Foreign Currency Translation Adjustment	
A1	Balance on January 1, 2023	\$ 520,077	\$ -	\$ 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)
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	-	4,470	15,644	-	-	-	-	-	20,114
Z1	Balance as of December 31, 2023	524,547	-	524,547	653,674	55,501	-	562,965	618,466	(9,499)	1,787,188
	Appropriation and distribution of 2023 earnings (Note 17)										
B1	Statutory Reserve	-	-	-	-	27,149	-	(27,149)	-	-	-
B3	Provision of special reserve	-	-	-	-	-	9,499	(9,499)	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(187,263)	(187,263)	-	(187,263)
D1	2024 net income	-	-	-	-	-	-	669,589	669,589	-	669,589
D3	Other comprehensive income after tax in 2024	-	-	-	-	-	-	(172)	(172)	28,774	28,602
D5	Total comprehensive income in 2024	-	-	-	-	-	-	669,417	669,417	28,774	698,191
E1	Capital increase in cash (Note 17)	50,570	-	50,570	1,144,693	-	-	-	-	-	1,195,263
N1	Share-based payment transactions (Notes 17 and 22)	4,130	5,498	9,628	32,728	-	-	-	-	-	42,356
T1	Cost of share issuance (Note 17)	-	-	-	(3,000)	-	-	-	-	-	(3,000)
Z1	Balance on December 31, 2024	\$ 579,247	\$ 5,498	\$ 584,745	\$ 1,828,095	\$ 82,650	\$ 9,499	\$ 1,008,471	\$ 1,100,620	\$ 19,275	\$ 3,532,735

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

(Refer to the audit report of Deloitte Taiwan dated [Month] [Day], 2025)

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, 2024 and 2023

Unit: NTD Thousand

Code		2024	2023
	Cash flow from operating activities		
A10000	Net income before tax for the current year	\$ 817,540	\$ 690,769
A20010	Income and expenses		
A20100	Depreciation expense	221,817	187,330
A20200	Amortization expense	7,945	8,315
A20300	Expected credit reversal gain	(5,770)	(778)
A20900	Finance Costs	23,773	18,820
A21200	Interest revenue	(12,578)	(6,517)
A21900	Share-based payment for remuneration	24,897	6,704
A22400	Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	(237,487)	(214,384)
A22500	Gains from the disposal of property, plant and equipment	(21)	(8)
A23700	Impairment loss of non-financial assets	2,760	22,180
A29900	Inventory Write-off Loss	99	170
A29900	Amortization of deferred income	(6,855)	(6,098)
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	22,424	(76,374)
A31180	Other receivables	1,608	(4,168)
A31200	Inventory	(2,643)	(50,308)
A31230	Prepayments	(21,748)	(17,956)
A31240	Other current assets	(147)	208
A31990	Other non-current assets	255	255
A32125	Contract liabilities	(4,079)	(3,706)
A32150	Accounts payable	(3,259)	43,068
A32180	Other payables	(17,782)	78,001
A32230	Other current liabilities	(4,562)	4,317
A32240	Net defined benefit liability	528	135
A33000	Cash inflow from operations	806,715	679,975
A33100	Interest received	12,350	6,725
A33300	Interest paid	(16,994)	(12,053)
A33500	Income tax paid	(83,320)	(23,480)
AAAA	Net cash inflow from operating activities	<u>718,751</u>	<u>651,167</u>

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Code		2024	2023
	Cash flow from investing activities		
B02700	Purchase of property, plant and equipment	\$ (626,090)	\$(1,037,579)
B02800	Proceeds from the disposal of property, plant and equipment	21	8
B03700	Increase in refundable deposits	(427)	-
B04500	Acquisition of intangible assets	(33,072)	(26,223)
B06500	Increase of other financial assets	<u>(29,900)</u>	<u>-</u>
BBBB	Net cash outflow from investing activities	<u>(689,468)</u>	<u>(1,063,794)</u>
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	40,100	246,000
C00200	Decrease in short-term borrowings	(190,100)	(96,000)
C01600	Borrowing of long-term loans	317,750	1,629,850
C01700	Repayment of long-term borrowings	(717,958)	(756,323)
C04020	Lease principal repayment	(29,182)	(26,362)
C04500	Distribution of cash dividends	(187,259)	(130,019)
C04600	Capital increase in cash	1,195,263	-
C04800	Exercise of employee stock options	17,459	13,410
C05400	Acquisition of shares of subsidiaries	(100)	(512,727)
C09900	Share issuance cost	<u>(3,000)</u>	<u>-</u>
CCCC	Net cash inflow from financing activities	<u>442,973</u>	<u>367,829</u>
EEEE	Net increase (decrease) in cash and cash equivalents	472,256	(44,798)
E00100	Opening balance of cash and cash equivalents	<u>642,685</u>	<u>687,483</u>
E00200	Closing balance of cash and cash equivalents	<u>\$ 1,114,941</u>	<u>\$ 642,685</u>

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

(Please refer to Deloitte Taiwan's audit report dated March 10, 2025)

Chairman: Hsiu-Chuan

Huang



President: An Shih



Head of Accounting:

Hsing-Chuan Li



Attachment 3. Earnings Distribution Table

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 2024. 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 2025 Annual General Shareholders' Meeting, VIZIONFOCUS INC.

VIZIONFOCUS INC. Audit Committee

Audit Committee Convener: Cheng-Hung Chen

March 10, 2025

Attachment 4. Earnings Distribution Table

VIZIONFOCUS INC. and subsidiaries
Endorsements/guarantees for others
January 1 to December 31, 2024

Table 1

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 Shizhun Medical Equipment Co., Ltd.	Subsidiary	\$ 706,547	\$ 199,256	\$ 108,191	\$ -	\$ -	3.06	\$1,766,368	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.

Attachment 5. Earnings Distribution Table

VIZIONFOCUS INC. and subsidiaries
Mainland China Investment Information
January 1 to December 31, 2024

Table 5

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
					Remitted	Recovered							
Jiangsu Shizhun Medical Equipment Co., Ltd.	The main business includes R&D, design and production of contact lenses, wholesale and import and export of similar products of the above products.	\$ 717,376	(2)	\$ 1,097,607	\$ -	\$ -	\$ 1,097,607	\$ 296,920	80	\$ 237,536	\$ 1,267,448	\$ -	Notes 2 and 3

Name of Investment Company	Accumulated amount of outward remittances from Taiwan Amount of investment in Mainland China	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	The Company's operations in Mainland China Investment limit (Note 4)
Jiangsu Shizhun Medical Equipment Co., Ltd.	\$ 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) 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 Point 3 of the "Principles for Reviewing Investments or Technical Cooperation in Mainland China," revised and issued on August 29, 2008, under Order Jing-Shen-Zi 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.

2024 Earnings Distribution Table

Unit: NTD

Undistributed earnings at the beginning of the period		\$ 339,054,252
Net income after tax for the current year	\$ 669,589,495	
Remeasurement of defined benefit plan recognized in retained earnings	(172,478)	
Items other than the current net profit after tax plus the net profit after tax are included in		
Amount of items included in the undistributed earnings of the year		669,417,017
Provision of legal reserve (10%)		(66,941,702)
Reversal of special reserve (Note 1)		9,498,318
Current distributable earnings		951,027,885
Distribution items:		
Shareholder bonus – cash dividend of NT\$5.57 per share		(322,640,580)
Undistributed earnings at the end of the period		\$ 628,387,305

- Note 1. According to the Order of the Financial Supervisory Commission under Jin-Guan-Zheng-Fa-Zi No. 1090150022, the amount debited to the “Other shareholder’s equity” reversed, if any, may be distributed as earnings.
- Note 2. The earnings in 2024 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		Description
Article No.	Content	Article No.	Content	
Article 20	<p>If the Company makes a profit in the year, 1–12% of the profit shall be set aside as employee remuneration. <u>No less than 1% of the employee remuneration referred to in the preceding paragraph shall be distributed as the remuneration to the entry-level employees.</u> 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>	Article 20	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	Amended in response to Paragraph 6, Article 14 of the Securities and Exchange Act.

Amended provisions		Current provisions		Description
Article No.	Content	Article No.	Content	
	issued shares under Article 267 of the Company Act, and receive transferred shares.			
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. The 15th amendment was made on May 29, 2024. <u>The 16th amendment was made on May 23, 2025.</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. The 15th amendment was made on May 29, 2024.	Addition of an amendment date

Attachment 8. Comparison Table of Amendments to the “Procedure for the Acquisition or Disposal of Assets”

VIZIONFOCUS INC.

Comparison Table of Amendments to the “Procedure for the Acquisition or Disposal of Assets”

Amended provisions		Current provisions		Description
Article No.	Content	Article No.	Content	
Article 26	<p>The Company's control procedures for the acquisition or disposal of assets by subsidiaries:</p> <p>I. The Company's control procedures for the acquisition or disposal of assets by subsidiaries shall follow the Company's “Regulations Governing the Supervision and Management of the Subsidiaries.”</p> <p>II. The Company shall urge its subsidiaries to establish and implement the “Procedures for the Acquisition or Disposal of Assets” in accordance with the relevant provisions of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p> <p>III. <u>If a subsidiary has not yet established its own “Procedure for Acquisition or Disposal of Assets,” it will apply the parent company's relevant procedure.</u></p>	Article 26	<p>The Company's control procedures for the acquisition or disposal of assets by subsidiaries:</p> <p>I. The Company's control procedures for the acquisition or disposal of assets by subsidiaries shall follow the Company's “Regulations Governing the Supervision and Management of the Subsidiaries.”</p> <p>II. The Company shall urge its subsidiaries to establish and implement the “Procedures for the Acquisition or Disposal of Assets” in accordance with the relevant provisions of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p>	Amended in response to the Company’s practices.
Article 30	<p>The Procedure was established on June 17, 2020. The 1st amendment was made on September 15, 2021. The 2nd amendment was made on June 16, 2022. <u>The 3rd amendment was made on May 23, 2025.</u></p>	Article 30	<p>The Procedure was established on June 17, 2020. The 1st amendment was made on September 15, 2021. The 2nd amendment was made on June 16, 2022.</p>	Date of amendment

Attachment 9. Summarization of Positions Concurrently Held by the Company's Directors

Date: May 23, 2025

Director	Other companies where the director serves (full name)	Position held
Hsiu-Chuan Huang	Chang Wah Electromaterials Inc.	Juristic Person Director Representative
	Primax Electronics Ltd.	Independent Director
An Shih	Jiangsu Shizhun Medical Equipment Co., Ltd.	Chairman
	Chang Wah Technology Co., Ltd.	Juristic Person Director Representative
	Green Wealth Investments Limited	Chairman
	Clear Precise Investments Limited	Chairman
	Star Focus INC.	Juristic Person Director Representative
	Optical Connection Technology Inc.	Chairman

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) CB01010 Mechanical Equipment Manufacturing
 (2) CB01990 Other Machinery Manufacturing
 (3) CE01030 Optical Instruments Manufacturing
 (4) CE01990 Other Optics and Precision Instrument Manufacturing
 (5) CF01011 Medical Devices Manufacturing
 (6) CQ01010 Mold and Die Manufacturing
 (7) F106030 Wholesale of Molds
 (8) F107020 Wholesale of Dyes and Pigments
 (9) F107200 Wholesale of Chemical Feedstock
 (10) F108031 Wholesale of Medical Devices
 (11) F110020 Wholesale of Glasses
 (12) F208031 Retail Sale of Medical Apparatus
 (13) F401010 International Trade
 (14) I199990 Other Consulting Services
 (15) 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.
- Article 3-2: 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 subject to a resolution of the Company’s Board of Directors and the approval of the shareholdings’ meeting.

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. 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.
- 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. The 15th amendment was made on May 29, 2024.

VIZIONFOCUS INC.



Chairman: Hsiu-Chuan Huang



Appendix 2. “Procedures for the Acquisition or Disposal of Assets” (Before Amendment)

Chapter 1 General Provisions

Article 1 Purpose & Basis

In order to protect the investment and fulfill the information transparency, the Procedure is established in accordance with Article 36-1 of the Securities and Exchange Act and the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” set forth by the Financial Supervisory Commission. The Company's acquisition or disposal of assets shall be handled in accordance with the Procedure.

Article 2 Scope of Application

The scope of application for the assets referred to herein is as follows:

Investments in stocks, government bonds, corporate bonds, financial bonds, fund-based securities, depository receipts, call (put) warrants, beneficiary securities, and asset-backed securities.

- II. Real estate (including land, buildings, and structures, investment property) and equipment.
- III. Membership cards.
- IV. Intangible assets including patents, copyrights, trademarks and franchise, etc.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other major assets

Article 3 Definitions

The terms used herein are defined as follows:

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to the transfer of shares from another company through the issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156-3 of the Company Act.

- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
- VIII. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction in which it is located.
- IX. Over-the-counter venue (“OTC venue” or “OTC”): “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.
- X. For the calculation of 10% of total assets referred to herein, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 4

With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under the Procedure or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee. Further, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board of Directors, the Board shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

Any transaction involving major assets or derivatives that is subject to the approval of the Audit Committee pursuant to laws shall be approved by a majority of all Audit Committee members and submitted to the Board of Directors for a resolution. If approval from a majority of all Audit Committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the

Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The terms “all Audit Committee members” and “all directors” referred to herein shall be counted as the actual number of persons currently holding those positions.

Article 5 Professional appraisers and their officers, certified public accountants, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountants’ opinions, attorneys’ opinions, or underwriters’ opinions shall meet the following requirements:

- I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- II. May not be a related party or de facto related party of any party to the transaction.
- III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties to each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- II. When conducting a case, they shall appropriately plan and execute adequate working procedures in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusions shall be fully and accurately specified in the case working papers.
- III. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepare the report or opinion, confirming that they have evaluated and found the information used to be appropriate and reasonable, and that they have complied with applicable laws and regulations.

Article 6 Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 7 Limit of real property not for business use and right-of-use assets thereof or securities acquired by the Company

Total amount of real property not for business use and right-of-use assets thereof or securities acquired by the Company and each of its subsidiaries, and limits on individual securities, shall be subject to the following restrictions:

- (I) The total amount of real estate not for business use and right-of-use assets thereof shall not exceed 30% of the net worth referred to in each company's latest financial statements.
- (II) The total amount of securities acquired by the Company shall not exceed the net worth stated in the Company's latest financial statements. The total amount of securities acquired by a subsidiary shall not exceed the net worth stated in the subsidiary's latest financial statements.
- (III) The limit of individual securities acquired by the Company shall not exceed 50% of the net worth stated in the Company's latest financial statements. The limit of individual securities acquired by a subsidiary shall not exceed 50% of the net worth stated in the subsidiary's latest financial statements.

Chapter 2 Acquisition or disposal of real property, equipment or right-of-use assets thereof

Article 8 Procedure for the Acquisition or Disposal of Real Property, Equipment or Right-of-Use Assets Thereof

I. Evaluation procedure

(I) Method by which the price is determined

The price shall be authorized subject to the degree of authority delegated and the levels to which authority is delegated, after the execution units inquire, compare and negotiate for the price and prepare the analysis report.

(II) References

The reference shall be made to the publicly announced current value, assessed present value, the actual transaction price of the neighboring property or the right-of-use assets thereof, and the appraisal report issued in accordance with the provisions of Paragraph 3 of this Article.

II. Operating Procedures

(I) Degree of authority delegated and the levels to which authority is delegated

The Company's acquisition or disposal of real estate, equipment or right-of-use assets thereof shall be handled in accordance with the level of authority related to the Company's internal control system operations.

(II) Execution units

The executions of the Company's real property, equipment or right-of-use assets thereof refer to the requesting unit and related responsible units.

(III) Transaction process

1. For the acquisition of assets, the requesting unit shall prepare a capital expenditure plan and then assess the feasibility thereof. After that, the plan shall be sent to the Business Management Division to help the Division prepare the capital expenditure budget and execute and control the budget according to the plan.
2. For the disposal of assets, the requesting unit shall complete the application form or request the special approval to state the reasons and method of disposal, and may proceed with the disposal only upon

receipt of approval.

III. Appraisal Report

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

- (I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors. The same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- (II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
 2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
- (IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
- (V) The calculation of the transaction amounts shall be done in accordance with Paragraph 2, Article 22 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Chapter 3 Acquisition or disposal of securities

Article 9 Procedures for Acquisition or Disposal of Securities

I. Evaluation procedure

- (I) Method by which the price is determined

1. For the acquisition or disposal of securities traded on a centralized securities exchange market or OTC venue, the price shall be determined based on the price of the stock or bond prevailing at that moment.
2. For the acquisition or disposal of securities not traded on a centralized market or OTC venue, the price shall be determined by taking into consideration the net worth per share, profitability, future development potential, market interest rate, bond coupon rate and debtor's credit rating and in reference to the transaction price prevailing then.

(II) References

When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. Meanwhile, the Company also takes into consideration the professional opinions of the experts issued in accordance with Paragraph 3 of this Article.

II. Operating Procedures

(I) Degree of authority delegated and the levels to which authority is delegated

The Company's acquisition or disposal of the investment in securities shall be handled in accordance with the level of authority related to the Company's internal control system operations.

(II) Execution units

The financial unit is responsible for the execution.

(III) Transaction process

The execution units shall establish the assessment team to assess the feasibility before proceeding with it.

III. Expert opinions

(I) If the transaction amount of the acquisition or disposal of securities reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

(II) The calculation of the transaction amounts shall be done in accordance with Paragraph 2, Article 22 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Chapter 4 Acquisition or disposal of intangible assets or right-of-use assets thereof or membership cards

Article 10 Procedures for the acquisition or disposal of intangible assets or right-of-use assets

thereof or membership cards

I. Evaluation procedure

(I) Method by which the price is determined

The price shall be authorized subject to the degree of authority delegated and the levels to which authority is delegated, after the execution units prepare the analysis report.

(II) References

1. In the case of membership cards, it shall be determined based on the market price thereof.
2. In the case of intangible assets or right-of-use assets thereof, it shall be determined based on the expert opinions or market prices referred to in Paragraph 3 of this Article.

II. Operating Procedures

(I) Degree of authority delegated and the levels to which authority is delegated

The Company's acquisition or disposal of intangible assets or right-of-use assets thereof or membership cards shall be handled in accordance with the level of authority related to the Company's internal control system operations.

(II) Execution units

The requesting unit and related responsible units are responsible for the execution.

(III) Transaction process

The execution units shall establish the assessment team to assess the feasibility before proceeding with it.

III. Expert opinions

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

(II) The calculation of the transaction amounts shall be done in accordance with Paragraph 2, Article 22 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Chapter 5 Related party transactions

Article 11 Procedures for acquisition or disposal of assets from related parties

- I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and

the reasonableness of the transaction terms is appraised in accordance with Chapters 2, 3 and 4 and this Chapter herein, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with Chapters 2, 3 and 4 herein. The calculation of the transaction amount shall be conducted in accordance with Article 22, Paragraph 2, and the phrase “within the preceding year” as used herein means the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained in accordance with these procedures need not be counted toward the transaction amount. Further, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

- II. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription for or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and Board of Directors:
- (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 - (II) The reason for choosing the related party as a transaction counterparty.
 - (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 12 and Article 13 herein.
 - (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
 - (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
 - (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph.
 - (VII) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 22 herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee or Board of Directors pursuant to the Procedure need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the

Company's Board of Directors may delegate the Chairman of the Board to decide such matters when the transaction is within a certain amount, with the decisions subsequently submitted to and ratified by the next Board of Directors meeting.

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

When a transaction involving the acquisition or disposal of assets from or to a related party is submitted for discussion by the Board of Directors pursuant to said requirement, the Board of Directors shall take into full consideration each independent director's opinion. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

Where the Company or a subsidiary will have a transaction set out in Paragraph 1 and the transaction amount will reach 10% or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of Paragraph 1 to the shareholders' meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.

The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be made in accordance with Paragraph 2, Article 22 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders' meeting and Board of Directors as required need not be counted toward the transaction amount.

Article 12 Appraisal on the reasonableness of the transaction cost of the acquisition or disposal of real property or right-of-use assets thereof from a related party

- I. When acquiring real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:
 - (I) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - (II) Based on the total loan value appraisal from a financial institution, where the related party has previously created a mortgage on the property as security for a loan, provided that the actual cumulative amount loaned by the financial institution shall be 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- II. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the

preceding paragraph.

- III. When acquiring real property or right-of-use assets thereof from a related party, the Company shall appraise the cost of the real property or right-of-use assets thereof in accordance with Paragraph 1 and Paragraph 2 of this Article and shall also engage a CPA to check the appraisal and render a specific opinion.
- IV. Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 11 herein, and the preceding three paragraphs do not apply:
 - (I) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - (II) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - (III) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
 - (IV) The real property right-of-use assets for business use are acquired by the Company with its parent company or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.

Article 13 The burden of proof on reasonableness of the transaction price when the appraised price of real estate is lower than the transaction price

- I. When the results of the Company's appraisal conducted in accordance with Paragraph 1 and Paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 14 herein. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, this restriction shall not apply:
 - (I) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - 1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - 2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

(II) Where the Company, upon acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party, provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

II. The completed transactions involving neighboring or closely valued parcels of land referred to in the preceding paragraph in principle refer to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value. The transactions involving similarly sized parcels, in principle, refer to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction. The phrase “within the preceding year” refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Article 14 Resolution when the appraised price of the real property or right-of-use assets thereof is lower than the transaction price

I. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Article 12 and Article 13 herein are both uniformly lower than the transaction price, the following steps shall be taken:

(I) A special reserve shall be set aside in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in the Company, then the special reserve called for under Paragraph 1, Article 41 of the Act shall be set aside pro rata in a proportion consistent with the share of the public company’s equity stake in the Company.

(II) The independent directors of the Audit Committee shall comply with Article 218 of the Company Act.

(III) Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders’ meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

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

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

Chapter 6 Acquisition or disposal of derivatives

Article 15 Procedures for the acquisition or disposal of derivatives

I. Transaction principles and policies

(I) Types of transactions

1. The derivatives which the Company is engaged in refer to the forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. The Company may only undertake derivatives for hedging purposes. Any specific purpose contract may only be undertaken after being submitted to the Board of Directors for approval.

(II) Management (Hedging) Strategy

The Company shall engage in derivative transactions for hedging purposes and choose the trading instruments that may evade the foreign exchange rate risk and interest rate risk resulting from the Company’s business management. The Company shall adopt the stable and hedging principles for the operations. The currency types held by the Company shall be commensurate to the foreign currencies adopted by the Company for its export/import transactions physically, in order to pursue the offset of internal positions (foreign currency revenue and expenditure) throughout the Company on a voluntary basis, in principle, in order to mitigate the Company's overall foreign exchange risk and also save the costs in foreign exchange operations. Any other transactions for specific purposes shall be carefully evaluated and conducted only upon resolution by the Board of Directors.

(III) Division of Responsibilities

1. Business Management Division

(1) Trading staff

- A The trading staff, who are responsible for the formulation of the Company’s derivative trading strategy, are designated by the Chairman of the Board and in charge of derivative trading with financial institutions, subject to prior written authorization from the President and their immediate supervisors.
- B The staff shall pay attention to the market information at all times, analyze changes in various products from the basic and technical aspects, and report the latest information to the responsible supervisor.
- C They shall execute transactions subject to the level of authority and established strategies.
- D If there is a significant change in the financial market and the staff shall determine that the established strategy is no longer

applicable, an evaluation report will be proposed at any time, and the strategy will be reformulated as the basis for engaging in transactions.

(2) Confirmation of transaction: The trading confirmation staff will check and confirm that the trading confirmation form (or the statement of account) of the financial institution is identical to the trading order completed by the trading staff.

(3) Settlement staff: To execute the settlement.

(4) Accounting staff

A The Company shall present the relevant transactions and profit and loss results in a correct and appropriate manner on the financial statements in accordance with the relevant regulations (SFAS, etc.)

B Accounting and bookkeeping

C When engaging in derivatives trading, the Company shall establish a logbook in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under this article shall be recorded in detail in the logbook.

2. Internal auditors

The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.

(IV) Level of approval for derivatives

1. Hedging trading: The relevant personnel are authorized to undertake the transactions subject to the level of authority. Meanwhile, the transaction amount and profit/loss status of the previous month shall be reported to the Chairman of the Board in next month, and then to the latest Board of Directors meeting.

2. Any other transactions for specific purposes: To be conducted only upon resolution by the Board of Directors.

(V) Performance evaluation

I. Hedging trading

1. The performance evaluation is conducted based on the foreign exchange rate cost on the carrying amount of the Company and profit or loss derived from the derivatives trading which the Company is engaged in.

2. In order to fully verify and express the evaluation risk over transactions, the Company adopts the evaluation method on an O/A basis to evaluate the profit and loss.

3. The financial department shall provide the President and Chairman of the Board with the evaluation on foreign exchange positions,

foreign exchange market trends and market analysis for reference and guidance of the management.

II. Transactions for specific purposes

The actual profit and loss derived are used as the basis for performance evaluation, and the financial personnel shall regularly prepare statements to provide the management with the reference information.

(VI) Determination of total contract amount and limit of loss

1. Total contract amount

(1) Limit of hedging trading

The financial department shall verify the overall position of the Company to evade the trading risk. The hedging trading amount shall not exceed the Company's overall internal position (difference between the foreign currency current assets and foreign currency liabilities). The excess of the limit, if any, shall be reported to the Chairman of the Board for a resolution.

(2) Transactions for specific purposes

Based on the forecast about market changes, the Financial department may formulate strategies as needed, and execute the transaction only upon approval of the Board of Directors.

2. Determination of maximum loss limit

(1) The hedging trading aims to evade risks. The limits on aggregate losses or losses on individual contracts shall be limited to 20% of the total contract amount. Where the loss exceeds 20% of the contract amount, it must be reported to the senior management personnel designated by the Board of Directors to monitor and control the derivatives trading, the President and Chairman of the Board, and reported to the Board of Directors to discuss the necessary countermeasures.

(2) Where the transaction contract is for specific purpose, after the position is created, the stop-loss point shall be set to prevent excessive losses. The stop-loss point shall be no more than 10% of the contract amount. Where the loss exceeds 10% of the contract amount, it must be reported to the senior management personnel designated by the Board of Directors to monitor and control the derivatives trading, the President and Chairman of the Board, and reported to the Board of Directors to discuss the necessary countermeasures.

III. Risk management measures

(I) Credit risk management:

As the market is subject to changes resulting from various factors, the operational risk over derivatives can be easily caused. Therefore, the market risk management shall be conducted in accordance with the following principles:

Transaction counterparty: Primarily renowned domestic and foreign financial institutions, with the details described in the list provided by the

execution units and approved by the Chairman of the Board.

Trading instruments: Limited to those provided by renowned domestic and foreign financial institutions.

(II) Market price risk management:

Primarily based on the open foreign exchange market provided by banks, excluding futures markets.

(III) Liquidity risk management:

In order to ensure market liquidity, when choosing financial instruments, priority is given to high liquidity instruments (i.e., instruments that may be offset in the market at any time). The financial institutions entrusted with trading must have sufficient information and the ability to engage in trading in any market at any time.

(IV) Cash flow risk management:

In order to ensure the stability of the Company's working capital turnover, the Company's capital source for derivatives trading is limited to its own funds, and the operating amount shall take into account the capital demand forecast by the future cash flow.

(V) Operational risk management:

1. The Company shall duly observe the authorized limit and operating procedures, and incorporate internal audits, in order to evade the operational risk.
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.

(VI) Instrument risk management:

The internal traders shall have complete and correct professional knowledge of financial instruments, and also demand that the banks shall fully disclose risks to evade the risk over misuse of financial instruments.

(VII) Legal risk management:

The documents to executed with financial institutions shall be reviewed by professional personnel in foreign exchange and laws or legal advisors before execution of the documents, in order to evade the legal risk.

IV. Regular evaluation method and response to abnormal situations

- (I) The Board of Directors shall authorize the senior management personnel to regularly supervise and evaluate whether the derivatives trading precisely complies with the Company's derivatives trading procedures, and whether the risk undertaken falls within the permitted scope of tolerance. Any abnormality in the market price evaluation report (such as the position held in excess of the loss limit) shall be immediately reported to the Board of Directors, and countermeasures shall be adopted.

- (II) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedging trading required by the business shall be evaluated at least twice per month. The evaluation report shall be submitted to senior management personnel authorized by the Board of Directors.
- V. The monitoring and management principles adopted by the Board of Directors with respect to the derivatives trading
- (I) The Board of Directors shall designate the senior management personnel to pay attention to the monitoring and control of derivatives trading risk from time to time. The management principles are stated as following:
 - 1. Periodically evaluate whether the existing risk management measures are appropriate and precisely follow the Procedure.
 - 2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors. Independent directors shall be present at the Board of Directors meeting and express opinions.
 - (II) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.
 - (III) When engaging in the derivatives trading, the Company shall report to the soonest meeting of the Board of Directors after it authorizes the relevant personnel to handle derivatives trading in accordance with the Procedure.
 - (IV) When engaging in derivatives trading, the Company shall establish a logbook in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under subparagraph (2), Paragraph 3, and subparagraphs (1) and (2), Paragraph 4 of this Article shall be recorded in detail in the logbook.
- VI. Internal audit system
- (I) The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. Any material violation as discovered shall be reported to the Chairman of the Board in writing and notified to all supervisors.

Where independent directors have been appointed by the Company, for matters for which notice shall be given to the supervisors under the preceding paragraph, written notice shall also be given to the independent directors.
 - (II) After the Company's public offering, the internal auditors shall report the annual internal audit operation to the competent authority by the end of February of next year, and report the improvement of abnormalities, if any, to the competent authority by the end of May of next year for future reference according to the competent authority's requirements.

Chapter 7 Merger, demergers, acquisitions or transfer of shares

Article 16 Procedures for merger, demergers, acquisitions or transfer of shares

I. Evaluation procedure

(I) Method by which the price is determined

When conducting a merger, demerger, acquisition, or transfer of shares, the Company is advised to engage a CPA, attorney, or securities underwriter to jointly discuss the estimated timetable for the legal procedures and also organize a special task force to execute them in accordance with the legal procedures.

Prior to convening the Board of Directors meeting to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage.

(II) However, the requirement to obtain an opinion on reasonableness from an expert mentioned in the preceding paragraph may be waived in the case of a merger by the Company with a subsidiary in which it directly or indirectly holds 100% of the issued shares or authorized capital, as well as in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100% of the respective subsidiaries' issued shares or authorized capital.

II. Operating Procedures

(I) The levels to which authority is delegated

1. The Company shall submit it to the Board of Directors for deliberation and passage pursuant to the requirements referred to in the preceding paragraph.

2. Where the Company participates in a merger, demerger, acquisition, or transfer of shares, it shall prepare a public report for shareholders detailing important contractual contents and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting. This report shall be included, along with the expert opinion referred to in the preceding paragraph, when notifying shareholders of the meeting for their reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where the provision of another act exempts the Company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

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

(II) Execution units

The relevant units of the Company shall execute the same in accordance with the legal procedures.

(III) Procedures for convening shareholders' meetings and Board of Directors' meetings

1. Where the Company participates in a merger, demerger, or acquisition, the Company shall convene a Board of Directors meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
2. Where the Company participates in a transfer of shares, it shall convene a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

Article 17 Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the contents of the plan prior to the public disclosure of the information. Furthermore, they may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

When the Company participates in a merger, demerger, acquisition, or transfer of another company's shares, the company that is listed on an exchange or has its shares traded on an OTC venue shall prepare a full written record of the following information and retain it for 5 years for reference:

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

When the Company participates in a merger, demerger, acquisition, or transfer of another company's shares, the company that is listed on an exchange or has its shares traded on an OTC venue shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the format prescribed by the competent authority and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph for recordation.

Article 18 Where the Company participates in a merger, demerger, acquisition, or transfer of shares, the Company may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

- I. Cash capital increase, issuance of convertible corporate bonds, or the issuance of

bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities

- II. An action, such as a disposal of major assets, that affects the Company's financial operations.
- III. An event, such as a major disaster or major change in technology, that affects the Company's shareholder equity or share price.
- IV. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
- V. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
- VI. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 19 The contract for participation by the Company in a merger, demerger, acquisition, or transfer of shares shall record the rights and obligations of the Company, and shall also record the following:

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

Article 20 When the Company participates in a merger, demerger, acquisition, or transfer of shares, after public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders' meeting to resolve on the matter anew.

Article 21 Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of subparagraph 3, Paragraph 2 of Article 16, Article 17, and Article 20 herein.

Chapter 8 Information Disclosure

Article 22 Public announcement and regulatory filing procedures

- I. Under any of the following circumstances, the Company, upon acquiring or disposing of assets, shall publicly announce and report the relevant information on the website designated by the securities competent authority in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:
 - (I) The Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, provided that the same shall not apply, in the case of trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription for or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (II) Merger, demergers, acquisitions or transfer of shares
 - (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
 - (IV) Where the assets for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 1. The paid-in capital is less than NT\$10 billion and the transaction amount reaches NT\$500 million or more.
 2. The paid-in capital reaches NT\$10 billion or more and the transaction amount reaches NT\$5 billion or more.
 - (V) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
 - (VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 1. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 2. Trading of bonds under repurchase and resale agreements, or subscription for or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. The amount of transactions referred to in the preceding paragraph shall be

calculated as follows:

- (I) The amount of any individual transaction.
- (II) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
- (III) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
- (IV) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

“Within the preceding year” as used in this paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedure need not be counted toward the transaction amount.

- III. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding two paragraphs, a public report of relevant information shall be made on the information reporting website designated by the securities competent authority within 2 days counting inclusively from the date of occurrence of the event:
 - (I) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (III) Change to the originally publicly announced and reported information.
- IV. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the securities competent authority by the 10th day of each month.

Article 23 Public announcement and regulatory filing by subsidiaries

- I. Where any subsidiary of the Company is not a public company and the acquisition or disposal of assets by it is subject to the public announcement and regulatory filing standards under this Chapter or Chapter 3 herein, the Company shall act on behalf of the subsidiary to do so.
- II. The “20% of the paid-in capital or 10% of total assets” referred to in public announcement and regulatory filing standards under this Chapter that are applicable to the subsidiary referred to in the preceding paragraph shall be calculated based on the Company's paid-in capital or total assets.

Article 24 Correction of Information Disclosure

When the Company at the time of announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.

Article 25 Data Storage

The Company, upon acquiring or disposing of assets, shall keep all relevant contracts, meeting minutes, logbooks, appraisal reports, and opinions from CPAs, attorneys, and securities underwriters on file at the Company, where they shall be retained for 5 years, except where another act provides otherwise.

Chapter 9 Control procedures for the acquisition or disposal of assets by subsidiaries:

Article 26 The Company's control procedures for the acquisition or disposal of assets by subsidiaries:

- I. The Company's control procedures for the acquisition or disposal of assets by subsidiaries shall follow the Company's "Regulations Governing the Supervision and Management of the Subsidiaries."
- II. The Company shall urge its subsidiaries to establish and implement the "Procedures for the Acquisition or Disposal of Assets" in accordance with the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."

Chapter 10 Penalties

Article 27 Penalties

Where the employee of the Company violates the Regulations or Procedure Governing the Acquisition or Disposal of Assets when undertaking the acquisition or disposal of assets, the Company shall periodically report the violation for appraisal in accordance with the Company's personnel management regulations and shall impose penalties subject to the severity of the violation.

Chapter 11 Supplementary Provisions

Article 28 Enforcement and revision

Formation of or amendments to the Procedure shall be subject to the approval by a majority of all Audit Committee members and submitted to the Board of Directors for a resolution. If approval from a majority of all Audit Committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

When the Procedure is submitted for discussion by the Board of Directors as required, the Board of Directors shall take into full consideration each independent director's opinion. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

The Procedure shall be enforced after the approval of the Board of Directors and shareholders' meeting. The same shall apply where the Procedure is amended or abolished.

The terms “all Audit Committee members” referred to herein and “all directors” referred to in Paragraph 1 shall be counted as the actual number of persons currently holding those positions.

Article 29 Any matters not covered herein shall be governed by the related laws and regulations.

Article 30 The Procedure was 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 580,447,000, and the number of issued shares is 58,044,700 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 4,643,576 shares.
- III. The actual number of shares held by the directors is 12,261,639 shares, accounting for 21.13% of the total issued shares.

Book closure date: March 25, 2025

Title	Name	Date elected	Shares held on the book closure date		Notes
			Number of shares	Shareholding ratio	
Chairman	Hsiu-Chuan Huang	2024.05.29	2,840,643	4.89%	—
Director	Chang Wah Electromaterials Inc. Juristic Person Representative: Sheng-Tao Wu	2024.05.29	8,105,970	13.97%	—
Director	Angus Shih	2024.05.29	1,315,026	2.27%	—
Independent Director	Cheng-Hung Chen	2024.05.29	—	—	—
Independent Director	Yuan-Ching Wen	2024.05.29	—	—	—
Independent Director	Jin-Chang Jheng	2024.05.29	—	—	—
Independent Director	Ya-Wun Ciou	2024.05.29	—	—	—
Total shares held by directors			12,261,639	21.13%	—

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 2025 Annual General Shareholders' Meeting accepted shareholders' proposal applications from March 17, 2025 to March 26, 2025, which was already announced on the MOPS as required by law.
3. The Company did not receive any shareholder proposals.