

**Stock Code:6209**

# **KINKO OPTICAL CO., LTD.**

## **2025 Annual General Shareholders' Meeting**

### **Meeting Agenda Handbook**

(Translation)

June 17, 2025

**Notice to readers:**

This is a translation of the agenda handbook for the 2025 Annual General Shareholders' Meeting of Kinko Optical Co., Ltd. The translation is for reference only. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

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# **KINKO OPTICAL CO., LTD.**

## **Agenda of 2025 Regular Shareholders' Meeting**

Type of Meeting: Physical shareholders' meeting

Date: June 17, 2025 (Tuesday) at 9:00 A.M. (Check in at 8:30 A.M.)

Location: No. 32, Jing 1st Rd., Wuqi Dist., Taichung City (Conference room on the 4th floor of the Company's Chungkang Branch)

1. Call Meeting to Order
2. Chairperson's Remarks
3. Management Presentation (Company Reports) :
  - (1) The Company's 2024 Business Report
  - (2) Audit Committee's Review Report on the 2024 Final Accounting Books and Statements
4. Matters on Ratification, Deliberation, and Election:
  - (1) 2024 Business Report and Financial Statements
  - (2) Present the proposal of the Company's earning distribution/loss compensation for 2024 for ratification
  - (3) To revise the Articles of Incorporation
  - (4) The Election of Directors for the 16th Term of the Company
5. Questions and Motions
6. Adjournment

# **Management Presentation (Company Reports)**

## **I. The Company's 2024 Business Report**

Explanation: see Attachment 1 for business report in 2024. (Please refer to page 5 of this handbook)

## **II. Audit Committee's Review Report on the 2024 Final Accounting Books and Statements**

Explanation: see Attachment 2 for Audit Committee's Review Report on the 2024 Final Accounts of the Company. (Please refer to page 13 of this handbook)

# Matters on Ratification, Deliberation, and Election

Proposal 1

Proposed by the Board

Subject:

Adoption of the 2024 Business Report and Financial Statements

Explanatory Note:

(I) The financial statements of the Company for the year of 2024 have been audited and concluded by Wu, Lie-Dong and Liu, Li-Wei, certified public accountants, from Deloitte and Touche and an unqualified audit report has been issued, together with the business report, which has been examined and passed by the Audit Committee.

(II) The annual business report, accountant's audit report and financial statements in 2024 are shown in Attachment 1 and 3.(Please refer to pages 5, 14 of this handbook)

Resolution:

Proposal 2

Proposed by the Board

Subject:

Present the proposal of the Company's earning distribution/loss compensation for 2024 for ratification.

Explanatory Note:

The Company's Statement of Earnings Distribution / Loss Compensation for 2024 is as follows:

Statement of Earnings Distribution / Loss Compensation for 2024		
Item		Amount
Unappropriated retained earnings of prior years	\$	0
Current after-tax net profit (loss)		(130,217,927)
Remeasurement of Defined Benefit Plan		6,858,198
Recognized in Retained Earnings		
The amount of current after-tax net profit (loss) plus items other than the current after-tax net profit (loss) included in the undistributed earnings of the year		(123,359,729)
Legal reserve		0
Reversal of special reserve		0
Earnings available for distribution (losses to be compensated) for the period		(123,359,729)
Loss compensation from statutory reserves		123,359,729
Unappropriated retained earnings	\$	0

Chairperson:

Manager:

Accounting Supervisor:

CHEN, CHING-CHI

CHEN, YI-FANG

HUANG, WAN-TING

Resolution:

Proposal 3

Proposed by the Board

Subject: Discussion and Approval of Amendments to the Articles of Incorporation

Explanatory Note: In accordance with the Financial Supervisory Commission's Order No. 1130385442 dated November 8, 2024, listed companies are required to specify in their Articles of Incorporation a certain percentage of annual earnings to be allocated for salary adjustments or compensation distribution to basic-level employees. The proposed amendments to the Articles of Incorporation reflecting this requirement are detailed in Attachment 4. (Please refer to page 34 of this handbook.)

Resolution:

Proposal 4

Proposed by the Board

Subject: Election of Directors for the 16th Term

Explanatory Note: (I) The term of office for the Company's current directors will expire on June 16, 2025. A full re-election is proposed at this Annual General Meeting. An Audit Committee consisting entirely of independent directors will replace the supervisor system.  
(II) According to the Articles of Incorporation, a total of 10 directors (including 4 independent directors) shall be elected under the candidate nomination system.  
(III) The term of the newly elected directors will be three years, from June 17, 2025 to June 16, 2028.  
(IV) The list of nominated candidates was approved by resolution of the 16th meeting of the 15th Board of Directors, as shown in Attachment 5. (Please refer to page 36 of this handbook.)

Resolution:

## Questions and Motions

## Adjournment

## Attachment I

# 2024 Business Report

Hello, shareholders:

We appreciate the trust and support of all shareholders in the management team of Kinko Optical. The optical industry is a industry with over ten decades of history. However, with the ever-changing technology, the management team continues to introduce new technologies and launch new products. We will breakthroughs in the hope of returning fruitful business performance to the shareholders.

In 2024, the global economy faced numerous challenges, including geopolitical conflicts, supply chain restructuring, inflationary pressures, and shifting demand in major markets. In addition, price competition from Chinese enterprises, along with rising domestic costs such as electricity rates, consumer prices, and wages, have continued to erode our product development and operational performance.

As we enter 2025, the international political and economic landscape remains highly uncertain. Key factors include changes in monetary policies of major economies, growth opportunities in emerging markets, intensified technological competition, and the sweeping impact of AI-driven innovation. In response to these external conditions, we adopt a cautiously optimistic and prudent approach, carefully implementing key operational strategies. Internally, we continue to pursue improvement, breakthroughs, and innovation to enhance the Company's overall competitiveness. We look forward to achieving fruitful results in 2025. The following is a brief report on the operating results in 2024 and the business plan in 2025.

## I. 2024 business results

### (I) Implementation results of business plan

The net operating income of NT\$2,424,479 thousand in 2024 decreased by 10.10% compared with NT\$2,696,985 thousand in 2023, the net profit after tax was NT\$130,218 thousand and the after-tax earnings per share was NT\$(0.75).

Unit: NTD thousand; %

Item \ Year	Year 2024	Year 2023	Increase/decrease rate (%)
Net Operating Revenue	2,424,479	2,696,985	-10.10
Operating Gross Profit (note)	194,668	194,539	0.07
Operating Expenses	364,400	336,396	8.32
Operating Income (loss)	(169,732)	(141,857)	19.65
Profit (Loss) Before Income Tax	(100,441)	(78,614)	27.76
Profit (loss) for the period	(130,218)	(49,788)	161.54
Earnings (loss) per share (NT\$)	(0.75)	(0.29)	158.62

Note: It is the realized gross profit of sales after deducting unrealized/realized benefits between affiliated companies

### (II) Budget performance

Not applicable, the company did not disclose its financial forecast for Year 2024.

(III) Financial revenue and expenditure situation

Unit: NTD/thousand

Item	Consolidated in 2024	Parent in 2024	Consolidated in 2023	Parent in 2023
Opening cash balance	475,222	301,925	447,491	117,338
Net cash inflow (outflow) from operating activities	338,142	269,775	420,699	(122,405)
Net cash inflows (outflow) from investing activities	(78,846)	64,343	(210,902)	470,309
Net cash inflow (outflow) from financing activities	(346,956)	(347,655)	(165,573)	(163,317)
Ending cash balance	383,807	288,388	475,222	301,925

(IV) Profitability analysis

Unit: %

Item		Consolidated in 2024	Parent in 2024	Consolidated in 2023	Parent in 2023
Return on assets (%)		(3.11)	(3.03)	(0.99)	(0.92)
Return on shareholders' equity (%)		(4.38)	(4.38)	(1.59)	(1.59)
Percentage of paid-in capital (%)	Operating income	(9.73)	(12.02)	(8.14)	(3.43)
	Pre-tax net profit	(5.76)	(7.23)	(4.51)	(1.73)
Net profit margin (%)		(5.37)	(10.11)	(1.85)	(2.87)
Earnings (losses) per share (NT\$)		(0.75)	(0.75)	(0.29)	(0.29)

(V) Research and development status

1. R&D expenses in the last two years (including the proportion of net operating income)

Unit: NTD thousand; %

Item/Year	Year 2024	Year 2023
R&D expenses (A)	97,112	91,257
Net Operating revenues (B)	2,424,479	2,696,985
R&D expenses as a percentage of net operating revenue (A/B)	4.01	3.38



## 2. R&D achievements in the last two years

Year	R&D achievements
Year 2023	<p>Doorbell surveillance camera</p> <p>Smart speaker lens</p> <p>Sweeping robot lens</p> <p>Storage robot lens</p> <p>Machine vision lenses</p> <p>Monitoring wide-angle lens</p> <p>IOT application lens</p> <p>AR/VR lens</p> <p>Conference video equipment lenses</p> <p>Wearable camera lenses</p> <p>FRESNEL LENS</p> <p>Plastic prism</p> <p>Reflective lens assemblies and collimating lens assemblies for laser communication low-orbit satellites</p> <p>Large concentrator modules for solar energy storage</p> <p>ALD coating technology</p> <p>Indoor small UAV lenses</p> <p>Wide-angle lenses for driving monitoring</p> <p>Vehicle-mounted panoramic lens</p> <p>Car lens (mass production import)</p> <p>Wisdom car light</p> <p>Train monitoring lens</p> <p>ADAS lens</p> <p>Lidar lenses</p> <p>Infrared thermal imaging lenses</p>
Year 2024	<p>Doorbell surveillance camera</p> <p>Smart speaker lens</p> <p>Sweeping robot lens</p> <p>Storage robot lens</p> <p>Machine vision lenses</p> <p>Monitoring wide-angle lens</p> <p>IOT application lens</p> <p>AR/VR lens</p> <p>Conference video equipment lenses</p> <p>Wearable camera lenses</p> <p>Off-Axis Parabolic Mirror</p> <p>Pancake lenses</p> <p>T-Lens</p> <p>Indoor small UAV lenses</p> <p>Wide-angle lenses for driving monitoring</p> <p>Vehicle-mounted panoramic lens</p> <p>Car lens (mass production import)</p> <p>Wisdom car light</p> <p>Train monitoring lens</p> <p>ADAS lens</p> <p>Lidar lenses</p> <p>Infrared thermal imaging lenses</p> <p>Actively Heated Defogging/Defrosting Lens</p>

### 3. Future research and development strategy

#### **(1) The R&D of lenses for mid-to-high-end and forward-looking application fields.**

To continue to expand product development in multiple aspects, including but not limited to the following areas:

- automotive lenses 、 Lidar lenses 、 ADAS 、 Wisdom car light
- Infrared thermal imaging lenses 、 SWIR Lens 、 LWIR Lens
- Surveillance 、 Doorbell surveillance camera 、 Monitoring wide-angle lens 、 Large Aperture Lens 、 Low-Light Lens
- IOT application lens 、 train monitoring lenses 、 wide-angle lenses for driving monitoring
- Humanoid Robot Lens 、 Collaborative Robot Lens 、 AI Robotic Arm Lens 、 Sweeping robot lens 、 Storage robot lens
- Drone Lens 、 Indoor small UAV lenses 、 ToF lens 、 Stereo lens
- Actively Heated Defogging/Defrosting Lens 、 Active Self-Cleaning Lens
- Conference video equipment lenses 、 Smart speaker lens 、 Wearable camera lenses
- AR／VR lens
- Off-Axis Parabolic Mirror 、 Pancake lenses 、 T-Lens

We are continuously expanding our lens product line and developing high-value-added lens products, while avoiding entry into the low-price competitive market. With exceptional quality and a leading position in market innovation, we aim to build a strong competitive edge for the KINKO brand.

#### **(2) To deepen the technical needs of important brand customers.**

Regularly engage in technical exchanges with customers, proactively understand their needs to enhance interaction, continuously deepen the technical requirements of customers, and expand efforts to secure development projects.

#### **(3) Focusing on Key Business Opportunities Driven by IoT Market Demands**

Focusing on the demands of the IoT market, particularly in IK impact resistance mechanisms and defogging/defrosting technologies, the Company continues to advance related technologies to enhance product competitiveness.

#### **(4) Development of the Automotive Market and Autonomous Driving Technology**

With the rapid rise of the automotive market, the demand for automotive lenses, Lidar, and ADAS technologies continues to grow. The production technology has also seen significant improvements in yield. Currently, development is focused on composite technologies, such as active anti-fog and defogging designs.

**(5) Resource Integration and Technical Collaboration with System Suppliers**

Cooperate with the system of resources integration and technology, grasp the development direction of the forefront of the market, develop new application fields and create new product value.

**(6) Deepening IoT Integration and Monitoring Lens Quality**

Deepen IOT, monitor lens quality, win over several top customer bases for sales, and increase market share.

**(7) In-Depth Development of AR/VR Technology**

Continue to deepen the development of key technologies for AR/VR products, with a particular focus on AR/VR lenses and pancake optics, driving technological innovation.

**(8) Simulation Analysis and Optimization in the Design and Development Phase**

In the initial stage of design and development, preventive design, auxiliary design optimization and immediate solution of technical issues corresponding to customers are carried out by simulation analysis software, so as to effectively shorten the development time, reduce development costs and win customer recognition.

**(9) Patent Strategy and Technological Advancement**

Deepen the layout of patents and effectively control the Company's technical strengths and core resources, laying a solid foundation for future market competition.

**(10) Resource Integration and Production Efficiency Enhancement**

The effective integration of resources shortens the product development cycle, and the quality reaches increase, zero learning curve, seamless integration of development and production, high quality and high yield production and adheres to Design for manufacturing to achieve the highest benefit. Committed to the development of optical lens technology, the implementation of high-specification challenges, build high-tech, high-quality requirements, to create KINKO OPTICAL CO., LTD.'s core value.

## **II. Summary of 2025 business plan:**

**(I) Management policy**

1. Actively contribute to the earth's green environment, human civilization, life safety and social responsibility.
2. Become a first-class enterprise in image product design/development/manufacturing and a world-famous front-end optical factory.
3. Strengthen the core values of innovation, quality, speed and customer satisfaction.
4. Provide excellent innovative/safe and comfortable working environment, strengthen excellent corporate culture and share operating results with employees.

(II) Expected sales quantity and its basis

Not applicable, the company did not disclose its financial forecast for Year 2025.

(III) Important production, marketing and research policies

1. Master global industry trends and fluctuations, adjust the product structure based on the Company's strengths and capabilities, strengthen the advantages of glass-plastic hybrid lenses at KINKO OPTICAL CO., LTD., continuously develop far-infrared thermal imaging lens products, and recruit high-tech talent to participate in the R&D and production of future AR smart glass products.
2. In combination with the Company's optical and mechanism design capabilities and the production advantages of glass, plastic, molded lenses and dies, we will develop lenses for the Internet of Things, lenses for Advanced Driver-Assistance Systems (ADAS), far-infrared thermal imaging lenses, sensing lenses, Drone Lens, 3D face recognition lenses, video conference lenses, security lenses for home safety and road monitoring, and lenses for biometric identification; optical products required for VR/AR/MR products, machine vision lenses, niche projector lenses, etc.
3. Continue to promote Taiwan Province's KINKO OPTICAL CO., LTD. production system, improve the proposal system, eliminate waste, reduce costs and enhance profits.
4. Continue to recruit and expand the operation and R&D departments, recruit talented people and improve the ability of personnel to solve problems, strengthen the ability of management, R&D and sales through continuous reflection and continuous improvement, and build the constitution of sustainable management.
5. Cooperate with international brand manufacturers to develop new products, create a win-win situation, strive for large orders with high added value and long life and continue to grow revenue.
6. Actively participate in international exhibitions to secure orders from new customers and increase the company's visibility.

### **III. Future company development strategy**

(I) Short-term development plan

Our company constantly innovates and develops new technologies and improves the manufacturing process, so as to improve the production yield, reduce the cost and enhance the market competitiveness. We expect to be at the forefront of product application in optical imaging products. The short-term business development plan is as follows:

1. Increase the proportion of orders for high value-added mixed lenses.
2. Actively participate in international exhibitions to strive for new business opportunities and enhance the Company's visibility.
3. Adjust the product structure to produce products with high added value. Develop related lens products such as Internet of Things/vehicle-mounted/security monitoring/far infrared thermal imaging lens/Drone Lens/optical products required for AR/MR products/3D biometric lens.
4. Design innovation and improvement from the design source, improve the yield and manufacturability, reduce the cost and increase the gross profit margin.
5. Deepen the cooperation between the three places, shorten the manufacturing process (including seasoning ~ manufacturing ~ shipment).
6. Accelerate automation and effective use of shared group resources.

## (II) Medium-and long-term planning objectives

Developing new application products in the future and improving the market share of hybrid lenses are the primary goals of the company's future development.

1. Continue to develop new process technology/new product application to gather new customers.
2. Continue to apply for new invention/technology/new process patents to ensure intellectual property rights.
3. Deepen the development and cooperation with customers in Europe, America, Japan/Mainland/emerging markets and find strategic partners to jointly develop new products to ensure high added value markets.

## **IV. Influence of external competitive environment, regulatory environment and overall economic environment**

### (I) Influence on external competitive environment

Kinko utilizes its experience in optical design, manufacturing, and processing in response to major companies in Europe, America, and Japan, the advantage of development experience in optical parts and various lenses, and the advantage of production capacity to satisfy customers' requirements. Meanwhile, Kinko has also won the customers' trust for its prompt response and stable quality.

Infrared thermal imager can accurately quantify or measure the detected heat, not only can observe the thermal image, but can also accurately identify and analyze the heating fault area. It can be mainly used in monitoring, vehicle-mounted, medical care, electric power, steel, chemical industry and environmental monitoring, with a wide range of applications, which also makes the shipment of thermal imaging lenses deeply cultivated in KINKO OPTICAL CO., LTD. for many years increase.

The number of lenses equipped on automobiles is increasing, from reversing to taking an image in the early days, to the requirements of looking around system, lane deviation system, road condition identification in front, driver monitoring, cabin monitoring and replacing rearview mirrors. With the increasing demand for safety, automobile manufacturers gradually list lenses as standard equipment. In recent years, the rise of the electric vehicle market, car lens growth rate is high. KINKO OPTICAL CO., LTD. has cooperated with the international automotive electronic parts vehicle-mounted customers for many years and has rich product design and production experience. In addition, it has its own production line of glass, plastic, molded glass and molds and has all the design and manufacturing in-house. Its share in the vehicle-mounted market has begun to emerge and is gradually rising.

With the advent of the Internet of Everything and the rise of AI artificial intelligence, KINKO OPTICAL CO., LTD. has developed various IOT lenses, 3D sensing lenses and face recognition lenses according to the needs of major customers in Europe and America.

In the field of glass lenses and lenses, KINKO OPTICAL CO., LTD. is one of the few glass lens foundries in the world that can mass-produce high-quality lenses for monocular digital cameras. At the same time, there are also high-level security lenses, machine vision lenses, projector lenses, customized lenses, etc. and new models are constantly introduced.

In the future, we will continue to develop optical products with high performance and high added value, and at the same time choose materials and processes that meet the requirements of environmental protection, give back to society and customers with low cost and high quality and do our best for the global environment.

## (II) Influence of regulatory environment on the Company

In response to international trade ESG requirements, the Company has also kept abreast of all laws and regulations relevant to its operations and their changes in a timely and appropriate manner, assessed overall corporate risks through its internal control system, and adjusted its operations and implementation strategies accordingly.

## (III) Influence on overall economic environment

In 2024, under the influence of the continuous Russo-Ukrainian War, the Israel-Palestine conflict, and the US-China trade war, the needs of major customers have changed drastically. In this perilous environment, our company upholds a conscientious attitude, not only focusing on consolidating basic business and products, but also continuing to strengthen the management of production and marketing research, implement production innovation, continuously develop high-performance and high value-added products and actively develop new product markets.

It is expected that these business policies and plans can enhance the competitiveness of the company and let shareholders, customers and employees share the future business results. Finally, thank you again for your long-term support and trust, and wish you good health and all the best.

KINKO OPTICAL CO., LTD.

Chairperson: CHEN, CHING-CHI

Manager: CHEN, YI-FANG

Accounting Supervisor: HUANG, WAN-TING

## **Attachment II**

### **Audit Committee Review Report**

The Board of Directors has prepared and submitted the Company's 2024 operating report, individual financial statements, consolidated financial statements and surplus distribution plan, which have been reviewed by the Audit Committee and others and no discrepancies have been found. The financial statements have been audited by Wu, Lie-Dong and Liu, Li-Wei from Deloitte and Touche and an unqualified audit report has been issued for the record. Therefore, the report is prepared in accordance with Article 219 of the Company Act.

Please check

Yours truly

The Company's 2025 General Meeting of Shareholders

KINKO OPTICAL CO., LTD.

Convenor of the Audit Committee: YU,HUEY-MIN

May 07, 2025

## **Attachment III**

### **Independent Auditors' Report**

To the Board of Directors of Kinko Optical Co., Ltd.:

#### **Opinion**

We have audited the financial statements of Kinko Optical Co., Ltd. (the "Company" which comprise the balance sheets as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the financial statements, including a summary of significant accounting policies.

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

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

The key audit matter of the financial statements for the year ended December 31, 2024 is as follows:

##### **Revenue Recognition**

The main source of revenue of the Company is the revenue from the export of optical lenses and lenses, which are sold in various markets, including Mainland China and Southeast Asia. Some of these important customers have experienced significant growth in operating revenue, which has a significant impact on the financial statements, and the recognition of the revenue from the export of



optical lenses and lenses is considered as the key audit item. For the accounting policies related to revenue recognition, please refer to Note 4 to the individual financial statements.

The principal audit procedures that the Accountant has performed in respect of the above key audit items are as follows:

1. Understand and evaluate the design and implementation of internal controls related to audit and risk in the sales and collection cycle, and perform tests on their effectiveness.
2. Sampling from the self-selling goods details, reviewing the sales order and export declaration and other related documents, and checking whether the recipient is the same as the shipper.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Lie-Dong Wu and Li-Wei Liu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2025

Notice to Readers

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

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

**Kinko Optical Co., Ltd.**  
**Balance Sheets**  
**December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 288,388	7	\$ 301,925	7
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 , 8 and 31)	159,641	4	71,484	2
1136	Financial assets measured at amortized cost - current (Notes 4, 9 and 31)	155,687	4	352,869	8
1150	Notes receivable (Notes 4 and 23)	516	-	516	-
1170	Accounts receivable-net from unrelated parties (Notes 4, 10 and 23)	222,252	6	387,516	9
1200	Other receivables (Notes 4 and 30)	2,316	-	5,746	-
1220	Current tax assets (Notes 4 and 25)	6,193	-	1,306	-
1310	Inventories (Notes 4 and 11)	134,558	4	189,500	5
1470	Other current assets (Note 17)	9,431	-	6,744	-
11XX	Total current assets	<u>978,982</u>	<u>25</u>	<u>1,317,606</u>	<u>31</u>
	<b>Non-current assets</b>				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	16,465	-	30,355	1
1550	Investments accounted for using equity method (Notes 4 and 12)	1,732,456	44	1,607,736	37
1600	Property, plant and equipment (Notes 4, 13 and 31)	835,540	21	986,572	23
1755	Right-of-use assets (Notes 4 and 14)	25,273	1	27,757	-
1760	Investment property (Notes 4 and 15)	27,696	1	28,001	1
1840	Deferred tax assets (Notes 4 and 25)	225,715	6	246,204	6
1915	Prepayments for equipment	11,222	-	20,896	-
1990	Other non-current assets (Note 4, 17 and 21)	54,433	2	39,425	1
15XX	Total non-current assets	<u>2,928,800</u>	<u>75</u>	<u>2,986,946</u>	<u>69</u>
1XXX	<b>Total assets</b>	<u><b>\$ 3,907,782</b></u>	<u><b>100</b></u>	<u><b>\$ 4,304,552</b></u>	<u><b>100</b></u>
	<b>Liabilities and equity</b>				
	<b>Current liabilities</b>				
2100	Short-term borrowings (Notes 18 and 31)	\$ 263,000	7	\$ 97,000	2
2150	Notes payable	16,736	-	9,995	-
2170	Accounts payable - unrelated parties	75,378	2	111,484	2
2180	Accounts payable - related parties (Note 30)	380,676	10	369,944	9
2219	Other payables (Note 19)	111,378	3	122,523	3
2280	Lease liabilities - current (Notes 4 and 14)	3,434	-	4,151	-
2322	Long-term borrowings and bonds payable - current portion (Notes 18, 20 and 31)	46,353	1	421,522	10
2399	Other current liabilities (Note23 and 30)	65,380	2	38,074	1
21XX	Total current liabilities	<u>962,335</u>	<u>25</u>	<u>1,174,693</u>	<u>27</u>
	<b>Non-current liabilities</b>				
2541	Long-term borrowings (Notes 18 and 31)	10,694	-	57,047	1
2570	Deferred tax liabilities (Notes 4 and 25)	8,130	-	4,815	-
2580	Lease liabilities - non-current (Notes 4 and 14)	23,716	1	25,413	1
2645	Guarantee deposits received	172	-	172	-
25XX	Total non-current liabilities	<u>42,712</u>	<u>1</u>	<u>87,447</u>	<u>2</u>
2XXX	<b>Total liabilities</b>	<u>1,005,047</u>	<u>26</u>	<u>1,262,140</u>	<u>29</u>
	<b>Equity</b>				
	Share capital				
3110	Ordinary shares	1,743,724	45	1,743,288	41
3140	Prepaid capital	284	-	-	-
3200	Capital surplus	820,000	21	906,373	21
	Retained earnings				
3310	Legal reserve	381,439	9	414,317	10
3320	Special reserve	168,894	4	168,894	4
3350	Accumulated losses to be covered	( 123,360 )	( 3 )	( 32,878 )	( 1 )
3400	Other equity	( 88,246 )	( 2 )	( 157,582 )	( 4 )
3XXX	<b>Total equity</b>	<u>2,902,735</u>	<u>74</u>	<u>3,042,412</u>	<u>71</u>
	<b>Liabilities and total equity</b>	<u><b>\$ 3,907,782</b></u>	<u><b>100</b></u>	<u><b>\$ 4,304,552</b></u>	<u><b>100</b></u>

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

**Kinko Optical Co., Ltd.**  
**Statements of Comprehensive Income**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)**

Code		2024		2023	
		Amount	%	Amount	%
4000	<b>Operating revenues</b> (Notes 4, 23 and 30)	\$ 1,287,394	100	\$ 1,737,551	100
5000	<b>Operating costs</b> (Notes 11, 21, 24 and 30)	<u>1,280,771</u>	<u>99</u>	<u>1,590,021</u>	<u>92</u>
5900	<b>Operating gross profit</b>	6,623	1	147,530	8
5910	Unrealized profits on sales (Note 4)	( 5 )	-	( 7 )	-
5920	Realized profits on sales (Note 4)	<u>7</u>	<u>-</u>	<u>200</u>	<u>-</u>
5950	<b>Realized operating gross profit</b>	<u>6,625</u>	<u>1</u>	<u>147,723</u>	<u>8</u>
	<b>Operating expenses</b> (Notes 21 and 24)				
6100	Selling and marketing expenses	21,700	2	28,415	2
6200	General and administrative expenses	125,817	10	109,782	6
6300	Research and development expenses	68,792	5	69,286	4
6450	Expected credit losses (reversal of gains)	( <u>29</u> )	<u>-</u>	( <u>29</u> )	<u>-</u>
6000	Total operating expenses	<u>216,280</u>	<u>17</u>	<u>207,512</u>	<u>12</u>
6900	<b>Operating loss</b>	( <u>209,655</u> )	( <u>16</u> )	( <u>59,789</u> )	( <u>4</u> )
	<b>Non-operating income and expenses</b>				
7010	Other income (Notes 30)	3,647	-	3,971	-
7020	Other gains and losses (Notes 4 and 24)	23,533	2	13,866	1
7050	Finance costs (Notes 4 and 24)	( 7,250 )	-	( 8,429 )	-
7070	Share of profit or loss of subsidiaries recognized using the equity method (Note 4)	35,711	3	8,088	-
7100	Interest income (Note 4)	<u>27,978</u>	<u>2</u>	<u>12,112</u>	<u>1</u>
7000	Total non-operating revenues and expenses	<u>83,619</u>	<u>6</u>	<u>29,608</u>	<u>2</u>

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Code		2024		2023	
		Amount	%	Amount	%
7900	<b>Loss before income tax</b>	(\$ 126,036)	( 10)	(\$ 30,181)	( 2)
7950	Income tax expense (Notes 4 and 25)	<u>4,182</u>	<u>-</u>	<u>19,607</u>	<u>1</u>
8200	<b>Loss for the period</b>	( <u>130,218</u> )	( <u>10</u> )	( <u>49,788</u> )	( <u>3</u> )
	<b>Other comprehensive income</b>				
	(Note 4)				
8310	<b>Items not reclassified to profit or loss:</b>				
8311	Remeasurement of defined benefit plans	6,858	-	281	-
8316	Unrealized evaluation (losses) gains on investments in equity instruments measured at fair value through other comprehensive income	1,655	-	( 968 )	-
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation of financial statements of foreign operating institutions	71,629	6	( 20,113 )	( 1)
8367	Unrealized evaluation (losses) gains on investments in debt instruments measured at fair value through other comprehensive income	( <u>3,948</u> )	<u>-</u>	<u>941</u>	<u>-</u>
8300	<b>Other comprehensive income for the period (net of tax)</b>	<u>76,194</u>	<u>6</u>	( <u>19,859</u> )	( <u>1</u> )
8500	<b>Total comprehensive income (loss) for the period</b>	( <u><u>\$ 54,024</u></u> )	( <u><u>4</u></u> )	( <u><u>\$ 69,647</u></u> )	( <u><u>4</u></u> )
	<b>Loss per share</b>				
	(NT Dollars) (Note 26)				
9750	Basic	( <u><u>\$ 0.75</u></u> )		( <u><u>\$ 0.29</u></u> )	
9850	Diluted	( <u><u>\$ 0.75</u></u> )		( <u><u>\$ 0.29</u></u> )	

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

**Kinko Optical Co., Ltd.**  
**Statements of Changes in Equity**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

				Retained earnings (Note 22)			Other equity (Note 4)			
Code		Ordinary shares (Note 22)	Prepaid capital (Note 22)	Capital surplus (Notes 4, 22 and 27)	Legal reserve	Special reserve	Undistributed earnings (loss to be covered)	Exchange differences on translation of financial statements of foreign operating institutions	Unrealized evaluation profit (loss) on financial assets measured at fair value through other comprehensive income	Total equity
A1	Balance on January 1, 2023	\$ 1,742,286	\$ -	\$ 955,693	\$ 406,988	\$ 189,257	\$ 73,286	( \$ 142,744 )	\$ 5,302	\$ 3,230,068
	Appropriation and distribution of retained earnings for 2022									
B1	Legal reserve	-	-	-	7,329	-	( 7,329 )	-	-	-
B3	Special reserve	-	-	-	-	( 20,363 )	20,363	-	-	-
B5	Cash dividends of common stock	-	-	-	-	-	( 69,691 )	-	-	( 69,691 )
C15	Cash dividends allotted from capital surplus	-	-	( 52,269 )	-	-	-	-	-	( 52,269 )
N1	Share-based payment transactions	-	-	1,213	-	-	-	-	-	1,213
N1	Employee exercise of stock options	<u>1,002</u>	<u>-</u>	<u>1,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,738</u>
D1	Net loss for the period	-	-	-	-	-	( 49,788 )	-	-	( 49,788 )
D3	Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>281</u>	<u>( 20,113 )</u>	<u>( 27 )</u>	<u>( 19,859 )</u>
D5	Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 49,507 )</u>	<u>( 20,113 )</u>	<u>( 27 )</u>	<u>( 69,647 )</u>
Z1	Balance on December 31, 2023	1,743,288	-	906,373	414,317	168,894	( 32,878 )	( 162,857 )	5,275	3,042,412
	Appropriation and distribution of retained earnings for 2023									
B13	Legal reserve to cover the deficit	-	-	-	( 32,878 )	-	32,878	-	-	-
C15	Cash dividends allotted from capital surplus	-	-	( 87,164 )	-	-	-	-	-	( 87,164 )
I1	Conversion of corporate bonds into common shares	91	-	209	-	-	-	-	-	300
N1	Employee exercise of stock options	<u>345</u>	<u>284</u>	<u>582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,211</u>
D1	Net loss for the period	-	-	-	-	-	( 130,218 )	-	-	( 130,218 )
D3	Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,858</u>	<u>71,629</u>	<u>( 2,293 )</u>	<u>76,194</u>
D5	Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 123,360 )</u>	<u>71,629</u>	<u>( 2,293 )</u>	<u>( 54,024 )</u>
Z1	Balance on December 31, 2024	<u>\$ 1,743,724</u>	<u>\$ 284</u>	<u>\$ 820,000</u>	<u>\$ 381,439</u>	<u>\$ 168,894</u>	<u>( \$ 123,360 )</u>	<u>( \$ 91,228 )</u>	<u>\$ 2,982</u>	<u>\$ 2,902,735</u>

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

**Kinko Optical Co., Ltd.**  
**Statements of Cash Flows**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

Code		2024	2023
	<b>Cash flows from operating activities</b>		
A10000	<b>Net loss before income tax</b>	(\$ 126,036)	(\$ 30,181)
	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	225,180	233,792
A20200	Amortization expense	1,929	557
A20300	Expected credit losses (reversal of gains)	( 29)	29
A20400	Net loss (profit) on financial assets and liabilities at fair value through profit or loss	( 1,460)	4,355
A20900	Finance costs	7,250	8,429
A21200	Interest income	( 27,978)	( 12,112)
A21300	Dividend income	( 591)	( 1,716)
A21900	Share-based compensation cost	-	1,213
A22400	Share of profit of subsidiaries recognized using the equity method	( 35,711)	( 8,088)
A22500	Loss on disposal of property, plant and equipment	40	-
A23100	Loss on disposal of investments	1,203	-
A23800	Loss on decline in value of inventories and doubtful accounts (reversal of gains)	( 7,521)	( 4,723)
A24000	Realized profits on sales	( 2)	( 193)
A24100	Unrealized foreign currency exchange losses	9,173	16,465
A29900	Gain from lease modification	( 23)	-
A30000	<b>Net changes in operating assets and liabilities</b>		
A31115	Mandatory financial assets at fair value through profit or loss	-	3,112
A31130	Notes receivable	-	( 516)
A31150	Accounts receivable	168,220	139,722
A31180	Other receivables	3,972	765
A31200	Inventories	67,357	7,726
A31240	Other current assets	( 2,622)	( 5,073)
A31990	Net defined benefit assets	( 6,547)	( 6,968)
A32130	Notes payable	6,741	4,041
A32150	Accounts payable	( 54,181)	( 441,200)
A32180	Other payables	( 2,570)	( 23,550)
A32230	Other current liabilities	26,192	( 14,462)
A33000	Cash inflows (outflows) from operations	251,986	( 128,576)
A33100	Interest received	27,978	12,112
A33300	Interest paid	( 5,302)	( 5,300)
A33500	Income tax paid	( 4,887)	( 641)
AAAA	<b>Net cash inflows (outflows) from operating activities</b>	<u>269,775</u>	<u>( 122,405)</u>

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Code		2024	2023
	<b>Cash flows from investing activities</b>		
B00010	Acquisition of financial assets at fair value through other comprehensive income	( \$ 115,067 )	( \$ 12 )
B00020	Disposal of financial assets at fair value through other comprehensive income	30,617	-
B00040	Acquisition of financial assets measured at amortized cost	( 362,758 )	( 352,869 )
B00050	Disposal of financial asset measured at amortized cost	569,853	159,948
B00100	Acquisition of financial assets at fair value through profit and loss	( 16,053 )	( 32,030 )
B00200	Disposal of financial assets at fair value through profit and loss	32,030	-
B02400	Return of shares from capital reduction of subsidiaries	-	423,203
B02700	Acquisition of property, plant and equipment	( 55,916 )	( 109,033 )
B03700	Increase in refundable deposits	( 743 )	( 2,330 )
B03800	Decrease in refundable deposits	329	197
B04500	Acquisition of intangible assets	( 1,403 )	-
B07100	Increase in prepayments for equipment	( 17,137 )	( 27,610 )
B07600	Dividends received from subsidiaries and others	591	134,696
B09900	Decrease in cash surrender value of life insurance	-	276,149
BBBB	<b>Net cash inflows from investing activities</b>	<u>64,343</u>	<u>470,309</u>
	<b>Cash flows from financing activities</b>		
C00100	Increase in short-term borrowings	670,000	97,000
C00200	Decrease in short-term borrowings	( 504,000 )	( 59,298 )
C01300	Repayment of corporate bonds	( 349,700 )	-
C01700	Repayment of long-term borrowings	( 73,470 )	( 74,542 )
C03000	Guarantee deposit received increases	-	172
C04020	Lease principal repayment	( 4,532 )	( 7,427 )
C04500	Payment of cash dividends	( 87,164 )	( 121,960 )
C04800	Employee exercise of stock options	<u>1,211</u>	<u>2,738</u>
CCCC	<b>Net cash outflows from financing activities</b>	<u>( 347,655 )</u>	<u>( 163,317 )</u>
EEEE	<b>Net increase (decrease) in cash and cash equivalents</b>	( 13,537 )	184,587
E00100	<b>Cash and cash equivalents at beginning of period</b>	<u>301,925</u>	<u>117,338</u>
E00200	<b>Cash and cash equivalents at end of period</b>	<u><b>\$ 288,388</b></u>	<u><b>\$ 301,925</b></u>

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



## **Statement of Consolidated Financial Statements of Related Enterprises**

The entities that are required to be included in the combined financial statements of Kinko Optical Co., Ltd. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Kinko Optical Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Hereby declare

Company name: Kinko Optical Co., Ltd.

Responsible person: Ching-Chi, Chen

Date: March 12, 2025

## **Independent Auditors' Report**

To the Board of Directors of Kinko Optical Co., Ltd.:

### **Opinion**

We have audited the consolidated financial statements of Kinko Optical Co., Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and Standards Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

## **Key Audit Matters**

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

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2024 is as follows:

### **Revenue Recognition**

The main source of revenue of Group is the revenue from the export of optical lenses and lenses, which are sold in various markets, including Mainland China and Southeast Asia. Some of these important customers have experienced significant growth in operating revenue, which has a significant impact on the financial statements, and the recognition of the revenue from the export of optical lenses and lenses is considered as the key audit item. For the accounting policies related to revenue recognition, please refer to Note 4 to the Consolidated Financial Statements.

The principal audit procedures that the Accountant has performed in respect of the above key audit items are as follows:

1. Understand and evaluate the design and implementation of internal controls related to audit and risk in the sales and collection cycle, and perform tests on their effectiveness.
2. Sampling from the self-selling goods details, reviewing the sales order and export declaration and other related documents, and checking whether the recipient is the same as the shipper.

## **Other Matters**

The Company has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. 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.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Lie-Dong Wu and Li-Wei Liu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2025

Notice to Readers

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

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

**Kinko Optical Co., Ltd. And Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 383,807	10	\$ 475,222	12
1120	Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 31)	159,641	4	71,484	2
1136	Financial assets measured at amortized cost - current (Notes 4, 9 and 31)	286,827	7	460,336	11
1150	Notes receivable (Notes 4 and 23)	103,330	3	57,943	1
1170	Accounts receivable, net (Note 4, 10 and 23)	611,945	16	628,639	15
1200	Other receivables (Note 4)	6,680	-	18,680	-
1220	Current tax assets (Notes 4 and 25)	8,040	-	1,306	-
1310	Inventories (Notes 4 and 11)	542,429	14	533,445	13
1470	Other current assets (Note 17)	<u>65,543</u>	<u>2</u>	<u>27,694</u>	<u>1</u>
11XX	Total current assets	<u>2,168,242</u>	<u>56</u>	<u>2,274,749</u>	<u>55</u>
	<b>Non-current assets</b>				
1510	Financial assets at fair value through profit and loss - non-current (Notes 4 and 7)	16,465	-	30,355	1
1600	Property, plant and equipment (Notes 4, 13 and 31)	1,240,737	32	1,351,486	33
1755	Right-of-use assets (Notes 4 and 14)	46,046	1	48,229	1
1760	Investment Property (Notes 4 and 15)	27,696	1	28,001	1
1840	Deferred tax assets (Notes 4 and 25)	256,006	7	296,137	7
1915	Prepayments for equipment	79,852	2	26,736	1
1990	Other non-current assets (Note 4, 17 and 21)	<u>66,789</u>	<u>1</u>	<u>53,245</u>	<u>1</u>
15XX	Total non-current assets	<u>1,733,591</u>	<u>44</u>	<u>1,834,189</u>	<u>45</u>
1XXX	<b>Total assets</b>	<u><b>\$ 3,901,833</b></u>	<u><b>100</b></u>	<u><b>\$ 4,108,938</b></u>	<u><b>100</b></u>
	<b>Liabilities and equity</b>				
	<b>Current liabilities</b>				
2102	Short-term borrowings (Notes 18 and 31)	\$ 263,000	7	\$ 97,000	3
2150	Notes payable	16,736	-	9,995	-
2170	Accounts payable - unrelated parties	306,435	8	245,614	6
2180	Accounts payable - related parties (Note 30)	418	-	596	-
2219	Other payables (Note 19)	220,898	6	170,063	4
2280	Lease liabilities - current (Notes 4 and 14)	3,434	-	4,151	-
2322	Long-term borrowings and bonds payable-current portion (Notes 18, 20 and 31)	46,353	1	421,522	10
2399	Other current liabilities (Note 23)	<u>97,844</u>	<u>3</u>	<u>29,604</u>	<u>1</u>
21XX	Total current liabilities	<u>955,118</u>	<u>25</u>	<u>978,545</u>	<u>24</u>
	<b>Non-current liabilities</b>				
2541	Long-term borrowings (Notes 18 and 31)	10,694	-	57,047	1
2570	Deferred tax liabilities (Notes 4 and 25)	8,130	-	4,815	-
2580	Lease liabilities - non-current (Notes 4 and 14)	23,716	1	25,413	1
2645	Guarantee deposit received	<u>1,440</u>	<u>-</u>	<u>706</u>	<u>-</u>
25XX	Total non-current liabilities	<u>43,980</u>	<u>1</u>	<u>87,981</u>	<u>2</u>
2XXX	<b>Total liabilities</b>	<u>999,098</u>	<u>26</u>	<u>1,066,526</u>	<u>26</u>
	<b>Equity attributable to owners of the Company</b>				
	Share capital				
3110	Ordinary shares	1,743,724	45	1,743,288	43
3140	Prepaid capital	284	-	-	-
3200	Capital surplus	820,000	21	906,373	22
	Retained earnings				
3310	Legal reserve	381,439	9	414,317	10
3320	Special reserve	168,894	4	168,894	4
3350	Accumulated losses to be covered	( 123,360 )	( 3 )	( 32,878 )	( 1 )
3400	Other equity	<u>( 88,246 )</u>	<u>( 2 )</u>	<u>( 157,582 )</u>	<u>( 4 )</u>
3XXX	<b>Total equity</b>	<u>2,902,735</u>	<u>74</u>	<u>3,042,412</u>	<u>74</u>
	<b>Liabilities and total equity</b>	<u><b>\$ 3,901,833</b></u>	<u><b>100</b></u>	<u><b>\$ 4,108,938</b></u>	<u><b>100</b></u>

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

**Kinko Optical Co., Ltd. And Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2024 and 2023**  
(Expressed in Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

Code		2024		2023	
		Amount	%	Amount	%
4000	<b>Operating revenues</b> (Notes 4 and 23)	\$ 2,424,479	100	\$ 2,696,985	100
5000	<b>Operating costs</b>				
	(Notes 11, 21, 24 and 30)	<u>2,229,811</u>	<u>92</u>	<u>2,502,446</u>	<u>93</u>
5900	<b>Operating gross profit</b>	<u>194,668</u>	<u>8</u>	<u>194,539</u>	<u>7</u>
	<b>Operating expenses</b> (Notes 21 and 24)				
6100	Selling and marketing expenses	38,797	2	41,238	1
6200	General and administrative expenses	228,520	9	207,809	8
6300	Research and development expenses	97,112	4	91,257	3
6450	Expected credit losses				
	(reversal of gains)	( <u>29</u> )	<u>-</u>	( <u>3,908</u> )	<u>-</u>
6000	Total operating expenses	<u>364,400</u>	<u>15</u>	<u>336,396</u>	<u>12</u>
6900	<b>Operating loss</b>	( <u>169,732</u> )	( <u>7</u> )	( <u>141,857</u> )	( <u>5</u> )
	<b>Non-operating income and expenses</b>				
7010	Other income (Notes 30)	11,119	-	14,456	-
7020	Other gains and losses				
	(Notes 4 and 24)	27,320	1	37,420	1
7050	Finance costs (Notes 4 and 24)	( 7,250 )	-	( 8,429 )	-
7100	Interest income (Note 4)	<u>38,102</u>	<u>2</u>	<u>19,796</u>	<u>1</u>
7000	Total non-operating revenues and expenses	<u>69,291</u>	<u>3</u>	<u>63,243</u>	<u>2</u>
7900	<b>Loss before income tax</b>	( 100,441 )	( 4 )	( 78,614 )	( 3 )
7950	Income tax profits (expenses)				
	(Notes 4 and 25)	( <u>29,777</u> )	( <u>1</u> )	<u>28,826</u>	<u>1</u>
8200	<b>Loss for the period</b>	( <u>130,218</u> )	( <u>5</u> )	( <u>49,788</u> )	( <u>2</u> )

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Code		2024		2023	
		Amount	%	Amount	%
	<b>Other comprehensive income (Note 4)</b>				
8310	<b>Items not reclassified to profit or loss:</b>				
8311	Remeasurement of defined benefit plans	\$ 6,858	-	\$ 281	-
8316	Unrealized evaluation (losses) gains on investments in equity instruments measured at fair value through other comprehensive income	1,655	-	( 968 )	-
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation of financial statements of foreign operating institutions	71,629	3	( 20,113 )	( 1 )
8367	Unrealized evaluation (losses) gains on investments in debt instruments measured at fair value through other comprehensive incomes	( 3,948 )	-	941	-
8300	<b>Other comprehensive income for the period (net of tax)</b>	<u>76,194</u>	<u>3</u>	<u>( 19,859 )</u>	<u>( 1 )</u>
8500	<b>Total comprehensive income (loss) for the period</b>	<u><b>( \$ 54,024 )</b></u>	<u><b>( 2 )</b></u>	<u><b>( \$ 69,647 )</b></u>	<u><b>( 3 )</b></u>
	<b>Loss per share</b>				
	<b>(NT Dollars) (Note 26)</b>				
9750	Basic	<u><b>( \$ 0.75 )</b></u>		<u><b>( \$ 0.29 )</b></u>	
9850	Diluted	<u><b>( \$ 0.75 )</b></u>		<u><b>( \$ 0.29 )</b></u>	

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



**Kinko Optical Co., Ltd. And Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2024 and 2023**  
(Expressed in Thousands of New Taiwan Dollars)

		Equity attributable to owners of the Company						Other equity (Note 4)		
					Retained earnings (Note 22)					
Code		Ordinary shares (Note 22)	Prepaid capital (Note 22)	Capital surplus (Notes 4, 22 and 27)	Legal reserve	Special reserve	Undistributed earnings (loss to be covered) (Note 22)	Exchange differences on translation of financial statements of foreign operating institutions	Unrealized evaluation profit (loss) on financial assets measured at fair value through other comprehensive income	Total equity
A1	Balance on January 1, 2023	\$ 1,742,286	\$ -	\$ 955,693	\$ 406,988	\$ 189,257	\$ 73,286	( \$ 142,744 )	\$ 5,302	\$ 3,230,068
	Appropriation and distribution of retained earnings for 2022									
B1	Legal reserve	-	-	-	7,329	-	( 7,329 )	-	-	-
B3	Special reserve	-	-	-	-	( 20,363 )	20,363	-	-	-
B5	Cash dividends of common stock	-	-	-	-	-	( 69,691 )	-	-	( 69,691 )
C15	Cash dividends allotted from capital surplus	-	-	( 52,269 )	-	-	-	-	-	( 52,269 )
N1	Share-based payment transactions	-	-	1,213	-	-	-	-	-	1,213
N1	Employee exercise of stock options	1,002	-	1,736	-	-	-	-	-	2,738
D1	Net loss for the period	-	-	-	-	-	( 49,788 )	-	-	( 49,788 )
D3	Other comprehensive income for the period	-	-	-	-	-	281	( 20,113 )	( 27 )	( 19,859 )
D5	Total comprehensive income for the period	-	-	-	-	-	( 49,507 )	( 20,113 )	( 27 )	( 69,647 )
Z1	Balance on December 31, 2023	1,743,288	-	906,373	414,317	168,894	( 32,878 )	( 162,857 )	5,275	3,042,412
	Appropriation and distribution of retained earnings for 2023									
B13	Legal reserve to cover the deficit	-	-	-	( 32,878 )	-	32,878	-	-	-
C15	Cash dividends allotted from capital surplus	-	-	( 87,164 )	-	-	-	-	-	( 87,164 )
I1	Conversion of corporate bonds into common shares	91	-	209	-	-	-	-	-	300
N1	Employee exercise of stock options	345	284	582	-	-	-	-	-	1,211
D1	Net profit for the period	-	-	-	-	-	( 130,218 )	-	-	( 130,218 )
D3	Other comprehensive income for the period	-	-	-	-	-	6,858	71,629	( 2,293 )	76,194
D5	Total comprehensive income for the period	-	-	-	-	-	( 123,360 )	71,629	( 2,293 )	( 54,024 )
Z1	Balance on December 31, 2024	\$ 1,743,724	\$ 284	\$ 820,000	\$ 381,439	\$ 168,894	( \$ 123,360 )	( \$ 91,228 )	\$ 2,982	\$ 2,902,735

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

**Kinko Optical Co., Ltd. And Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

Code		2024	2023
	<b>Cash flows from operating activities</b>		
A10000	<b>Net loss before income tax</b>	(\$ 100,441)	(\$ 78,614)
	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	277,913	293,710
A20200	Amortization expense	1,929	557
A20300	Expected credit losses (reversal of gains)	( 29)	( 3,908)
A20400	Net loss (profit) on financial assets and liabilities at fair value through profit or loss	( 1,460)	4,355
A20900	Finance costs	7,250	8,429
A21200	Interest income	( 38,102)	( 19,796)
A21300	Dividend income	( 591)	( 1,716)
A21900	Share-based compensation cost	-	1,213
A22500	Disposal of interests in of property, plant and equipment	( 5,493)	( 3,796)
A23100	Loss on disposal of investments	1,203	-
A23700	Loss on decline in value of inventories and doubtful accounts	30,141	6,455
A24100	Unrealized foreign currency exchange losses	14,393	17,080
A29900	Gain from lease modification	( 23)	-
A30000	<b>Net changes in operating assets and liabilities</b>		
A31115	Mandatory financial assets at fair value through profit or loss	-	3,112
A31130	Notes receivable	( 41,925)	7,526
A31150	Accounts receivable	64,581	301,151
A31180	Other receivables	11,355	12,930
A31200	Inventory	( 15,818)	118,412
A31240	Other current assets	( 29,156)	( 24,035)
A31990	Net defined benefit assets and liabilities	( 6,547)	( 6,968)
A32130	Notes payable	6,741	4,041
A32150	Accounts payable	19,693	( 169,690)
A32180	Other payables	50,951	( 87,262)
A32230	Other current liabilities	63,792	22,637
A33000	Cash inflows (outflows) from operations	310,357	405,823
A33100	Interest received	39,801	19,796
A33300	Interest paid	( 5,302)	( 5,300)
A33500	Income tax refund (paid)	( 6,714)	380
AAAA	<b>Net cash inflows from operating activities</b>	<u>338,142</u>	<u>420,699</u>

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Code		2024	2023
	<b>Cash flows from investing activities</b>		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(\$ 115,067)	(\$ 12)
B00020	Disposal of financial assets at fair value through other comprehensive income	30,617	-
B00040	Acquisition of financial assets measured at amortized cost	( 556,299)	( 460,133)
B00050	Disposal of financial asset measured at amortized cost	746,474	159,948
B00100	Acquisition of financial assets at fair value through profit and loss	( 16,053)	( 32,030)
B00200	Disposal of financial assets at fair value through profit and loss	32,030	-
B02700	Acquisition of property, plant and equipment	( 121,696)	( 117,744)
B02800	Disposal of property, plant and equipment	5,662	10,750
B03700	Increase in refundable deposits	( 3,720)	( 3,780)
B03800	Decrease in refundable deposits	5,019	703
B04500	Acquisition of intangible assets	( 1,403)	-
B07100	Increase in prepayments for equipment	( 85,001)	( 46,469)
B07600	Dividends received	591	1,716
B09900	Decrease in cash surrender value of life insurance	-	276,149
BBBB	<b>Net cash outflows from investing activities</b>	( 78,846)	( 210,902)
	<b>Cash flows from financing activities</b>		
C00100	Increase in short-term borrowings	670,000	97,000
C00200	Decrease in short-term borrowings	( 504,000)	( 59,298)
C01300	Repayment of corporate bonds	( 349,700)	-
C01700	Repayment of long-term borrowings	( 73,470)	( 74,542)
C03000	Guarantee deposit received increases	3,419	172
C03100	Guarantee deposit received decreases	( 2,720)	( 2,256)
C04020	Lease principal repayment	( 4,532)	( 7,427)
C04500	Payment of cash dividends	( 87,164)	( 121,960)
C04800	Employee exercise of stock options	1,211	2,738
CCCC	<b>Net cash outflows from financing activities</b>	( 346,956)	( 165,573)
DDDD	<b>Effect of exchange rate movement on cash and cash equivalents</b>	( 3,755)	( 16,493)
EEEE	<b>Net increase (decrease) in cash and cash equivalents</b>	( 91,415)	27,731
E00100	<b>Cash and cash equivalents at beginning of period</b>	<u>475,222</u>	<u>447,491</u>
E00200	<b>Cash and cash equivalents at end of period</b>	<u>\$ 383,807</u>	<u>\$ 475,222</u>

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

**Attachment IV****KINKO OPTICAL CO., LTD.****Articles of Incorporation Comparison Chart**

Amendment Details	Current Provisions	Explanation of the amendments
<p>Article 30</p> <p>If the company earns a profit for the year, at least 10% should be allocated for employee compensation and no less than 5% for the distribution of compensation to lower-level employees.</p> <p>By a resolution adopted by the board of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash. Qualification requirements of employees entitled to receive shares or cash include the employees of subsidiaries of the company who meet certain specific requirements.</p> <p>The Company may, by a resolution adopted by the board of directors, appropriated no more than 2.5% (inclusive) of the above-mentioned profit distributable as remuneration to directors.</p> <p>A report of the distribution of employees' compensation and remuneration to directors shall be submitted to the shareholders' meeting.</p> <p>However, if the company still has accumulated losses, an amount to cover the losses must be reserved in advance.</p>	<p>Article 30</p> <p>If there is profit at the end of each fiscal year, no less than 10% (inclusive) of profit of the current year distributable as employees' compensation shall be appropriated. The company may, by a resolution adopted by the board of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash. Qualification requirements of employees entitled to receive shares or cash include the employees of subsidiaries of the company who meet certain specific requirements. The Company may, by a resolution adopted by the board of directors, appropriated no more than 2.5% (inclusive) of the above-mentioned profit distributable as remuneration to directors. A report of the distribution of employees' compensation and remuneration to directors shall be submitted to the shareholders' meeting.</p> <p>However, the Company's accumulated losses shall have been covered first, and then the employees' compensation and remuneration to directors shall be appropriated according to the preceding ratios.</p>	<p>In accordance with the Financial Supervisory Commission's (FSC) letter dated November 8, 2024, under FSC Securities Issuance Letter No. 1130385442, the process has been revised.</p>
<p>Article 33</p> <p>These Articles of Incorporation are agreed to and signed on June 5, 1980.</p> <p>The 1st amendment was made on December 20, 1981.</p>	<p>Article 33</p> <p>These Articles of Incorporation are agreed to and signed on June 5, 1980.</p> <p>The 1st amendment was made on December 20, 1981.</p>	<p>Increase the number of amendments and respective dates</p>

(Omitted) The 34th amendment was made on August 27, 2022. The 35th amendment was made on June 17, 2022. The 36th amendment was made on June 17, 2025.	(Omitted) The 34th amendment was made on August 27, 2022. The 35th amendment was made on June 17, 2022.	
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## Attachment V

### KINKO OPTICAL CO., LTD.

#### List of the Candidates of Directors (including four Independent Directors)

	Title	Name	Education / Academic and Professional Background	Current Position	Number of shares held
1	Chairperson	CHEN, CHING-CHI	Taichung Municipal Taichung Industrial High School.	Chairperson , KINKO OPTICAL CO., LTD. Chairperson, Foshan Huaguo Optical Co., Ltd. Director, KINKO OPTICAL (HK) LIMITED.	8,630,385
2	Vice Chairperson	CHEN, YI-FANG	Master's degree , Feng Chia University Associate Vice President of Design , KINKO OPTICAL CO., LTD.	Vice Chairperson, KINKO OPTICAL CO., LTD. General Manager, KINKO OPTICAL CO., LTD. Director, UNIQUE OPTO-ELECTRONICS CO.,LTD.	1,426,094
3	Director	CHEN, CHIN-FU	Feng Chia University Supervisor , KINKO OPTICAL CO., LTD.	Director, KINKO OPTICAL CO., LTD. Director, Foshan Huaguo Optical Co., Ltd.	7,011,098
4	Director	CHEN, CHIN-MING	Nanya Institute of Technology	Director, KINKO OPTICAL CO., LTD.	2,348,829
5	Director	WANG, CHI-CHU	Taichung Municipal Dajia Industrial Senior High School	Director, KINKO OPTICAL CO., LTD. Supervisor, AMIDOF TECHNOLOGY CO., LTD. Responsible Person, TAKUMI PLANNING CO., LTD.	2,388,991
6	Director	CHANG, CHUN-MEI	Qiang Shu High School Supervisor , KINKO OPTICAL CO., LTD.	Director , KINKO OPTICAL CO., LTD.	242,140
7	Independent Director	CHEN, WEN-HUNG	Taichung Municipal Cingshuei Senior High School Manager, CHIA FHA ENTERPRISE CO., LTD.	Independent Director , KINKO OPTICAL CO., LTD.	63,581
8	Independent Director	YU, HUEY-MIN	Master's degree, I-SHOU UNIVERSITY Supervisor, UNIQUE OPTO-ELECTRONICS CO.,LTD.	Independent Director, KINKO OPTICAL CO., LTD.	210
9	Independent Director	CHEN, YU-HO	Ta Hwa University of Science and Technology General Manager, Foshan Pulihua Technology Co., Ltd.	Independent Director , KINKO OPTICAL CO., LTD. Director, BIG SUN ENERGY TECHNOLOGY INC.	250,355
10	Independent Director	LU, HUEY-MIN	Master's degree from the Graduate Institute of Accounting ,Soochow University Independent Director, Da-Tun Cable TV Co., Ltd. Independent Director, ASIA OPTICAL CO., INC.	Independent Director , KINKO OPTICAL CO., LTD. Principal Accountant, Director of Lu Hui-Min Accounting Firm Independent Director, EVER SUPREME BIO TECHNOLOGY CO., LTD.	0

Note: Independent director candidates CHEN, WEN-HUNG (term of office: June 21, 2002 to June 17, 2025, totaling 23 years) and YU, HUEY-MIN (term of office: June 13, 2016 to June 17, 2025, totaling 9 years) have each served three consecutive terms as independent directors of the Company. Considering their familiarity with relevant laws and regulations, as well as their expertise in corporate governance, which have been of significant benefit to the Company, CHEN, WEN-HUNG and YU, HUEY-MIN are again nominated as candidates for independent directors, enabling them to continue leveraging their expertise and providing professional advice in the supervision of the Board of Directors.

## Appendix I

### **Articles of Incorporation**

#### **Chapter 1 General Provisions**

- Article 1 The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be KINKO OPTICAL CO., LTD.
- Article 2 The scope of business of the Company shall be as follows:
1. C805050 Industrial Plastic Products Manufacturing
  2. CE01030 Optical Instruments Manufacturing
  3. CQ01010 Mold and Die Manufacturing
  4. F401010 International Trade
  5. ZZ99999 All business activities that are not prohibited or restricted by law, except those subject to special approval.
- Article 2-1 The company may, according to business needs, act as a guarantor for others or invest in other businesses. The total amount of investments may exceed forty percent of the amount of the Company's paid-up capital.
- Article 3 The Company shall have its head office in Taichung City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.
- Article 4 Deleted.

#### **Chapter 2 Capital Stock**

- Article 5 The total capital stock of the Company shall be in the amount of Two Billion and Five Hundred Million New Taiwan Dollars Only, divided into two hundred and fifty million shares, all of which are ordinary shares, at Ten New Taiwan Dollars each. The unissued share shall be authorized to the board of directors for issuance in installments.
- Within the capital stock as referred to in the preceding paragraph, Thirty Million New Taiwan Dollars are reserved for the issuance of employee stock warrants, with a total of three million shares at Ten New Taiwan Dollars (NT\$10) per share, which may be issued in installments in accordance with the board of directors resolution.
- Article 6 For the shares to be issued by the Company, the Company may be exempted from printing any share certificate for the shares issued, but shall register the issued shares with a centralized securities depository enterprise.
- Article 6-1 The Company shall have obtained the consent of at least two-thirds of the voting rights present at the shareholders' meeting attended by shareholders representing a majority of total issued shares to transfer shares to employees at less than the average actual share repurchase price or issue employee stock warrants at the exercise price lower than the closing price of the company stocks as of the issuing date.
- Article 7 The Company's stock affairs shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and other relevant laws and regulations.
- Article 8 Deleted.
- Article 9 Deleted.
- Article 10 Deleted.
- Article 11 The Company shall not handle any requests for transfers of shares within 60 days prior to the regular shareholders' meeting, 30 days prior to the special shareholders' meeting, or 5 days prior to the record date for the distribution of dividends, bonuses or other interests.

#### **Chapter 3 Shareholders' Meeting**

- Article 12 Shareholders' meetings of the Company are of two kinds: (1) regular meeting and (2) special meeting. Regular meetings shall be convened at least once a year by the board of directors according to the law within six months after close of each fiscal year. Special meetings shall be

convened whenever necessary according to the laws and regulations. The Company may hold its shareholders' meeting by means of visual communication network or other methods promulgated by the Ministry of Economic Affairs.

- Article 13 If shareholders are unable to attend a shareholders' meeting in person, they may appoint a proxy to attend the meeting in his/her/its behalf in accordance with Article 177 of the Company Act.
- Article 14 The chairman of the board of directors shall preside the shareholders' meeting. In case the chairman of the board of directors is absent, the chairman of the board of directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors. For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.
- Article 15 Except in the circumstances otherwise provided by law, the Company's shareholder shall have one voting power in respect of each share in his/her/its possession.
- Article 16 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
- Article 17 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The distribution of the minutes of shareholders' meeting may be effected by means of a public notice. The minutes of shareholders' meeting shall record a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept in the Company together with the attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies for the period in accordance with the provisions of Article 183 of the Company Act.

#### **Chapter 4 Directors and the Audit Committee**

- Article 18 The Company shall have 7 to 11 directors, with a candidates nomination system under Article 192-1 of the Company Act being adopted for election of the directors. The directors shall be elected at the shareholders' meeting from among the nominees listed in the roster of director candidates, with the term of three years. All directors shall be eligible for re-election.
- Article 18-1 The above-mentioned number of directors of the Company shall include not less than three independent director members, and not less than one-fifth of the director seats shall be held by independent directors. The professional qualifications, restrictions on both shareholding and concurrent positions held, method of nomination and election, and other requirements with regard to the independent directors shall be set forth in accordance with the requirements of the competent authority in charge of securities affairs.
- Article 19 When the number of vacancies in the board of directors of the Company equals to one third of the total number of directors or all independent directors are dismissed, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies and serve until the expiration of the predecessors' term.
- Article 20 In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. However, the competent authority may, ex officio, order the company to elect new directors within a given time limit; and if no re-election is effected after expiry of the given time limit, the out-going directors shall be discharged ipso facto from such expiration date.
- Article 21 The directors shall constitute the board of directors and shall elect one chairman of the board from among themselves by a majority vote at a meeting attended by at least two-thirds of the directors, and may also elect in the same manner a vice chairman of the board. The board of



directors, in conducting all business of the Company, shall act in accordance with laws and ordinances, the Articles of Incorporation, and the resolutions adopted at the meetings of the board of directors and shareholders.

Article 22 The Company's business policy and other important matters shall be resolved by a resolution to be adopted at the board of directors. Except that the first meeting of each term of the board of directors shall be convened in accordance with the provisions of Article 203 of the Company Act, meetings of the board of directors shall be convened by the chairman of the board of directors, who shall act as the chairman. In case the chairman of the board of directors cannot perform his duties, the chairman of the board of directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors.

Article 22-1 In calling a meeting of the board of directors, a notice shall set forth therein the subject(s) to be discussed at the meeting and given to each director no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, a meeting of the board of directors may be convened at any time. The notice set forth in the preceding paragraph may be effected in writing or by means of facsimile or electronic transmission.

Article 23 Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In case a director is unable to attend the meeting in person and appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy referred to in the preceding paragraph of one other director only. In case a shareholders' meeting is proceeded via visual communication network, then the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 24 Minutes shall be taken of the proceedings of the meeting of the board of directors and affixed with the signature or seal of the chairman of the meeting and shall be distributed to all directors of the company within twenty (20) days after the close of the meeting. The minutes of shareholders' meeting shall record a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept in the Company together with the attendance list bearing the signatures of directors present at the meeting and the powers of attorney of the proxies for the period in accordance with the provisions of Article 183 of the Company Act.

Article 25 The Company establish the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of the entire number of independent directors, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. The Audit Committee and its members shall be responsible for exercising the functional duties of supervisors in accordance with the Company act, Securities and Exchange Act, and other laws and regulations. The Company may establish other functional committees depending on the needs of business operations. The establishment, powers, and duties of relevant committees shall be subject to the requirements of the competent authority.

#### **Chapter 5 Managerial Personnel and Employer**

Article 26 The Company may have one or more general manager depending on the needs of business operations. Appointment and discharge and the remuneration of the managerial personnel shall be decided in accordance with Article 29 of the Company Act.

Article 27 The Company may, upon a resolution of the board of directors in accordance with Article 23 of the Articles of Incorporation, appoint consultants or officers.

Article 28 Deleted.

#### **Chapter 6 Final Accounting**

Article 29 After the close of each fiscal year, the following books and statements shall be prepared by the board of directors, and shall be submitted to the regular meeting of shareholders for acceptance:

1. Business Report; 2. Financial Statements; and 3. proposals concerning appropriation of net profits or making up losses.
- Article 30 If there is profit at the end of each fiscal year, no less than 10% (inclusive) of profit of the current year distributable as employees' compensation shall be appropriated. The company may, by a resolution adopted by the board of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash. Qualification requirements of employees entitled to receive shares or cash include the employees of subsidiaries of the company who meet certain specific requirements. The Company may, by a resolution adopted by the board of directors, appropriated no more than 2.5% (inclusive) of the above-mentioned profit distributable as remuneration to directors. A report of the distribution of employees' compensation and remuneration to directors shall be submitted to the shareholders' meeting. However, the Company's accumulated losses shall have been covered first, and then the employees' compensation and remuneration to directors shall be appropriated according to the preceding ratios.
- Article 30-1 After closing of accounts, if there are earnings, the Company shall first pay the tax, make up the losses for the preceding years according to law and then set aside a legal reserve of 10% of the net profit. Where such legal reserve amounts to the total paid-in capital of the Company, this provision shall not apply. The Company may set aside or reverse another sum as special reserve from the rest according to the laws and regulations. The remaining profit, if any, together with the accumulated unappropriated retained earnings, shall be distributed as shareholders' dividends subject to the proposal for distribution of profits adopted by the board of directors and the approval of the shareholders' meeting.
- In case the Company may authorize the distributable dividends and bonuses or its legal reserve and capital reserve in whole or in part to be paid or distributed in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.
- The dividend policy of the Company aligns with current and future development plans, considering the investment environment, capital needs, and domestic and international competition and taking into account the interests of shareholders and other factors. The dividends paid to shareholders shall not be less than 40% of the distributable net profit for the current year, and may be distributed in the form of shares or in cash, of which cash dividends shall not be less than 10% of the total dividends.
- Article 30-2 When the directors perform their duties, the Company shall pay remuneration no matter whether it is in a loss or not. The board of directors is authorized to determine the remuneration to directors according to their participation in the company's operation and the value of their contribution, not exceeding the level of the highest salary scale set by the Company's salary assessment regulations.
- Article 30-3 The Company may obtain directors liability insurance to reduce the risk of directors being accused by shareholders or other related parties for performing their duties in accordance with the law.

#### **Chapter 7 Supplemental Provisions**

- Article 31 The organizational charter and operational regulations of the Company shall be prescribed by the board of directors.
- Article 32 In regard to matters not provided for in these Articles of Incorporation, the Company Act and other laws and regulations shall govern.
- Article 33 These Articles of Incorporation are agreed to and signed on June 5, 1980.  
The 1st amendment was made on December 20, 1981.  
The 2nd amendment was made on March 28, 1987.  
The 3rd amendment was made on July 6, 1987.

The 4th amendment was made on June 1, 1992.  
The 5th amendment was made on July 16, 1992.  
The 6th amendment was made on August 12, 1995.  
The 7th amendment was made on July 31, 1998.  
The 8th amendment was made on December 11, 1998.  
The 9th amendment was made on August 10, 1999.  
The 10th amendment was made on June 28, 2000.  
The 11th amendment was made on November 12, 2000.  
The 12th amendment was made on December 18, 2000.  
The 13th amendment was made on February 26, 2001.  
The 14th amendment was made on April 23, 2001.  
The 15th amendment was made on May 15, 2001.  
The 16th amendment was made on May 15, 2001.  
The 17th amendment was made on August 29, 2001.  
The 18th amendment was made on June 21, 2002.  
The 19th amendment was made on June 21, 2002.  
The 20th amendment was made on April 30, 2004.  
The 21st amendment was made on April 30, 2004.  
The 22nd amendment was made on June 10, 2005.  
The 23rd amendment was made on June 10, 2005.  
The 24th amendment was made on June 9, 2006.  
The 25th amendment was made on June 15, 2007.  
The 26th amendment was made on June 13, 2008.  
The 27th amendment was made on June 12, 2009.  
The 28th amendment was made on June 18, 2010.  
The 29th amendment was made on June 18, 2012.  
The 30th amendment was made on June 19, 2013.  
The 31st amendment was made on June 13, 2016.  
The 32nd amendment was made on June 14, 2017.  
The 33rd amendment was made on June 18, 2019.  
The 34th amendment was made on August 27, 2021.  
The 35th amendment was made on June 17, 2022.

## Appendix II

### **Rules of Procedure for Shareholders' Meetings**

- Article 1 The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law or regulation, shall be as provided in these Rules.
- Article 2 The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically. In the event a virtual shareholders' meeting, the Company shall upload the meeting agenda book, annual report, and other relevant materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.
- Article 3 Attendance and voting at shareholders' meetings shall be calculated based on numbers of shares.
- Article 4 The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.
- Article 5 If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of directors to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.
- Article 6 The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- Article 7 The Company shall make an uninterrupted audio or video recording of the proceedings of the shareholders' meeting. The recorded materials shall be retained for at least one year. Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting. In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.
- Article 8 The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the

total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

- Article 9 If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors. The chair shall not adjourn a meeting without resolution adopted by shareholders if the motions (including extraordinary motions) covered in the proceedings so arranged in the above two Paragraphs shall not have been resolved. If the chair declares the meeting adjourned in violation of the rules of procedure, a new chair may be elected by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. After close of the said meeting, shareholders shall not elect another chair to hold another meeting at the same place or at any other place.
- Article 10 Before speaking, an attending shareholder shall specify on a speaker's slip the subject of the speech, shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- Article 11 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech shall not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- Article 12 When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- Article 13 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Articles 10 to 12 do not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.
- Article 14 When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, and call for a vote.
- Article 15 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided all monitoring personnel shall be shareholders of the Company. The results of resolution(s) shall be announced in the meeting, and recorded in the meeting minutes. When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting. In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately. When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with the regulations decide to attend the physical

shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 16 During the proceedings of a meeting, the chair may consider the schedule and announce for a break.

Article 17 Unless otherwise specifically provided for in the Company Act or the Articles of Incorporation of the Company, resolutions shall be adopted by a majority vote at a meeting attended by the shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

Article 18 When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote.

When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.

Article 19 The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor".

Article 20 In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues. In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors. 'When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares

represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting. When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph. In regard to all matters not provided for in these Rules, the Company Act and the Company's Articles of Incorporation shall govern.

- Article 21 When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.
- Article 22 In regard to all matters not provided for in these Rules, the Company Act and the Company's Articles of Incorporation shall govern.
- Article 23 These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.
- Article 24 These Rules are agreed to and signed on July 13, 2001.  
The 1st amendment to these Rules was made on June 21, 2002.  
The 2nd amendment to these Rules was made on June 17, 2022.

## Appendix III

### **Procedures for Election of Directors**

- Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 of the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.
- Article 2 Except as otherwise provided by law and regulation or by the Company’s Articles of Incorporation, elections of directors shall be conducted in accordance with these Procedures.
- Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of the Company’s directors. Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that shall be present in the board as a whole are as follows:
1. The ability to make judgments about operations.
  2. Accounting and financial analysis ability.
  3. Business management ability.
  4. Crisis management ability.
  5. Knowledge of the industry.
  6. An international market perspective.
  7. Leadership ability.
  8. Decision-making ability.
- Article 4 The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.
- The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, and shall be conducted in accordance with Article 24 of the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.
- Article 5 Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.
- Article 6 The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 7 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders’ meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 8 The number of directors will be as specified in the Company’s Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 9 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 10 A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by a person with the right to convene.
  2. A blank ballot is placed in the ballot box.



3. The writing is illegible and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

Article 12 The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 13 These Procedures and any amendments hereto, shall be implemented after approval by a shareholders' meeting.

Article 14 These Procedures are agreed to and signed on June 21, 2002.

The 1st amendment to these Procedures was made on June 15, 2007.

The 2nd amendment to these Procedures was made on June 19, 2013.

The 3rd amendment to these Procedures was made on June 13, 2016.

The 4th amendment to these Procedures was made on June 17, 2022.

## Appendix IV

### **The number of shares held by current directors**

1. The Company has the paid-in capital of NT\$1,744,291,710, with the total number of shares issued of 174,429,171 shares.
2. According to Article 26 of the Securities and Exchange Act, the minimum number of shares that can be held by the entire body of directors shall be as follows:

Title	Number of shares can be held
Entire body of directors	10,465,750

3. As of the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the number of shares held by individual and all directors recorded in the shareholders roster is shown in the following table, which has met the criteria of the specified percentage as set forth in Article 26 of the Securities and Exchange Act.

Title	Name	Number of shares held
Chairperson	CHEN, CHING-CHI	8,630,385
Vice Chairperson	CHEN, YI-FANG	1,426,094
Director	CHEN, CHIN-FU	7,011,098
Director	CHEN, CHIN-MING	2,348,829
Director	WANG, CHI-CHU	2,388,991
Director	CHANG, CHUN-MEI	242,140
Independent Director	CHEN, WEN-HUNG	63,581
Independent Director	YU, HUEY-MIN	210
Independent Director	CHEN, YU-HO	250,355
Independent Director	LU, HUEY-MIN	0
Total shares held by all directors		22,361,683

\* The date on which share transfer registration is suspended: April 19, 2025.